

West Alabama Small Business Handbook



Prepared by

The Small Business Development Center
Culverhouse College of Commerce and Business Administration

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Small Business Handbook

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Business Start-Up Check List

By the Alabama Small Business Development Center Network

Starting a business requires hard work and several steps should be taken before pursuing such an endeavor. This handbook is designed to aid in starting a business; however, it is only an outline. Undoubtedly, you will run into problems that are not covered. At this time, you should utilize your resources to help solve the problem(s). Your resources include the Small Business Development Center, an attorney, an accountant, a friend, or any other source that is available. Before you read further, please see **Ten Steps to Business Success**. With these steps in mind, continue to look at the outline and the referenced articles/information.

- (1) Prepare a written business plan - see **The Business Plan**
- (2) Decide whether you wish to operate as a sole proprietorship, partnership, corporation, or LLC - see **Choosing a Legal Structure**
- (3) Establish a source of adequate and reliable financing
- (4) Check zoning ordinances - contact city hall
- (5) Select a suitable location
- (6) Retain an attorney and a CPA, if appropriate
- (7) Acquire necessary licenses and permits - contact Revenue Department
- (8) Get tax ID number and forms; follow other tax requirements - see **Key Tax Numbers**
- (9) Choose record keeping system and method of inventory control - consult your accountant - see **Accounting Primer**
- (10) Open bank accounts in the name of the business for business use only
- (11) Arrange for utilities, telephone, and other services
- (12) See insurance agent for full range of coverage - see **Insurance**

Ten Steps To Business Success

By the Alabama Small Business Development Center Network

(1) Put together an effective and detailed Business Plan. It is the blueprint to your success. Update your business plan to reflect changes as they occur. A good plan should be flexible enough to adapt to a changing environment. Include cash flow projections in your Business Plan; insufficient working capital can be hazardous.

(2) To be successful in small business, one must be an entrepreneur, a manager and a technician.

(3) Take pride in your business; it is an extension of yourself. Understand your weaknesses and strengths, your product and the market. Provide your customers with the right product at the right time.

(4) Know your competition, your field and your target area inside and out. Do not rely on assumptions and hunches.

(5) Trust yourself and your own judgment but take the time to truly know your market well and the products it values. To stay one step ahead, constantly evaluate your business and its role in the market.

(6) Serve the needs of the customers. Be sensitive to their needs, how to reach them, and most of all, what will convince them to buy your product or service.

(7) Know your limits. Are you willing to work day and night to make it work? Don't do it all yourself. Get moral support, and the right kind of help to run your business. Professional consultants can help you tap the full resources of your business.

(8) Carefully select your staff. They are the faces that people associate with your business. Train them to perform the job to your satisfaction and reward them when the job is done well.

(9) Treat employees as individuals. Each has their own strengths, weaknesses and preferences.

(10) Read relevant newspapers and magazines daily; become familiar with the financial section. Keep up to date so that you may understand the big picture.

Market Research, pt.1: Why Do Research?

A small business must know its market in order to be successful. The process of learning about its market is called market research. As defined by the American Marketing Association, marketing research is "the systematic gathering, recording, and analyzing of data about problems relating to the marketing of goods and services."

Simply put, it is a business' attempt to answer who will buy its product or service, what price will the buyer pay and how will the buyer be reached. These are very important questions for someone starting a new business or trying to sustain an existing one. The answers provided to these questions should become the basis for the company's pricing plans, advertising strategies, product offerings and even determining the location of the business. Asking the right questions can also uncover key information about your competitors--and perhaps reveal ways to out perform them.

Useful market research for a small business must be simply obtained, timely, accurate and inexpensive. Fortunately, small businesses have a built-in advantage. They are close to their customers. They watch them drive up, talk to them one-on-one and answer their questions. A small business is not encumbered with layers of management. As such, timely market data IS just a conversation away for many businesses. A small business needs research that delivers what "is" needed, does not bury the business with reams of data and does not waste time or money on informational "fishing expeditions."

Market Research, pt.2: The Basics

There are a few basic steps associated with any market research project. They are:

1. Define the problem or opportunity

What do you want to find out? If you own a downtown yogurt shop you may want to know how many people in a one mile area eat yogurt or how many people walk by your store every day before lunch. And if they do eat yogurt, where do they buy it and at what price?

To get the right answers, you must have a clear understanding of the issues you want resolved by the research.

2. Plan the project

How will you collect your data, how much will it cost and how long will it take? Market data is available in two very broad categories; primary and secondary. Primary is original data collected first-hand by the researcher. Obtaining primary data can be, but is not always, time-consuming and expensive. And the more sophisticated techniques of data collection can require a significant level of technical expertise beyond that normally found in a small business. However, the information revealed through primary research is usually quite specific and provides precise answers to the questions asked.

Secondary data is information that has already been collected. It is more readily available and less expensive. It can be obtained from a variety of places including government sources, area libraries and industry associations. Please note that secondary data is usually not as precise (remember, the research used was not conducted just for you) and may be aged.

3. Collect the data

In most cases, data collection for a thorough market research process will combine the acquisition of secondary data with primary data. The yogurt shop example illustrates the point. To answer the questions posed (i.e., number of people in area who eat yogurt, people walking by the store, where do they buy and what do they pay?) a number of techniques could be used.

Census data - population and income figures could be obtained from government sources for the area. That information could then be combined with data obtained from yogurt industry association and industry publications, such as percentage of persons eating yogurt in the general population, to provide an estimate of potential yogurt buyers in the area. Perhaps not precise, but remember, the data was not created specifically for you.

Street intercepts - post an employee on the street near the store to count the persons walking by. Establish beforehand the number you would like to talk to and politely stop them and ask them a small number of questions. Do they eat yogurt, how often and where? Also ask them, generally, where they live. You are not looking for an exact address, just a ballpark estimate. And if they don't eat yogurt, ask them why--you might learn something you can use to attract them for the first time.

Talk to customers - the most precise and important source of market information. Your customers have proven they know where you are and what you sell. Talk to them. Ask them how they heard about you, check out their license plates if they drove up or ask them to fill out a card making them eligible for a later prize drawing. Success in business depends on information, so take every opportunity to obtain it easily.

Visit competitors - you should be your competitors' best customer. On a non-routine, but consistent basis, visit other yogurt shops, buy their product, chit-chat with other customers and keep abreast of their pricing and promotions. Maintain a notebook with information on each competitor and update it on a regular basis. Rest assured, they are keeping track of your activities.

Through a combination of secondary (census data and industry publications) and primary (street interviews and visiting competitors) sources, information can be gathered to answer the questions posed at a relatively small cost.

4. Using the Information

Recall that market research is used to answer questions such as who are your customers, what do they like and how do you reach them. The ideas outlined above can generate a large amount of information. That information needs to be organized and assessed, logically, to address the questions asked. For example:

From information obtained from an industry association publication, you learn that the typical yogurt shop can expect the following:

- to attract customers from a 1.5 mile diameter.
- the average yogurt customer is 31 years old.
- the average purchase per customer, per visit, is \$3.26.

Your own primary research uncovers that:

60% of the customers, as indicated on the birthday surprise drawing cards, have telephone numbers over five miles away from the store location. The birthday surprise drawing card also shows that the average customer is 42 years old. By observing foot traffic in front of the store for 2-3 weeks, it is determined that 12:30 until 1: 15 is the busiest time of day for the location. (Please note that information cited is for illustrative purposes only.) A number of decisions and choices, plus more questions, present themselves based on the information uncovered.

- Why does the store draw customers from such a distance-and how can they keep those customers while attracting customers nearer to home?

- Is the image of the store discouraging younger patrons?

- A study of store receipts shows that customers spend, on average, \$2.56 per visit. Should prices be raised? Or should volume be increased by offering specials before noon and after 2:00 P.M.?

There is no right answer to any of the choices revealed by the information gathered. And of course, no decision could be made based on the information presented--more would be needed.

The key point is the relative ease with which useful data can be obtained and used to guide the business.

Small businesses operate close to the ground. They can respond quickly to changes in customer attitudes and preferences--if they stay abreast of the market around them. Up-to-date market information plays a crucial role in their ability to respond. Timely and inexpensive market research ideas, like the ones outlined above, will help firms remain competitive. But only if they consistently gather new data, use the data in an intelligent manner and follow-up their actions to determine the success or failure of their decisions.

Market Research, pt.3: Where To Go

A comprehensive list of marketing research sources would fill a book. However, there are a few titles and sources that are good starting points for any market research process. And don't forget your local librarian, who is trained to find information.

U.S. Bureau of the Census Publications. U.S. Government Printing Office, Washington, DC 20402

Encyclopedia of Business Information Sources. Gale Research Inc. Detroit, Michigan.

Encyclopedia of Associations. Gale Research Inc. Detroit, Michigan

Sales and Marketing Management Survey of Buying Power. Bill Communications, Inc. Sales and Marketing Management, New York, NY 10017

Thomas Register of American Manufacturers and Thomas Register Catalog File. Thomas Publishing Co., New York, NY 10119

The Source Book of Zip Code Demographics. CACI Marketing Systems. Arlington, Virginia

The Official Guide to Household Spending. New Strategist. Ithaca, New York

Internet Web Sites:

www.marketingtools.com - The American Demographics Magazine site. Excellent source for consumer and lifestyle market data.

www.fedstats.gov - Comprehensive site for all federal agencies and statistics such as census data.

www.sbaonline.sba.gov - Official site of the U.S. Small Business Administration. Contains information about lending and sources of help.

The Business Plan

A business plan does not have to be lengthy to be effective. All business plans include certain key elements, which address the important issues in most business start-ups or expansion/improvements. If these basic elements are included in the plan, in an articulate and concise manner, then the plan has a chance to succeed. The length of the plan is unimportant--content is. Be sure to indicate early in the plan why the plan is being presented. If you are seeking money, say so and state the amount and the general purpose. Do not keep the reader in suspense as to why they are spending their valuable time reading your document.

The following are the key elements in any Business Plan. These elements are not chiseled in granite and can, of course, be altered for specific situations. The order in which they appear can also be altered with one exception--the first element--the introduction or executive summary.

The elements are as follows:

I. The Introduction (Executive Summary)

Should include a brief business history/profile, a sketch of the principals (resumes can be included in the appendix) and the purpose of the plan.

II. Product

What does the business sell, produce or service or expect to sell, produce or service? And perhaps a bit of comment on why it is unique--if it is unique.

III. Competition

Who else is doing what you are doing, or planning to do? How are you similar and how are you different? A clear understanding of your rivals indicates to your reader that you have researched and analyzed your industry.

IV. Target Market Segment

Who is going to buy your product, where are they located and why will they buy from you? How will you attract them in your direction? The more clearly you can define your market segment the more precisely you can tailor your approach.

V. Amount of Financing Needed

Precisely state the amount of financing needed.

VI. Uses of Financing

How will the money be used? What equipment will be purchased? What level of salaries will be paid? What amount of inventory will be stocked? Be sure to include an amount for contingencies. Detail in this section is appreciated.

VII. Financial Projections

A pro-forma cash flow/profit and loss is necessary. A 12 month detailed statement is best with gross figures (i.e., sales, gross margin, gross profit, net profit) extended out for two or three years. Be

sure to include supporting notes concerning sales estimates and expenses. The figures presented will have to be defended to the reader.

VIII. Personal Financial Statements

A statement of net worth (i.e., balance sheet) will more than likely be needed for each of the key players in the firm. Most investors will require a personal pledge from the business partners before committing their funds. The firm's partners will need to obtain the proper documents from their personal accountant or financial advisor.

IX. Appendix

Should include any supporting documents, which are cited in the body of the plan. This can include resumes, samples of the described product, or legal documents validating collateral for the financing.

To re-emphasize, when compiling a Business Plan there is no substitute for accuracy, clarity and conciseness. Include all that is needed but only what is needed.

Tips for Putting Your Plan Together

1. Don't over diversify your venture. It's a plan--not a portfolio.
2. Identify and discuss key personnel--at length.
3. Describe your product in layman's terms. Don't use jargon.
4. Focus on the market and your product's ability to fill the demand.
5. Be painfully realistic. Such as, don't overstate sales.
6. But... don't dwell on the numbers.
7. Discuss possible problems and planned steps to correct them.
8. And remember... a business plan that describes an insurmountable market position... is by definition written by naive people.

Choosing a Legal Structure, pt.1: The Sole Proprietorship and the Partnership

Once you have decided to start a business, you must decide what type of business entity to use. There are many legal and tax considerations that will enter into a sound decision. These legal considerations can become very involved and it is advised that you consult an attorney to help you determine the appropriate structure.

There are four principal forms of business structure in the state of Alabama: the sole proprietorship, the partnership, the corporation and the limited liability company. The decision should be based on your specific circumstances, goals and needs. These structures, along with their advantages and disadvantages, are listed below:

The Sole Proprietorship

The sole proprietorship is usually defined as a business that is owned and operated by one person. To establish a sole proprietorship, you need only obtain whatever licenses you need and begin operation.

Advantages

- Ease of formation
- Sole ownership of profits
- One owner has control and decision making power
- Flexibility in day-to-day management
- Relatively free from government reporting

Disadvantages

- Unlimited liability - this extends to all of the proprietor's assets, including the home and car, but the impact may be lessened by proper insurance coverage
- Unstable business life - the business may be terminated upon the death of the owner
- Less available capital
- Difficult to obtain long term financing
- Relatively limited viewpoint and experience

The Partnership

The Uniform Partnership Act, adopted by many states, defines a partnership as "an association of two or more persons to carry on as co-owners of a business for profit." Though not specifically required by the Act, written Articles of Partnership are customarily executed. These articles outline the contribution by the partners into the business (whether financial, material or managerial) and generally delineate the roles of the partners in the business relationship.

Some of the characteristics that distinguish a partnership from other forms of business organizations are the limited life of a partnership, unlimited liability partners, co-ownership of the assets, sharing of managerial duties and a sharing of the profits.

Advantages

- Ease of formation
- Direct rewards

- Growth and performance facilitated
- Flexibility in decision making
- Relative freedom from government reporting and special taxation

Disadvantages

- Unlimited liability of partners
- Unstable life - elimination of any partner constitutes automatic dissolution of the partnership
- Relative difficulty in obtaining large sums of capital
- Firm bound by the acts of just one partner or agent
- Difficulty of disposing of partnership interest

Choosing a Legal Structure, pt.2: The Corporation

The corporation is by far a more complex business structure. A corporation is a distinct legal entity. That is, it is separate from the individuals who own it. A corporation is formed by the authority of a state government. Corporations, which do business in more than one state, must comply with each state's law regarding qualification of foreign corporations to do business in each state, which may vary considerably. All businesses must comply with and are affected by interstate commerce provisions.

Two Types of Corporations - "C" and "S"

The IRS classifies corporations for tax purposes. There are two tax designations given corporations, the C corporation and the S corporation. Alabama defines an S corporation for state tax purposes by IRS elections. Some states do not tax corporations at all.

C corporations are taxed as a separate legal entity from its shareholders, and pays its own taxes.

The S corporation, sometimes called the small business corporation, is taxed like a partnership. In the S corporation the tax is passed through to the shareholder's personal income tax. Several additional restrictions, such as limits on the number and type of shareholders and means of capitalization, apply to the S corporation. When the incorporation process is complete, the firm is automatically classified as a C corporation. To be classified as an S corporation an election must be made by the corporation and Form 2553 must be filed with the IRS.

Forming the Corporation

The procedure ordinarily required to form a corporation is that first a subscription for capital stock must be taken and a tentative organization created. Then articles of incorporation in statutory form must be filed in the county probate office and with the Secretary of State in the state in which the corporation is to be formed. A certificate of incorporation is then issued by the Secretary of State acknowledging the corporation's existence.

Advantages

- One or more stockholders
- Limitations of the stockholder's liability to a fixed amount of investment, unless voluntarily assumed
- Ownership is readily transferable
- Separate legal existence
- Stability and relative permanence of existence
- Relative ease of securing capital
- Centralized management of business
- The ability to draw on the expertise and skills of many

Disadvantages

- Activities may be limited by the charter and various laws
- Minority stockholders may be exploited
- Extensive government regulations and required reports
- Less financial incentive for the manager
- Double Taxation on C corporation (does not apply to S corporation), income tax on corporate net income (profit) and also on salaries, dividends, and capital gains

Choosing a Legal Structure, pt.3: The Limited Liability Company

Limited Liability Companies (LLC) are a relatively new form of organization for businesses in Alabama, having been adopted on May 20, 1993 with passage of the Alabama Limited Liability Company Act. As defined in the act, Limited Liability Companies are non-corporate entities under which neither the owners or the business managers are personally liable for the LLC's obligations.

How to Form an LLC

1. One or more people may form an LLC.
2. The LLC is formed by filing articles of organization with a probate judge of the county in which the initial registered office of the LLC is to be located.
3. These articles include the name of the company. The name must contain the words Limited Liability Company or L.L.C. as the last words of the name. These articles also include the purpose for which the LLC is organized, the names of the members of the LLC, and the roles of the members in the business relationship.

General Features

The LLC allows the owners of the company to be classified as a partnership for tax purposes. Partnerships do not pay any income tax at the company level. The partners pay personal income taxes on their share of any partnership earnings. After January 1, 1997, a limited liability company with two or more members is treated like a partnership for tax purposes unless it elects to be treated as a corporation. Single member LLC's are treated like a proprietorship for tax purposes.

Advantages of an LLC

- Limitation on Liability
- No restriction on Number or type of Owners
- Flexibility of Capital Structure
- Flexibility in allocating income and expenses to owners
- Flow through of taxes to individual owners

Disadvantages of an LLC

- May be more expensive to create
- Requirements vary from state to state, laws not as uniform as with corporations
- May incur more legal issues since many LLC issues statutes are still untested in court in many situations

Procedure for Incorporation

1. Reservation of Corporation Name

The proposed name of the corporation must be reserved with the Corporations Section of the Secretary of State's Office. The first step is to request the Secretary to search the files of existing Alabama corporations, current name reservations, and name registrations. If the Secretary finds that the proposed name is available (meaning not so similar to another corporate name as to confuse the public) he will then issue a Certificate of Name Reservation. The fee for the Certificate is \$12.00 and is collected by the Judge of Probate, in the county of record, when the Articles of Incorporation are filed in his office.

2. Preparation of the Articles of Incorporation

The next step is to complete preparation of the Article of Incorporation in the format prescribed by Section 10-2B-2.02, Code of Alabama 1975, as last amended.

3. Filing with the Office of the Judge of Probate

The following documents must be presented to the office of the Judge of Probate in the county in which the corporation's registered office is to be located:

- (a) Certification of Name Reservation issued by the Secretary of State; and
- (b) Articles of Incorporation, original and two confirmed copies; and
- (c) Filing fees of \$35.00 to the Judge of Probate and \$40.00 to the Secretary of State.

4. Review and Certification

The Judge of Probate then reviews and certifies, if acceptable, the Articles of Incorporation and retains the original for permanent recording in his office. One conformed copy is returned to the incorporator, together with the original Certification of Incorporation.

NOTE: It is suggested that prior contact be made with the Judge of Probate in the county where the Articles are expected to be filed since some counties charge a recording fee also.

Insurance

Some small business owners view insurance as if it were some form of tax. They recognize that it is necessary but consider it burdensome. However, used correctly, insurance can contribute to the overall success of your business by reducing the uncertainties under which your business operates. It can also reduce employee turnover, improve your credit rating, and help keep your business operating in case of adverse circumstances. The importance of good insurance management is far too important to overlook.

Please discuss your insurance needs with the agent of your choice, as soon as possible.

Insurance Checklist:

Fire Insurance

Automobile Truck Insurance

Business Interruption Insurance

Glass Insurance

Group Life Insurance

Group Health Insurance

Retirement Income

Employee Benefit Coverage

Liability Insurance

Worker's Compensation

Crime Insurance

Rent Insurance

Business Life

Disability Insurance

"Key-Man" Insurance

Boiler & Machinery Insurance

Your agent will be able to provide detailed explanations for these and other types of coverage which exist.

Communicating with Your Customer

By Kristi M. Lamont, Senior Communications Specialist, Culverhouse College of Commerce & Business Administration, University of Alabama

While communication and marketing efforts are by no means the only elements crucial to the success of a business, they can play a critical role. Investing time and minimal funds in the learning and practice of solid communications techniques can prove of measurable benefit to most businesses in both their near and long term future.

Many smaller businesses are faced with the need to communicate with customers and potential customers, but don't have a huge budget to support their efforts. Here are some suggestions to follow in regard to maximizing communications efforts within the constraints of a minimum budget.

Target Market(s)

There is no point in attempting to communicate if you don't know whom you're trying to reach. Step one of any good communications effort is to sit down and determine who your current customers are --and who you want your new ones to be.

For example, if the end users of your product are 2-year-old girls, that doesn't mean you need to be communicating directly with the bib and diaper set. Instead, you're after the people who purchase goods and services for this group -- moms, dads, grandparents, daycare centers, church nurseries, etc. Once you figure out whom your customers are you can move on to deciding how to get your message out to them.

Communications Options

Communications options (not necessarily in order of effectiveness or cost-efficiency) include paid advertising, earned media, direct mail, and distribution.

Paid advertising in the primary *newspaper* in a community can be costly. Small businesses should take a return on investment approach to any advertising they are considering, be it print or broadcast. Put simply (numbers do not reflect actual advertising rates of any publication or broadcast outlet), if an advertisement for an upcoming event will cost a business \$750, can the firm safely project more than \$750 in revenues as a result of the placed advertisement? Or at least break even? Remember, many people who advocate paid advertising are paid to sell advertising -- think about their vested interest in the deal they're trying to get you to make.

In regard to *radio advertising*, always review the demographic and ratings information of any station you're considering buying airtime from. This will not only let you know the audience they're reaching, it will also help you decide what content to include in your ads. Basically the same thing applies (demographics and circulation base) when purchasing ad space from the trade press that covers your industry.

While we're talking trade press, don't forget trade shows. If they're a big deal in your line of work, participate in them. You may not be able to afford every one that comes down the pike, but you may not be able to afford not going to at least one or two every few years.

Outdoor advertising is another option; again, take the return on investment approach.

And, don't forget *The Real Yellow Pages* -- how many times have you yourself flipped to the back of the phone book to find a product or service? In this case, you'll also want to weigh the option of a

display ad in this section; again, remember the return on investment rule of thumb.

Finally, many businesses both small and large are finding themselves a niche on the *World Wide Web*. There are two options here: build your own Web site and promote it within other communications methods; or advertise on someone/something else's Web site. You know what you're about to read: again, take the return on investment approach, remembering all the while to think about your target market -- are they out surfing the Web or are they walking the mall?

Earned media means getting newspapers, trade magazines and radio and television stations to "cover" your business. You thereby "earn" an article or a mention, rather than paying for advertising space. One way to attract attention to your business is to send a *press release* to the media outlets in your community, or to the trade press that covers your industry (this is often used for targeting business-to-business customers). See **How to Create a Quality Press Release** (next section) for some basic tips on writing a press release.

Direct mail lets you send material directly to your target market. It's pretty cost-effective, and with the technology available on personal computers and at even small print shops these days, some nice pieces can be turned out quickly, and inexpensively. A couple of caveats, though: 1) Many people throw away lots and lots "junk mail" without a second thought. Remember, you're competing against color slick pieces. Think return on investment. 2) A poorly-produced piece of direct mail is worse than no direct mail at all. Pay attention to spelling and presentation.

Distribution is a method of taking a piece you've already produced and taking it to places where you think representatives of your target market will be. Sometimes, businesses take pens, coffee cups, hats, etc. (advertising specialties/novelties) and distribute them. You're not about to be surprised at our advice here: take the return on investment approach. Will you really gain enough customers and/or sales to cover the cost of 10,000 ballpoint pens (and don't forget that one-time setup fee)?

Resources

The great thing about communications and marketing is that you don't have to reinvent the wheel. If you've got a lot of money to spend, or even just some money to spend, there are plenty of firms and individuals in this line of work; check your Yellow Pages under advertising, marketing and/or public relations to find firms operating in your community. Better yet, talk to business owners whose products or services you've read or heard about in the newspaper -- find out if they used a professional for communications services. Word of mouth is always a good marketing tool -- especially for marketers! Also check with your local or regional Advertising Federation, Public Relations Society of America and/or International Association of Business Communicators.

How to Create a Quality Press Release

Tips:

- Say the most important thing first.
- And say it plainly. Remember, you're writing to a seventh-grade audience.
- Cover the basics:

Who
What
When
Where
How
Why

- One page is preferable.
- Always include an explanation paragraph about your organization SOMEWHERE in the release -- either in the middle, if it makes sense to put it there, or as the very last paragraph. NEVER at the beginning.
- Remember, in a press release, people say, or, even better, they said. Say, said, say, said. No one concludes, reiterates, explains, expounds or pontificates. Nor do they carry on, gesticulate wildly or sermonize, although they have been known to add.
- Short sentences are better than longer sentences.
- Short paragraphs are better than longer paragraphs.
- Always include a contact phone number for more information.
- Don't assume people know what abbreviations mean -- spell them out on first reference.
- Invest in an Associated Press style manual to learn when and how to abbreviate state names, when to write out numbers or put numerals, and the proper spelling of Jell-O, among other things.
- Quotes are good if they don't sound contrived.
- Editors also love graphics, photos. Doesn't mean they'll always use them, but it's worth a shot.

Remember, though, there is no guarantee that the newspaper or any broadcast outlet will use a given press release; that final decision lies with the media outlet, not you.

Accounting Primer

Basic Definitions:

Revenues - The dollar value of all goods and services sold during a given time period.

Inventory - The cost to acquire and/or produce goods which are currently held by the business.

Cost of Goods Sold - The cost of the goods or services which are associated with the revenue of the period.

For example, Cost of Goods Sold for a retail firm is computed as:

Beginning Inventory + Purchases = Cost of Goods Available For Sale;
Cost of Goods Available For Sale - Ending Inventory = Cost of Goods Sold

Selling and Administrative Expenses - Expenses incurred during the period which are not associated with any particular good/service, but the business as a whole.

Income Statement - Also known as the Profit and Loss Statement - Shows the revenue, cost of goods sold, and expenses of the period.

Basic Format:

Revenue - Cost of Goods Sold = Gross Profit;
Gross Profit - Selling and Administrative Expenses = Net Income

Assets - Tangible or intangible items which the business holds or has rights to (less accumulated depreciation).

Current Assets - Assets that are cash or can be converted into cash in less than one year.

Plant, Property, and Equipment - Long-term assets used to produce revenue for the firm.

Other Assets - Patents, copyrights, goodwill, etc.

Depreciation - The systematic way in which the cost of a long-term asset is expensed over time. For example: Straight Line Depreciation simply divides the cost of the asset (less any expected salvage value) by the expected useful life of the asset. Note: Land is not depreciable.

Liabilities - Promises by the business to repay another party.

Current Liabilities are due within one year.

Long-Term Liabilities are due more than one year from now.

Equity - The difference between assets and liabilities. Also equals all contributed capital plus retained earnings.

Fundamental Accounting Equation (Balance Sheet)

Assets = Liabilities + Equity

Working Capital = Current Assets minus Current Liabilities - Indicator of the firm's ability to operate in the short term.

The following worksheets are provided to help you prepare statements for your business.

Balance Sheet as of _____

(Business related assets and liabilities only)

Name of Business _____

Assets

Current Assets

Cash on Hand and in Bank	\$ _____
Deposits	_____
Accounts Receivable	_____
(Less Allowance for Bad Debts)	_____
Notes Receivable	_____
(Less Allowance for Bad Debts)	_____
Inventory	_____
Supplies	_____
Prepaid Interest	_____
Prepaid Insurance	_____
Prepaid Rent	_____
Total Current Assets	\$ _____

Fixed Assets

Land	\$ _____
Building	_____
(Less Accumulated Depreciation)	_____
Equipment	_____
(Less Accumulated Depreciation)	_____
Furniture and Fixtures	_____
(Less Accumulated Depreciation)	_____
Lease Hold Improvements	_____
(Less Accumulated Depreciation)	_____
Total Fixed Assets	\$ _____

Other Assets	
Investments	\$ _____
Intangible Assets	_____
Miscellaneous Assets	_____
Total Other Assets	\$ _____

Total Assets \$ _____

Liabilities

Current Liabilities

Accounts Payable	\$ _____
Notes Payable (Current)	_____
Mortgage Payable	_____
Tax Payable	_____

Total Current Liabilities \$ _____

Long Term Liabilities

Notes Payable (Long Term)	_____
Mortgage Payable	_____

Total Long Term Liabilities \$ _____

Total Liabilities \$ _____

Capital/Equity/Net Worth

Paid-in-Capital (by Owners)	\$ _____
Retained Earnings	_____
Less: Drawings by Owners	_____

Total Equity \$ _____

Total Liabilities and Owner's Equity \$ _____

*Remember Total Assets always equal Total Liabilities and Owner's Equity

The Income Statement

Name of Business _____

Profit and Loss Statement

From: _____ 20 _____ To: _____ 20 _____

Sales or Gross Receipts \$ _____

Less Cost of Goods Sold \$ _____

Gross Profit \$ _____

Less Operating Expenses

Rent \$ _____

Depreciation _____

Repairs & Maintenance _____

Salaries & Wages _____

Payroll Taxes & Fringe Benefits _____

Taxes, Licenses & Fees _____

Insurance _____

Accounting, Legal and Professional Fees _____

Bad Debts _____

Telephone _____

Utilities _____

Supplies _____

Security _____

Auto and Truck _____

Advertising and Promotion _____

Interest _____

Miscellaneous _____

Total Expenses \$ _____

Net Profit Before Taxes \$ _____

Federal Income Taxes (Corporation Only) \$ _____

Net Profit (or Loss) \$ _____

Key Tax Numbers

By the Alabama Small Business Development Center Network

Federal Employer Identification Tax Number

Every person who pays wages to one or more employees and who has not previously secured an identification number must file with the Internal Revenue Service for an employer identification number. The application must be filed by those who wish to pay wages on or before the seventh day after the date which business begins. The federal employer identification number will also be needed for use on Alabama tax forms. To obtain a federal identification tax number contact:

Internal Revenue Service
801 Tom Martin Dr.
Birmingham, Alabama 35211
1-800-829-3676
Ask for form SS-4

Alabama Sales Tax Number

Anyone who sells tangible personal property to an end user and collects sales tax must have an Alabama sales tax number. To obtain an Alabama sales tax number contact:

Alabama Department of Revenue
Central Registration Unit
P.O. Box 327100
Montgomery, Alabama 36132-7100
(334) 242-1170

Alabama Sales Tax Exemption Number

Any business that buys property for resale purposes is entitled to purchase, at wholesale, tax free, the property they resell. Likewise, any business that is involved in the manufacture of an item for sale is able to purchase the raw materials or ingredients for their products tax free at wholesale prices. To do this, the business must acquire an Alabama Sales Tax Exemption number by contacting:

Alabama Department of Revenue
Taxpayer Service Center
P.O. Box 2467
Tuscaloosa, Alabama 35403-2467
(205) 759-2571

Alabama Income Tax Withholding Number

Any business that hires employees and pays wages needs an Alabama income tax withholding number to hold and remit the taxes withheld to the Department of Revenue. To obtain an Alabama income tax withholding number contact:

Alabama Department of Revenue
Individual and Corporate Tax Division
Withholding Tax Section
P.O. Box 327480

Montgomery, Alabama 36132
(334) 242-1300

Unemployment Compensation Tax Number

The unemployment compensation tax number is needed in the event that an injury is incurred by someone in your company. This number is used for identification purposes when a report is filed with the Department of Industrial Relations. To obtain an unemployment compensation tax number contact:

Alabama State Department of Industrial Relations
Industrial Relations Building
Attn: Status Unit
649 Monroe Street, Rm. 416
Montgomery, Alabama 36131-4200
(334) 242-8830

Business License Process - City of Tuscaloosa

Note: While these steps are specific to the City of Tuscaloosa, they serve as a model for what to expect in other Alabama cities.

1) Complete the Certificate of Occupancy (C.O.)

Issued at the Revenue Department (1st Floor of City Hall). All new businesses located within the City and its police jurisdiction are required to complete the C.O. form before a business license can be purchased. Most businesses will need approving signatures on the C.O. form from Zoning, Fire and Inspection Departments. Restaurants must also have clearance from the Health and Sewer Departments.

2) Calculate Estimated Gross

The estimated gross of potential income projected for the remainder of the calendar year will be the tax-measuring basis for most businesses. Upon completion of C.O. form, the estimated gross is required at the Revenue Department, and depending upon the classification and payment schedule, the tax amount will be assessed. If the estimated gross is actually low or high, the difference will be applied to the next year's license in either a credit or an adjustment due.

3) File a Record Card

Will be completed by each business and will remain on file at the Revenue Department. Tax information, mailing and physical addresses, phone numbers, owner(s) and the C.O. number are required on each record card for every tax paying business. All tax information is strictly confidential.

4) Obtain Business License

The license will be issued to the business upon completion of the above steps and the payment of the determined tax amount. All City licenses are not transferable.

For more information, call: 349-5200

Tuscaloosa County, State, and Federal Information Sources

Land Regulations

West Alabama Regional Commission
4200 Hwy. 69 N., Suite 1
P.O. Box 509
Northport, AL 35476
333-2990

Community Planning & Development Dept. - City Zoning
P.O. Box 2089
2201 University Blvd.
Tuscaloosa, AL 35403
349-0160

Information Concerning Building Inspections, Permits & Flood Zones

City of Tuscaloosa:

Dwight Junkin
Dept. of Inspection
P.O. Box 2089
Tuscaloosa, AL 35403
349-0194

Special Permits for Food

Physical Address:
Tuscaloosa County Health Department
Public Health
1101 Jackson Avenue
Tuscaloosa, AL 35401
345-4131

Mailing Address:
Tuscaloosa County Health Department
P.O. Box 70190
Tuscaloosa, AL 35405
345-4131

Other Numbers of Importance

Occupational Safety & Health Administration/U.S.
950 22nd St. N.
Suite 1050
Birmingham, AL 35203
(205) 731-1534

Alabama Dept. of Industrial Relations
Workers' Compensation Division

649 Monroe Street
Montgomery, AL 36131
(334) 242-2868

U.S. Dept. of Labor ESA Wage & Hour Division
Medical Forum Building, Suite 656
950 22nd St. N.
Birmingham, AL 35203-3711
1-866-4-USWAGE
(1-866-487-9243)

Trademark & Service Mark
Secretary of State
Lands & Trademark Division
P.O. Box 5616
Montgomery, AL 36103-5616
(334) 242-5325

Land Regulations (Development Standards Ordinance)

County - 349-3870 Courthouse
City - 349-2010 City Hall

Bureau of Alcohol, Tobacco, and Firearms (Atlanta) - (404) 417-2600

Dun & Bradstreet Credit Ratings
Birmingham, AL
1-800-234-3867

To Incorporate

Secretary of State
Corporation Division
(334) 242-5324

Physical Address:
11 South union Suite 207
Montgomery, AL 36104

Mailing Address:
P.O. Box 5616
Montgomery, AL 36103-5616

Patents and Trademark Office
General Information Services Division
Washington, D.C. 20231
1-800-786-9199

Local Telephone Numbers and Websites, Bibb through Macon

Bibb County

Chamber of Commerce	(205) 926-5222
License Department	(205) 926-3108
Health Department	(205) 926-9702
Probate Judge	(205) 926-3108
Tax Assessor	(205) 926-3105
Circuit Clerk	(205) 926-3103
Centreville County Seat	(205) 926-4995
Probate Office	(205) 926-3104
County Engineer	(205) 926-3111
County Commission	(205) 926-3117

Chamber of Commerce	http://www.bibbchamber.org
City of Brent	http://www.cityofbrentalabama.com
City of Centreville	http://www.centrevillealabama.com

Butler County

Chamber of Commerce	(334) 382-3251
Probate Judge	(334) 382-3512
Tax Assessor	(334) 382-3221
Health Department	(334) 382-3154
Circuit Clerk	(334) 382-7166
County Engineer	(334) 382-3232
County Commission	(334) 382-3612

City of Greenville	http://www.greenville-alabama.com/
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Chambers County

Health Department	(334) 768-0758
Probate Judge	(334) 864-4380
Revenue Commissioner	(334) 864-4392
County Engineer	(334) 864-4359
Circuit Clerk	(334) 864-4348
County Commission	(334) 864-4341

Chambers County	http://www.chamberscounty.com
Chamber of Commerce	http://www.greatervalleyarea.com
City of Lafayette	http://www.larayetteal.com
City of Lanett	http://www.cityoflanett.com
City of Valley	http://www.cityofvalley.com

Choctaw County

Chamber of Commerce (205) 459-4168
Health Department (205) 459-4026
Probate Judge (205) 459-2417
Tax Assessor (205) 459-2412
County Engineer (205) 459-2473
Circuit Clerk (205) 459-2155
County Commission (205) 459-2100

Chamber of Commerce <http://www.choctawcountyinfo.com>

Dallas County

Chamber of Commerce (334) 875-7241
License Department (334) 874-2112
Health Department (334) 874-2550
Building Inspector (334) 874-2104
Tax Assessor (334) 874-2520

Chamber of Commerce http://www.selmaalabama.com/index.php?option=com_content&task=view&id=30&Itemid=73
City of Selma <http://www.selmaalabama.com>
City of Valley Grande <http://www.cityofvalleygrande.com/>

Fayette County

Chamber of Commerce (205) 932-4587
Health Department (205) 932-5260
Probate Judge (205) 932-4591
Revenue Commissioner (205) 932-6081
County Engineer (205) 932-6282
County Commission (205) 932-4510

City of Fayette <http://www.fayetteal.org/>

Greene County

Chamber of Commerce (205) 372-9002
Health Department (205) 372-9361
Probate Judge (205) 372-3340
Tax Assessor (205) 372-3202
Business Licenses (205) 372-3340
Food License (205) 372-3340
Zoning Regulations (205) 372-4212

City of Eutaw <http://www.eutawonline.com/>

Macon County

Chamber of Commerce (334) 727-6619
Health Department (334) 727-1800
Probate Judge (334) 724-2611

Revenue Commissioner	(334) 724-2603
County Engineer	(334) 724-2619
Circuit Clerk	(334) 724-2614
County Commission	(334) 727-5120

City of Tuskegee	http://www.tuskegeealabama.org/
Tuskegee Area Chamber of Commerce	http://www.tuskegeechamber.org/
Tuskegee-Macon County Community Development Corporation	http://www.tuskmac.org/

Local Telephone Numbers, Marengo through Wilcox

Marengo County

Chamber of Commerce	(334) 289-0270
License Department	(334) 295-2205
Health Department	(334) 295-4205
Probate Judge	(334) 295-2210
Tax Assessor	(334) 295-2214
Circuit Clerk	(334) 295-2219
Probate Office	(334) 295-2210
County Engineer	(334) 295-2236
County Commission	(334) 295-2200
Demopolis City Hall	(334) 289-0577

City of Linden <http://www.lindenalabama.net/>

Demopolis Area Chamber of Commerce <http://www.demopolischamber.com/>

Marion County

Chamber of Commerce	(205) 921-7786
Probate Judge	(205) 921-2471
Tax Assessor	(205) 921-2606
Health Department	(205) 921-3118
Circuit Clerk	(205) 921-7451
County Engineer	(205) 921-2115
County Commission	(205) 921-3172

City of Hamilton <http://www.cityofhamilton.org/>

Monroe County

Chamber of Commerce	(251) 743-2879
Health Department	(251) 575-3109
Probate Judge	(251) 743-4107
Revenue Commissioner	(251) 743-4107 ext. 124
County Engineer	(251) 743-3672
Circuit Clerk	(251) 743-2283
County Commission	(251) 743-4107

Monroeville and Monroe County Chamber of Commerce <http://www.monroecountyal.com/>

Perry County

Chamber of Commerce	(334) 683-9622
Business Licenses	(334) 683-2210
Health Department	(334) 683-6153

Tax Assessor (334) 683-2219
Probate Judge (334) 683-2210

City of Marion <http://www.marionalabama.org/>
City of Uniontown <http://www.uniontownal.org/>
Perry County Chamber
of Commerce <http://www.perrycountyalabamachamber.com/>

Pickens County

Health Department (205) 367-8157
Probate Judge (205) 367-2010
Tax Assessor (205) 367-2040
Aliceville Chamber of Commerce (205) 373-2820
Reform Chamber of Commerce (205) 375-6240

Pickens County, Office of the Revenue
Commissioner <http://pickensalabama.com/>

Sumter County

Sumter County Industrial
Development Authority (205) 652-9303
License Department (205) 652-7286
Health Department (205) 652-7972
Probate Judge (205) 652-7281
Tax Assessor (205) 652-2424
Circuit Clerk (205) 652-2291
Probate Office (205) 652-7281
County Engineer (205) 652-9608
County Commission (205) 652-2731
Livingston City Hall (205) 652-2505

City of Livingston <http://www.ci.livingston.al.us/>
City of Epes <http://www.cityofepesalabama.com>

Tallapoosa County

Chamber of Commerce (256) 825-4019
Health Department (256) 329-0531
Probate Judge (256) 825-4266
Revenue Commissioner (256) 825-7818
County Engineer (256) 825-1062
Circuit Clerk (256) 825-1098
County Commission (256) 825-4268

City of Alexander City <http://www.alexandercityonline.com/>
Alexander City Chamber
of Commerce <http://www.alexandercity.org/>
Dadeville Area Chamber
of Commerce <http://www.dadeville.com/>

Wilcox County

Wilcox Area Chamber of Commerce	(334) 682-4929
Circuit Clerk	(334) 682-4126
License Department	(334) 682-4883
Probate Court	(334) 682-4881
Tax Assessor	(334) 682-9731
Tax Collector	(334) 682-4476
Wilcox County Commission	(334) 682-9112
Public Health Bureau	(334) 682-4515
Wilcox County Engineers Office	(334) 682-4725
Wilcox County Purchasing Shop	(334) 682-9171
Wilcox County Human Resources	(334) 682-4213
Wilcox County City Hall	(334) 682-4603

Wilcox County

<http://www.wilcoxcountyalabama.com/>

Wilcox Area Chamber of
Commerce

<http://www.wilcoxareachamber.org/>

SBA Guaranteed (7a) Loan Information

SBA's Function:

Lending partner to participating financial institutions.

Maximum Size Standard:

Manufacturing - 500 to 1500 employees.

Retailing - \$5 to \$21 million annual receipts.

Construction - \$5 to \$27.5 million annual receipts.

Service - \$3.5 to \$25 million annual receipts.

SBA Guaranty:

80% through \$100,000 - 75% over \$100,000.

Interest Rates:

Prime plus 2-1/4% for 7 year loan or less.

Prime plus 2-3/4% for over 7 year loan.

Maximum Terms:

Land and Buildings - 25 years.

Machinery and Equipment - 10 years.

Furniture and Fixtures - 10 years.

Inventory - 7 years.

Working Capital - 7 years.

SBA Guaranty Fee:

Guaranty Fee ranges from 1/4 of one per cent to 3-7/8% depending on amount guaranteed and maturity of the loan. Check with SBA for current rates/fees. (205) 731-1344.

Cost to Borrower:

SBA Guaranty fee, closing costs, appraisal, accounting fees, loan preparation fees, etc. Required to use bank appointed attorney.

For Start Up Business:

Generally, injection of 20-30%

Personal Guaranty Requirements:

All principals with 20% or more ownership must sign personal guarantee.

For more information:

Call the U.S. Small Business Administration at (205) 290-7101 or visit the website at

<http://www.sbaonline.sba.gov>

Basic Requirements for SBA (7a) Loan Program

- (1) Furnish company Financial Statements and Tax Returns for past three years.
- (2) A current Financial Statement, dated within the past ninety days is also necessary, with an aging of Accounts Receivable and Payable.
- (3) Description of assets offered as collateral for the loan.
- (4) If incorporated, furnish copy of incorporation issued by Secretary of State.
- (5) History of business.
- (6) Resumes on management and owners.
- (7) One year projections of Income and Expenses for new business.

Checklist for Taking Your Business Online

Note: Information for this section provided by DBTECH, INTERNET SERVICES.

Selecting your Domain Name - www.yourcompany.com

- Make it short
- Keep it simple
- Register it as .com and .net (.org is for nonprofit only)

Choosing an Internet Service Provider

- What is the track record of the ISP?
- Do they offer personalized support when you need it?
- Choose between a local and national provider. If you are considering a national provider, make sure they have a local access telephone number so you will not have to pay a long-distance call for service. While a local provider should be easier to contact if service difficulties arise, check with other users of the local service to verify the quality and speed of service when needed.
- How many email accounts do they provide?
- Will software be provided?
- Can the Provider offer a complete package to meet your needs?
 - Office Network
 - Web Hosting & Design
 - FTP Services
 - Email
- Can you get an itemized quote with no hidden charges?
- Do they have multiple backbone connections into the Internet? (Ask how much downtime they have had.) Your Provider should have multiple, redundant lines.
- What are the setup fees?
- How much disk space/bandwidth will you receive? (the more the better)
- Will you get reports that tell how many visitors you have, and where they came from, and which pages they came to?
- What kind of security do they provide to keep your information safe from hackers?
- How fast is their network? A good Provider should keep approximately 50 percent of their lines free in order to handle peak times smoothly.

The minimum pages needed

- Home page
- Business information page
- Contact page

What "look" should it have?

- Clean, uncluttered and easy to navigate throughout the Site
- Fast downloading time (which means that you should not have large photos)
- Keep the "look" consistent on each page, so that the visitor will know that they are still on your site

Promoting your Website

- In addition to reliable tech support, does the provider offer marketing support in order to help drive traffic to your Site?

- After all, a website is the *beginning*, not the *end* of your Internet journey. A professional Provider should be as interested in your *success* as they are in *designing* and/or *hosting* your Site.

Useful Web Links

General Small Business Links

- Small Business Resources at <http://www.smallbusinessresources.com> - Website devoted to small businesses
- Business Nation.com at <http://www.businessnation.com/> - Small business search engine with some predefined search categories
- BizMove.com at <http://www.bizmove.com> - Small business knowledge base
- AllBusiness.com at <http://www.allbusiness.com> - Small business resource page
- Inc.com at <http://www.inc.com> - Online version of Inc. Magazine

Useful Agency Sites

- Business.gov at <http://www.business.gov> - Government site with links to various business topics, including legal and financial information
- U.S. Small Business Administration at <http://www.sba.gov>
- Fedstats (a Federal Government Database) at <http://www.fedstats.gov>
- Alabama Department of Revenue at <http://www.ador.state.al.us>
- United States Postal Service at <http://www.usps.gov>
- IRS at <http://www.irs.gov>
- U.S. Census Bureau at <http://www.census.gov>
- UA Center for Business and Economic Research at <http://cber.cba.ua.edu>

Sample Individual Association Sites

- National Restaurant Association at <http://www.restaurant.org>
- American Booksellers Association at <http://www.bookweb.org>
- Building Owners and Managers Association at <http://www.boma.org>
- American Floral Industry Association at <http://www.afia.net>
- Forest Resources Association at <http://www.apulpa.org>
- General Merchandise Distributors Council at <http://gmdc.com>
- National Association of Resale and Thrift Shops at <http://www.narts.org>
- National Retail Federation at <http://www.nrf.com>
- Society for Foodservice Management at <http://www.sfm-online.org>
- North American Retail Hardware Association at <http://www.nrha.org>
- Automotive Service Association at <http://www.asashop.org>
- National Cosmetology Association at <http://www.salonprofessionals.org>

Good General Search Sites

- Yahoo directory of trade associations at http://dir.yahoo.com/Business_and_Economy/Organizations/Trade_Associations/?o=a
- OceanCareers.com at http://www.oceancareers.com/2.0/pro_societies_full.php - Listing of ocean-related professional societies
- American Society of Association Executives at <http://www.asaecenter.org/Directories/AssociationSearch.cfm> - Trade association searchable directory
- Google at <http://www.google.com>
- About.com at <http://www.about.com>

Small Business Procurement Primer

Federal Government

Today, the United States Government is the largest consumer of goods and services in the world. Government procurement represents a major market opportunity for the small business owner.

There are many misconceptions about the government market. Many believe that selling to the Federal Government, next to finding a pot of gold at the end of the rainbow, is the easiest way to fame and fortune. Others avoid government procurement opportunities because they are certain all the rules and regulations are there to trap the unwary company that dares to venture into this market. Both of these views should not be the basis for any company's decision to sell or not to sell to the government.

A company electing to enter this market should recognize that the objective of the federal procurement process is to acquire necessary supplies and services in a timely manner and at fair and reasonable prices.

There are several federal programs geared toward the small business owner that enables him/her to compete more effectively for government contracts. They are:

1. **General Procurement** - These opportunities are open to all small businesses. Government needs are matched with business capabilities in order to form a business relationship that benefits both parties. Certain requirements, such as the acquisition of a CCR and DUNS number, are necessary. The Small Business Development Center can provide assistance in the registration process.
2. **Set-Asides** - These are bid opportunities that are set aside for Small Disadvantaged (meaning, generally, minority owned) Businesses only. The small business must be certified as a 51% minority owned and operated business. The law for set~asides is aimed at improving small~businesses' access to federal contracts. It has raised the dollar value of contracts to be reserved from \$25,000 to \$100,000 (with some exceptions) for small businesses. The law also requires government~wide goals for women,owned businesses to be no less than 5% of the total value of all prime and subcontract awards for each fiscal year.
3. **8(a) Program** - This is strictly a set,aside program for minority businesses. Under this program, the Small Business Administration (SBA) negotiates a contract for supplies or services with another government agency, and then subcontracts it to an eligible minority small business that has been certified as an 8(a) client.

To be eligible for possible 8(a) certification, a minority business must be 51% minority owned and managed by a minority. The certification process is handled by the Small Business Administration. Most 8(a) clients remain in the program for at least three years learning to bid competitively and independently on other contracts during this time frame.

How to Enter the Federal, State, and Local Market

There are many ways to find out when different agencies are going to make a solicitation for an open bid.

First, anyone serious about doing business with the government should review the Commerce Business Daily. The CBD is a daily listing of U.S. Government procurement invitations for bids. This publication can also serve as a good source for subcontracting leads. As required by the government

all solicitations \$100,000 and over are published in the CBD. Your Small Business Development Center (SBDC) has information on how this publication can be obtained.

Second, every government installation and purchasing activity maintains a bidder's list of prospective suppliers. The bidder's list indicates which businesses want to sell their products or services to the government installation. A bidder's list registration form can vary from agency to agency. The SFI 29 is used for all federally funded agencies (i.e. military installations, VA hospitals). The state and local agencies use different forms but they all serve the same purpose for any small business that wants to sell its products or services. The Small Business Development Center will furnish the forms and assist with preparation.

Third, a business can increase its opportunities by registering their company's profile on the Central Contractor Registration (CCR) system. CCR is a computerized database that connects government agencies with a need to small businesses that can service and fulfill that need. Go to <http://www.ccr.gov/SmallBusinesses.aspx> for more information. Subcontracting opportunities are available at the Small Business Administration's SUB-Net at <http://web.sba.gov/subnet/>

Fourth, a small business can take advantage of the free procurement system services offered by most major universities in Alabama, via the SBDC. The procurement centers:

1. are specifically designed to assist the small business person with becoming aware of bid opportunities.
2. offer one-on-one counseling pertaining to procurement.
3. hold procurement workshops that are offered throughout the year to answer general questions and to update clients on new legislation involving government procurement activities.

Key Websites

<http://www.fedbizopps.gov>

This site lists all government opportunities - a "one face to industry approach".

http://www.defenselink.mil/other_info/business.html

Guide to doing business with the Department of Defense.

<http://www.sba.gov>

This site has a wide range of information pertaining to small business. It also contains SBA-Net, a gateway to resources, opportunities, and networking; as well as a direct link to the Pro-Net database.

<http://prod.nais.nasa.gov/>

This is the site for the NASA Acquisition Internet Service.

Local and State sites

(These are just examples; many more sites exist.)

State of Alabama, State Procurement and Vendor Information -

http://www.alabama.gov/portal/secondary.jsp?page=Business_Procurement

City of Birmingham, Bidding Opportunities - <http://www.informationbirmingham.com/city-of->

birmingham-bidding-opportunities.aspx

City of Selma, How to Do Business with the City of Selma - **http://www.selma-al.gov/HANDBOOK_6.14.07.pdf**