

EDUCATION, ENTREPRENEURSHIP & ECONOMIC DEVELOPMENT



"I wanted to start a business, but didn't know how. My advisor showed me how to build my credit, create a marketing plan, develop a financial projection and identify successful strategies for my business."

Sim Ching Leai, SBDC Client

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LaGuardia SBDC, Consortium for Workers Education & Mi Kitchen es su Kitchen Entrepreneurship Workshop Series



Fall 2007 Entrepreneurship Workshop Series Class

On November 29, 2007 the LaGuardia SBDC, Consortium for Workers Education, and Mi Kitchen es su Kitchen graduated its fourth Entrepreneurship Workshop Series (EWS) class at the Consortium for Workers Education in Long Island City. The EWS is an intensive 10-Week program held twice a year that teaches the fundamentals of starting and growing a business.

On graduation night participants presented their businesses to service providers in the areas of banking, law, accounting, sales and food manufacturing. Leslie Nilsson, founder of the Sage American Kitchen, followed as the guest speaker and spoke eloquently and candidly of her experience building a successful restaurant, catering and wholesale food business. Certificates of Completion were presented to the graduates as well as Certificates from the offices of Councilman Eric Gioia and Assemblywoman Cathy Nolan. Finally, all guests enjoyed a spread of

delectable desserts prepared by participants entering the food business.

EWS participants have ranged from aspiring cosmetic suppliers, clothing retailers and handicraft importers to makers of cakes, organic dog food and high-end chocolate. "The series benefits all entrepreneurs. However, because of the affiliation with the Artisan Baking Center, the series concentrates on themes that are particularly directed toward those in the food industry, giving them specific hands-on experience and information to get them from home to commercial kitchen," says Kathrine Gregory, Director of Mi Kitchen es su Kitchen.

The EWS is developed on the premise that helping businesses start up is not enough. Entrepreneurs must be given the information and tools necessary to help their businesses surmount obstacles and grow in the long term. To this end, the EWS curriculum is infused with the LaGuardia SBDC's experience in counseling entrepreneurs through real-life challenges. "Entrepreneurship can be rewarding. However, it is very important that entrepreneurs clearly understand the day-to-day reality

that lies ahead. Entrepreneurs are more successful in the long run, when they know how to be flexible and adaptive, how to avoid common pitfalls and how to establish firm financial, legal and market-related foundations," says Brian Gurski, Acting Director of the SBDC. For example, the EWS helps participants evaluate their readiness to be entrepreneurs, managers and operators. It also educates on other specifics, such as shareholder agreements, human resource management, product packaging and development, risk management and insurance, credit reports and financial statements.

The EWS also supports the formation of long-term business relationships on multiple levels through structured class interactions, follow-up opportunities with the sponsoring organizations, and connections with business professionals and service organizations on the final evening of class. From just the Fall 2007 class, four participants have already signed up for commercial space at the Artisan Baking Center kitchen, SBDC counseling appointments have been made, and one business has already opened!

For more information about the next EWS beginning in March 2008, contact the LaGuardia SBDC. (718) 482-5303

SPONSORS



The NYS/SBDC is partially funded by the US Small Business Administration (SBA). The support provided through such funding does not constitute an express or implied endorsement of any co-sponsors' or participants' opinions, products or services.

SMALL BUSINESS EDGE

Tips for Making Your Credit History Work for You

By Emily Kerr and Chunyee Miot,
LaGuardia SBDC Business Advisors

As a small business owner, you know that capital is important. What you may not know is how important your personal credit score is in being able to get capital for your business. For example, loans up to \$100,000 may depend solely on the owner's credit score, and credit scores also weigh heavily when applying for higher amounts. As we begin a new year, here are some "Credit Resolutions" to help raise your score...

- Get your free credit report. You can get it from the three credit agencies (Equifax, Experian, and TransUnion) at <http://www.annualcreditreport.com> one time a year with no charge.
- Know that you can check your credit at each of the credit agencies without any negative consequences. Only inquiries made by would be creditors at your request may lower your score.
- Examine your credit reports for any incorrect or negative information. Write to the credit bureaus with supporting documents to correct inaccurate information.
- Make payments on time. Your payment history makes up more than a third of your score. If you can pay off balances early, before they post to your statement, your credit score can raise significantly.
- Keep the balances on your credit cards below roughly 50% of all your available credit. For example, use only up to roughly \$5,000 on a card with a \$10,000 limit.
- Only open new credit cards if necessary. Avoid excessive accounts just to get one-time discounts or special offers. To pay down your debt, move your high interest balances to 0% interest cards but be careful to learn and compare all terms, conditions and expiration dates.
- Be careful when considering to pay someone to correct your credit. Agencies that claim to be able to "clean up" your credit may not be telling the whole story. If they are offering to dispute incorrect items on your report, this is something you can do yourself. If the agency claims to be able to "fix" negative information that is correct, this is likely to be misleading.
- Remember that bankruptcy stays on your credit report for seven to ten years. This is a fact you need to know when considering filing for bankruptcy or when trying to recover from a bankruptcy.
- Make and commit to a financial plan to get your debt under control. Resolve old debts seen on your credit report and collect letters confirming zero balance account closures for proof.

CLIENT SUCCESS STORY

Design Business Grows with LaGuardia's Centers



In 2004, working from charts and bubble graphs on white boards in a small apartment in Manhattan, brothers Alejandro and Agustin Crawford, joined by partners Nate Taylor and Shane O'Boyle, founded a multimedia brand communications and design company called Nolej Studios (www.nolej.net). Nolej's story is not only about talented and inspired entrepreneurs but also the way the LaGuardia's Centers for Economic Development collaborate to support the business community.

Since inception, Nolej has integrated diverse personal backgrounds and brought qualified staff on board to produce services such as brand and logo development, product and package design, video production, digital banner ads and rich interactive media. The work of Nolej and sister firm Full Stealth Films has received mention in *AM New York* as well as the *Washington Post*



Left to Right:
NY Designs, the Nolej team and the SBDC

gen-c.

However, as is common for new businesses, Nolej lacked resources, such as working capital and scalable work space.

Immersed in business development, Nolej, in February of 2007, sought assistance from the LaGuardia SBDC to get capital. Acting Director Brian Gurski worked with Nolej to assess its cash-flow needs and evaluate its ability to borrow from a bank. Identifying appropriate lenders among the SBDC network and following up with the application process until disbursement day, he then helped Nolej obtain \$75,000 in working capital from both Banco Popular and a non-profit lender, SEEDCO.

"Without the working capital or the additional facilities that the SBDC has helped us secure, none of this growth would have been possible."

While working with the SBDC, Nolej also learned of

LaGuardia's NY Designs Incubator, which provides rental space and assistance for start-up design businesses. After submitting a formal application and presenting to a decision committee, Nolej was approved to make NY Designs its second location as of November 1, 2007.

This support from LaGuardia's Centers has helped Nolej generate projects that have since brought four new employees on board to support accelerating growth.

"We have always seen the potential to expand our business at Nolej Studios, but without the working capital or the additional facilities that the SBDC has helped us secure, none of this growth would have been possible," says Alejandro Crawford, CEO of Nolej Studios.

ASK THE EXPERT

By Chunyee Miot, CPA, LaGuardia SBDC Business Advisor

It's the beginning of a new year and it's time to get ready to prepare your 2007 taxes. As a small business owner, you can deduct ordinary and necessary business expenses against your business income. There are multiple categories of business deductions. However, here are a few you might miss. You should always consult with your accountant or tax preparer before taking these deductions.

Deductions	Description	Deduction Amount	Entities
Start-Up Costs & Organization Costs	Setting up or investigating the creation or purchase of a business	Up to \$5,000 each in first year (if total cost is less than \$50,000) then amortize the rest over 15 years	Sole Proprietor, Corporation, LLC, and Partnership
Meals & Entertainment	Ordinary and necessary expenses to entertain a customer or client	50% of qualifying entertainment expenses	Sole Proprietor, Corporation, LLC, and Partnership
Business Mileage Deduction	Any miles driven between two business locations (not commuting)	48.5 cents per mile for 2007; 50.5 cents per mile for 2008	Sole Proprietor, Corporation, LLC, and Partnership
Individual Retirement Account	Contributions made to a qualified plan	Up to \$4,000 deduction if under age 50 and \$5,000 deduction if over age 50	Individual
Simplified Employee Pension Plan	Retirement account for self employed and small business owner	Up to 25% of compensation or net profit, maximum \$45,000	Sole Proprietor, Corporation, LLC, and Partnership
Tuition Deduction	Qualified tuition for yourself, spouse or dependent	Deduction is either \$2,000 or \$4,000 depending on your AGI	Individual
Professional Development	Education you need to maintain or improve skills required in your present job or profession	The full amount can be deducted against business income	Sole Proprietor, Corporation, LLC, and Partnership

BUSINESS LEADER INSIGHTS



HOLIDAY IMAGE INC.



Holiday Image, Inc. creates, from conception to completion, many of the striking holiday displays you see around New York City, including those at Cartier, the Time Warner Center, and Macy's. Matthew Schwam is the President and CEO of Long Island City-based Holiday Image, Inc.

What have you learned about managing the need to deliver high profile projects in volume while preserving the artistic uniqueness of your designs?

When we look at an international retail program, our design objectives are often challenged by manufacturing processes, material considerations, factory lead times, distribution channels and, yes, budget. We begin the process by learning our customer's design and branding goals intimately. We then take a no limits approach to material, manufacturing and design options. Then (matching prototypes and processes with budgets) we narrow the range of initial options. Balancing the business and logistical considerations while maintaining the integrity of our

initial design is an area where Holiday Image has great strength.

What makes Holiday Image successful when competing for contracts for New York City's top holiday retail landmarks?

Holiday Image is uniquely positioned as a direct resource for top material and manufacturing available from over 500 factories in two dozen countries. Our multifaceted disciplines of impeccable design capability, logistical and rigging expertise, and experienced manpower as well as the diversity of our customer base and unique ability to consistently deliver custom branded programs has set us apart.

Getting the right people on board is an important step to building a business. How did you build your team?

There are layers of diverse technical competencies required to create a successful management team at Holiday Image. The backgrounds of our management team consist of entrepreneurs, fashion executives, stage set designers and event coordinators. Their great diversities are balanced with their consistent passion, authenticity and dedication to their personal growth and to the company.

Holiday Image is committed to socially responsible collaborations with suppliers around the world. What have been the challenges and rewards of this?

When Holiday Image set out to build its worldwide supplier alliance, we wrote a comprehensive Social Compliance Program outlining clear expectations for factory conduct with a zero tolerance policy toward any level of human rights abuse. We collaborated with a reputable third party company to help us manage this program. When a factory requests inclusion to our matrix, they are interviewed and if qualified, they are monitored on an ongoing basis. Our reward is that we are doing the right thing.

Since the inception of your company, what has been your biggest surprise and how did you deal with it?

The employees of Holiday Image practice basic principles of fair business and authentic communication, and focus on individual growth as our motivators and passions. Our global approach to the business, life balance has attracted wonderful and powerful people to work with us. Our growth is just a byproduct of how we conduct ourselves; this is the sweet surprise.

TECHNICAL ASSISTANCE CORNER

The LaGuardia Centers for Economic Development include the Center for Corporate Education, NY Designs Incubator, Procurement Technical Assistance Center, the SBDC, and WorkForce1 Career Center.



This Newsletter issue features the NY Designs Incubator.

nyDESIGNS
Design Business Center

NY Designs / Design Business Center

A center where Design Entrepreneurs get training and coaching to solve design business challenges

NY Designs, a program of LaGuardia Community College and City University of New York, helps design entrepreneurs grow their business by teaching business skills, offering business counseling, renting top-notch studio space, and providing access to a recently opened Prototype Lab, all under one roof.

The 35,000-square-foot center offers office suites, shared conference rooms, a gallery, photo studio, materials library, and an expansive lounge overlooking Manhattan. NY Designs' tenants have access to space that will impress clients without depressing budgets. The center now houses 12 design businesses and has served over 500 designers since 2004.

If you need a shop to build models and prototypes but don't have thousands to invest in your own facility, NY Designs Prototype Lab is the right place for you. Our 3,200-square-foot lab is available to the local design community in New York. You can rent shop and computer lab time, laser cut parts, or build rapid prototyping models in ABS. Laser cutting capabilities include most plastics, woods or paperboards up to 51" square, 5/8" thick, as well as glass engraving.

For studio space, business courses and counseling contact Natalia Arguello, Assistant Director, at 718.663.8402. For workshop or lab rental contact Michael Nellini, Prototype Lab Director, at 718.663.8416. For additional information visit www.nydesigns.org

LAGCC CENTERS FOR ECONOMIC DEVELOPMENT



Contact us for free professional and in depth one-on-one counseling for existing and start-up businesses in English, Spanish, Korean, and 3 dialects of Chinese.

All counseling sessions are confidential by law.

To subscribe to our newsletter, learn more about the SBDC, or to schedule an appointment please call: (718) 482-5303 or email: sbdc@lagcc.cuny.edu

CALENDAR OF LAGUARDIA SBDC EVENTS

- | | | |
|---------------------------------|--------|--|
| Jan. 7 | 6–8pm | Successfully Launching your Own Business (Spanish) |
| Jan. 9 | 6–8pm | Starting a Small Business (Spanish) |
| Jan. 14 | 6–8pm | Pulling Ahead of the Pack: Marketing for Business Growth (Spanish) |
| Jan. 28 | 6–8pm | Choosing the Right Legal Structure for Your Business (Spanish) |
| Feb. 4 | 6–8pm | Capital: How & Where to Get it for your Small Business (Spanish) |
| Feb. 21 | 9–12pm | Leveraging the Internet for Business Growth |
| Mar. 23 Through April 24 | 6–8pm | Entrepreneurship Workshop Series |

For more information, please contact the SBDC at (718) 482-5303.

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Small Business Facts:

76% of people surveyed say they don't know their credit score within 200 points.

--Cited by entrepreneur.com, December 2007.