

Summer 2005

NEWS FROM
THE OHIO STATE UNIVERSITY SOUTH CENTERS
REGION 7 SMALL BUSINESS DEVELOPMENT CENTER



Special points of Interest

- Upcoming Events
- Ohio Tobacco Farm Families Diversify Your Enterprise

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Business and Economic Development Network Newsletter

Hirsch Fruit Farm Applies for Value Added Producer Grant to Expand Their Market

Sandy Kuhn, Berry Program Specialist, assisted Steve Hirsch, Hirsch Fruit Farm, Chillicothe, Ohio, in writing a Rural Business – Cooperative Service, USDA Working Capital Value-Added Producer Grant. The grant focused on acquiring a working capital grant to assist in expanding Hirsch's retail marketing through the opening of an additional farm market.

Hirsch Fruit Farm, Inc. is a fourth generation diversified fruit and vegetable farm located 6 miles from Chillicothe, Ohio. The farm has evolved and changed over the last 115 years as both consumers and markets have changed.

The farm currently markets products through an on-farm retail market, various wholesale markets, and the local farmer's market. The goals of the farm include increasing yields, lowering costs of inputs, and increasing return on sales. As past experience and many university studies have shown, increasing a producer's market share increases the producer's net returns. The retail market provides the farm with its highest returns. In order for Hirsch Fruit Farm, Inc. to capitalize on the retail market and lessen its dependency on wholesale markets, opening another retail location made the most sense.

The addition of the new market will allow Hirsch to sell 90% of their current agricultural production through retail outlets. Hirsch will also purchase additional product for the market from other local producers to create a stronger market for all producers involved.

Hirsch is one of many producers vying for these available federal funds. The Rural Business Cooperative Service announced the availability of approximately \$14.3 million in the competitive grant program for fiscal year 2005. These grants are designed to help independent agricultural producers enter into value-added activities. There were two types of grants available to producers, planning grants or working capital grants. Grants were submitted the first week in May and producers will be notified of their funding status by the end of September 2005.



Local Business Owners Attend SBA Loan Workshop

The OSU South Centers Small Business Development Center (SBDC) and The Small Business Administration (SBA) hosted an SBA Loan workshop on May 18th at the Appalachian Gateway Center on the campus of Southern State Community College in Fincastle. During the 2-hour workshop Doug Sweazy, Business Development Specialist with the SBA Columbus district office provided an overview of the various SBA loan programs available to small business owners. If you would like information about these programs for your small business call Kelly O'Bryant at the OSU South Centers SBDC at 800-860-7232 (Ohio only) or (740) 289-3727.



Endeavor Center

"'Endeavor' is a process that goes beyond simply trying to do something. It's an earnest attempt to complete a goal.," said Tom Worley, interim director for OSU South Centers. "The name of the center is appropriate as it captures the essence of what the facility is all about."



Money for Small Businesses Workshop

Endeavor Center Opening

Close to 200 visitors attended the ribbon cutting at the South Centers on June 3, marking the grand opening of the Endeavor Center Business Incubator and Training Facility. The facility is designed to increase jobs and boost economic development throughout southern Ohio through education, training and assistance of business owners as well as start-up entrepreneurs. The 27,000 square-foot facility offers 26 spaces differing in size and use for entrepreneurs. The training wing of the new building also provides housing for Ohio State's Learning Center South, which currently provides programs for the community in a small computer lab and auditorium. The new and expanded learning center facility includes two classrooms, a computer laboratory, and conference areas to accommodate meetings for various sized groups. Tailored programs are being developed for the needs of businesses and citizens throughout the region, as well as professional development classes for local K-12 teachers and administrators.

The South Centers have received over \$4 million in grants to assist in the construction and operations of the facility and provide equipment and furnishings. Funding was provided by the U. S. Department of Commerce's Economic Development Administration, the Southern Ohio Agriculture and Community Development Foundation, the Ohio Governor's Office of Appalachia and U. S. Department of Agriculture – Rural Development. Local matching funds for the grants were provided by Ohio State University Extension (funds generated from the State Capital Budget, awarded by the Controlling Board), Ohio Agricultural Research and Development Center, Southern Ohio Diversification Initiative (SODI) and Scioto County's Office of Economic Development. Several tenants are already using the services the Endeavor Center provides, either in-house or in an outreach basis. The goal of the center is to have all space occupied within 5 years. Individuals or businesses seeking assistance or that could benefit from the Endeavor Center's services may contact Steve Shepherd at (740) 289-2071 for more information.

Money For Small Businesses

The OSU South Centers' Business & Economic Development Network presented Money For Small Businesses during the Ohio Valley Regional Development Commission's (OVRDC) Expanding Your Markets conference that was held in conjunction with The Endeavor Center for Business Incubation & Training grand opening and ribbon cutting ceremony. Business owners who participated in the breakout session learned about the various avenues available to small business owners seeking capital to start or expand a small business. The presenters were Patrick Dengel, Business Specialist with the OSU South Centers' Business & Economic Development Network and Rebecca Banchy-McIlwain, Finance Director for OVRDC. If you are interested in learning about financing options for small businesses, contact Kelly O'Bryant at the OSU South Centers 800-860-7232 (Ohio only) or (740) 289-3727 or Rebecca Banchy-McIlwain at 800-223-7491 (Ohio only) or (740) 947-2853.

3rd Frontier Internship Program

As the end of the school year nears, the 3rd Frontier Internship program is again in full swing, matching employers and students participating in the program. The program, created by Governor Taft and the Ohio Department of Development, awarded a grant to the Ohio Business Connection to administer the matching process between businesses and interns. The program aims to: develop a pool of talented workers for Ohio businesses; create student work experiences for Ohio residents; enrich the educational experience of college students; and expose educators to the strategies and processes of today's business environment. This year Dave Boulay and Jerry Driggs, of the Business and Economic Development team and counselors for the Manufacturing, Technology and Defense Transition SBDC, have placed over 100 interns from 17 secondary academic institutions in a wide variety of businesses throughout the South Central Ohio area.

Darrell Elsemore, Human Resources Manager for NewPage (formerly Mead / Westvaco Paper Corporation) comments on the program, "The 3rd Frontier Intern program has been an extremely positive program for us. It permits us to use the cutting edge technologies studied by students to investigate new products and complete important special projects. It provides us the opportunity to trial run potential new employees at a reduced expense and provides the student an opportunity to determine if they fit into our corporate culture. It really is a win-win program for both employers and students."

Participating students echo these sentiments. A student employed by a small machine shop states, "I have learned so much about how business is conducted during my stay. I have gained and practiced new skills that are difficult to transfer in a classroom setting, and I believe we have been a great help, enabling the business to become ISO certified and open new markets as a result."

For more information concerning the 3rd Frontier Internship Program contact Jerry Driggs at the OSU South Centers, (740) 708-5020.



Jerry Driggs, Director of the Ohio Region 7 Manufacturing, Technology, Defense Transition SBDC, shakes hands with Kenworth Trucking Company Plant Manager, Scott Blue, while presenting him with a check for \$ 109,000 for Kenworth's participation in the program

*"It really is a
win-win program
for both employers
and students."*

Ohio Tobacco Farm Families Diversify Your Enterprise

The Business & Economic Development Network at The Ohio State University South Centers will be conducting free, confidential, one-on-one consulting for tobacco quota owners, growers and tenants who are applying for this year's Southern Ohio Agricultural and Community Development Foundation (SOACDF) Diversification Project. There is no direct cost to the quota owners/growers/tenants for assistance with the development of their diversification project, cash flow projections, and written business plan.

To allow sufficient time to prepare the required information for the grant application, tobacco quota owners/growers/tenants interested in meeting with a business consultant at a location in their county are encouraged to schedule an appointment as soon as possible by contacting the OSU South Centers.

The consulting is part of an on-going, comprehensive program to assist Ohio tobacco farm families with diversification and new enterprise development. OSU resources include one-on-one consulting, a CD with a business plan template and financial worksheets, program materials available at local OSU County Extension offices, a web site with ag. diversification ideas and business planning tools, <http://tobaccodiversification.osu.edu>, and the following sessions in computer labs:

Brown County: Monday, August 8

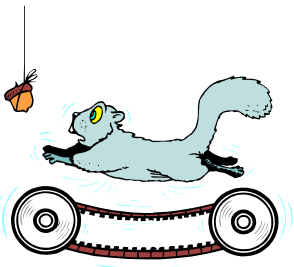
Gallia County: Monday, August 15

Pike County, Monday, August 22

For more information, or to schedule an appointment, contact Kelly O'Bryant at the OSU South Centers at (740) 289-3727 or 1-800-860-7232. Email: obryant5@ag.osu.edu



“Compensation can provide the incentives and rewards for good performance.”



Compensating Your Employees

Developing an effective compensation plan is challenging and an important consideration for businesses today. Are you paying a fair market wage? Can you attract and retain the candidates you need? Does your compensation plan create the incentive for employees to perform to their best level? Are you controlling costs?

There are four general considerations when developing or assessing your current employee compensation plan; legal requirements, attracting and retaining qualified employees, rewards and incentives, and cost containment.

A primary consideration should be legal compliance. Do you know the laws that govern your employees' wages? Is minimum wage law an issue? How does overtime pay work for supervisory positions?

Compensation also plays a role in attracting and retaining employees. External and internal equity should be evaluated. Are wages and benefits equitable compared to similar jobs in the county, region, and industry? External wage evaluations can take some time but can be valuable in understanding local labor markets. Are the wages consistent within your organization between employees in comparable positions? Can you justify the differences in pay that may result in turnover if not fully understood by employees?

Compensation can provide the incentives and rewards for good performance. The goal is to have employees' behavior that is consistent with your company's strategy and objectives. Are your strategy and objectives clearly stated for employees and do they know how they get the results? Do they know how they will be rewarded for excellent performance? Keep in mind; rewards do not always need to be a salary increase.

Finally, does your compensation plan help control costs and is it done as simply as possible? In this age of technology and globalization, an effective use of financial resources is necessary for survival. Deciding how to compensate employees is one of the most important financial decisions you make.

The Business and Economic Development Network looks forward to assisting you with evaluating your compensation.

Contact David Boulay at boulay.1@osu.edu or 740-289-2071 for assistance.

July 2005

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

August 2005

Sun	Mon	Tue	Wed	Thu	Fri	Sat
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7	8 ★	9	10	11	12	13
14	15 ★	16	17	18	19	20
21	22 ★	23	24	25	26	27
28	29	30	31			

September 2005

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14 ★	15	16	17
18	19	20	21 ★	22	23	24
25	26	27	28	29	30	

Schedule of Events

- ★ **August 8-** Open Lab Tobacco Diversification (8:00 a.m.-5:00p.m.)
- ★ **August 11-** Open Lab Tobacco Diversification (8:00a.m.-5:00p.m.)
- ★ **August 22-** Open Lab Tobacco Diversification (8:00a.m.-5:00p.m.)
- ★ **September 14-** Small Business Tax Workshop OSU Jackson Ext. Office Training Room 17 Standpipe Road Jackson, OH 45640
To Register: 740-289-3727 welch.183@osu.edu.
- ★ **September 21-** Moving Lean from the Factory to the Office OSU South Centers 9:30-11:30 a.m.
To register: 513-948-8076 Williams@techsolve.org

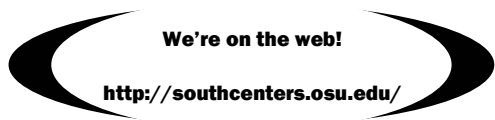
For more information on any of these events please feel free to contact the OSU South Centers at (740) 289-3727 or email obryant5@ag.osu.edu



NEWS FROM
THE OHIO STATE UNIVERSITY
SOUTH CENTERS
REGION 7 SMALL BUSINESS
DEVELOPMENT CENTER

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Our Staff

David Boulay serves as Director of the Small Business Development Center. His focus is in human resources development that includes topics such as reducing turnover, training and development, and effective goal setting. He and his wife own and operate an Internet business.

Jerry Driggs serves as Director of the Manufacturing and Technology program. His expertise helps manufacturers of all sizes by streamlining operations and implementing technology solutions. He has supported the placement of over 150 interns through the Third Frontier Internship program.

Pat Dengel serves as a consultant with expertise in financing, business planning, and loan packages. Pat is an excellent resource for Quicken. He is a small business owner.

Steve Shepherd is a consultant as well as Manager of the Endeavor Center for business incubation and training. Steve has experience in manufacturing and customer service. He is owner of a small farm operation in Pike County.

Christie Welch is a consultant with expertise in business planning and financing. Christie is a tremendous resource for agribusiness diversification. Along with her husband, Christie owns a diversified agri-business.

Kelly O'Bryant is program assistant with the Business and Economic Development Network. She serves the critical role of coordination and ensuring our clients get to the right person based on their needs. Kelly is currently pursuing a Bachelor's degree.