GOOD NEWS, TECHNOLOGY, SOCIAL NETWORKING/MARKETING, ETCETERA

As we enter into a new year, we are pleased to provide you with information taken from THE ILLINOIS SMALL BUSINESS DEVELOPMENT CENTER WEEKLY CONNECTION NEWSLETTER, January 18, 2011 as well as other relevant articles of interest to small business owners and entrepreneurs.

We are excited to share the following statistics.....The Illinois Small Business Development Centers provided business advice to 10,356 clients and an additional 18,266 participated in training events. IL SBDCs assisted those individuals in securing over $138 million in debt and non debt financing in calendar year 2010. There are now 345 new businesses in the state as a result of their assistance and 223 existing businesses were given the help they needed to expand. ALL OF THIS ASSISTANCE RESULTED IN THE CREATION AND RETENTION OF 9,513 JOBS IN ILLINOIS!

“TECHNOLOGY HASN’T CHANGED SOME CONSTANTS.”

As you consider how to use technology to get your business to the next level, it is important to remember its proper role in your business. Technology does not mean that everything you know about business is obsolete. Business is still about business. You still need to finance your business, manage employees, market your product or service, and differentiate yourself from the competition. Most importantly, you need to deliver value. In this respect, technology is simply a tool to help you achieve your overall business objectives.

Competition remains. You can compete for customers nationwide—even worldwide. Don’t forget, however, that others can now compete for customers in YOUR backyard. You still must compete for business; only the “how” and the “where” have changed.

Customer service is still important. The web makes it easy for customers to shop price, but price is not the only factor. Having a relationship with a customer—a track record of mutual trust and fulfilled expectations— is just as important to long-term success online as it is offline. Information technology makes managing these relationships and converting them into increased revenues easier than ever.

Information in this article taken from PRACTICAL TECH, a Sprint publication four sections of “Using New Technologies to supercharge your small business.” The Illinois Small Business Development Center (ISBDC) is partially funded by the U.S. Small Business Administration in partnership with the Illinois Department of Commerce and Economic Opportunity and Kaskaskia College. All SBA programs are extended to the public on a non-discriminatory basis.
NEW TECHNOLOGY GUIDE HELPS ENTREPRENEURS GROW 
THEIR SMALL BUSINESSES & CREATE JOBS

SBA and Microsoft introduce resource to deliver essential technology information to small business owners...

A new technology tool for small businesses is now available to help them grow and create jobs. The new education resource, Business Technology Simplified, helps small business owners connect the dots between entrepreneurship and technology to give them a competitive edge. The U.S. Small Business Administration and Microsoft have teamed up to develop this free, comprehensive guide on how technology can improve the small business owner’s chances for success. The Business Technology Simplified guidebook includes fundamentals on the importance of technology, and how it can be used to achieve a business’s goals. The guidebook’s forward. Earvin “Magic” Johnson writes about his journey in developing a multimillion dollar company and the value of technology to remain competitive.

“Our goal as an agency is to get information, tools and services into the hands of small business owners more quickly so they can spend more time doing what they do best – creating the jobs that will drive our economic recovery,” said SBA Administrator Karen Mills. “This new guidebook is one more tool available to support small business growth through access to information and resources.”

Business Technology Simplified offers straightforward tips on how to use technology and innovation to make businesses work more efficiently. The guidebook incorporates relevant and practical materials on simplifying work tasks, do it yourself marketing, cloud computing, time management, finding and cultivating customers, and much more.

“Small businesses, which employ nearly 50 percent of the U.S. work force, rely on trustworthy technology that is easily adaptable and scalable to support growth and give them freedom to focus on the innovation and passion that drives their business,” said Cindy Bates, Microsoft’s vice president of U.S. Small and Medium Business. “We are thrilled to continue our longstanding relationship with SBA and small business by providing this free resource that will arm this community with the technology know-how to safely and smartly grow their businesses in many strategic ways.”

Business Technology Simplified is available in a printed format in SBA district offices and local SBA resource partners, or may be accessed online as an electronic publication and as an electronic distance learning course. The new online course has been created for self-paced access to practical guidance on applying technology to build and grow strong companies.

The Business Technology Simplified online course allows quick access by small business owners to learn more about basic technology tools that can help their companies run more efficiently. The course features an audio guided lesson indexed by modules that includes information on how to use technology to save time in day-to-day tasks, how to better manage a business, mobile solutions that work, and tips on expanding customer base.

To access the course, go to www.sba.gov/training, then click Business Technology Simplified in the Highlighted Courses section. It is one of nearly 30 online tutorials offered by the SBA and is available 24/7.

The SBA is the nation’s largest financial backer of small businesses. SBA programs and services help business owners start, run, and grow their businesses, and provide a range of financial, technical and management assistance. SBA also plays a major role in the government’s disaster relief efforts by making low-interest recovery loans to both homeowners and businesses. For more information on SBA programs and services visit www.sba.gov.

Microsoft is the worldwide leader in software, services and solutions that help people and businesses realize their full potential. Microsoft serves millions of small and medium-sized business in the U.S. helping them start, grow and thrive by leveraging today’s powerful and affordable technologies. Information above taken in part from http://www.sba.gov/sba-direct/62881/article/12875
MICROSOFT FREE WEBINARS FOR ALL SBDC CLIENTS

One of the major concerns of small businesses today is their investment in technology. In fact for many, it’s the second-largest expense they’ll make. Questions about when to invest, why to upgrade and how to deploy new software operating systems or servers can be confusing. The following webcasts will be a great opportunity to help you find answers to many of your questions about Microsoft’s software solutions such as Windows 7, Microsoft Office, and Online Services. Free Webinars! (www.asbdc.us.org/)

Microsoft-Upgrade Your Desktop with Office 2010: Tuesday, January 25th, 2-5 p.m.
Microsoft-Upgrade Your Desktop with Windows 7: Tuesday, Feb 22, 2:00 – 2:45 p.m.
Microsoft-Online Services/Office 365; Tuesday: March 22nd, 2:00 – 2:45 p.m.
Microsoft-How to Build a Technology Plan Into Your Business Plan: Tuesday, April 26, 2:00 – 2:45 p.m.
Microsoft-Build You’re Online Marketing: Tuesday, May 17th, 2:00 – 2:45 p.m.

www.bizSugar.com
What is BizSugar? If you’ve felt overwhelmed by the massive amount of business information online, then this site is for you. Biz/Sugar is a social bookmarking and networking site for small business and medium-sized business owners and managers. It allows you to submit, share and vote for the best business information links on the Internet. bizSugar makes it easier to learn about new business strategies, tactics, and news.

You can discover websites that provide answers to many of your business challenges, meet other business owners and managers that share you interests, and help others by sharing your knowledge. Most importantly, bizSugar will save you an incredible amount of time. The bizSugar voting system incorporates the wisdom of the masses to funnel through the Internet fluff and provide you with the most useful ideas and news that affects your business. This allows entrepreneurs to spend more time enjoying their lives and less time reading. So remember, if you like a story on this site, be sure to vote for it! www.bizSugar.com

COMMUNITIES ARE AT THE CENTER OF SMALL BUSINESS SUCCESS

Social networking is often overlooked by small businesses for one of two reasons: Either owners don’t understand social media and what it can do for them or they have more pressing problems to attend to. During tight financial times of eroding margins, small businesses need to return to their roots—building communities to help them succeed. How? By engaging every employee and customer to drive sales, services, and marketing. It’s easy to get started:

Know your customers’ and employees’ preferred ways of communicating. Most small businesses believe that the only way to build communities is to use today’s social media tools, including Face book, Twitter, and private label social software providers. However, many customers and employees like to connect in person or by phone. Starting with the form of communication (in-person gatherings, weekly conference calls, or online social media) that is most natural for your constituents will help them minimize their fears. Forcing customers and employees to use new and emerging technologies never works.

Understand the difference between community and communications. Most small businesses think that sending regular e-mails or asking customers and employees about their satisfaction are instrumental in building an online community. They are not. Small business owners need to understand that communicating (via any medium) is not the same thing as building communities of people that care enough to help you with sales and service. To start your journey, move away from broadcasting your message to customers and employees and start listening to them instead. Once you accomplish this, you need to connect each of them to others so that they feel they are at the center of the conversation, not you.
If you want their help, treat them like friends and family. Regardless of the type of community you are building—employee or customer, online or off—you need to treat your customers and employees like family. For example, if you want your customers to spread the word about how great you are to their friends so that their friends will buy from you, your customers need to feel wanted and appreciated. If you want employees to share their knowledge and Rolodex of relationships with you, they need to know that you care. Building a community of employees and customers is not about the technology. It is about connecting your constituents to each other so they feel important and at the center of your business. It doesn’t matter how small your business is or how often you communicate with your employees and customers. In today’s world, building a community of supporters with positive sentiment is crucial in reducing costs and driving sales. Start today to build your company’s community. It’s the way most small businesses got their start and it is how they will achieve their full potential. Information taken from THE ISBDC WEEKLY CONNECTION, JANUARY 3, 2011.

**SMALL BUSINESS MARKETING BUDGETS WARM UP TO SOCIAL MEDIA**

What do small business owners really view as the most important promotion tool for their small business? According to a fall survey from Constant Contact small business owners look primarily to their website (93 percent) and e-mail marketing (92 percent) campaigns to get the word out about their small businesses, with more than 90 percent of SMBs saying they use both.

While social networks continue to grow attention and share year-over-year, traditional websites and e-mail campaigns remain the lifeblood of many SMBs’ promotional efforts and with good reason. There are plenty of studies that support the effectiveness of e-mail marketing due to its strong personal connection with the reader. Couple that with SMB’s owners’ tending to be a bit more skittish of new technology than larger companies are, it makes sense that their budgets are where they are. **It makes sense that things are starting to heat up in terms of small business owners’ use of social media.** One of the biggest problems reported by SMBs year-after-year is their inability to attract new customers and to do it in a cost-effective way. That’s exactly what social media allows for. As more marketing budgets are moved over to social media and more SMB owners tapping into its uses, they’ll be able to reap the benefits even more than they already are. Information taken in part from THE ISBDC WEEKLY CONNECTION, JANUARY 3, 2011.

**WHY THESE FOUR CHANGES FORETELL A BETTER 2011 FOR SMALL BUSINESSES**

For pretty much the last year and a half, it’s been a chronicle of gloom, recession and woe—whether it is troubles finding customers or finding loans. But, it appears that we’re now starting to see business improve for entrepreneurs, despite the recent (slightly) higher unemployment numbers. Here are four indicators that there really is light at the end of this tunnel, and that it’s not the light from an oncoming train: (And just how soon will we begin to “feel” some of these transitions in our local southern Illinois communities is a big question. Surveys taken in certain areas can indicate trends; however, the purveyor is looking for tendencies…trends…and cycles of change. We can only hope that the information below holds some promise for those of us living and working in rural Illinois.)

**Small business hiring is up.** Overall unemployment rates are still disturbingly high. Firms with less than 5- workers pink-slipped 3 million people in the past two years. But in the past nine months, the trend turned and 200,000 have been hired back. Particularly strong are service-sector businesses, which did 91 percent of small business hiring in November. Last month, service businesses hired 49,000 people out of 54,000 total small business hiring.

**Small business bankruptcies are down.** We can remember when economists were forecasting that the BIG wave of small business bankruptcies was still to come. But in fact, bankruptcies are starting to ebb.

**Marketing budgets are growing.** After a couple solid years of cutting expenses to the bone, there are signs entrepreneurs are ramping up marketing budgets to capture more business on the economic upswing. A study from Zommerang showed more than half of small businesses in a 1,000 company sample had a marketing budget for 2011 of $1,000 or less, while another 20 percent planned to spend as much as $9,000. They are focusing where marketing is
cheap – the Internet, which was the most popular marketing method respondents said they plan to use. Only 3 percent of small businesses said they plan to spend less in 2011 than they did this year, while 17 percent will spend more.

**Sales of businesses are increasing.** For a while, you couldn’t sell your small business to anyone, at any price. The market seemed to grind to a halt. There were plenty of “for sale” signs in retail shop windows that stayed up for two years running, and then doors would close for good. But now, even in hard-hit parts of the country, businesses are trading hands again. BizBen.com reports in California nearly 1,000 small businesses sold last month, compared with just 24 in November of last year. *Information taken in part from ISBDC THE WEEKLY CONNECTION, DEC 2010.*

BizBuySell is the Internet’s largest and most heavily trafficked business for sale marketplace, with more businesses for sale listings, more unique users, and more search activity than any other service. BizBuySell currently has an inventory of over 45,000 businesses for sale and more than 725,000 monthly visits. They also have one of the largest databases of sale comparables for recently sold businesses and one of the industry’s leading franchise directories. The BizBuySell marketplace consists of not only established businesses for sale, but also asset sales, franchise opportunities and business real estate. There are over 25,000 buyers registered with BizBuySell who receive notification when a business matching their search parameters is posted to the database. Thousands of business brokers subscribe to BizBuySell’s BrokerWorks service. Broker members can list multiple businesses for sale and can contact registered buyers. In addition, broker members are provided with a web page to promote their business on the Internet, and are included in BrokerPages, the premier directory of business brokers on the Internet. To learn more: [www.bizbuysell.com](http://www.bizbuysell.com)

**CREATING BETTER BUSINESS GOALS IN 2011**

Having clear, defined goals is a great way to keep moving your business forward and ensure you’re on the path to success. However, sometimes it’s difficult to create solid goals for your business, and it can be even harder to actually attain them. Below are some tips for creating better business goals in 2011. You owe it to your business to do it right.

- Evaluate your business
- Set goals that excite you
- Make it specific
- Make it attainable
- Create milestone goals
- Create a plan for how you’ll get there

It goes without saying that creating clear business goals is an important step in consistently moving your business forward and growing your brand. However, not all goals are created equal. The best goals are the ones that are specific, plotted and allow you to control the final outcome. To learn details about these tips and how to implement them, please click on the link below to the full article. [http://smallbiztrends.com/2011/01/better-business-goals-2011.html?utm_source+feedburner&utm_medium+email&utm_campaign+Feed%3A+SmallBusinessTrends+%28Small+Business+Trends%29.](http://smallbiztrends.com/2011/01/better-business-goals-2011.html?utm_source+feedburner&utm_medium+email&utm_campaign+Feed%3A+SmallBusinessTrends+%28Small+Business+Trends%29.)

**WEBSITES... JUST A FEW CLICKS...**

**Tax Changes for Small Businesses:** During 2010, new laws, such as the Affordable Care Act and the Small Business Jobs Act of 2010, created or expanded deductions and credits that small businesses and self-employed individuals should consider when completing their tax returns and making business decisions in 2011. To learn more details about tax topics for small business click on: [http://www.irs.gov/newsroom/article/O_id+233824.00.html](http://www.irs.gov/newsroom/article/O_id+233824.00.html). Find information about:

- Health Insurance Deduction Reduces Self Employment Tax
- Small Business Health Care Tax Credit
- General Business Credit for Employers
- Small Businesses Can Benefit from Higher Expensing/Depreciation Limits
- Depreciation limits on business vehicles
• 50 or 100 Percent Bonus Depreciation
• Small Businesses To Use EFTPS for Deposits Beginning in 2011


**Important message about Federal Tax Deposit coupons:** You may be required to make deposits electronically. The government has recently issued a proposed regulation that provides that Federal Tax Deposit coupons will no longer be accepted as of January 1, 2011. Your business will be required to make deposits electronically, and may be charged a 10% penalty for each non-electronic deposit. If you have questions about your Electronic Federal Tax Payment System enrollment, contact the IRS at [www.eftps.gov](http://www.eftps.gov). Very small very businesses, typically those with a federal tax liability of less than $2,500 per quarter, will have the option of mailing a check with their quarterly or annual returns. For more information about Federal Tax Deposits, visit: [www.irs.gov](http://www.irs.gov) and search on “Tax Topics 747”.

**Sales Tax Rate Change Effective January 11:** Certain taxing jurisdictions have imposed a local sales tax or changed their local sales tax rate on general merchandise sales. Home rule sales tax and business district sales tax are affected. Retailers must adjust their cash register and any computer program so that beginning on 01/01/2011, they will collect and pay the correct sales tax. Retailers need to contact software vendors if they use software to create forms. To verify a new combined sales tax rate (i.e., state and local sales tax), go to the Tax Rate Finder on the Illinois Department of Revenue website at tax.illinois.gov and select rates for January 2011.

**Proposed rules:** Illinois EPA proposed rules which will impact any small business that operates a clean construction or demolition debris fill operation by setting forth new requirements for the collection of fees and recordkeeping requirements. To submit comments: [www.ienconnect.com/regalert](http://www.ienconnect.com/regalert)

**The Most Important “W” of Marketing:** To review full text of a recent businessweek.com article, click on this link! [http://www.businesswekk.com/sallbiz/content/oct2010/sb20101015585978.htm](http://www.businesswekk.com/sallbiz/content/oct2010/sb20101015585978.htm)

**Sustainable Energy Planning Workshop:** The State of Illinois Department of Commerce and Economic Opportunity (DCEO) along with Ameren Illinois Utilities, is sponsoring an important energy initiative, the Sustainable Energy Planning (SEP) Workshop: Training & Implementation Program. DCEO has contracted with Utilivate Technologies to provide its proprietary 3-step SEP Workshop program to help public and private sector organizations sharply reduce their energy expenditures and, provide details on how to apply for and win state and utility energy efficiency incentive dollars.

The program will “kick off” with a Sustainable Energy Planning workshop that is designed to empower organizations to craft a Sustainable Energy Plan, and achieve immediate and sustained energy cost reductions. After the workshop, energy experts will provide free consulting/coaching support to complete the SEP, conduct energy surveys, or target other actions identified in the sustainable energy planning process. All participants will be invited to return for a “Lessons Learned and Best Practices” session to be held in May 2011.

Upcoming Workshop: January 27, River Bend Growth Association, Alton. Registration, etc. The total program fee of $5,500 covers the Sustainable Energy Planning (SEP) Workshop, implementation and consulting/coaching support, and a follow-up networking sessions. **THE GOOD NEWS?** Illinois Department of Commerce and Economic Opportunity (DCEO) and Ameren Illinois Utilities will UNDERWRITE $5,000 of the fee; your organization pays only $300. Up to three people from each organization can attend for a single fee of $300. There is very limited space for each workshop; register today by calling 312-558-1683. Comments or questions? Call 1-800-214-7954.

**FEMA/EMERGENCY PREPAREDNESS:** For free copies of the emergency preparedness brochures for older Americans and people with disabilities, visit the READY Web Site ([www.ready.gov](http://www.ready.gov)), or call 1-800-BE-READY. The instructional videos for older Americans and people with disabilities and special needs are available on [www.ready.gov](http://www.ready.gov) for individuals to view or save for later use. And, contact [www.ready.gov](http://www.ready.gov) to request a toolkit to help your organization
develop internal and external messages to encourage members, employees, constituents, customers and community to make a resolution to prepare for emergencies!

**TOP TEN REASONS SMALL BUSINESSES FAIL**

One of the least understood aspects of entrepreneurship is why small businesses fail, and there’s a simple reason for the confusion: Most EVIDENCE comes from the entrepreneurs themselves. I have had a close-up view of numerous business failures – including a few start-ups of my own. And from my observation, the reasons for failure cited by the owners are frequently off-point, which kind of makes sense when you think about it. If the owners really knew what they were doing wrong, they might have been able to fix the problem. Often, it’s simply a matter of denial of or not knowing what you don’t know.

In many cases, the customers – or, I should say, ex-customers – have a better understanding than the owners of what wasn’t working. The usual suspects that the owners tend to blame are the bank, the government, or the idiot partner. Rarely does the owner’s finger point at the owner. Of course, there are cases where something out of the owner’s control has gone terribly wrong, but I have found those instances to be in the minority. What follows – based on my own experiences and observations – are my top 10 reasons small businesses fail. The list is not pretty, it is not simple, and it does not contain any of those usual suspects (although they might come in at Nos. 11, 12 and 13).

**#1. The math just doesn’t work.** There is not enough demand for the product or service at a price that will produce a profit for the company. This for example, would include a start-up trying to compete against Best Buy and its economies of scale.

**#2. Owners who cannot get out of their own way.** They may be stubborn, risk adverse, conflict adverse – meaning they need to be liked by everyone (even employees and vendors who can’t do their jobs). They may be perfectionist, greedy, self-righteous, paranoid, indignant or insecure. You get the idea. Sometimes, you can even tell these owners the problem, and they will recognize that you are right – but continue to make the same mistakes over and over.

**#3. Out-of-control growth.** This one might be the saddest of all reasons for failure: a successful business that is ruined by over-expansion. This would include moving into markets that are not as profitable, experiencing growing pains that damage the business, or borrowing too much money in an attempt to keep growth at a particular rate. Sometimes less is more.

**#4. Poor accounting.** You cannot be in control of a business if you don’t know what is going on. With bad numbers, or no numbers, a company is flying blind, and it happens all the time. Why? For one thing, it is a common – and disastrous – misconception that an outside accounting firm hired primarily to do the taxes will keep watch over the business. In reality, that is the job of the chief financial officer, one of the many hats an entrepreneur has to wear until a real one is hired.

**#5. Lack of a cash cushion.** If we have learned anything from this recession (I know it’s “over” but my customers don’t seem to have gotten the memo), it’s that business is cyclical and that bad things can and will happen over time – the loss of an important customer or critical employee, the arrival of a new competitor, the filing of a lawsuit. These things can all stress the finances of a company. If that company is already out of cash (and borrowing potential), it may not be able to recover.

**#6. Operational mediocrity.** I have never met a business owner who described his or her operation as mediocre. But we can’t all be above average. Repeat and referral business is critical for most businesses, as is some degree of marketing (depending on the business).
#7. Operational inefficiencies. Paying too much for rent, labor, and materials. Now more than ever, the lean companies are at an advantage. Not having the tenacity or stomach to negotiate terms that are reflective of today’s economy may leave a company uncompetitive.

#8. Dysfunctional management. Lack of focus, vision, planning, standards and everything else that goes into good management. Throw fighting partners or unhappy relatives into the mix, and you have a disaster.

#9. The lack of a succession plan. We’re talking nepotism, power struggles, significant players being replaced by people who are in over their heads – all reasons many family businesses do not make it to the next generation.

10. A declining market. Book stores, music stores, printing businesses and many others are dealing with changes in technology, consumer demand, and competition from huge companies with more buying power and advertising dollars.

In life, you may have forgiving friends and relatives, but entrepreneurship is rarely forgiving. Eventually, everything shows up in the soup. If people don’t like the soup, employees stop working for you, and customers stop doing business with you. And that is why businesses fail. By Jay Goltz, Chicago, Illinois; Yahoo! Finance (http://finance.yahoo.com/news/Top-10-Reasons-Small-nytimes).

UPCOMING TRAINING EVENTS

ILLINOIS SMALL BUSINESS DEVELOPMENT CENTER & ITC
AT KASKASKIA COLLEGE


Understanding Financial Statements & other Reports; March 21, Monday, 1:00 – 4:00 pm. (Workforce Center, Centralia)

Marketing Plan Development: Tuesday, April 26, 1-4 pm (Workforce Center, Centralia)

QuickBooks Pro Software Training, Wednesdays, April 20, 27; May 4, 11; noon until 4:00 pm (Vandalia Ed. Center)

To register for a workshop or for more information, call 618-545-3429.

If you are in business and need assistance, or wanting to start a business, call:

STEVEN GRONER, DIRECTOR
ILLINOIS SMALL BUSINESS DEVELOPMENT CENTER, KASKASKIA COLLEGE
618-545-3260; sgroner@kaskaskia.edu

RILEY BARKER, BUSINESS SPECIALIST, QUICKBOOKS PRO CERTIFIED
ILLINOIS SMALL BUSINESS DEVELOPMENT CENTER, KASKASKIA COLLEGE
618-545-3429; rbarker@kaskaskia.edu

OR visit the Illinois Small Business Development Center e Link on the Kaskaskia College Website