

October 2012

Monthly Connection

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

At

Southern Illinois University Edwardsville



Third Quarter Economic Impact Survey

The Illinois Small Business Development Center is always interested in the success of the small businesses that have worked with us. Every quarter the SBDC sends out an Economic Impact survey, which allow our clients to keep us updated on their progress and any milestones they might achieve. Not only does it keep us updated on our clients' businesses, but it also helps us to improve the quality of our services. The responses to these surveys assist us in serving our clients as well as the local business community.

Milestones may include any of the following:

- Starting a business
- Hiring employees
- Business expansion
- Increase in revenue
- Purchase an existing business
- Loans secured
- Change in legal formation
- Obtained patent or copyright
- Increase in profits
- Sale of a business

Inside this issue:

Workshop Information.....	2
Dates for Fall Workshops.....	2
SBDC Specialized Workshop Flyer for Fall 2012.....	3
SEDAC Workshops.....	3
Buying your First Building.....	4
Hiring Employees: People Matter.....	5
SCORE: Simple Steps Series Workshops.....	6
SBDC Contact Information.....	7

Continued on page 2.

Page 1



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>

Economic Impact Survey

[Continued from page 1](#)

Any sort of success you have had in your business, the SBDC would like to know so we can record your progress. We will be emailing you a link to fill out a survey. If you would prefer to fill it out sooner, the link is below.

https://siue.us2.qualtrics.com/SE/?SID=SV_6XR6v3O252ffHAo

This is the only way we are able to track our impact so any information is greatly appreciated. If you have had a great deal of success and would like to be featured as a success story in an upcoming newsletter, email your SBDC counselor!



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

Complete list of SBDC workshops for the rest of 2012

“Starting a Business in Illinois” workshops:

East St. Louis

October 25
November 15

Edwardsville

October 11
November 1

Dates for specialized workshops:

Internet Marketing and Social Media

October 18

Lending 101

November 8

For more information on the specialized workshops, go to page 3.

Workshop Dates

“Starting a Business in Illinois” in East St. Louis

Thursday, October 25th (10:30am – 12:30pm)

Thursday, November 15th (10:30am – 12:30pm)

“Starting a Business in Illinois” in Edwardsville

Thursday, October 11th (3:00pm – 5:00pm)

Thursday, November 1st (3:00pm – 5:00pm)

Specialized Workshops for Fall 2012



SOUTHERN ILLINOIS UNIVERSITY
EDWARDSVILLE
SCHOOL OF BUSINESS



<u>Dates</u>	<u>Time</u>	<u>Topic</u>
Thursday, October 18 th	3:00-5:00 p.m.	Internet Marketing and Social Media
Thursday, November 8 th	3:00-5:00 p.m.	Lending 101

To register or for more information, call:

Edwardsville SBDC

(618) 650-2929

Or

East St. Louis SBDC

(618) 482-8330

Internet Marketing and Social Media-This course will be taught by Dick Slackman of Tenby Technology. Dick will discuss how you can better market your business through the Internet. Social media basics will also be taught, including how to use Facebook, Twitter, and other sites to help you gain exposure for your business.

Cost

The cost of attending these workshops is \$10. We accept cash or check, and attendees can pay upon arrival.

Lending 101-This course will be taught by Susan Bailey, Senior Vice President and Commercial Loan Officer for National Bank. Susan will discuss the basics of how small businesses can obtain loans to help finance their business and the overall process of how lending works.

SEDAC Workshops Available this Fall!

The Smart Energy Design Assistance Center (SEDAC) provides advice and analyses enabling private and public facilities in the State of Illinois to increase their economic viability through the efficient use of energy resources.

- 1. Act Smart, Save Energy:** How To Make Your Building More Energy Efficient (Target audience: Building owners, users, managers, and stakeholders) - Thursday **October 11**, 8:30AM to 12:30PM (Illinois Central College, Peoria)
- 2. Getting to Efficiency:** Tips For Managing & Retrofitting Your Building (Target audience: Operators and Managers of existing buildings) - Thursday **October 25**, 8:30AM to 12:15 PM (Southwestern Illinois College, Belleville)

Register at: <http://smartenergy.illinois.edu/training-and-outreach.html>

Buying your First Building

By: Jim Borchers via www.sbmon.com

You've decided to buy instead of rent. You found a building you couldn't refuse in today's market. Now you can stop paying the landlord and generate some equity. But who should own it? It sounded simple when you decided to buy, but suddenly there are a lot of questions.

Your banker wants to keep it simple and just have the business buy the building. Your accountant likes the idea of you and your wife owning the property to benefit from the "at risk rules." An estate planning website suggests you put it in your revocable trust. And your financial planner tells you to protect the building with a separate corporation. How do you sort through it all? We'll find the best solution by addressing each fork in the road.

Should you own the property inside or outside of the business?

It's not likely that you will want to put the property in your business entity since it puts the real estate at risk for all of your business debts and liabilities. Yes, it may bring a nice "bankable" asset to your balance sheet. But, in the beginning you'll also pick up a hefty mortgage/liability on that same balance sheet and the net won't really mean much. The bank won't eliminate the loan personal guarantees just because your business owns a building (with a mortgage). If your business is taxed as an S-Corporation, you'll be passing up serious tax advantages under the "at risk" rules. The better option is holding the building outside of your business.

Who should be the "outside" owners?

The most important factor is who owns the going business. Are you and your spouse the only owners, or do you have some other co-owners? In either event, do NOT own the building in your and your spouse's name (or your revocable trusts) or with your co-owners individually. That will subject your single largest "business" asset to the creditors of each owner. The solution? Put your building in a separate limited liability company where it's shielded from the business debts and liabilities (and perhaps from your personal debts as well). The LLC may be owned by some or all of the business owners (and spouses). Better yet, make your revocable trust(s) the owner(s) of the LLC. Be certain that the LLC is taxed as a partnership (not as an S Corporation).

If the property doesn't belong to the business, how does the business benefit?

Answer: you rent "your" building to the business entity and life continues as usual. It's perfectly fine to use your mortgage payment as a base for the monthly rent. Most importantly, you can allocate expenses between the landlord (you) and the business (remember all of that pass through stuff your landlord made you pay?). Think taxes here. Who can use the tax deductions the most? (Hint: you'll likely pass most of the building expenses on to the business, where you have income to offset them.) The key is your commercial lease. Do NOT take a form off of the internet. The lease must be carefully drafted and a commercial attorney will be worth the investment. This is not your college apartment. It's a commercial building. You must document an arm's length transaction to satisfy the tax code, and this is no time to play lawyer. Similarly, consult your CPA, and get a good insurance agent who understands commercial leases. This may not be the agent who handles your car and homeowners insurance.

Lastly, make sure your banker offers the SBA 504 loan program, which is specifically designed just for you to purchase real estate. <http://www.sba.gov/content/cdc504-loan-program>.

James Borchers is Of Counsel with Evans & Dixon LLC Attorneys at Law. He can be reached at 314-552-4014 in St. Louis, 314-552-4188 in St. Charles [Direct], or at jborchers@evans-dixon.com. For more information, visit <http://theblogforbusinesslaw.com/>.

People Matter

By: Susan Wilson Solovic via www.sbmon.com

It's a simple fact: People can make or break your business. When it comes to making people choices, I've made both good calls and bad. In most cases the bad calls were no big deal, but a few of the bad choices left me feeling angry and betrayed. There's an old saying: Business is business and friendship is friendship, but when it's your business, it's always personal.

So when you reach that pivotal moment in your business growth when it's time to hire your first employee, it's vitally important that you make a smart choice. Sadly, many business owners wind up with the most talented job seeker instead of the best candidate for the job. Choosing the wrong applicant can be a costly mistake. While there is no method of hiring that guarantees you'll get it right every time, there are things you can do to minimize mistakes.

Brush up on your interviewing skills. An interview requires a considerable amount of preparation. Don't wing it. Think about what it is you want to accomplish during the interview. What types of things about a candidate would be useful in helping you evaluate his or her ability to do the job? And do the interviewee's skills and abilities complement your own?

Use an evaluation sheet. If you are going to be interviewing multiple candidates, record your impressions on an evaluation sheet. This will help you measure each candidate by the same criteria, and it will also help you keep each individual straight in your mind. I don't know about you, but after a few interviews, particularly if they are on the same day, I can get confused about who said what.

Look beyond the résumé. Try not to do a reiteration of the candidate's résumé. You already have that on hand and can verify any of the information provided. (And you absolutely must verify everything!) What you need to find out is what makes the job applicant tick and whether he or she is going to be the right fit for your business.

Ask open-ended questions. Ask questions that solicit fuller responses. Listen and take notes. Avoid the temptation to do all the talking. The goal of the interview is to learn about the individual. Ask what he or she liked most and/or least about the previous working environment. Find out about the person's accomplishments. Present a typical business situation the candidate would encounter with your company and ask how he or she would handle it.

Assess character. One of the keys to finding the right employee is to identify who is a good fit for your company culture. The most talented individual in the world will cause serious problems for your business if he or she isn't the right fit, culturally. Skills can be taught, but you can't change someone's personality and character.

People matter!

Susan Wilson Solovic is an award-winning entrepreneur and journalist, best-selling author, media personality and attorney. Her radio show, "It's Your Biz with Susan Solovic" airs in multiple markets. She is the CEO of ItsYourBiz.com (formerly SBTv.com) and Susan Solovic Media, susan@itsyourbiz.com.

SCORE Simple Steps Series Workshops

Is Starting a Business Right for You?

The SCORE Simple Steps Series Workshops can help you make a smart start. **Hayner Library at 200 Alton Square Mall** will host the 5-part series.

The SCORE Simple Steps Series Workshops will help you:

- Define and evaluate your ideas.
- Develop a marketing strategy.
- Identify the best ways to fund your startup.
- Turn your idea into action with tools and templates.
- Get useful and helpful mentoring sessions.
- Connect with other entrepreneurs.

Jump-start your business idea with the SCORE Simple Steps Series Workshops. Successful and experienced executives will help you reach a "go or no-go" decision for starting a business.

Make a smart start. Attend the SCORE Simple Steps Series Workshops and begin your journey for small business success.



Hayner Library, 200 Alton Square Mall, Alton IL. 6:00 pm – 8:30 pm.

Overview

The SCORE Simple Steps Series provides five, Two-hour workshops with action steps:

- Start-up Basics (FREE) **September 18**
- Business Concept **September 25**
- Marketing Plan **October 2**
- Financial Projections **October 9**
- Funding Sources and Next Steps **Oct. 16**

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EDWARDJONES

Sign-up

Get started today. Reserve your spot now!

The SCORE Simple Steps Series

FOUR Workshops are available for \$31.25 each. The first workshop is **free**.

You get the whole series for \$125.00.

Not sure if the SCORE Simple Steps Series is for you? Call (618 830 - 9069) or visit (<http://swillinois.score.org>) for more information or to sign-up.

Limited seating! Register today: 618 467-2280
Fee Waived For Veterans

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ITC Website

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