

The Pursuit of Entrepreneurship:

# A Guide for African-American Entrepreneurs

## Did you know African-Americans (18+):

- Make up 12.3% of US population...
  - Account for 5.3% of all US firms...
    - Owned businesses that grossed \$88.6 billion in revenues...

Thinking about starting a business? We'll show you how...

NATALIE M. COFIELD  
**NMC**  
Consulting Group

The Pursuit of Entrepreneurship:

# A Guide for African-American Entrepreneurs



[www.cbcfinc.org](http://www.cbcfinc.org)



[www.nataliecofield.com](http://www.nataliecofield.com)

An NMC Consulting Group, Inc. Publication for The Congressional Black Caucus Foundation Written By **Natalie M. Cofield, MPA.**

Cover Source: United States of America. Minority Business Development Agency. Office of Business Development. The State of Minority Business Enterprises. Minority Business Development Agency, Aug. 2006.

**About this Guide:**

The CBCF Guide for Entrepreneurs was written and prepared by Natalie M. Cofield, MPA, of NMC Consulting Group. It is intended to provide fundamental guidance on the process of starting a business. It is not intended to take the place of legal or financial advisement provided by a qualified attorney or tax accountant. This Guide was commissioned by the Congressional Black Caucus Foundation (CBCF) and was made possible through the generous support of Bank of America, Community Loans of America and MasterCard. Every attempt was made to insure the accuracy, quality and usefulness of information, however it is recommended that you directly contact the offices and organizations listed within regarding programs, services and offerings as information is subject to change.

**Acknowledgements:**

The author of this publication would like to thank Congresswoman Barbara Lee, Congressman Kendrick Meek, and Dr. Elsie L. Scott, President & CEO of the Congressional Black Caucus Foundation for their support of the production of this publication. Special gratitude is extended to Patrice Willoughby, Executive Director and Irene Schwoeffermann, Director of Coalitions, the Congressional Black Caucus; Julie Nickson, Chief of Staff, Christina McWilson, Appropriations Counsel, and Jioni Palmer, Communications Director of the Office of Congresswoman Barbara Lee; Clarence Williams, Chief of Staff and Tasha Cole, Senior Advisor, of the Office of Congressman Kendrick Meek; Alta J. Cannaday, Senior Development Manager and Krisa Haggins, Director of Meetings and Events, the Congressional Black Caucus Foundation; Dr. Melody Cofield, The Market Access Company, Quinisha S. Anderson, Eric Skivington and Arin M. Lawrence.

Cofield, N. M (2009). CBCF: Guide for Entrepreneurs 2009  
Washington, D.C.: NMC Consulting Group, Inc.

© NMC Consulting Group, Inc  
1875 I Street, NW  
Suite 500  
Washington, District of Columbia 20006

[www.nataliecofield.com](http://www.nataliecofield.com)  
[publications@nataliecofield.com](mailto:publications@nataliecofield.com)

Cover and graphic design provided by: Quinisha S. Anderson & Eric Skivington,  
Media Gourmet, LLC. [www.mediagourmet.com](http://www.mediagourmet.com).

Editing provided by: Arin M. Lawrence

**Dear Aspiring Entrepreneur:**

The current economic climate has highlighted the vital role that small businesses play within the US economy. In fact, small businesses account for roughly half of private sector employment and output. Of these firms, African-American owned businesses ranked second against all other minorities. Unfortunately, despite rapid growth, entrepreneurship and small business ownership within the African-American community continues to be disproportionate relative to our population.

The Congressional Black Caucus Foundation and the members of the Congressional Black Caucus are committed to addressing this issue by encouraging entrepreneurship and the advancement of small enterprise. We understand that achieving success in business requires determination, effective planning and access to capital. We look to further expand the 'culture of entrepreneurship' within our community- inspiring entrepreneurs by equipping them with the knowledge necessary to advance.

If you are a small business owner or an aspiring entrepreneur, this resource guide provides valuable information that may be of assistance to you including overviews of business assistance programs available through public, university, and nonprofit organizations.

On behalf of the Congressional Black Caucus Foundation and members of the Congressional Black Caucus, we wish you prosperity in your future business endeavors.

**BARBARA LEE**

Member of Congress  
Chair, Congressional Black Caucus

**KENDRICK B. MEEK**

Member of Congress  
Chair, Congressional Black Caucus Foundation



# Table of Contents

## Strategies for Launching a Successful Business Venture

I.

Initial Start-Up Considerations  
Developing an Effective Business Plan  
Business Plan Essentials  
Detailed Business Plan and Overview  
Business Ownership Structures

## Financing your Small Business

II.

Preparing for a Small Business Loan  
Loan Preparation Checklist  
Short-term Loans/Cash Flow Financing  
Long-term Loans/Asset Based Financing  
Equity Financing/Private Investors/Angels  
Additional Sources of Financing

## Doing Business With Government

III.

Federal Government Certification/Procurement Agencies  
Federal Government Certification Programs  
Business Development Programs  
Preparing for the Contracting Process  
Finding Contracting Opportunities  
Additional Information

## Green Entrepreneurship

IV.

What is Green Entrepreneurship  
Defining the Green Economy  
Stimulus Funds in a Green Economy

## Additional Business Resources

V.

Government Resources  
Chambers of Commerce  
University Programs  
Neighborhood/Community Programs  
Accounting Resources  
Green Resources

Did you know:

**33% percent of new businesses fail within the first year, and only 44% survive the 4-year mark.**

- The Small Business Economy For Data Year 2006, SBA Office of Advocacy

Being an entrepreneur is a financial, professional and personal commitment. Take the time to critically assess your situation and thoroughly evaluate all initial start-up considerations. Then carefully craft a business plan – your roadmap to success.

**T**here are a myriad of reasons why people are drawn to entrepreneurship. Some believe they were destined for it, others spent years learning how their company didn't work and used this knowledge to develop their own. Due to the current economic crisis, many have found themselves without employment and look to entrepreneurship as a viable alternative. Then there are those who thought entrepreneurship was an easier, less time-consuming way to earn a paycheck. Whatever the reason, one thing holds true:

**entrepreneurship is certainly not for the faint of heart.**

Any successful entrepreneur will tell you that a 9 to 5, forty-hour work week is quickly replaced with grueling work sessions that last until 4:00AM. The concept of vacation, weekends, and being off-duty becomes more and more abstract as days become a continuum of hard work and persistence. And, a steady paycheck is replaced by the ebb and flow of business which in some cases may take years to balance out. Though there are no guarantees for success, beginning with a solid foundation may help to circumvent avoidable pitfalls and can help to establish a prosperous and sustainable business.

## Initial Start-Up Considerations

A common mistake many entrepreneurs make when starting their business, is being hasty in their launch. This is most commonly the case with entrepreneurs who have not adequately planned their paths to entrepreneurship (preparing financial savings, defining a concept, and establishing a product). Taking your time is absolutely critical. There is nothing worse than wishing you hadn't paid for a logo you now hate or using a name that does not coincide with your product offerings, just to have business cards immediately. Properly evaluating your business concept can assist you in developing a consistent business name and image.

Truly understanding what you have to offer, who wants it and how you can get it to them is fundamental in the beginning stages of any successful business. Even if you have years of experience in the field in which your organization will operate, starting an entrepreneurial venture may stretch your skill-sets beyond your imagination (and comfort level). Where you were once a Senior Vice President that oversaw a specialized team, unless you have adequate capital (which many bootstrapping entrepreneurs don't), you are now the graphic designer, the finance team, the legal department, the business development group and, of course, the President & CEO.

Another common start-up pitfall is not having the network to properly market or support your services. Developing a committed and interested network of investors, resources and customers is very important in the

beginning stages. It is never too early to begin this process. Start attending networking events related to the industry in which your business will operate. This will not only help you not only to develop public awareness of your company, but can also help you gauge interest in the venture. Networking can help you to establish future partnerships and identify future business relationships. It is also a great platform for honing your elevator pitch (a 30-second sales pitch of your firm).

Aside from the obvious issues of funding (discussed in chapter 2), discipline is another success deal-breaker. Before you begin, it is always good to have a sit down with yourself (and your family, if you have one, as they will be equally impacted) to ask:

1. Why am I doing this?
2. What do I hope to gain?
3. How long do I plan to engage myself as an entrepreneur?
4. What are the financial/time/personal commitments needed to be successful?
5. Do I have the network?
6. Do I have the experience?
7. What do I plan to sell?
8. How do I plan to sell it?
9. How much of a risk am I ready/willing to assume?

Flushing out these details will help ensure that you are mentally prepared to proceed as an entrepreneur. It takes guts to overcome the constant hurdle of fear that many entrepreneurs must jump to reach success. And it takes serious discipline to keep jumping.

## Developing an Effective Business Plan

A business plan should not be just another report that accumulates dust, or better yet, serves as a coaster on your living room table. Instead, it should challenge you to define your course, provide direction to your business, and serve as a tool of reference.

The US Small Business Administrations Annual Report, *The Small Business Economy Report*, published in December 2007, reported results of a study on the effectiveness of pre-venture planning on small business success rates. Among other findings, the study reports that:

- “entrepreneurs who completed a business plan were six times more likely to start a business than those in the ‘still active’ or ‘quit the process’ phase.”<sup>1</sup>

<sup>1</sup> The Small Business Economy for Report Date Year 2006, SBA Office of Advocacy



Not only does developing a business plan require that you thoroughly define the vision of your organization, but it can also help you secure funding, market your products, and develop strategic partnerships. It is indeed your roadmap to success. So take the time, develop a plan!

### Business Plan Essentials

Business plans, though varied, have certain fundamental components that should always be included:

<b>Description of Business</b>	Necessary points include where your business is located, what your products and services are, who works on your staff, what is the management structure, what your personnel and employment policies are, and other general information about your business.
<b>Market Analysis</b>	This section should include demographic information about your customers, how you plan to reach them, information about potential competitors, timing and barriers to market entry, your marketing budget and advertising plan.
<b>Financial</b>	This is where your balance sheets, cash flow projections, income statements and break-even analysis should go.

### Detailed Business Plan and Overview

The following pages provide an in-depth overview of how to write a business plan. For more information or for industry specific examples, visit [www.bplans.com](http://www.bplans.com).

#### 1. Cover Page

- Company name (logo, if any)
- Name and contact information
- Date

#### 2. Table of Contents

#### 3. Executive Summary

- Compelling story—What is the plan? The problem? The need?
- Concise statement of the business, customer, benefit, distribution
- Synopsis of plan and each major section (industry & market, marketing, management, operations, business model and financials)

#### 4. Business Concept (products/services offered)

- Business concept statement (product/service, customer, benefit, distribution)
- Purpose/mission and core values of the business (company culture)
- Description of products/services offered (intellectual property if new invention, status of development, prototype)
- Primary customer(s)
- Value proposition (benefits to customers)
- Critical success factors (what must be true for the business to succeed?)
- Business model (how will the business make money?)
- Opportunities for growth

## 5. Industry & Market Analysis

### Industry Description

- In what industry does the business function? the business? What is the definition of your industry and what is the sector? How does this industry work? Why is this industry a good environment for this business? Size, life cycle status, characteristics, drivers
- Trends (historical and current)
- Barriers to entry
- Sales patterns and profit margins (gross and net)

### Market Analysis and Target Market

- Definition of primary/secondary target markets (location, size)
- Key market factors (demographics, economics, social, and legal)
- Market segmentation (key variables)
- Results of primary research (customer profile, needs analysis)
- Value chain analysis
- Entry strategy and barriers to entry

### Competition

- Why is the problem not being solved by the competition?
- Direct and indirect competition
- Market share, description, strengths and weaknesses
- Threats from emerging and substitute products

### Product/Service Differentiation and Competitive Advantage(s)

- Unique benefits and features
- Proprietary protection and innovation (if new invention)
- Why should customers buy from you?

## 6. Management Team

- Identification and experience of management team that will execute the concept
- Roles and responsibilities
- Missing talent and gaps in personnel
- Organizational chart
- Board of Directors/Advisory Board
- Management philosophy and company culture
- Legal structure and ownership

## 7. Operation Plan

- Operational philosophy
- Technical description of product or service
- Process Flow Chart of Business (representing all the activities and function of the business)
- Equipment, facilities and real estate associated with the process flow
- Price/Cost model (cost to produce product or provide service)
  - If Product-based:
    - i. Status of product development
    - ii. Tasks completed, tasks to complete, time to complete
    - iii. Potential difficulties; plan to overcome
    - iv. Distribution Channel and Strategy (movement of product/service to customer)

## 8. Industry & Market Analysis

### Summary of Marketing Plan in one paragraph

- Purpose—What will the plan accomplish?
- Benefits—How will you satisfy a need?
- Target Market—Who is the primary buyer?
- Niche—Where do you fit in the market?
- Tactics—Tools to reach the customer
- Identity—How the customers see you
- Budget—% devoted to marketing

### Plan to reach and educate customers

- For example- newspaper ads, direct mail, e-mail, face to face presentation, TV campaigns

### Pricing strategy

### Marketing mix

- Strategies for promotion, sales and advertising for each customer group
- Positioning and message

## 9. Financial Plan

- Summary of key financial points and requirements
- Breakdown of start-up capital requirements
- Hard costs, working capital, start up
- Breakeven analysis and payback period (as supported by financials)

### Operation Plan

- Plan for financing the company (equity, debt, equipment leasing)
- Initial capitalization (if any)
- If soliciting investment, bullet points highlighting primary benefits and risks of investment

## Business Ownership Structures

Ownership structure is critically important when establishing a business. Choosing the best structure for your personal conditions and business needs can help protect you and your assets from future damages and losses, and can provide the most reasonable tax conditions.

### Example

You and a buddy of yours have a clever business idea that you just know will generate that million dollars you have been dreaming of since you were a child. You both decide to go into business together, confirming this through a loose verbal agreement, investing \$50,000 each. One day you go to the bank to make a withdrawal for a business expense, and you realize that your \$100,000 is now \$100. Among other feelings you probably experienced, you were completely baffled as to how this could be. When you meet with your friend/business partner, he informs you that he used the funds to purchase a new car for the company. Verbally, you communicate that you want out of the business and you leave.

A year or two later, creditors start calling you about late payments on the vehicle, and one day they come to repossess your car. "This isn't legal!" you exclaim. Well actually, it is.

You and your ex-buddy, formed a general partnership, based on your verbal agreement. And, with general partnerships, damaged parties (banks, customers, etc.) have the right to come after the personal assets of either or both partners.

**Moral:** Understanding the legal and tax implications of forming a business is absolutely critical.

This scenario happens more often than one would imagine. You may have seen, or at least heard of, an entrepreneur who risked it all and lost. As a sole proprietor there are very few business protections that separate your personal assets from that of the business. In this situation, creditors can come after your home, your car, and other personal assets that affect your livelihood. Entrepreneurship is risky, but understanding the legal and tax implications of establishing a business can help you to pick the right structure for your personal and professional needs. It is highly recommended that you consult with a lawyer and an accountant before and during your business start-up process.

## Comparison of Ownership Structures<sup>1</sup>

The following chart provides summaries of the eight common business types. There are, however, many ways to set up a business.

### Sole Proprietorship

A business that is owned by a single individual.

#### advantages

- Easiest and least expensive to set up
- Full control over all business decisions
- Minimal legal restrictions or requirements
- Owns all profits and reaps all benefits
- Not required to pay unemployment taxes

#### disadvantages

- Personally liable for all business transactions
- May have difficulty obtaining long-term financing
- No unemployment benefits if the business fails
- Only limited tax savings

### Limited Partnership

A business similar to a general partnership, however, one invests assets

into the business at their own risk and is limited to the amount of capital invested. The investor is not involved in management and does not share in the liability for debts or losses.

#### advantages

- Relatively easy to establish
- Partners share in start-up expenses
- Financing is easier to obtain than for a sole proprietorship
- Partners share all profits and reap all benefits of ownership
- Partners' assets are not at risk from creditors'

#### disadvantages

- More expensive to set up initially, due to the requirement for a written agreement
- Operating (general) partner has unlimited liability for business expenses
- Loss of one partner may dissolve the business
- Partnership may be difficult to end

<sup>1</sup> Adapted from: Mancuso, Anthony. Form Your Own Limited Liability Company, 2007

## General Partnership

A business owned by two or more persons who have agreed—verbally or in a formal written statement—to operate a business.

### advantages

- Easy to establish
- Partners share workload and responsibilities
- Financing is easier to obtain than for a sole proprietorship
- Partners share all profits and reap all benefits of ownership

### disadvantages

- May be more expensive to start
- Partners have unlimited liability for business expenses
- Each partner is bound by the actions of the other partner
- Decision-making authority is divided
- Loss of one partner may dissolve the business
- Partnership may be difficult to end

## Limited Liability Partnership (LLP)

A business where partners are given the same limited liability protection as professional corporations.

### advantages

- Tax advantage of flow-through tax treatment for LLP partners
- Not subject to the numerous limitations regarding ownership, capital structure and division of profits
- Simple and familiar for an existing partnership to elect to become an LLP

### disadvantages

- A sole owner cannot set up an LLP as a partnership: an LLP must have at least two partners to exist

## C (General) Corporation

A business formed by law as a separate legal entity from its owners (stockholders and shareholders).

### advantages

- Has a lifespan independent from its owners (stockholders)
- Fringe benefits costs are tax-deductible
- Personal assets are protected from business liability
- Ownership can be transferred through the sale of stocks
- Easy to raise operating capital through the sale of stocks
- Ownership can change without affecting its day-to-day management

### disadvantages

- Incorporating involves considerable start-up expenses

- Subject to more district and federal legislation
- Corporate earnings subject to double taxation
- Many legal formalities exist when filing and trying to maintain corporate status
- Activities are limited

## Limited Liability Company (LLC)

An LLC is a hybrid business that draws advantageous characteristics from both corporations and partnerships.

### advantages

- Profits and losses pass through the company to its owners for tax purposes
- Personal assets are protected from business liability
- No limitation on the number or nature of owners
- Simpler to operate than a corporation
- Not subject to corporate formalities
- Owners may participate in management of the business

### disadvantages

- Legal assistance is needed to properly set up and structure an LLC
- Professionals—such as lawyers, accountants and doctors—are prohibited from registering as an LLC

## S Corporation

A business similar to a General Corporation, with the exception of specific IRS requirements.

### advantages

- Already exists as a corporation
- Corporate earnings avoid double-taxation

### disadvantages

- Difficult to qualify for IRS requirements

## Nonprofit

An organization that has no owners, gives no income (except salaries/expenses) to members, directors, or officers, and must have a Board of Directors.

### advantages

- Tax Exemption
- Business Operation Flexibility

### disadvantages

- Merger limitations





Did you know:

**81% of small businesses use personal finances as their primary source of start-up funding.**

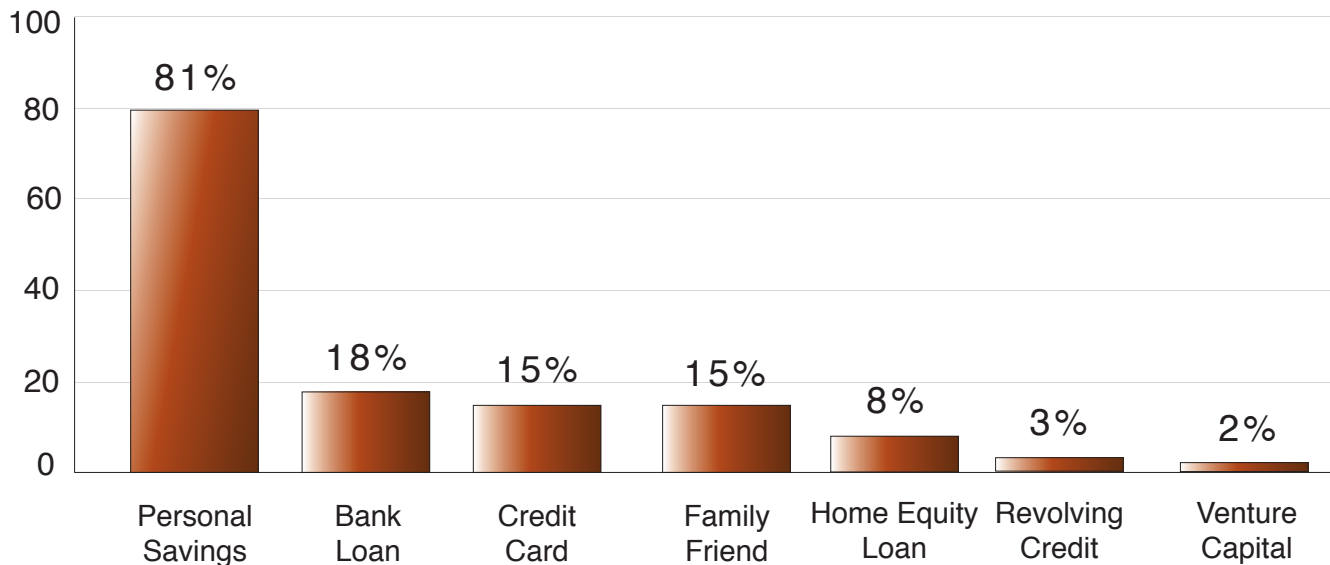
- US Chamber of Commerce: "Access to Capital: What Funding Sources Work for You?"

One of the biggest hurdles for many small businesses to overcome is obtaining financing to help establish and grow their enterprise. Among other things to consider, how much and when to raise money can be critical to taking your business to the next level. Developing a sound outline of your financial projections (located in your business plan) can help you to better gauge the amount and type of financing that your small business may need.

**T**here are several types of financing options that exist for emerging and established business enterprises. Before you consider these options, you must adequately prepare. In addition to writing your business plan, this means taking a full inventory of your financial situation. Why is this necessary? Because more often than not, your business' biggest investor will be you!

In 2005, the US Chamber of Commerce conducted research on the most common funding sources used by entrepreneurs when starting their business. The report entitled: "Access to Capital: What Funding Sources Work for You?" found that an overwhelming majority of businesses were funded using personal finances, 81% to be exact. This form of financing is called bootstrapping.

## Access to Capital: What Funding Sources Work for You?



- US Chamber of Commerce: "Access to Capital: What Funding Sources Work for You?"

### Bootstrapping:

Bootstrapping is when you, the entrepreneur, use your own savings, business profits, credit cards and other personal financing means to invest in your business enterprise.

**The pros and cons of this type of investment include:**

#### Pros:

- You maintain 100% control over your business operations
- Works well with businesses that do not require a large upfront capital injection

#### Cons:

- Growth is limited to what you can finance (critical business functions may be held up because of lack of capital)
- Difficulty in accounting practices, there is limited separation of personal and business expenses and asset handling
- Does not work well with businesses that require a large upfront capital injection

### Preparing for a Small Business Loan:

If you plan to secure outside financing of any kind, your personal credit, and the Five Cs (as discussed on page 12) are of critical importance.

In order to obtain a copy of your credit score you may contact the following:

- **Equifax** 1-800-685-1111
- **Experian** 1-888-397-3742
- **Trans Union** 1-800-888-4213



The 5 C's of Credit:	
<b>Capacity</b>	Your ability to repay is the most critical of the five factors. This is where the F word will come into consideration - FICO!
<b>Capital</b>	The money you personally invested in your business. This is an indication of how much you have at risk should the business fail. If you won't invest in your own business, why should they?
<b>Collateral</b>	Assets such as real estate, cars, equipment or highly liquid inventory will be needed to prove that if worse comes to worse, there is a way to repay your loan. And no, an arm, leg or your first-born are not qualified forms of collateral!
<b>Condition</b>	The intended purpose of the loan.
<b>Character</b>	The impression you make on the prospective lender or investor. The quality of your references, your background and the experience level of you and your management team will be reviewed. Because character is the most subjective of all the 5 C's, do yourself a favor: dress and act professionally when you go to the meet with your lender. Remember, first impressions count!

## Loan Preparation Checklist:

If you decide to apply for a loan, the following check-list will help you best prepare for the process. Loan amounts, terms and conditions, will be determined using the information you provide (as outlined below) including your credit scores.

### Do you have...

- yes  no **A business plan**
- yes  no **Resumes of key personnel**
- yes  no **A budget detailing how the funds will be used**
- yes  no **A statement of your equity injection (your personal contribution)—typically 20%. *This shows commitment to your business. Again, if you are not willing to invest in your business, why should they!***
- yes  no **Business financial statements and tax returns for the last three years, if applicable**
- yes  no **Cash flow projections for at least the next 12 months**
- yes  no **Personal financial statements and tax returns**
- yes  no **A description of the collateral being offered**
- yes  no **Legal documents: Articles of Incorporation/Organization, etc.**

If you answered yes to everything, you are ready for the next step: meeting with your preferred small business lender to discuss financing options that are best for you.

The following sections outline the most popular financing tools that you may consider.

## Short-term Loans/Cash Flow Financing:

As the name states, short-term debt is a financing tool that provides debt on a termed basis. Typically short-term loans must be repaid within a year. Often this loan type is used for seasonal inventory or other seasonal working capital needs.

### Line-of-Credit:

On projects where you believe you may need financial protection in the event that there is budgetary overage, you may request a line-of-credit. Line-of-credit financing, typically used by construction firms, is when the bank will set aside an agreed upon amount of money for you to draw upon

as needed. These funds need to be paid down by some agreed upon time during the year. Typically banks charge a commitment fee of 0.5-1% to reserve the funds.

#### **Time Loan:**

Time loans are loans that have defined dates in which all monies (including interest) must be repaid.

## **Long-term Loans/Asset Based Financing:**

Long-term loans are loans with terms of payment that are one year or more. This type of loan option is generally for credit-worthy companies that have a more mature business track-record.

**The various types include:**

#### **Revolving Line-of-Credit Financing:**

Revolving Line-of-Credit Financing is similar to overdraft protection on your personal checking account. It is a line of credit that is used on an as-needed basis, providing a safety net in the event that your organization may need to spend a little more than your cash reserves may have.

#### **Accounts Receivable:**

We all know how time-consuming bill collection can be. Accounts Receivable (AR) loans are developed to help you during that time when you are waiting for payment from services rendered. AR loans cover up to 75-100% of all accounts receivable from credit-worthy customers. These loans are typically used for government clients, as they are perceived to be more reliable.

#### **Equipment Financing/Leasing:**

Let's say you are trying to start a company that manufactures its product. This is an extremely equipment-heavy business venture, that may be much more of a financial commitment than you can initially afford. In this case, many seek financing for equipment—equipment financing—or they may work through an equipment leasing company that will provide financing options for rental agreements.

#### **Real Estate:**

If your business is prepared to purchase its "first home," or you are looking to rehabilitate/upgrade previous facilities, you will need a commercial real estate loan. Similar to a home loan, you typically have to make a 20% down-payment.

#### **Personal loan:**

If you are just getting started, you may not have enough business history to secure a loan for your business venture. Many entrepreneurs who experience this take out a personal loan and use these monies to fund their organization. Keep in mind, not only does this loan take into account your personal credit, it also impacts it.

## **Government Secured Loans:**

Understanding that start-up and emerging small businesses are perceived to be more 'risky' than established business, the US Small Business Administration guarantees loans that allow businesses to obtain funding when they otherwise may not be able to.

**SBA small business loans include (as derived from the SBA website [www.sba.gov](http://www.sba.gov)):**

#### **7(m) Loan - SBA Micro-Loans**

If you are a small business looking for less than \$50,000 in loans, the SBA provides loans as small as \$500 and as large as \$35,000 to start-ups or emerging small businesses. Typically, banks will not engage in loans of this size, so the SBA has commissioned nonprofit organizations (community based lenders) to provide both technical assistance and financing for small businesses. This loan is a great option for embryonic and start-up small businesses.

Chart (Continued)

<b>7(a) Loan</b>	The most popular SBA loan is the 7(a) loan. Eligibility factors for the 7(a) loan include: size, type of business, use of proceeds, and the availability of funds from other sources. The SBA will guarantee up to 85% of loans less than or equal to \$150,000, and 75% of loans \$150,000 and above.
<b>CommunityExpress Loan Program</b>	Enhanced in 2008, the CommunityExpress Loan Program provides streamlined business financing, management, and technical assistance to eligible small businesses. The program provides financing up to \$250,000. This loan is a good option for start-ups and existing small businesses.
<b>504 (CDC) Loan Program</b>	The 504 Program provides growing businesses with long-term, fixed-rate financing for major fixed assets, such as land and buildings. The maximum loan amount is \$2M dollars, of which one job must be created per \$50,000 increment (exceptions for manufacturing —\$100,000 per each new job). This loan is catered to the established small business looking to expand its operations.
<b>SBA ARC Loan Program</b>	If your small business is stressed meeting its expenses during these difficult economic times, the U.S. Small Business Administration has a new loan program designed just for you! SBA's America's Recovery Capital Loan Program can provide up to \$35,000 in short-term relief for viable small businesses facing immediate financial hardship to help ride out the current uncertain economic climates and return to profitability. Each small business is limited to one ARC loan.

For more information on any of the aforementioned loan programs or to learn more about eligibility requirements, please visit [www.sba.gov/financing](http://www.sba.gov/financing).

If your business is considering going global or engaging in international business the US Export Import Bank's Work Capital Loans Program may be of interest.

### **Ex-Im Working Capital Loan Program:**

Ex-Im Bank's working capital guarantee gives lenders the confidence to extend short-term loans to small and medium-sized businesses for their export funding needs. The program is available to businesses that are located within the US, have a positive net worth, and have been in existence for a minimum of one year. There is no minimum or maximum amount and the loans can be revolving, transaction-specific and used for inventory, labor or services.

For more information on the Ex-Im Bank Working Capital Loan Program please visit, [www.exim.gov/smallbiz/work\\_cap.html](http://www.exim.gov/smallbiz/work_cap.html).

## **Equity Financing/Private Investors/Angels:**

To begin, angel investors are not divine interveners, bringing blessings of small business grants (notice we didn't use the word loans, which you'd have to pay back) that will catapult your business into high gear. Though their contribution to your business may have you sending up praises to a higher power, they are indeed not one and the same. Now that we've gotten that out of the way, let's proceed.

### **Private Investors (PI) /Angel Investors (AI)**

One of the most popular sources of equity capital is made through 'angel' investors, also known as private investors, their more formal term. Angel investors are typically wealthy individuals looking to invest in profitable business ideas to reap financial rewards. Angels may also be family or friends who are willing to provide capital, typically seed capital, to fund your ambitions. The best way to find angel investors is through your network. Advisors, friends, family, mentors, lawyers, and business colleagues may all provide valuable referrals to wealthy individuals or may themselves invest in your business concept.

## Pros and Cons of Angel Investment:

### Pros:

- Angel Investment may be a less expensive form of equity
- Angel investors may invest in businesses that are typically too small for venture capital companies (< \$1M)

### Cons:

- Unlike venture capital companies, angel investors may not have the skills necessary to provide strategic business advisement
- Angel investors can quickly become an “annoyance” depending largely upon the number of investors, their relationship to you, and their vested interest in your business matters

To find more information on AIs, including securing such, please visit the Angel Capital Association online at [www.angelcapitalassocaition.com](http://www.angelcapitalassocaition.com).

## Venture Capital:

Similar to angel investors, venture capital is a collective of equity capital. The main difference is that it is professionally managed. This form of financing is typically more expensive than other forms of equity in that there are fees associated with the management of venture funds. As with all investors, venture capitalists are looking to make a profit for both their investors as well as themselves. Venture Capital (VC) firms generally require return rates of 50 to 60% as well as some form of management control of the business in which they invest. If you are looking to maintain complete control of your business operations and management, this may not be the option for you. However, if you believe that your organization could benefit greatly from the insight and management expertise of a seasoned team and are also looking for investment assistance, venture capital may be the the answer for you.

The National Venture Capital Association is a nonprofit organization with a mission to “foster greater understanding of the importance of venture capital to the U.S. economy, and support entrepreneurial activity and innovation”. To learn more about venture capital, and to obtain a listing of VCs in your area, please visit them online at [www.nvca.org](http://www.nvca.org).

## Small Business Investment Companies (SBICs):

SBICs are licensed and regulated by the SBA and are investment firms that make capital available to small businesses through investments or loans. They also provide management assistance and expect a share of the profits from your business.

For more information on US Small Business Investment Companies (SBICs), please visit, [www.sba.gov/aboutsba/sbaprograms/inv/index.html](http://www.sba.gov/aboutsba/sbaprograms/inv/index.html).

## Additional Sources of Financing:

In addition to those discussed in this chapter, there are many other viable options for financing your small business. This guide attempts to discuss the most popular forms of financing for start-up and gazelle (quickly growing start-ups) enterprises. For more information on other financing options you should consult with your local small business lender.

Chapter Notes



Doing Business With Government

Did you know:

**The US Federal Government is the largest source of contracting opportunities for small firms.**

- The Small Business Economy For Data Year 2006, SBA Office of Advocacy

Savvy entrepreneurs know the rules on what it takes to win contracts. The following chapter provides information on agencies to know, obtaining business certification, and how to identify and compete for government contracting opportunities.

If you are a small business owner in the field of real estate, technology, or energy, you may have already considered the prospect of doing business with government clients. However, if your business is in another seemingly unrelated industry you may not make the connection between your business and government procurement needs as easily. Be assured, more often than not, there is one.

The truth is, there are very few industries that Federal, state and local government agencies do not purchase goods from. And, as we have seen with the recent economic climate, government clients are historically more resilient to economic downturns than those in the private sector, making them a wonderful partner for your small business.

Though the US Department of Defense, Department of Energy and NASA account for the largest share of procurement spending, opportunities for Federal contracting are available within every agency

of the US Government from Agriculture to the US Trade and Development Agency.<sup>1</sup> The Federal government's insatiable need for services and products make it a great of opportunity for a wide variety of businesses. In 2008, Federal agencies amassed more than \$541 billion dollars in annual contract spending, purchasing goods from accounting services to weaponry.<sup>2</sup> In addition to contracting opportunities, \$341 billion in Federal grants were made available in 2007.<sup>2</sup> These figures will increase due to the passage of the American Reinvestment and Recovery Act of 2009 which has provided additional Federal contracting needs and grants for organizations addressing areas of concern (economic development, social welfare, education). For more information on the American Recovery and Reinvestment Act of 2009, please reference the Congressional Black Caucus Foundation's recently released resource guide at [www.cbcfinc.org](http://www.cbcfinc.org).

---

## Federal Government Certification/Procurement Agencies

When considering doing business with the Federal government, there are three main agencies to know: The US Small Business Administration, the General Services Administration and the Minority Business Development Agency. These are by no means the only agencies to become familiar with, however they offer the most comprehensive set of programs to support small and minority-owned businesses with business development, certification and procurement.

### The US Small Business Administration (SBA)

The US Small Business Administration is an agency of the US Federal government that is committed to the advancement of small businesses. The Agency serves entrepreneurs and business owners by providing aid, access to capital, council and technical assistance. The SBA also administers and manages all Federal certifications including the 8(a) business certification. For more information on the SBA and its related programs or to visit your local SBA office please visit [www.sba.gov](http://www.sba.gov).

### The General Services Administration (GSA) – Office of Small Business Utilization

By law, every Federal agency is required to establish an office of small business that reports to GSA. GSA's Office of Small Business Utilization works with and advocates for small, veteran, service-disabled veteran-owned, HUBZone, and women business owners. GSA promotes increased access to procurement opportunities, through programming to assist and prepare small business owners with Federal government contracting opportunities. For more on GSA or to find a GSA business development specialist near you please visit, [www.gsa.gov/sbu](http://www.gsa.gov/sbu).

### Minority Business Development Agency (MBDA)

The Minority Business Development Agency is the only agency of its kind dedicated to the advancement of minority-owned firms. The Agency, serves as a clearinghouse of research regarding minority-owned businesses, provides assistance with certifications and Federal contracting opportunities and provides technical and strategic business planning assistance to help minority owned businesses increase their size, scale, capacity and access to capital. For more information about MBDA please visit them online at [www.mbda.gov](http://www.mbda.gov).

<sup>1</sup> The Small Business Economy Report for Date Year 2006, SBA Office of Advocacy, <sup>2</sup> [www.fedspending.org](http://www.fedspending.org)

## Federal Government Certification Programs

The Federal contracting and procurement process can be immensely overwhelming and competitive for a small firm looking to get their foot in the door. Historically, this process has been even more difficult for minority-owned businesses. In order to level the playing field, the US Small Business Administration has a program that assists small disadvantaged businesses in government contracting – the 8(a) certification program. The goal of 8(a) business certification is to provide small and minority owned businesses equitable access to Federal procurement opportunities.

### 8(a) Business Certification

The SBA's 8(a) Business Certification is the most popular small business certification due in part to its streamlined contracting process and the accessibility that the certification provides to small minority-owned businesses. Through the program, specialized business training, counseling, marketing assistance, and high-level executive development are made available by the SBA and its resource partners to 8(a) firms to give them the skills necessary to compete on a level playing field. As an 8(a) company, regulations allow for teaming partnerships and joint ventures that make bids submitted by collaborating small businesses much more competitive. 8(a) firms may also be eligible for assistance in obtaining access to surplus government property and supplies, SBA-guaranteed loans, and bonding assistance.

### Benefits of the 8(a) Program

- Participants can receive sole source contracts up to \$3 million for goods and services and \$5 million for manufacturing.
- Federal acquisition policies encourage Federal agencies to award a certain percentage of their contracts to 8(A)s. The SBA has also signed Memorandums of Understanding (MOUs) with 25 Federal agencies that allow them direct contracting with certified 8(a) businesses, further streamlining the process.
- 8(a) businesses are allowed and encouraged to engage in joint ventures. Such collaboration enhances the ability of 8(a) businesses to perform larger prime contracts and overcome the effects of contract bundling, which is the combining of two or more contracts together into one large contract.

To obtain 8(a) certification or to learn more about eligibility, program benefits or processes, contact your local SBA district office at [www.sba.gov/8abd](http://www.sba.gov/8abd).

### HUBZone Program

HUBZone (Historically Underutilized Business Zone) is a Federal contracting program that provides contracting preferences to small businesses with HUBZone certification.

Research has shown that small businesses are more likely to employ individuals and do business with other businesses located within a closer proximity to their offices. Understanding the potential positive economic impact that small businesses can create within low-income communities, the SBA also administers the HUBZone program. HUBZone's are Federally designed geographical areas determined by US Census poverty indicators. The US SBA HUBSZone gives Federal-contracting advantages to small businesses located within these geographical areas to encourage economic prosperity in emerging communities.

To qualify as a HUBZone business, a company must meet the following criteria:

- A small business with its principal office located within a HUBZone
- Owned and controlled by one or more U.S. citizens
- At least 35 percent of its employees must reside in a HUBZone

To find the location of a HUBZone or learn more about the HUBZone Program, visit [www.sba.gov/hubzone](http://www.sba.gov/hubzone) or call 202.205.8885.

## Business Development Programs

### Mentor-Protege Program

Understanding that many small businesses need advisement and assistance with the Federal contracting process, the SBA established the SBA Mentor-Protege Program. The Mentor-Protege Program provides entrepreneurs who are starting 8(a) companies a forum to learn from experienced businesses. The hope is that participants will learn how to better compete for Federal contracting opportunities, initiate potential business collaborations, and form joint partnerships that will lead to successful outcomes.



### Faith-Based and Community Initiatives Program

Though there are no preferences in the grant application process, there are a number of initiatives targeted at faith-based and neighborhood/community organizations. These programs exist to train faith-based and neighborhood/community organizations on strategies for developing competitive submissions for Federal grant applications. To get more information on the SBA's Faith-Based and Community Initiatives please visit, the SBA at [www.sba.gov](http://www.sba.gov).

## Preparing for the Contracting Process

The General Services Administration, GSA, manages much of the Federal government's procurement, including the products, services, and technologies that the Federal government requires for its operation. GSA also helps small business prepare for offers and provides information to make the contracting and procurement process easier to understand and navigate.

GSA's Office of Small Business Utilization (OSBU) conducts monthly in-person and on-line workshops and training sessions on topics including: procurement and marketing, and holds procurement conferences where small businesses can network, learn, and engage. For more information on GSA and its programs for small businesses, please visit them online at [www.gsa.gov/osbu](http://www.gsa.gov/osbu).

If you are looking to compete for a contract, it is recommended that you utilize GSA's Multiple Schedule Awards (MAS) Program, GSA largest procurement program. The benefit to this program is that it allows you to sell to any government agency using one source, replacing the need for separate contracts with multiple agencies.

### The Contracting Process

The following are steps to obtain a GSA MAS Contract, as derived from GSA's publication, Doing Business With GSA . In order to do business with GSA you must have:<sup>3</sup>

- A completed online registration and start the Past Performance review
- A completed GSA MAS solicitation for the correct product or service category
- A signed and submitted solicitation or bid

Once received, GSA will review your solicitation terms and conditions and will work with you to negotiate a "best offer". A finalized proposal must then be submitted for acceptance or rejection. If approved, you will receive a GSA MAS contract number that will allow you to market your services to the government.

For more information on Doing Business with GSA, preparing a contract, or to download the Doing Business With GSA publication please visit [www.gsa.gov](http://www.gsa.gov).

## Finding Contracting Opportunities

If you are looking to do business with a Federal agency, the Office of Small and Disadvantaged Business Utilization (OSDBU) located within the agency should be your first point of contact. By contacting the agency that you are interested in doing business with, you will gain insight into their procurement needs and processes and begin the process of establishing relationships.

In addition to direct contact, there are two main portals to search for Federal contracting and grant opportunities, [Fedbizopps.gov](http://Fedbizopps.gov) and [grants.gov](http://grants.gov).

FedBizOpps.gov is the single government portal for Federal Government procurement opportunities over \$25,000. FedBizOpps helps Federal government buyers and commercial vendors find one another. Through FedBizOpps, government buyers post business opportunities that businesses can search, monitor and retrieve electronically.

Grants.gov is the governmental portal for Federal Government grant opportunities. Similar to [FedBizOpps.gov](http://FedBizOpps.gov), [Grants.gov](http://Grants.gov) assists organizations seeking Federal grants search, monitor and retrieve opportunities.

<sup>3</sup> Doing Business with GSA, General Services Administration

## Summary of SBA Business Certifications

Program	Description	Eligibility
<b>HUB Zone Program</b>	<ul style="list-style-type: none"> <li>■ Preference in bidding for Federal agencies' contracts</li> <li>■ Higher government guaranties on surety bonds for construction and service contract bids</li> </ul>	<ul style="list-style-type: none"> <li>■ Must be SBA certified, meeting the following criteria:</li> <li>■ Principal office located within a HUBZone</li> <li>■ Company owned and controlled by one or more US citizens</li> <li>■ 35% or more employees must live in HUBZone</li> </ul>
<b>8(a) Business Development Program</b>	<ul style="list-style-type: none"> <li>■ Preferential consideration in Federal contracting for socially and economically disadvantaged businesses</li> </ul>	<ul style="list-style-type: none"> <li>■ Owned and controlled by one or more socially and economically disadvantaged individuals and US Citizens.</li> <li>■ Non-minorities are eligible granted they can prove some level of disadvantage</li> </ul>
<b>Mentor-Protégé Program</b>	<ul style="list-style-type: none"> <li>■ Technical and management assistance from the mentor</li> <li>■ Joint-venture arrangements</li> <li>■ Financial assistance from mentors who can own equity interest of up to 40% in a protégé firm to help it raise capital</li> </ul>	<ul style="list-style-type: none"> <li>■ Must have never received an 8(a) contract, or have a size of less than half the size standard for a small business based on its primary NAICS code</li> <li>■ Must be in good standing in the 8(a) Business Development program and be current with all reporting requirements</li> </ul>
<b>SBA Faith-Based and Community Initiatives</b>	<ul style="list-style-type: none"> <li>■ Grant seeking assistance provided to Faith based and community organizations (there are no preferential grant set-asides)</li> </ul>	<ul style="list-style-type: none"> <li>■ Non-profit or Faith based organization</li> </ul>

## Additional Information

Contact your local district office to obtain more information about certifications and contracting assistance programs administered by the SBA.

To find your SBA local office, please visit the SBA at [www.sba.gov/localresources](http://www.sba.gov/localresources).

Or, to find a Business Resource Center to assist you with preparing for the contracting process, visit the Minority Business Development Agency on-line at [www.mbda.gov](http://www.mbda.gov).

Chapter Notes

# IV. ■ Green Entrepreneurship

Did you know:

**Of the \$900 billion in stimulus funds, roughly \$100 billion has been targeted to the new green economy?**

- CNN Money, "\$100 billion jolt of 'green stimulus'", February 4, 2009

Energy, efficiency, and environmentalism have become the new economic frontier for businesses both small and large. If you are considering embarking upon entrepreneurship or are looking to expand your small business, you may want to consider ways to go green.

The recent presidential election provided a global platform that advanced the discussion of environmental and energy policy like never before. It can be argued that energy has not played such an integral role in steering the direction of global economies and the allocation of monetary resources since the industrial revolution. This new and rapidly growing emphasis is due in large part to the demand for technologies and products that address global warming, support the reduction of carbon footprints, and provide innovative solutions to growing oil dependence. If you are a true entrepreneur, you recognize the captive audience that has been created by this agenda and are already looking for ways to become more involved. This type of innovative business mindedness has been coined 'green entrepreneurship'.

### What is Green Entrepreneurship

We all know that entrepreneurship is the art of using innovative, risk-taking measures to bring to market a product or service that out-performs, and out-shines its competitors (when at its best). Green entrepreneurship is no different. The emphasis, however, is placed on developing technologies, products or services that are both profitable and planet-friendly. People who practice this form of entrepreneurship are considered green entrepreneurs.

[Environmentalprograms.net](http://Environmentalprograms.net) defines green (ecological) entrepreneurs as:

**“...[d]riven not only by the possibility of profitable business venture, but also by environmental and social concerns. They**

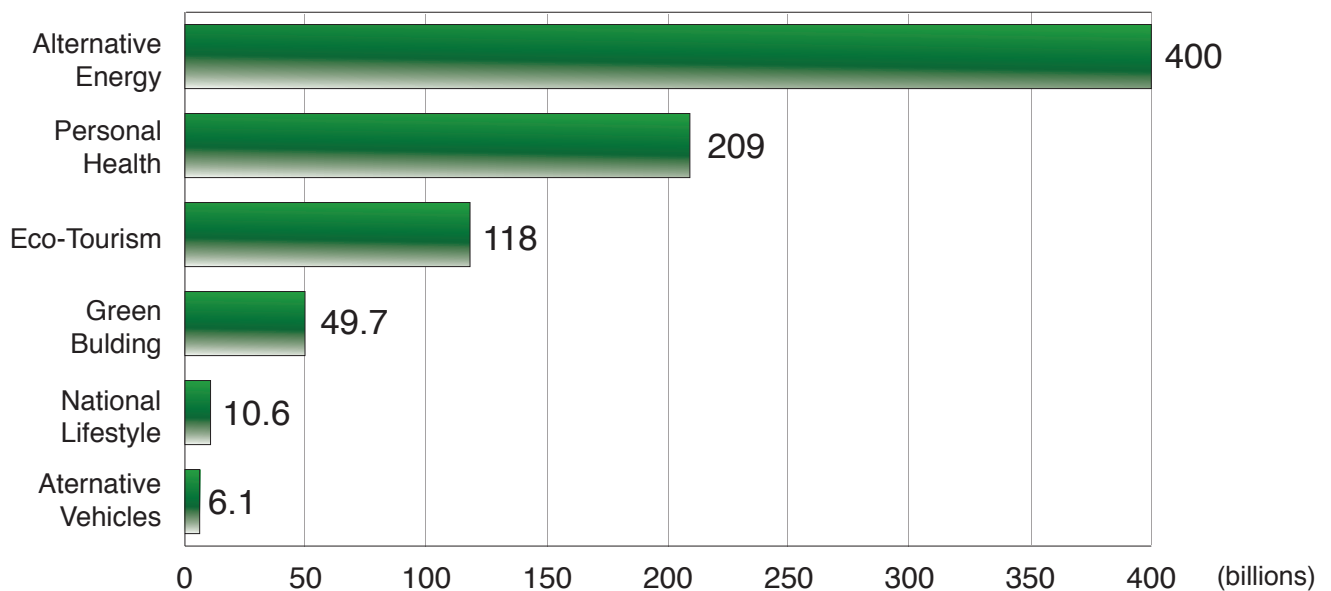
**are instrumental in developing new and sustainable business practices and reshaping the way society approaches the environment as it relates to business.”<sup>1</sup>**

### Defining the Green Economy

Products and services derived from green entrepreneurship help to further the US economy in many ways. A far cry from the tree-hugging and granola-eating of the 60's and 70's, the green economy has evolved into a multi-billion dollar industry that ranges from technology to tofu. Because the concept of green is relatively new and the recent emphasis has caused the need for a more fundamental understanding, countless studies have been conducted to both define and quantify the economic impact of the green economy. Most studies focus on transportation, manufacturing, construction/real estate, and energy related sectors. Though these industries represent the largest portion of green related jobs, spending, and demand, there are a number of products, services and positions that can be found in the retail, healthcare and professional services industries as well.

According to the National Market Institute, a leading researcher of the green economy, Americans are spending money on greener, more environmentally friendly products and services across all industries. The organization developed an index to measure Lifestyle of Health and Sustainability (LOHAS) spending. The following chart, which shows US LOHAS spending patterns in 2007, demonstrates the diversity of the green economy:

**US LOHAS Spending Patterns in 2007<sup>2</sup>**



For more information on the Nature Marketing Institute, their research and methodologies, please visit them online at [www.nmisolutions.com](http://www.nmisolutions.com).

<sup>1</sup> [www.environmentalprograms.net](http://www.environmentalprograms.net), <sup>2</sup> Ávila, Tomás A. "Entrepreneurship in the Green Economy."

## Stimulus Funds in a Green Economy

Recognizing the need to take a more proactive approach towards greening, the US Federal government has allotted a significant portion of the \$782 billion dollar funding from the American Recovery and Reinvestment Act to green jobs and supporting environmental and energy activities. The Congressional Black Caucus Foundation's Guide to ARRA provides detailed information on how these funds have and intend to be allocated. To download this report, visit the Congressional Black Caucus Foundation online at [www.cbcfinc.org](http://www.cbcfinc.org).

The following listing of funding made available through the US Federal government, has been extracted from *The American Recovery & Reinvestment Act: A Guide for Small Businesses and Nonprofits* published by Green For All. Green for All is a national nonprofit that works to encourage the advancement of an inclusive green economy. For more information on Green for All, or to download the guide, please visit them online at [www.greenforall.org](http://www.greenforall.org).

<b>Green Schools</b>	\$53.6 billion Administered by the Department of Education for School Modernization towards the green building rating system (U.S. Green Building Council).
<b>Public Housing</b>	\$4 billion for the Public Housing Capital Fund, managed by the Department of Housing and Urban Development. Funds are available to public housing agencies for the development, funding, and modernization of public housing developments.
<b>Neighborhood Stabilization Program</b>	\$2 billion. States, localities, nonprofit organizations, and public-private-nonprofit consortia will compete for these funds. Funds will go to the purchase, rehabilitation, and redevelopment of abandoned and foreclosed housing and/or vacant properties to reduce neighborhood blight.
<b>Assisted Housing Stability &amp; Green and Energy Retrofit Program</b>	\$2.25 billion for federally assisted housing. \$250 million of this goes to green and energy retrofitting investments in assisted housing made available to eligible property owners.
<b>Native American Housing Block Grant</b>	\$510 million for its Native American Housing Block Grant Program. Funds must "be used for new construction, acquisition, rehabilitation including energy efficiency and conservation, and infrastructure development".
<b>Weatherization Assistance Program</b>	\$5 billion. These funds will go to low-income families to increase their home energy efficiency, whether in owned homes or rental properties. ARRA increases the maximum income level eligible for assistance (to 200% of the federal poverty line), the amount of assistance available for each unit (from \$2,500 to \$6,500), and the amount available for training and technical assistance (from 10% up to 20%).

(Source: The American Recovery & Reinvestment Act: A Guide for Small Businesses and Nonprofits, Green For All, 2009)

## Additional Information

For more information on how to apply for any of the aforementioned grants, please visit [www.grants.gov](http://www.grants.gov), or for more detailed information on the American Recovery and Reinvestment Act, please visit [www.recovery.gov](http://www.recovery.gov).

For additional information on environmental policies, funding and programs, and the Environmental Protection Agency, please visit [www.epa.gov](http://www.epa.gov).

Chapter Notes



A 2006 study found that:

**Entrepreneurs who contacted and participated in government-sponsored entrepreneurship programs were five times more likely to start a business than entrepreneurs who did not.**

- The Small Business Economy For Data Year 2006, SBA Office of Advocacy

If you are looking to start your own business or are simply looking for ways to grow, rest assured that there are a number of programs and initiatives offered through public, university and nonprofit organizations to take advantage of.



## Government Resources

---

### SBA SCORE

SCORE (Service Corps of Retired Executives) is a nonprofit association dedicated to educating entrepreneurs and the formation, growth and success of small businesses nationwide. SCORE is a resource partner with the U.S. Small Business Administration (SBA). SCORE offers free and confidential advice to small businesses: face-to-face counseling, online counseling, online workshops, and more. SCORE has 370 chapters throughout the United States and its territories, with 11,200 volunteers nationwide.

For more information on SCORE and to find a location near you, please visit them online at [www.score.org](http://www.score.org).

### SBA Small Business Development Centers (SBDC)

SBDCs offer one-stop assistance to individuals and small businesses by providing a wide variety of information and guidance in central and easily accessible branch locations. The program is a cooperative effort of the private sector, the educational community, and federal, state and local governments, and is an integral component of Entrepreneurial Development's network of training and counseling services.

For more information on SBDCs and to locate a center near you please visit [www.sba.gov](http://www.sba.gov).

### SBA Women's Business Resource Centers

The Women Business Resource Centers, assists entrepreneurs, especially women, who are economically or socially disadvantaged through comprehensive training and counseling on a vast array of topics (in several languages) to help them start and grow their own businesses.

For more information about WBRCs or to locate an office near you please visit, them online at [www.sba.gov](http://www.sba.gov).

### Minority Business Development Agency Business Resource Centers

MBDA provides funding for a network of Minority Business Development Centers (MBDCs), Native American Business Resource Centers (NABRC) and Business Resource Centers (BRC) throughout the county. The centers provide Minority Businesses with one-on-one business counseling and aid in developing business plans, marketing, management, technical assistance and financial planning assistance.

For more information on the MBDA's Business Resource Centers and to locate a facility near you, please visit them online at [www.mbda.gov](http://www.mbda.gov).

### Veteran Business Resource Center/Veteran Business Outreach Program

The Veteran Business Outreach Program (VBOP) is designed to provide entrepreneurial development services such as business training, counseling and mentoring, and referrals for eligible veterans owning or considering starting a small business. The SBA has eight organizations participating in this cooperative agreement and serving as Veterans Business Outreach Centers (VBOC).

For more information on the VBOP or to find a Veteran Business Center near you, please visit [www.sba.gov](http://www.sba.gov).

### The General Services Administration (GSA) – Office of Small Business Utilization

By law, every Federal agency is required to establish an office of small business that reports to GSA. GSA's Office of Small Business Utilization works with and advocates for small, veteran, service-disabled veteran-owned, HUBZone, and women business owners. GSA promotes increased access to procurement opportunities through programming to assist and prepare small business owners with Federal government contracting opportunities.

For more on GSA or to find a GSA business development specialist near you, please visit [www.gsa.gov/sbu](http://www.gsa.gov/sbu).

## Chambers Of Commerce

---

### US Chamber of Commerce

The U.S. Chamber of Commerce is the world's largest business federation representing 3 million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations. More than 96% of U.S. Chamber members are small businesses with 100 employees or fewer. The Chamber offers a suite of specialized programs, including small business tool-kits that provide start-up assistance to support small business enterprises.

For more information on the US Chamber of Commerce and its affiliated programs, or to find a chamber of commerce near you, please visit the US Chamber of Commerce online at [www.uschamber.com](http://www.uschamber.com).

### National Black Chamber of Commerce (NBCC)

The National Black Chamber of Commerce is dedicated to economically empowering and sustaining African-American communities through entrepreneurship and business development. The Chamber has 190 affiliated chapters locally-based throughout the nation, as well as international affiliate chapters based in Bahamas, Brazil, Colombia, Ghana and Jamaica.

For more information on the National Black Chamber of Commerce, please visit them online at [www.nationalbcc.org](http://www.nationalbcc.org).

## Neighborhood/ Community Programs

---

### Community Development Corporations

Community Development Corporations are neighborhood not-for-profit organizations that provide programs and services to engage residents in matters pertaining to housing, education and economic development. Many community development corporations offer free or affordable training, and technical assistance in starting and establishing a business enterprise. More evolved CDC's also provide micro-loans and serve as a Community Development Financial Institutions (CDFIs).

### Main Streets

The National Trust for Historic Preservation's Main Street program helps to sharpen the competitive of existing business owners. It also helps to recruit compatible new businesses and new economic uses to build a commercial district that responds to today's consumers' needs. Many main streets provide business assistance and marketing to small businesses located within their area. To find out if your city participates in the Main Street program, or to locate a Main Street near you, please visit [www.mainstreet.org](http://www.mainstreet.org).

### Business Improvement Districts (BIDs)

Business Improvement Districts are self-taxing commercial districts that provide services and programs to address issues of cleanliness, safety, parking and transportation, economic development and collective business issues. These services are funded by the taxes collected by property owners within the defined district and only provided to that geographical area.

## University Programs

---

### Centers for Entrepreneurship

Many universities throughout the United States house centers for entrepreneurship to advance the agenda of entrepreneurship, entrepreneurship education, and business creation. These centers, held at the undergraduate and graduate level, host training seminars, workshops, provide technical assistance and conduct research on the study of entrepreneurship. In many cases, centers for entrepreneurship work only with students enrolled at the affiliated colleges. However, we encourage you to check with your local university to find out if they have a center and if programming may be available to you.

### Entrepreneurship Certificate Programs

Four-year colleges and universities, community colleges, graduate business schools and a growing number of non-profit organizations now offer certificates in entrepreneurship to assist working professionals learn the essentials of developing a business. These certificate programs cover a wide range of topics from starting your business to personnel management. Programs vary from on-line to one-year full-time enrollment programs. Prices may also range from free to more costly programs that are affiliated with graduate business schools. Typically these certificate programs are housed within the school of continuing studies. Check with your local university, chamber of commerce or graduate business school to inquire about obtaining a certificate of entrepreneurship or other continuing education courses that may be of value to you.

### Offices of Economic Development (OEDs)

State and municipal offices of economic development work to foster a positive business climate and grow state and regional economies. Many OEDs host programs and services tailored to support business development at every level. They include business retention and relocation services, programs for emerging industries, business finance programs, small business development centers, economic research, and programs for minority and women-owned businesses. Check with your state and local office of economic development to find out what business assistance programs may be of interest to you.

### Legal Resources

#### School of Law Small Business Clinics

In an effort to provide practical law experience to their students, and to participate as active members of their community, many schools of law offer small business assistance through small business clinics. These clinics provide pro bono legal advisement to entrepreneurs and nonprofit organizations that can not afford to hire legal counsel. Clinics offer a wide variety of services including assistance with business plans, drafting of official documents and business incorporation assistance. Check with your local law school to find out if they have a small business clinic program and to schedule your pro bono meeting.

#### Local Bar Association Center for Pro Bono

The American Bar Association encourages its members to engage in community involvement through its Center for Pro Bono. Many regional ABA chapters have community economic development programs that sponsor walk-in small business legal clinics. The purpose of the clinics is to provide legal information to small business owners who operate in economically disadvantaged areas or who have limited financial resources. The clinics provide current and aspiring business owners an opportunity to speak with an attorney.

To find out more about the American Bar Association's Center for Pro Bono, visit [www.abanet.org](http://www.abanet.org) or visit a local Bar chapter near you.

### Accounting Resources

#### National Association of Black Accountants, Inc

If you are looking for a qualified accountant the National Association of Black Accountants is a good first point of reference. The organization, established in 1969, is a collective of qualified accounting professionals that represent specialties in various areas of tax and accounting. For more information on the National Association of Black Accountants, or to

find an accountant in your area, please visit them online at [www.nabainc.org](http://www.nabainc.org).

### Green Resources

#### Green for All: Capital Access Program

Green for All is a national organization dedicated to an inclusive green economy. The organization serves as a resource for research, advocates for policy and has developed programming to advance the green agenda. The Capital Access Program is a business assistance program developed in partnership with SCORE to encourage, educate, and connect aspiring and existing entrepreneurs with resources and capital. For more information on Green for All's Capital Access Project, please visit them online at [www.greenforall.org](http://www.greenforall.org).

Chapter Notes

Lined area for taking notes.

Access to Capital: What Funding Sources Work for You. Rep. Washington: US Chamber of Commerce, 2005. Web. 10 Sept. 2009.

"Contracts Data." Welcome to FedSpending.org. Web. 10 Sept. 2009. <<http://www.fedspending.org/fpds/index.php?reptype=a>>.

"Federal Assistance / Grants Data." Welcome to FedSpending.org. Web. 10 Sept. 2009. <<http://www.fedspending.org/faads/index.php?reptype=a>>.

Hargreaves, Steve. "\$100 billion jolt of 'green stimulus'" [www.cnnmoney.com](http://www.cnnmoney.com). CNN Money, 4 Feb. 2009. Web. 10 Sept. 2009. <[http://money.cnn.com/2009/02/04/news/economy/green\\_stimulus/index.htm](http://money.cnn.com/2009/02/04/news/economy/green_stimulus/index.htm)>.

Health & Wellness Consumer Market Research. Strategic Consulting. Web. 10 Sept. 2009. <<http://www.nmisolutions.com/>>.

Mancuso, Anthony. Form Your Own Limited Liability Company (book with CD-Rom). Berkeley: NOLO, 2007. Print.

"Summary of Federal Spending: Financial Assistance and Procurement." Fedspending.org. Office of Management and Budget. Web. 10 Sept. 2009.

United States of America. General Services Administration. Doing Business with GSA. Washington, DC: General Services Administration, 2007. Print.

United States of America. Minority Business Development Agency. Office of Business Development. The State of Minority Business Enterprises. Minority Business Development Agency, Aug. 2006. Web. <<http://www.mbda.gov/minoritybizfacts/StateofMinorityBusiness2002SurveyofBusinessOwners.pdf>>.

United States of America. Small Business Administration. Office of Advocacy. The Small Business Economy. By William Gartner and Jianwen Liao. Washington: United State Government Printing Office, 2007. Print. Ser. 2006.

Ávila, Tomás A. "Entrepreneurship in the Green Economy." <http://www.pbn.com/detail/44287.html>. Providence Business News, 16 Aug. 2009. Web. 10 Sept. 2009. <<http://www.pbn.com/detail/44287.html>>.

## About the Author



Natalie M. Cofield, MPA is a frequent public speaker, television personality (District of Columbia), presenter and academic lecturer on topics of business, economic and community development. She is a researcher, writer and published author on topics of entrepreneurship and industry development. She also served as the co-author and lead editor for the Doing Business in DC Guide Book, 2007 and 2008 editions, published in five languages. She has worked in major global markets including: Washington, DC, Los Angeles, New York, NY and London for Fortune 500, government, nonprofit, and education organizations. Her work on entrepreneurship and business

development programming has been case-studied by the International Economic Development Council.

Ms. Cofield has received numerous awards, including a Certificate of Recognition from Mayor Antonio Villaraigosa for her contribution to Economic Policy in Los Angeles. In 2006, Ms. Cofield was featured in Ebony Magazine's Top 30 Under 30.

She is a graduate of Howard University, Magna Cum Laude and obtained her Master of Public Affairs as a National Urban Fellow at Baruch School of Public Affairs in New York.



## About NMC Consulting Group, Inc.

NMC Consulting Group, Inc. is a consulting firm that specializes in business development, public affairs and program management. The organization aims to effectively support its clients by developing and enhancing economic development, entrepreneurship, and community-related programming.

For more information, please visit [www.nataliecofield.com](http://www.nataliecofield.com).

