



Entrepreneurs turn to small business centers for free help

By Laura Petrecca, USA TODAY

SUFFERN, N.Y. — On a rainy October morning, Miyoko Yamakawa sits across from a pair of business counselors at the local Small Business Development Center here. She's trying to update her business plan and get advice about how to raise money for her flavored-vodka venture.

With her vibrant scarf, splash of bright red lipstick and three 750ml bottles of colored liquor, Yamakawa stands out in the beige, sparsely decorated office. She talks enthusiastically about vodka varieties and her desire for national distribution.

Seated across from her, Geri Kavanah and Jerry Kobre are calmly but firmly trying to keep the entrepreneur focused on her business model. Yet Yamakawa continues on about how her new vodka flavor — jalapeño — could be a hot seller.

But the advisers persist. Flavors are important, but Yamakawa needs to keep on top of mundane but crucial issues such as managing invoices and making sure she has enough insurance.

"If your business is growing, your insurance should grow with it," says Kobre. "You want to make sure you're adequately protected."

By the end of the two-hour session — her 25th meeting with the Suffern counselors — Yamakawa has received financing and distribution advice, and has a freshly updated business plan for Me Oko Natural Flavored Vodkas.

As with her other visits in the past two years, the expertise came free of charge.

Yamakawa is one of thousands of small business owners that this particular SBDC has helped since it opened in 1987. The Suffern center and about 1,000 other SBDCs nationwide help fledgling entrepreneurs with tasks such as creating business plans, finding funding sources and understanding the licensing rules for various industries.

The centers are funded by a combination of U.S. Small Business Administration funds, as well as money from states, higher-education institutions and the private sector. Each year, the SBA typically contributes more than \$100 million to the program. Each state's SBDC host office is then required to get matching funds through at least 50% cash, as well as in-kind contributions, such as office space or equipment.

The more than 4,000 SBDC counselors nationwide counsel roughly a million clients each year. The advisers also help established small business owners modify their strategies when they thrive, as well as when they hit challenges. For those who discover that an entrepreneurial lifestyle isn't what they want long-term, the SBDC offers guidance on viable exit strategies.

"We help people find what they need — and it's not always money," says Tom Morley, the regional director for several centers north of New York City.

Reality check

The centers also provide a reality check for those who are a bit overly ambitious. Advisers won't outright kill a concept — they don't want to smother a potentially profitable novelty item such as the Snuggie or discourage the next Bill Gates— but they will thoroughly examine a business owner's plans. Questions typically include: Who will buy this product? What competition is out there? Where will funding come from?

"We don't want people to be spinning their wheels and wasting their money," Kavanah says.

She, Kobre and Morley are among the five full-time advisers at the center, which is housed at The State University of New York's Rockland Community College.

The expertise at such centers is varied; most counselors have business degrees, and some states require them, but all states require strong business backgrounds, says Charles "Tee" Rowe, CEO of the Association of Small Business Development Centers.

Kavanah has extensive financial involvement from previous banking jobs; Kobre, manufacturing know-how from his career in the children's clothing field. Morley, who has experience that ranges from food service to electronics, is extremely adept at technical issues. That diversity enables each center to meet an array of client needs, says Morley. In the last two decades, the Suffern office has helped entrepreneurs ranging from bagel shop owners to software developers. Recent clientele includes vodka-maker Yamakawa, a comedian who wants to open a comedy club, a moving company owner dealing with a drop in business, and a worker laid-off from a major company who wants to go into business selling life insurance.

There is no typical client, Kobre says. "It runs the gamut."

Help that's free

A contact at the Rockland Economic Development Corp. tipped Yamakawa off to the SBDC's resources. But she was particularly intrigued by one aspect: "I remember him saying, 'It's free,' " she says.

Many budding entrepreneurs desire free help. Nearly 90% of small business owners say they can't afford private counseling, according to a survey by the New York State Small Business Development Center, which is the umbrella over the Suffern office and 23 other campus-based regional centers across the state.

Most Americans are less than an hour's drive from their closest SBDC, says Rowe. And for those who don't want face-to-face meetings, many centers also offer online counseling.

For business owners seeking more-intensive training, some SBDCs also offer fee-based seminars on specific topics, such as a \$35 class on how to use QuickBooks for payroll or a \$20 class about how to start a home-based business.

We're a team

The SBDC outposts, which are mainly hosted by state colleges and universities, also rely on each other

for help. Advisers often refer clients to other offices that may have a specialist in a particular area, such as veteran-owned firms or minority-owned firms.

After the terrorist attacks of Sept. 11, 2001, offices across New York state sent dozens of counselors to help the New York City offices cope with the aftermath. They worked with thousands of small business owners on such tasks as recovery planning and filling out applications for SBA disaster-assistance loans.

Sheryl Santi Luks, co-founder of moving company Santi Express, says her clientele began to dry up following the attacks. So she came to the Suffern center, which she first visited in the 1990s to get advice on how to handle her business' growth.

This time, she had a completely different issue to tackle: "I said, 'I need help. How am I going to survive?' " she says.

Kobre, who is the office's assistant director, researched potential funding for Santi Luks' business and helped her to find a low-interest loan.

That money "really helped us through that tough time," she says.

Lots of folks seek help

During the latest recession, small businesses again turned to SBDCs for help. "The pressure on our counselors is pretty much uniformly going up," says Rowe.

The SBDC offices in New York state put in nearly 100,000 counseling hours from Oct. 1, 2007, to Sept. 30, 2008, up from roughly 80,000 hours the year before.

Just before the recent downturn fully hit, moving company founder Santi Luks was back at her local center.

Business had started to slow, and she was interested in opening a larger warehouse. Her logic: If the economy completely turned, companies and families that downsized would need somewhere to store their furniture and other supplies.

Kobre, who is assistant director of the Suffern SBDC, was her "sounding board" as she debated the merits of opening the warehouse.

"I'm smart enough to know when I need help — and where to go for help," she says. "It's a sense of security for me, to know there is help just around the corner."

In early 2008, with the encouragement of Kobre, she opened a 7,000-square-foot, climate-controlled warehouse in Valley Cottage, N.Y. She says revenue from that facility has helped keep her business afloat as the number of moving requests has diminished.

"Obviously, I've gotten a lot of good advice (from the SBDC), because in this economy, I'm still surviving," she says. "I'm alive and kicking."