

## Your Business Is Our Business.... by Bill Brigham, Director

As sponsors of the SBDC, the SBA and University at Albany make it possible for the SBDC to provide quality no cost counseling services to NYS small businesses.



Bill Brigham, Director  
Small Business Development  
Center, University at  
Albany

Welcome to our first newsletter of 2008. This year the Small Business Development Center at the University at Albany will reach three highly notable milestones since the program's inception in 1984:

- 17,000 Client Counseled
- \$2,000,000,000 in Capital Accessed
- 8,130 Jobs Saved or Created

These accomplishments are only achievable because of you. Most likely, many of the small businesses that we help are referred by your organizations. The small business community is a massive network made up of people helping each other including: lenders, real estate and legal professionals, economic development specialists, academic leaders, former

clients and on and on. It is all of you.

It is hard to believe that twenty-four years ago the Small Business Administration initiated the Small Business Development Center program with the sole purpose of providing technical assistance to existing small businesses and entrepreneurs. The SBDC team is focused on providing no-cost professional services ranging from arranging complex financial packages for business expansion to assistance with the basics of small business start-ups and ownership, and anything in between. SBDC counselors are highly trained and committed to creating economic wealth by providing sound business counseling.

The diversity of the businesses assisted is a testimony to the range of expertise of SBDC, UA Business Advisors. Did you know, for example, that among the businesses assisted by the Center are a high profile bicycle manufacturer, a landmark golf resort, an organic garlic grower, an informational technology security firm, many gourmet restaurants, pizza parlors, and eclectic cafes, a fabricator of armor plating for Humvees, a women-owned archeological firm, and a 'mom and pop' grocery store? All small businesses, regardless of industry and phase,

startup or existing, should be SBDC clients.

A special kudos to the Chambers of Commerce in our 11 county service region. Chambers allow the SBDC, UA to maintain seven satellite offices within the footprint of the Tech Valley Chamber Alliance. These organizations not only supply office space for counseling, but also promote the SBDC as a service to their members. This is the seamless presence that makes the program work.

The SBDC, UA is constantly evolving services to respond to our dynamic small business sector. Examples include the Veteran's Business Outreach Program to help New York's veterans successfully transition back to the private sector, or the new Technology Entrepreneur in Residence program to place serial entrepreneurs in technology companies to accelerate the commercialization of intellectual property.

Through the School of Business at the University at Albany, the SBDC has been able to provide high impact internships at many local high profile businesses and the SBDC offices.

Please remember that the SBDC makes it possible for businesses to get high quality assistance at no cost....for free!!!



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**Karen Hartgen with historical Dutch artifacts.**

*“Cooperatively developing a workable business plan and financial projections...”*

## Another Successful Client

For 29 years, Hartgen Archeological Associates (HAA) has provided a service that combines archeology with cultural anthropology and has completed more than 2,000 cultural studies at historic sites throughout NYS and New England. With a comprehensive inventory of standard archeological equipment and more than two dozen archeologists, HAA, Inc. can field several crews simultaneously, and draw on an extensive network of qualified specialists who contribute their expertise on a project-by-project basis.

Karen Hartgen, the President and the Principal Investigator of HAA and Registered Professional Archeologist (RPA), first consulted the

SBDC in 1994 when she needed help developing a business plan to secure a contract with NYS. With the SBDC’s assistance, she was able to obtain a subcontract with the NYS Department of Education and a term loan from the NYS Transportation Loan/Bond Program. She returned to the Albany Regional Center in 1998 for help in expanding the business and developing marketing strategies.

The company has grown to be the largest privately owned archeological firm in NYS and a recognized leader in the field. Karen has grown the firm from a few employees in 1973 to a full-time professional staff of 30. Annual revenues now approach \$3 million.

## Financing 101 by John Skrobela, Business Advisor

While most potential entrepreneurs have the best intentions, they usually do not have the capital requirements to make their concept anything more than a pipe dream. “If the banks would just lend a half-million dollars, interest free...”, and, “My credit is not great, but...” are a few of the comments often heard from SBDC clients. It is the role of a SBDC business advisor to fully prepare a start-up business or business expansion for the fickle nature of commercial lending.

Clients of the Albany SBDC are informed of different lending criteria, and are usually presented with a number of options depending on their plan’s feasibility and their credit history.

Business advisors work closely with entrepreneurs in cooperatively developing a workable business plan and financial projections, which are geared towards establishing the business concept into a sustainable operation. The SBDC also keeps in contact with commercial lenders during the lending process, ensuring that all parties are on the same page and all required info (tax returns, personal financial statements, etc.) has been submitted.

The SBDC at the University of Albany cannot promise funding for all hopeful small businesses, but the knowledgeable staff can make sure that each client is better equipped to address their financial needs.

## Outreach Locations

- Adirondack Regional Chamber of Commerce
- Greene County Economic Development
- Key 4 Women Resource Centers
- Montgomery Chamber of Commerce
- Rensselaer Chamber of Commerce
- Saratoga Chamber of Commerce
- SBA Regional Office—Albany
- Schenectady Chamber of Commerce
- SUNY Cobleskill
- Southern Saratoga Chamber of Commerce



**Matt Staccone has been with the SBDC for twenty years. Prior to joining the SBDC, Matt was involved with municipal economic development for 10 years.**

**Matt specializes in financial analysis and structuring finance proposals.**

**Is a recession a good time to expand a small business?**

My answer to that question is yes. Disregard the recession. The critical issues are the fundamental ones that apply to any expansion

## Ask the Advisor by Matt Staccone, Business Advisor

program, like a tightly defined target market, availability of internal and external financial resources, qualified management, and addressing all of the variables in the business plan.

Banks reign in credit during a recession, making loans more difficult to secure. For those meeting the tighter credit standards, an opportunity does exist. Recessions are relatively short lived. All trade does not stop during a recession. There are customers to be had, they are just harder to find. Why not have this struggle when the economy is slow? The caveat is to plan carefully and conserve your cash. The business

needs enough cash to cover monthly losses until the new project generates sufficient revenues to break even. Plan for a longer time to break even and allot more cash reserves to survive the expansion period. If your expansion plan is fundamentally sound, it can be a good time to expand your business. As the recession ends, your expansion project is now a part of your regular business with an established customer base. The improving economy will yield more customers and profits to your expanded business.

## Buy vs. Lease by Amy Amoroso, Business Advisor

Any small business may someday be faced with the decision to buy or lease office space. Owners need to carefully weigh the pros and cons of **buy vs. lease.**

**The Pros of Buying** include having Fixed Interest Rates, Property Tax deductions, as well as Mortgage Interest Rate deductions. Owning may also provide additional income from rentals, as well as having the options of selling

some of their property which could add to the businesses revenues or the owner's retirement fund.

**The Cons of Buying** may limit physical expansion of facilities and require the owner to fund all related property costs, thus limiting working capital.

**The Pros of Leasing** can provide the business owner an opportunity to rent space with a wider choice

of prime visibility and lower investment costs, as well as freeing up working capital for other financial obligations. It also significantly reduces owner's property management responsibilities.

**The Cons of Leasing** may include rent increases, increased assessments, no equity for renovations, and being at the mercy of the landlord.

*“Weighing the pros and cons of whether to buy or lease space for his or her business can be one of the most difficult decisions a business owner faces.”*

## What is Market Research? by Kate Baker, Business Advisor

Market Research... many have heard the term, few are aware of what it is. So what is Market Research? Simply put, it is the process of identifying the potential customer base within a specific demographic location combined with industry statistics on growth, decline, supply, demand, pricing and a competitive analysis.

Identifying the potential customer base consists of developing customer profiles

that define the measurable characteristics within the market. Taking the time to develop profiles with specific details will generate better quality demographic data associated with the profile.

Industry trends assist the small business owner with modifying business models, marketing, sales, and advertising efforts to meet the existing and future needs of the customer base within the marketplace.

Competitive analysis should include information on how the competitor does business, attracts business, their hours of operations, service levels, missed opportunities and product/service pricing.

Using Market Research as a foundation for building an effective marketing strategy can become the difference between a successful marketing campaign and one that fails.



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**Helping NYS Small Businesses Start,  
Grow and Expand.**

## Calendar of Events

- **May 14th to July 2nd—Minority and Women Contractor Development Program SBDC Offices**
- **June 17th—Starting and Operating a Day Care Center  
Catholic Charities—Albany**
- **June 19th—Achieving the Next Level of Success  
East Greenbush Business Alliance**
- **June 23rd—Finding New Business  
Colonie Chamber of Commerce**
- **June 23rd—NYS Economic Development Council  
University at Albany**
- **July 8th—How to Write an Effective Business Plan  
SBDC Offices**
- **July 28th—Developing New Market  
Colonie Chamber of Commerce**
- **August 12th—Cash Flow Management  
SBDC Offices**
- **August 25th—Marketing on a Shoestring  
Colonie Chamber of Commerce**

## Inside this Issue of the Business Advisor....

**Client Success Story—Karen Hartgen**

**Will Banks Lend \$500,000 Interest Free  
if I Have Bad Credit?**

**Is your Business Recession Proof?**