

June 2012

# Monthly Connection

Illinois Small Business Development Center (SBDC) &  
International Trade Center (ITC)

At

Southern Illinois University Edwardsville

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SBDC

## SIUE Business Students Present Consulting Projects for SBDC Clients

During May 2012, the SIUE Illinois Small Business Development Center (SBDC) attended the project presentations that the students in the School of Business's Entrepreneurship and Small Business course (Management 475) did for 6 of their clients. The students did a fantastic job conducting research on the clients' markets, industries, competitors, and possibilities for expansion. These applied projects involved our students working with:

- *Penn Station East Coast Subs* of Edwardsville, IL
- *Wee-Peats* of Fairview Heights, IL
- *Billiger Foods* of Waterloo, IL
- *Social School* of Edwardsville, IL
- *Lo Cal Café* of Edwardsville, IL
- *Subliminal Restaurant Group, Inc.* of O'Fallon, IL

"The opportunity we got in the MGMT 475 class to work with the SBDC clients was one of the best and most fulfilling experiences we have had because it allowed us to provide a real life application of the theories and techniques that we have refined during our tenure at SIUE." -Julio Ruiz, MGMT 475

If you are an SBDC client and are in-business, you are eligible for this program. Let your SBDC counselor know if you would like to participate in MGMT475.

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MGMT475-Social School

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## Workshop Information

### Starting a Business in Illinois Workshops

This workshop is highly recommended for any prospective business owner and encouraged for any existing business. It covers the following topics: an orientation to Illinois SBDC services, financing options, business plan development, organizations in our area that assist with taxing and licensing, and overview of other requirements for starting a business in Illinois. After you attend the Starting a Business in Illinois Workshop, you may continue your relationship with the Illinois SBDC at SIUE by setting up an appointment with a counselor. For more information or further assistance, please call 618-650-2929 or 618-482-8330, or visit:

<http://www.siu.edu/business/sbdc>

## SBDC at Freeburg Chamber of Commerce Meeting

On May 14, Counselor Sarah Bailey gave a presentation at the Freeburg Chamber of Commerce's monthly meeting to introduce the SBDC to the members and discuss the importance of business planning. Bailey provided various examples of questions that the SBDC can assist with, explained the components of a valuable business plan, and invited Freeburg entrepreneurs to become SBDC clients and attend the upcoming workshops. It was a well-attended meeting, and the SBDC appreciated the opportunity to connect with such active members of the community. Thank you to David Mitchell of Citizens Community Bank and his fellow team members at the Chamber!



MGMT475-Billiger Foods



MGMT475-Penn Station East Coasts Subs



Scan the QR code with your smart phone to register for the Starting a Business in Illinois workshop

## Workshop Dates

"Starting a Business in Illinois" in East St. Louis  
Wednesday, June 27<sup>th</sup> (3:00 pm – 5:00 pm)

Wednesday, July 25<sup>th</sup> (3:00 pm – 5:00 pm)

"Starting a Business in Illinois" in Edwardsville  
Wednesday, June 6<sup>th</sup> (3:00 pm – 5:00 pm)

Wednesday, July 11<sup>th</sup> (3:00 pm – 5:00 pm)

## Success Story: Michelle Aikman with Skilled Assets, LLC

When Michelle Aikman attended classes at the Small Business Development Center in Spokane, Washington a few years ago, it helped her evaluate smaller entrepreneurship projects. These projects were all part of her exploration to determine a career that was compatible with her passion, skills and work life balance needs. With relocating multiple times because of her role as an active duty military spouse, Aikman became extremely skilled at seeking and securing satisfying employment as an engineer. To Aikman, starting an employment strategy business was something that "aligned with what I'm passionate about."

After learning that there was an SBDC in Edwardsville, Aikman signed up for the February 2011 "Starting a Business" workshop and got to work on her business plan. "The SBDC assured me that I was heading in the right direction," says Aikman. The low-costs of the SBDC's services and their knowledge of local area resources were also very helpful to her.

As Aikman's business planning continued, what stood out to her was that "you can't just do [start a business] a little bit," and fully invested her time and energy. Fiercely determined, she started Skilled Assets, LLC in Maryville, IL in April 2011. One way that she helps job applicants change their outlook and see skills in a new way is by providing personalized feedback on clients' resume and cover letter writing. Kristen Dorsey Birk received assistance on her cover letter from Skilled Assets and was definitely grateful for having the outside perspective. Within two days, Skilled Assets helped Kristen transform the cover letter that she had been working on for a year. Now, Kristen works for Skilled Assets, LLC as the company's Marketing & Communications Coordinator.

A year into starting, Skilled Assets, LLC continues to help people see the possibilities in their career path and provide them with direction through one-on-one consulting at reasonable prices, and the organization continues to grow. Their webinars and **TUNE in** events on their website are a great introduction to their services and an opportunity for people across the country improve their employment strategies. Skilled Assets can also work with companies and organizations to help them "see the talent and skill sets available to them" in potential employees and volunteers.

The years leading up to the start of Skilled Assets, LLC have been a learning experience, both in employment strategy and starting a business. The same advice that Aikman has for people who want to start a business could also apply to people wanting to use their transferable skills to secure employment: "If you don't believe in it, no one else will. Stick up for yourself."

*To learn more about the ways that SBDC client Skilled Assets, LLC can help you or your organization, visit their website at [www.skilledassets.com](http://www.skilledassets.com)*

# The Top 10 Rookie Mistakes for Entrepreneurs

From the *New York Times*, By Jay Goltz

Many people who start businesses, including me, have little or no experience and just jump in. Over the years, I have compared notes with many fellow entrepreneurs, and I have seen them make the same mistakes over and over again — I recognize them because I have made them all, too. Here is my list of the biggest rookie mistakes:

- 1. Keeping your rent as low as possible.** The key to business is to keep expenses low, right? Wrong. Sometimes it is worth paying more rent if it will generate more customers, if it gives a better image and inspires confidence, if it helps attract the right employees or if it makes it easier to deal with suppliers. In retail, this one mistake can determine success or failure.
- 2. Hiring someone you know and trust.** Competence is more important. While hiring friends and relatives can work, it severely limits the pool from which you choose, leaving out people who could be much more qualified. Friends and relatives can also carry baggage. They can also be very hard to manage, which leads to my ultimate advice: if you can't fire 'em, don't hire 'em.
- 3. Buying used equipment to keep expenses down.** This, too, works sometimes, but it is often shortsighted. For example, buying a used truck with 100,000 miles on it will guarantee that you will spend valuable time and money fixing the truck when it should be out taking care of customers. Can you really afford downtime with any machine?
- 4. Keeping your prices "reasonable."** How about picking a price that will allow you to make money? Many entrepreneurs underprice their products or services in an attempt to attract business. They either have no understanding of their costs, or they are too busy to think about them. At some point, they have to hire an employee, and that low price will leave no profit after the employee is paid. It may even cause a loss. This starts a very bad chain reaction of cash flow problems, profit problems and stress. Perhaps the biggest mistake is thinking that these problems can be solved by attracting more business.
- 5. Saving money on professional advice.** There is nothing more expensive than a cheap lawyer or accountant. Good lawyers and accountants make good livings, just like anyone else who is good at a job. You don't get what you don't pay for — in this case professional, intelligent advice. And here is the worst part. Most lawyers and accountants are not qualified to be business consultants. For that matter, many business consultants are not qualified to be business consultants. Join a business group, talk to successful entrepreneurs, and get referrals from people who know what they are talking about. How do you know if they know what they are talking about? No one said this was going to be easy.
- 6. Considering borrowed money a last resort.** Maybe it should be, but maybe not. Sometimes it is better to borrow money to do things right than to just do them wrong. Borrowing money is not necessarily stupid, irresponsible, or reckless. But it could be. Knowing the difference is, well, the difference.

**7. Picking a bank that knows you and that you have a relationship with.** Again, it can work. But it can also be naive. Some banks are known for lending to small businesses. Other banks are not. First, find a competent, experienced accountant. Then, ask him or her to assist you in finding a bank. Good accountants should know from their experiences with other clients which banks are in the game. Ask other entrepreneurs who they bank with. In Chicago, there are probably only 10 banks that are really interested in servicing small businesses (that means lending money). And here is the big tip. The people writing the ads for the banks are not the ones giving the loans. You might consider it false advertising. Yes, they do want your business account — they love the noninterest-bearing balances you deliver. But that doesn't mean they want to lend you money. If you get in a bind, the difference between having the right bank and the wrong bank can be the difference between success and failure.

**8. Thinking you have your advertising figured out.** It is very important to know whether your advertising is working — and good luck with that! You certainly need to try to figure out whether your advertising is working, but this can be very difficult. Why? Because even if you are trying to track your results, it's easy to get bad information: Your advertising may be reinforcing the behavior of existing customers. People may tell you they were just driving by when in reality they were influenced by your radio ad. Many times even your customers don't know what got them in the door. My advice: Accept that it's impossible to know everything you'd like to know, but don't stop trying.

**9. Treating your employees fairly.** Well, yes, absolutely: do treat them fairly. But what is fair? Is it fair to fire someone after two months because you realize you made a hiring mistake? Or are you supposed to give it everything you've got, including four more painful months of hope and delusion, while your customers, your bank account, other employees and even the failing employee pay the price? I have probably hired close to 1,000 people over the last 34 years. I have never succeeded in saving, rehabilitating or dramatically changing the behavior of a bad hire. It might not be the employee's fault; frequently it isn't. It could just be the dreaded bad fit. It might even be the boss's fault, but unless you are going to fire yourself, it is what it is. The rookie mistake is to let the situation go on too long. Often people who are not rookies — just bad managers — make the same mistake.

**10. Falling blindly in love with your product or service.** Fall in love, certainly. But a wonderful product or service won't make up for bad decisions and deficiencies in marketing, management or finance. Being a successful entrepreneur means being a competent entrepreneur, in addition to being the best baker, computer programmer, picture framer, hairstylist or whatever it is you are.

I hope this list gives some new entrepreneurs a little insight, or even keeps some wanna-preneurs from getting in over their heads. And one more thing. In sports, you are a rookie for one year. In entrepreneurship, it can last many years. When you learn from your mistakes, you are no longer a rookie. Better yet, learn from someone else's.

*-Jay Goltz owns five small businesses in Chicago.*

## Upcoming Events

### 2012 IRS Tax Practitioner Symposium

**Who:** Professional Tax Practitioners

**When:** Wednesday, July 18 from 8:00 a.m. to 4:30 p.m. (Registration begins at 7:30)

**Where:** SIUE Morris University Center in the Meridian Ballroom

**Registration:** You can sign up online at <https://commerce.cashnet.com/siuebus>

**Cost:** \$75 for pre-registration before July 1 or \$100 after July 1

**Itinerary:** 7:30a.m. Check-in starts

8:00a.m. Program Promptly Begins

- Director Illinois SBDC @ SIUE
- IRS SBSE Stakeholder Liaison Field Central Area Manager, Tom Sheaffer
- Director, IRS SBSE Communication and Stakeholder Outreach, Rob Wilkerson
- IRS Local Taxpayer Advocate
- Illinois Department of Revenue
- Tax Law & Updates with Tom O'Saben, EA
- SBSE Examination & Collection Territory Managers
- Other IRS Tax Law & Tax Updates Presentations by IRS employees

4:45p.m. Symposium Ends



### Progressive Retailing

Ladies, grab your girlfriends and get ready to shop & dine your way through Macoupin County with over 100 retailers to explore!

**When:** Thursday, June 21 9:00 a.m. to 7:00 p.m.

**Where:** Eight different locations in Macoupin County

- Benld - Fireside Eye Care
- Bunker Hill - United Community Bank Drive-Up
- Carlinville - Main Street Florist
- Gillespie - Michelle's Pharmacy
- Mt. Olive - From My House to Yours
- Piasa - Cottage Garden Nursery
- Plainview - Plainview Vineyard
- Staunton - MEDP Office

**Registration:** No tickets needed - just stop in any of the designated 'Progressive Hosts' on June 21st for maps & destination information.

For more information contact Macoupin Economic Development Partnership 618-409-6044.



## Contact Information

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[www.facebook.com/il.sbdc](http://www.facebook.com/il.sbdc)

SBDC Website

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ITC Website

<http://www.siue.edu/business/itc/itcnocpointsofcontact.shtml>