



U.S. Small Business
Administration

ALABAMA 2019-2020

Small Business

RESOURCE GUIDE



GROW YOUR BUSINESS IN ALABAMA



99.4% OF BUSINESSES IN ALABAMA

ARE SMALL.

That's right — small business is big in Alabama. The state is home to nearly 393,000 small enterprises, employing more than 775,000 people. With nearly half of Alabama's private workforce employed by small businesses, it's easy to see that having a healthy small business ecosystem is critical to the state's future. That's where the Small Business Advocacy Office at the Alabama Department of Commerce comes in. We're dedicated to being a resource for small businesses and to helping them find success.

madeinalabama.com

MADE IN
ALABAMA

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Alabama 2019-2020



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ON THE COVER Photo by Zach Farmer on Unsplash; Alana Hodde Parker, photo courtesy of Rocket City Drywall & Supply Inc.; Photo by Angel Madera Jr on Unsplash

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Progressive Casualty Ins. Co. & Affiliates, Business and Workers' Compensation coverage provided and serviced by affiliated and third party insurers.



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PROGRESSIVE
COMMERCIAL



SMALL BUSINESS LOANS *made easy*

Centennial Bank can help you choose from options to support your small business in a BIG way.

SBA 7a Programs • SBA 7a Refi Program • SBA Express/LOC • SBA Veteran's Advantage • SBA International Trade
SBA Export & Export Express • SBA 504 Program & Refi Program • USDA B & I Program (Rural) • USDA Agricultural Program (Rural)

U.S. Small Business Administration and U.S. Dept of Agriculture Programs

SBA 7(a) Program (new and refi) — Maximum Loan Amount \$5 million

Cash Injection: 10% minimum cash injection requirement (Loans from Shareholders/Investors or borrowed funds must be on Full Stand By for the Life of the loan). Fees may be rolled into the loan.

Use of Proceeds: Business Acquisition/Goodwill, Expansion/renovations; purchase land/lot and new construction, purchase commercial real estate; purchase machinery, equipment, furniture, fixtures, leasehold improvements; working capital, refinance business debts, inventory, and startup costs

Maturity: Up to 25 Years (maturities of 15 years or more have a SBA Recoupment Fee/Prepayment Penalty — 5% year 1, 3% year 2, 1% year 3)

Generally working capital & machinery & equipment (not to exceed life of equipment) 10 years.

Commercial Real Estate is 25 years (25 years if real estate exceeds 51% of the total loan amount or a blended term will be used if Goodwill, FF&E and working capital exceed 51% of loan amount)

Who Qualifies: Sole-proprietorships/sole owners. Must be a for-profit business & meet SBA size standards; have good credit history, must operate/manage business, and demonstrate the ability to repay the loan. Must be an eligible type of business. Borrowing Entity must occupy at least 51% of the commercial real estate for existing building/structure, 60% for Ground Up Construction Projects (80% after 10 years). All owners of 20% or more, or "key" employees (managers, directors, and licensed staff) must be a guarantor. Life Insurance is required for all sole-proprietorships.

SBA Express — \$150,000 Line of Credit

Use of Proceeds: May be used for a revolving Line of Credit, Fees may be rolled into the loan.

Maturity: 10 Year Term, renewed annually, will term out after 5 years if fully funded.

(Who qualifies, same as SBA 7a Program, Bank policy - must be an existing business with 20% equity or 10% cash injection)

SBA Veterans Advantage (sub-part of SBA 7a Loan Program)

Use of Proceeds and Term: Same as SBA 7(a), Fees may be rolled into the loan.

Who Qualifies: Same as 7(a). Plus, small business must be owned and controlled (51%+) by one or more of the following groups: veteran, active-duty military in TAP, reservist or National Guard member or a spouse of any of these groups, or a widowed spouse or a service member or veteran who died during service, or a service-connected disability.

SBA International Trade — Loan Amount up to \$5 million

Use of Proceeds: Term loan for permanent working capital, equipment, facilities, land and buildings and debt refinance related to international trade.

Maturity: Up to 25 years

Who Qualifies: Same as 7(a) loans, Plus, engaged or preparing to engage in international trade or adversely affected by competition from Imports, provides goods or services to Export businesses.

SBA Export Working Capital Program — Loan Amount up to \$5 million

Use of Proceeds: Short term, working- capital loans for exporters. May be transaction based or asset-based. Can also support standby letters or credit.

Who Qualifies: Same as 7(a) loans, plus, short-term working capital for direct or indirect exporting.

SBA Export Express — Loan amount up to \$500,000

Use of Proceeds: Same as SBA Express plus Standby letters of credit

Maturity: Same as SBA Express

Who Qualifies: Applicant must demonstrate that loan will enable them to enter a new, or expand in an existing export market. Business must have been in operation for at least 12 months (though not necessarily in exporting).

SBA 504 Program — This is a two part Program, Bank loan and SBA/CDC loan:

SBA/CDC Maximum amount ranges from \$5 million to \$5.5 million depending on type of business or project, and has a 10 year SBA Prepayment Penalty. The Bank's loan amount depends on the Bank's Credit Policy for Conventional Commercial Loan Programs (Centennial Bank offers up to 65% of the Total Project), the Bank's Prepayment Penalty is 5 Years (declining 5%, 4%, 3%, 2%, 1%).

Use of Proceeds: To Purchase/Refinance Commercial Real Estate, Machinery & Equipment

Maturity: Up to 25 Years (this Program has a "balloon" payment on the Bank's Loan of 10 Years, 20 or 25 Year Amortization). Some fees may be rolled into the loan amount

Who Qualifies: For profit businesses that do not exceed \$15m tangible net worth, and do not have an average two full fiscal year net income over \$5million.

Owner Occupied up to \$51% for existing building/structure or 60% for new construction (80% after 10 years).

USDA B & I Program and USDA Agricultural Program (Rural) —

Up to 30 Year Term (usually 25 years) depending on industry type, fully amortized/no balloon (5 Year Prepayment Penalty — flat 5% for 5 Years)

Use of Proceeds: Purchase/Refinance Commercial Real Estate (owner-occupied), Machinery, Equipment, Furniture, Fixtures, Business Acquisition, Start Ups, Working Capital. Some fees may be rolled into the loan.

Who Qualifies: Must be in a rural area (see USDA Map), go to USDA.gov for more information.

Business/Borrower must show 20% "Equity" or Cash to qualify, all owners/guarantors of 20% or more must guaranty the loan.



Tammy Youst

Sr. Vice President

SBA & USDA Dept. Manager

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18311 U.S. Hwy. 41 N. | Lutz, FL 33549

TYoust@my100bank.com

Centennial Bank



All loans are subject to credit approval.

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*Expedited loan decisions are dependent on customer's timely submission of all required documentation.



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2 20th St. North, suite 325
Birmingham, AL 35203
(205) 290-7101
sba.gov/al
@SBA_Alabama

Mobile Office

Paramount Office Center
1141 Montlimar Drive, suite 1007
Mobile, AL 36609
(251) 544-7401

District Director Letter

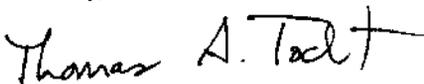
Welcome to the 2019-2020 edition of the U.S. Small Business Administration's Alabama Small Business Resource Guide. The SBA helps make the American dream of small business ownership a reality. We are the only federal agency dedicated to helping our 30 million small businesses start, grow, expand, and recover after a disaster. The SBA Alabama District Office works with an extensive network of business advisers and lenders to help Alabama's 393,000 small businesses at every stage of development.

Across Alabama in the last year, we empowered the state's small businesses to:

- Find an ally, advocate or mentor via our 19 SBA Resource Partner locations, which includes SCORE, Small Business Development Centers, Women's Business Centers, and the Veterans Business Outreach Center, all powered by the SBA.
- Access almost \$248 million in SBA-guaranteed loans using 115 local banks, credit unions, community-based lenders, and microlenders. The 545 businesses that qualified for SBA funding have hired thousands of new employees, bought needed equipment, and built or renovated facilities.
- Access \$9.6 million to help them recover after a disaster.
- Gain more than \$304 million in federal contracting awards.

Stay up to date on SBA events near you and get valuable Alabama business information by following us on Twitter at @SBA_Alabama. Register for email updates at sba.gov/updates. Use our Small Business Resource Guide to power your dream of starting, growing, or expanding your small business here in Alabama.

Sincerely,



Thomas A. Todt
Alabama District Director
U.S. Small Business Administration



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LOCAL BUSINESS ASSISTANCE

Bitten by the Business Bug

How SBA-backed loans helped one woman turn a flagging pest control business into an ever-expanding enterprise.

WRITTEN BY ZACK HAROLD



Rebecca Fyffe first worked at ABC Humane Wildlife Control & Prevention Inc., a pest control business in suburban Chicago, Illinois, for a college summer job. She was on a different career path when she got a call from her old employer. The president of ABC needed to take a medical sabbatical, and the company wanted Fyffe to take over in his absence. Fyffe had studied public policy, pre-law, and epidemiology in addition to university-level research on pesticides. Not content with just keeping the seat warm, Fyffe began making improvements to the company's operations during her year at the helm. "Because of that I was made CEO," she says. That was in 2001. Fyffe was just 25 years old, the youngest pest control company CEO in the nation and one of only a few women in a business dominated by men.

She continued to look for ways to grow the company. At the time, ABC focused its efforts solely on nuisance wildlife control. Fyffe saw a lucrative opportunity in urban bird management. She had long been concerned about pigeons. Growing up, one of her young cousins contracted encephalitis from pigeon droppings, which led to epilepsy, blindness, and eventually death. Fyffe studied the birds and how to mitigate their threat, which brought her to the conclusion that improvements could be made in urban pigeon control. She found more effective solutions were needed to make the mitigation material more durable for city use. Fyffe knew she could do better, but to get the new venture off the ground, ABC needed to borrow money to invest in training, equipment, and insurance. The company was hesitant to take on the financial risk, so Fyffe offered an alternative solution: allow her to launch a new company that would specialize in pigeon management. She would run that company in addition to her duties at ABC.

She launched Landmark Pest Management in 2010 with four employees. Fyffe still needed to borrow money, which would be more difficult now that she didn't have an established business standing behind her. Thanks to workshops hosted by the SBA-supported Women's Business Development Center, Fyffe applied for an SBA-backed 7(a) loan through Chase Bank. A conventional loan would have allowed her to mortgage the warehouse facility she needed, but nothing more.

"We would have maxed out our ability to borrow," Fyffe says. "That would not have worked for our business." Because of SBA backing, Chase was willing to offer Fyffe a larger line of credit, which allowed her to get the warehouse as well as the uniforms, tools, and materials she needed. "We couldn't have done it without the SBA," she says.

Landmark established its reputation from its first contract, installing netting on a bridge project in Chicago. This bridge became the Chicago Transit Authority's showpiece for bird control. Within two years, Landmark was one of the main companies providing bird deterrent systems in Chicago. Fyffe used the money she made to purchase ABC and merge the two companies in 2012.



LANDMARK PEST MANAGEMENT



LANDMARK PEST MANAGEMENT

“

We couldn't have done it without the SBA.”

Rebecca Fyffe

Founder

Landmark Pest Management

The company has grown to 85 employees with 50 trucks on the road every day, working alongside the biggest construction firms in the country. Still, Fyffe challenges herself by finding ways to expand the company. In addition to its work in Illinois, Landmark does business in Michigan, Indiana, and Missouri. Fyffe is considering expansion to California and New York.

Landmark has continued to use its science-based methodology and proprietary technology to expand its offerings. The company is a leader in bedbug science, pioneering a special DNA test to detect infestations with a relatively small sample. Fyffe's team is also testing a new nontoxic fungi spore that could be used to kill the pests. The company's fastest growing sector is food production applications. Inspectors shut down factories if they find a pest, even if the animal has already been caught in a trap. Fyffe's company developed a trap that is equipped with sensors that allow Landmark to dispatch technicians as soon as a pest is captured. Although Fyffe has used conventional loans for these expansions, she credits her first SBA-backed loan and her Women's Business Development Center guidance with teaching her how to craft a growth plan and pitch ideas to lenders.

“We might not have been able to access that without the SBA,” she says.

SBA Resource Partners

No matter your industry, location, or experience, if you have a dream, the SBA is here to help you realize it. Our SBA Resource Partners extend our reach, offering free or low-cost mentoring, counseling, and training to help you start-up and thrive at all stages of the business life cycle.

There are more than

300 SCORE chapters

980 Small Business Development Centers

100 Women's Business Centers

20 Veterans Business Outreach Centers

SCORE

Join the ranks of other business owners who have experienced higher revenues and increased growth thanks to SCORE, the nation's largest network of volunteer business mentors. These business executives share real-world knowledge for no cost and to fit your busy schedule. SCORE mentors are available as often as you need, in person, via email or over video chat. Visit sba.gov/score to start working on your business goals.

SMALL BUSINESS DEVELOPMENT CENTERS

Realize your dream of business ownership and then remain competitive in an ever-changing global economy with assistance from your local SBDC. Access free or low-cost one-on-one counseling and training on topics like marketing, regulatory compliance, technology development, and international trade. Connect with an SBDC adviser at sba.gov/sbdc.

WOMEN'S BUSINESS CENTERS

Women entrepreneurs receive essential business training from this national network of community-based centers. Each center tailors its services to help you navigate the challenges women often face when starting or growing their business. For your nearest Women's Business Center, visit sba.gov/women.

VETERANS BUSINESS OUTREACH CENTERS

Veteran and military entrepreneurs receive business training, counseling and mentoring, and referrals to other SBA Resource Partners at a Veterans Business Outreach Center, sba.gov/vboc. These are also the places to receive procurement guidance, which can help your business better compete for government contracts. VBOCs also serve active duty service members, National Guard or Reserve members, veterans of any era, and military spouses.

Our Local SBA Resource Partners

SBA's Resource Partners are independent organizations funded through SBA cooperative agreements or grants.



SCORE

Visit sba.gov/score to start working on your business goals. Contact your local office to schedule an appointment.

Alabama Capital #0598

Business Resource Center
600 S. Court St.
Montgomery
(334) 240-6868
admin.0598@scorevolunteer.org

Anniston #0638

1400 Commerce Blvd, suite 20
Anniston
(256) 831-5215
admin.0638@scorevolunteer.org

Birmingham #0084

2 N. 20th St., suite 325
Birmingham
admin.0084@scorevolunteer.org

North Alabama

1629 Fourth Ave. Southeast
Decatur
(256) 686-2999
donna.whitten@scorevolunteer.org
dale.smith@scorevolunteer.org

South Alabama #0630

327 Fairhope Ave.
Fairhope
(251) 928-6387
admin.0630@scorevolunteer.org

Arthur and Sandra Johnson, owners of 21 Short Stop in Georgia, received assistance from their local Small Business Development Center and SCORE chapter.

Veterans Business Outreach Center

Veteran entrepreneurs or small business owners can receive business training, counseling and mentoring, and referrals to other SBA Resource Partners at a Veterans Business Outreach Center, sba.gov/vboc. This is also the place to receive procurement guidance, which can help your business better compete for government contracts.

Serving Alabama, Louisiana, Mississippi, and Tennessee
Mississippi State University
60 Technology Blvd., suite 105 D
Starkville, MS 39759
(662) 325-4990
rseitz@business.msstate.edu
dholt@business.msstate.edu
vboc.msstate.edu

Women's Business Centers

The Catalyst Center for Business & Entrepreneurship North Alabama
515 Sparkman Drive
Huntsville
(256) 428-8190
catalystcenter.org

WBC of South Alabama
413-F Azalea Road
Mobile
(251) 660-2725

Alabama Small Business Development Centers

Network Lead Center

University of Alabama
Culverhouse College of Business
Executive State Director William C. Cummins
Associate State Director Michael J. Brooks
621 Greensboro Ave.
Tuscaloosa
(205) 348-1582 or (877) 825-7232
asbdc@ua.edu
asbdc.org

Greater Birmingham SBDC at Innovation Depot

1500 First Ave. North
Birmingham
(205) 348-1582 or (877) 825-7232
asbdc@ua.edu
birminghamsbdc.org

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University of Alabama
621 Greensboro Ave.
Tuscaloosa
(205) 348-7621
aitc@ua.edu
aitc.ua.edu

SBDC at Alabama State University

915 S. Jackson St.
Montgomery
(334) 229-4138

SBDC at Auburn University

570 Devall Drive, suite 303 #335
(877) 825-7232
sbdc@auburn.edu
sbdc.auburn.edu

SBDC at Jacksonville State University

115 College St. Southwest, 6101 SBIC
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(256) 782-5271
sbdc@jsu.edu
jsusbdc.com

SBDC at Troy University

63 S. Court Square
Troy
(334) 770-2620
sbdc.troy.edu

SBDC at the University of Alabama in Huntsville

225 Church St., suite 319
Huntsville/Madison County Chamber of Commerce
(256) 824-6422
sbdc@uah.edu
sbdc.uah.edu

SBDC at the University of North Alabama

541 W. College St.
Florence
(256) 765-4629
sbdc.una.edu

SBDC at the University of South Alabama

600 Clinic Drive, suite 326/328
Mobile
(877) 825-7232
sbdc@southalabama.edu
southalabama.edu/sbdc

SBDC at the University of West Alabama

Guy Hunt Technical Complex, R122
Station 35
Livingston
(205) 652-3665



Your Advocates

The SBA's offices of advocacy and ombudsman are independent voices for small business within the federal government.

Advocacy

When you need a voice within the federal government for your interests as a small business owner, the SBA's regional advocates are here to assist. The advocates analyze the effects of proposed regulations and consider alternatives that minimize the economic burden on small businesses, governmental jurisdictions, and nonprofits. Find your regional advocate at sba.gov/advocacy.

Your advocate helps with these small business issues:

- » if your business could be negatively affected by regulations proposed by the government
- » if you have contracting issues with a federal agency

- » when you need economic and small business statistics
- The SBA's Office of Advocacy also independently represents small business and advances its concerns before Congress, the White House, federal agencies, federal courts, and state policy makers.

Ombudsman

Entrepreneurs who have an issue with an existing federal regulation or policy can receive assistance from the SBA's national ombudsman.

The ombudsman's office helps you:

- » resolve regulatory disputes with federal agencies
- » reduce unfair penalties and fines

To report how a proposed federal regulation could unfairly affect you, find your regional SBA advocate at sba.gov/advocacy.

To submit a comment about how your business has been hurt by an existing regulation, visit sba.gov/ombudsman/comments

- » seek remedies when rules are inconsistently applied
- » recover payment for services done by government contractors

Make your voice heard by participating in a Regional Regulatory Enforcement Fairness Roundtable or a public hearing hosted by the SBA's national ombudsman. These events are posted periodically on the ombudsman website, sba.gov/ombudsman.

To submit a comment or complaint through the online form, visit sba.gov/ombudsman/comments. Your concerns will be directed to the appropriate federal agency for review. The SBA will collaborate with you and the agency to help resolve the issue.



Adriana Medina, owner of Fuerte Fitness, in Seattle, WA, received counseling from a SCORE mentor and a Women's Business Center adviser.

COURTESY OF THE SBA

How to Start a Business in Alabama

Thinking of starting a business? Here are the nuts & bolts.

The Startup Logistics

Even if you're running a home-based business, you will have to comply with many local, state, and federal regulations. Do not ignore regulatory details. You may avoid some red tape in the beginning, but your lack of compliance could become an obstacle as your business grows. Taking the time to research the applicable regulations is as important as knowing your market. Carefully investigate the laws affecting your industry. Being out of compliance could leave you unprotected legally, lead to expensive penalties, and jeopardize your business.

Market Research

Need to do research on your clients and location? View consumer and business data for your area using the Census Business Builder: Small Business Edition, <https://cbb.census.gov/sbe>. Filter your search by business type and location to

view data on your potential customers, including consumer spending, and a summary of existing businesses, available as a map and a report.

Business License & Zoning

Licenses are typically administered by a variety of state and local departments. It is important to consider zoning regulations when choosing a site for your business. Contact the local business license office where you plan to locate your business. You may not be permitted to conduct business out of your home or engage in industrial activity in a retail district.

Name Registration

Register your business name with the county clerk where your business is located. If you're a corporation, also register with the state. The Alabama Secretary of State's office files nonprofit and business corporations, limited partnerships, limited liability companies,

limited liability partnerships and marks. There is no provision under Alabama law for filing trade names of sole proprietorships or general partnerships at the state level. If you are operating your business as a sole proprietor, under a trade name, or as a general partnership, you are required by Alabama law to file with the municipal clerk where your business is located.

Taxes

As a business owner, you should know your federal tax responsibilities and make some basic business decisions to comply with certain tax requirements. The IRS Small Business and Self-Employed Tax Center, go.usa.gov/xPxYR, offers information on a variety of topics including: obtaining an Employer Identification Number, paying and filing income tax, virtual workshops, forms, and publications.

Whether you are a new or an experienced business owner, there are new tax law changes that may affect your business. As the IRS works to implement the Tax Cuts and Jobs Act, signed into law December 2017, you can access the latest information on irs.gov/tax-reform to better understand the new tax law implications and how they affect your bottom line.

» Tax Assistance Centers

Birmingham
801 Tom Martin Drive
Call (205) 912-5333 for an appointment

Montgomery
1285 Carmichael Way
Call (334) 264-2453 for an appointment

Florence
204 S. Walnut St.
Call (334) 264-2453 for an appointment

» State Taxes

Alabama Department of Revenue
ador.state.al.us

State Withholding

(334) 242-1300

Business Privilege Tax Division

(334) 353-7923

Corporate Tax Division

(334) 242-1200

If you plan to sell products, you will need a Sales Tax Certificate. It allows you to purchase inventory or materials, which will become part of the product you sell, from suppliers without paying

taxes. It requires you to charge sales tax to your customers, which you are responsible for remitting to the state.

Sales & Use Tax Division

(334) 242-1490

ador.state.al.us

Social Security

If you have any employees, including officers of a corporation but not the sole proprietor or partners, you must make periodic payments, and/or file quarterly reports about payroll taxes and other mandatory deductions. You can contact the IRS or the Social Security Administration for information, assistance and forms, socialsecurity.gov/employer or (800) 772-1213. You can file W-2s online or verify job seekers through the Social Security Number Verification Service.

Employment Eligibility Verification

The Federal Immigration Reform and Control Act of 1986 requires employers to verify employment eligibility of new employees. The law obligates an employer to process Employment Eligibility Verification Form I-9. The U.S. Citizenship and Immigration Service offers information and assistance through uscis.gov/i-9-central. For forms, call (800) 870-3676, for the employer hotline, call (888) 464-4218 or email I-9central@dhs.gov.

E-Verify, operated by the Department of Homeland Security in partnership with the Social Security Administration, electronically verifies the Social Security number and employment eligibility information reported on Form I-9. It's the quickest way for employers to determine the employment eligibility of new hires. Visit e-verify.gov, call (888) 464-4218 or email e-verify@dhs.gov.

Health & Safety

All businesses with employees are required to comply with state and federal regulations regarding the protection of employees, visit dol.gov for information. The Occupational Safety and Health Administration provides information on the specific health and safety standards used by the U.S. Department of Labor, (800) 321-6742 or visit osha.gov.

Employee Insurance

Check with your state laws to see if you are required to provide unemployment or workers' compensation insurance for your employees. For health insurance options, call the Small Business Health Options Program at (800) 706-7893 or visit healthcare.gov/small-businesses/employers.

» State Workers' Compensation Division

649 Monroe St.

Montgomery

(334) 353-0990 or (800) 528-5166

dir.alabama.gov/wc

» Commissioner of Insurance

State of Alabama

aldoi.gov

Environmental Regulations

State assistance is available for small businesses that must comply with environmental regulations under the Clean Air Act. State Small Business Environmental Assistance programs provide free, confidential assistance to help small business owners understand and comply with complex environmental regulations and permitting requirements. These state programs can help businesses reduce emissions at the source, often reducing regulatory burden and saving you money. To learn more about these free services, visit nationalsbeap.org/states/list.

Disability Compliance

For assistance with the Americans with Disabilities Act call (800) 669-3362 or visit ada.gov. The U.S. Access Board promotes equality for people with disabilities through providing leadership in accessible design and the development of accessibility guidelines and standards. For technical assistance call (202) 272-0080 or visit access-board.gov.

Child Support

Employers are essential to the success of the child support program and are responsible for collecting 75 percent of support nationwide through payroll deductions. The Office of Child Support Enforcement at Health and Human Services offers employers step-by-step instructions for processing income withholding orders for child support download the fact sheet about the

Employer's Role in the Child Support Program at the Office of Child Support Enforcement's website at acf.hhs.gov/programs/css > **employer responsibilities**. You can also find information about other employer responsibilities and tools that can make meeting those responsibilities easier, such as electronic income withholding orders and the Child Support Portal. Send questions to employerservices@acf.hhs.gov.

Intellectual Property

Patents, trademarks, and copyrights are types of intellectual property that serve to protect creations and innovations. Intellectual property may be valuable assets for small businesses and entrepreneurs and are important to consider in the development of any business plan.

Patents and Trademarks

For information and resources about U.S. patents and federally registered trademarks visit uspto.gov or call the U.S. Patent and Trademark Office Help Center at (800)786-9199. The Texas Regional Office in Dallas, Texas, serves Alabama, Arkansas, Louisiana, Mississippi, New Mexico, Oklahoma, Tennessee, and Texas, uspto.gov/texas.

A patent for an invention is the grant of a property right to an inventor, issued by the patent office. The right conferred by the patent grant is the right to exclude others from making, using, offering for sale, or selling the invention in the United States or importing the invention.

There are three types of patents:

- Utility patents may be granted to anyone who invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement.
- Design patents may be granted to anyone who invents a new, original, and ornamental design for an article of manufacture.
- Plant patents may be granted to anyone who invents or discovers and asexually reproduces any distinct and new variety of plant, other than a tuber propagated plant or a plant found in an uncultivated state. For information visit uspto.gov/inventors.

A trademark or service mark includes any word, name, symbol, device, or any combination used or intended to

be used to identify and distinguish the goods/services of one seller or provider from those of others, and to indicate the source of the goods/services.

Trademarks and service marks may be registered at both the state and federal level with the latter at the U.S. Patent and Trademark Office. Federally registered trademarks may conflict with and supersede those registered only at the state level. For information visit uspto.gov/trademarks.

- » **Trademarks and service marks** may be registered in Alabama with the Secretary of State.
Alabama Secretary of State
(334) 242-5325
sport.code@sos.alabama.gov

Copyrights

Copyrights protect original works of authorship, including literary, dramatic, musical and artistic, and certain other intellectual works. Copyrights do not protect facts, ideas, and systems, although it may protect the way these are expressed. For general information contact:

- » **U.S. Copyright Office**
U.S. Library of Congress
James Madison Memorial Building
101 Independence Ave. Southeast
Washington, DC
(202) 707-3000 or toll free (877) 476-0778
copyright.gov

Chambers of Commerce

Alabama State Black Chamber
alblackcc.org

Alabama Women’s Chamber
alwcc.org

Albertville
albertvillechamberofcommerce.com

Alexander City
alexandercity.org

Andalusia
andalusiachamber.com

Arab
arab-chamber.org

Atmore area
atmorechamber.com

Auburn
auburnchamber.com

Bessemer area
bessemerchamber.com

Bibb County
bibbchamber.org

Birmingham Business Alliance
birminghambusinessalliance.com

Blount County–Oneonta
blountoneontachamber.org

Calera
calerachamber.org

Calhoun County
calhounchamber.com

Central Baldwin
centralbaldwin.com

Cherokee County
cherokee-chamber.org

Childersburg
childersburgchamber.com

Chilton County
chiltonchamberonline.com

Choctaw County
choctawchamber@tds.net

Clay-Pinon
claypinsonchamber.com

Cleburne County
cleburnecountychamber.com

Coastal Alabama
mygulfcoastchamber.com

Crenshaw County
crenshawcochamber.com

Cullman area
cullmanchamber.org

Dadeville area
dadeville.com

Decatur-Morgan County
dcc.org

Demopolis area
demopolischamber.com

Dothan area
dothan.com

East Walker
eastwalkerchamber.com

Eastern Shore
eschamber.com

Elba
elbaalabama.net

Enterprise
enterprisealabama.com

Eufaula/Barbour County
eufaulachamber.com

Evergreen/Conecuh County area
evergreenareachamber.com

Fayette area
fayetteareachamber.org

Fort Payne
fortpaynechamber.com

Franklin County
franklincountychamber.org

Fultondale
thefultondalechamber.com

Greater Brewton area
brewtonchamber.com

Greater Gardendale
gardendalechamber.com

Greater Jackson County
mountainlakeschamberofcommerce.com

Greater Limestone County
tourathens.com

Greater Pell City
pellcitychamber.com

Greater Shelby County
shelbychamber.org

Greater Talladega/Lincoln area
talladegaloncolnchamber.com

Greater Valley area
greatervalleyarea.com

Greenville area
greenville-alabama.com

Guin
guinal.org

Haleyville area
haleyvillechamber.org

Hamilton area
hamiltonchamberofcommerce.org

Hartselle area
hartsellechamber.com

Headland area
headlandal.com

Homewood
homewoodchamber.org

Hoover
hooverchamber.org

Hueytown area
hueytownchamber.com

Huntsville/Madison County
hsvchamber.org

Jackson area
jacksonalabama.org

Lake Guntersville
lakeguntersville.org

Lawrence County
lawrencealabama.com

Leeds area
leedsareachamber.com

Madison
madisonalchamber.com

Millbrook area
millbrookareachamber.com

Mobile area
mobilechamber.com

Monroeville/Monroe County
monroecountyal.com

Montevallo
montevallocc.com

Montgomery area
montgomerychamber.com

Moody Area
moodyalchamber.com

Mountain Brook
mtnbrookchamber.org

North Baldwin
northbaldwinchamber.com

Opelika
opelikachamber.com

Opp and Covington County area
oppchamber.com

Ozark area
ozarkalchamber.com

**Phenix City/Russell County East
Alabama Chamber**
ealcc.com

Pike County
pikechamber.com

Prattville area
prattvillechamber.com

Randolph County
randolphcountyal.com

Saraland area
saralandchamber.com

Selma & Dallas County
selmaalabama.com

Shoals
shoalschamber.com

South Baldwin
southbaldwinchamber.com

South Shelby County
southshelbychamber.com

Southwest Mobile County
swmccchamber.com

Sumter County
sumteralchamber.com

Sylacauga
sylacaugachamber.com

Tallassee
tallasseechamber.com

Tarrant Pinson Valley
cityoftarrant.com

Thomasville
thomasvillealchamber.com

Trussville area
trussvillechamber.com

Tuskegee area
tuskegeearchamber.org

Vestavia Hills
vestaviiahills.org

Walker County
walkerchamber.us

Washington County
washingtoncountyal.com

West Alabama
tuscaloosachamber.com

Wetumpka area
wetumpkachamber.com

Wilcox area
wilcoxareachamber.com

Winfield
winfieldcity.org/chamber-of-commerce

Economic Development

Alabama Department of Commerce
(334) 242-0400 or (800) 248-0033

Office of Small Business Advocacy
(334) 242-0485; commerce.alabama.gov

**Alabama Department of Economic and
Community Affairs**
(334) 242-5591; adeca.state.al.us

Office of Minority Business Enterprise
(334) 353-5680; adeca.alabama.gov/ombe

AL Association of Regional Councils
(334) 277-2221; alarc.org

Alabama Tombigbee Regional Commission
(334) 682-4234

**Central Alabama Regional Planning
and Development Commission**
(334) 262-4300

**East Alabama Regional Planning and
Development Commission**
(800) 239-6741 or (256) 237-6741

**Economic Development Association
of Alabama**
edaa.org

Lee/Russell Council of Governments
(334) 749-5264

**North Central Alabama Regional
Council of Governments**
(256) 355-4515

**Northwest Alabama Council of
Local Governments**
(256) 389-0555

**Regional Planning Commission of
Greater Birmingham**
(205) 251-8139

**South Alabama Regional
Planning Commission**
(251) 433-6541

**South Central Alabama
Development Commission**
(334) 244-6903

**Southeast Alabama Regional Planning
and Development Commission**
(334) 794-4093

**Top of Alabama Regional Council
of Governments**
(256) 830-0818

**West Alabama Planning and
Development Council**
(205) 333-2990

Entrepreneurial Opportunities

Regional Innovation Clusters

Create jobs and grow the economy through an SBA Regional Innovation Cluster.

Who should join

Small businesses driving innovation in one of these tech industries:

- advanced composites
- agTech
- bioscience
- food processing
- data sciences
- medical sciences
- power and energy
- unmanned aerial systems
- water tech
- wood products

How it works

Each industry cluster is based in a geographic region. Your small business must be located in or near that region in order to join the cluster. For example, the AgLaunch Initiative cluster, which focuses on agricultural technology, is located in the Tennessee area. A small agTech business in or near Tennessee will connect with other agTech suppliers, service providers, and related institutions through that innovation cluster.

How it benefits you

Network with other industry innovators and connect with resources that will help your small business find funding. You'll also receive guidance on how to better compete for government contracts and other opportunities so you can grow and expand. Receive free technical and legal assistance to develop your tech and get it to market for government and industry buyers.

Get involved

Find an SBA Regional Innovation Cluster near you by visiting [sba.gov/localassistance](https://www.sba.gov/localassistance). Select the regional innovation clusters on the drop-down menu.

Online Resources

Find free short courses and learning tools to start and grow your small business at [sba.gov/learning](https://www.sba.gov/learning). The free SBA Online Learning Center is a great resource for every entrepreneur, especially rural business owners looking for easy access to vital business training.



Courses include:

- writing your business plan
- buying a business
- financing options
- digital and traditional marketing to win customers
- disaster recovery
- understanding your customer

Native American Workshops

Tribal enterprises and business organizations can receive training at an SBA Entrepreneurial Empowerment Workshop. These workshops cover business concepts important for starting, growing, or expanding a small business. RedWind instructors identify and help participants avoid common pitfalls. Learn how to prepare a business plan, gain access to capital, and basic book keeping. Request a workshop in your area by visiting [nativesmallbusiness.org](https://www.nativesmallbusiness.org).

SBA Regional Innovation Clusters



- 1** Autonomous & Unmanned Systems Cluster – Emerging Tech Ventures
- 2** The Ozarks Cluster – Startup Junkie (Industry focus: Food processing, supply chain, & logistics)
- 3** The Water Council Cluster
- 4** Marine Industry Science & Technology Cluster
- 5** BioSTL: St. Louis Biosciences Cluster
- 6** Oklahoma-South Kansas Unmanned Aerial Systems Cluster
- 7** The Appalachian Ohio Wood Products Cluster
- 8** Conductor RIC in Healthcare, Education & Data/Decision Sciences – Startup Junkie Consulting
- 9** Integrative Business Services Inc. (Industry focus: Optics)
- 10** Great Plains Technology & Manufacturing Cluster
- 11** Montana Bioscience Cluster – Montana Technology Enterprise Center
- 12** AgLaunch Initiative
- 13** Utah Advanced Material Manufacturing Initiative
- 14** Defense Alliance - LSI Business Development Inc. (Industry focus: Advanced Power and Energy)



▲ HOW THE SBA HELPED US SUCCEED

Margot Adam Langstaff, left, and Elisa Hamill, right, sought assistance from their local Veterans Business Outreach Center, which helped them better compete for government contracts. LifeHealth of Littleton, CO has expanded to more than 30 states with offices in Washington, DC and San Antonio, TX. Their clients include the Department of Defense, the National Guard, and the Indian Health Service. They also expanded their business using an SBA-backed line of credit for \$350,000. Margot started her career as an Army medic, eventually running one of the largest outpatient clinics in the Northeast at Ft. Devens, MA.

Opportunities for Veterans

Members of the military community can start and grow their small businesses with the help of SBA programs.

Need entrepreneurship training?

In Boots to Business, you explore business ownership and other self-employment opportunities while learning key business concepts. You will walk away with an overview of entrepreneurship and applicable business ownership fundamentals, including how to access startup capital using SBA resources. Boots to Business is conducted on all military installations as part of the Department of Defense's Transition Assistance Program.

Who's eligible?

Service members transitioning out of active duty and military spouses. Are you a veteran or member of the National Guard or Reserve or a military spouse? Boots to Business: Reboot teaches this entrepreneurship curriculum off base and in local communities. Register for either B2B program at <https://sbavets.force.com>.

For women veterans

Receive entrepreneurial training geared toward women veterans, service members, and spouses of service members through these SBA-funded programs:

- » Veteran Women Igniting the Spirit of Entrepreneurship in Syracuse, New York
- » LiftFund in San Antonio, Texas

For service-disabled veterans

Learn how to start and grow a small business using these SBA-funded programs:

- » Entrepreneurship Bootcamp for Veterans with Disabilities in Syracuse, New York
- » Veterans Entrepreneurship Program at the Riata Center for Entrepreneurship, Spears School of Business, Oklahoma State University in Stillwater, Oklahoma
- » Veteran Entrepreneurship Jumpstart at St. Joseph's University in Philadelphia, Pennsylvania
- » Dog Tag Inc., affiliated with Georgetown University in Washington, DC

Need financing?

Loan Fee Relief

To encourage lending to members of the military community who want to start or grow their business, the SBA reduces upfront guarantee fees on select loans. That means the cost savings will be passed down to you, the eligible veteran or qualifying military member. Ask your local SBA district office or SBA Lender about the Veterans Advantage program.

Have an employee who was called to active duty?

You may receive funds that enable your business to meet ordinary and necessary operating expenses when an essential employee is called up to active duty in the military reserve. Ask your local SBA district office or SBA Lender about the Military Reservist Economic Injury Disaster Loan.

Interested in contracting?

Veteran-owned and service-disabled veteran-owned small businesses interested in federal contracting receive training from the Veteran Institute for Procurement, which offers a platform with three training programs to assist veterans. Visit nationalvip.org.

VIP Start

Enter the federal market and become ready for procurement. Nearly 200 veteran-owned businesses from 29 states plus Washington, DC have graduated from the program.

VIP Grow

Strategize to expand and operate within the federal marketplace. More than 700 veteran-owned businesses from 42 states plus DC and Guam have graduated from this program.

VIP International

Enter or expand your federal and commercial contracting opportunities overseas.

Get certified

Learn about the service-disabled veteran-owned small business certification program on page 49.

For more assistance

Veteran and military entrepreneurs receive business training, counseling, and referrals to other SBA Resource Partners at a Veterans Business Outreach Center, sba.gov/vboc. For veterans business information visit sba.gov/veterans.

Write your Business Plan

Your business plan is the foundation of your business. Learn how to write a business plan quickly and efficiently with a business plan template.



Business plans help you run your business

A good business plan guides you through each stage of starting and managing your business. You'll use your business plan as a roadmap for how to structure, run, and grow your new business. It's a way to think through the key elements of your business.

Business plans can help you get funding or bring on new business partners. Investors want to feel confident they'll see a return on their investment. Your business plan is the tool you'll use to convince people that working with you—or investing in your company—is a smart choice.

Pick a business plan format that works for you

- There's no right or wrong way to write a business plan. What's important is that your plan meets your needs.
- Most business plans fall into one of two common categories: traditional or lean startup.
- **Traditional business plans** are more common, use a standard structure, and encourage you to go into detail in each section. They tend to require more work upfront and can be dozens of pages long.
- **Lean startup business plans** are less common but still use a standard structure. They focus on summarizing only the most important points of the key elements of your plan. They can take as little as one hour to make and are typically only one page.

Which business plan format is right for you?



Traditional Business Plan

- This type of plan is very detailed, takes more time to write, and is comprehensive.
- Lenders and investors commonly request this plan.



Lean Startup Plan

- This type of plan is high-level focus, fast to write, and contains key elements only.
- Some lenders and investors may ask for more information.



TRADITIONAL BUSINESS PLAN FORMAT

You might prefer a traditional business plan format if you're very detail oriented, want a comprehensive plan, or plan to request financing from traditional sources.

When you write your business plan, you don't have to stick to the exact business plan outline. Instead, use the sections that make the most sense for your business and your needs. Traditional business plans use some combination of these nine sections.

Executive Summary

Briefly tell your reader what your company is and why it will be successful. Include your mission statement, your product or service, and basic information about your company's leadership team, employees, and location. You should also include financial information and high-level growth plans if you plan to ask for financing.

Company Description

Use your company description to provide detailed information about your company. Go into detail about the problems your business solves. Be specific, and list out the consumers, organization, or businesses your company plans to serve.

Explain the competitive advantages that will make your business a success. Are there experts on your team? Have you found the perfect location for your store? Your company description is the place to boast about your strengths.

Market Analysis

You'll need a good understanding of your industry outlook and target market. Competitive research will show you what other businesses are doing and what their strengths are. In your market research, look for trends and themes. What do successful competitors do? Why does it work? Can you do it better? Now's the time to answer these questions.

Organization and Management

Tell your reader how your company will be structured and who will run it.

Describe the legal structure of your business. State whether you have or intend to incorporate your business as a C or an S corporation, form a general or limited partnership, or if you're a sole proprietor or LLC.

Use an organizational chart to lay out who's in charge of what in your company. Show how each person's unique experience will contribute to the success of your venture. Consider including resumes or CVs of key members of your team.

Service or Product Line

Describe what you sell or what service you offer. Explain how it benefits your customers and what the product lifecycle looks like. Share your plans for intellectual property, like copyright or patent filings. If you're doing research and development for your service or product, explain it in detail.

Marketing and Sales

There's no single way to approach a marketing strategy. Your strategy should evolve and change to fit your unique needs.

Your goal in this section is to describe how you'll attract and retain customers. You'll also describe how a sale will actually happen.

You'll refer to this section later when you make financial projections, so make sure to thoroughly describe your complete marketing and sales strategies.

Funding Request

If you're asking for funding, this is where you'll outline your funding requirements. Your goal is to clearly explain how much funding you'll need over the next five years and what you'll use it for.

Specify whether you want debt or equity, the terms you'd like applied, and the length of time your request will cover. Give a detailed description of how you'll use your funds. Specify if you need funds to buy equipment or materials, pay salaries, or cover specific bills until revenue increases. Always include a description of your future strategic financial plans, like paying off debt or selling your business.

Financial Projections

Supplement your funding request with financial projections. Your goal is to convince the reader that your business is stable and will be a financial success.

If your business is already established, include income statements, balance sheets, and cash flow statements for the last three to five years. If you have other collateral you could put against a loan, make sure to list it now.

Provide a prospective financial outlook for the next five years. Include forecasted income statements, balance sheets, cash flow statements, and capital expenditure budgets. For the first year, be even more specific and use quarterly—or even monthly—projections. Make sure to clearly explain your projections, and match them to your funding requests.

This is a great place to use graphs and charts to tell the financial story of your business.

Appendix

Use your appendix to provide supporting documents or other materials that were specially requested. Common items to include are credit histories, resumes, product pictures, letters of reference, licenses, permits, patents, legal documents, and other contracts.

TRADITIONAL BUSINESS PLAN CHECKLIST

- Executive summary
- Company description
- Market analysis
- Organization and management
- Service or product line
- Marketing and sales
- Funding request
- Financial projections
- Appendix

LEAN STARTUP PLAN FORMAT

You might prefer a lean startup format if you want to explain or start your business quickly, your business is relatively simple, or you plan to regularly change and refine your business plan.

Lean startup formats are charts that use only a handful of elements to describe your company's value proposition, infrastructure, customers, and finances. They're useful for visualizing tradeoffs and fundamental facts about your company.

There are many versions of lean startup templates, but one of the oldest and most well known is the Business Model Canvas, developed by Alex Osterwalder. You can search the web to find free templates of the Business Model Canvas, or other versions, to build your business plan.

We'll discuss the nine components of the Business Model Canvas version here.

Key Partnerships

Note the other businesses or services you'll work with to run your business. Think about suppliers, manufacturers, subcontractors and similar strategic partners.

Key Activities

List the ways your business will gain a competitive advantage. Highlight things like selling direct to consumers or using technology to tap into the sharing economy.

Key Resources

List any resource you'll leverage to create value for your customer. Your most important assets could include staff, capital, or intellectual property. Don't forget to leverage business resources that might be available to women, veterans, Native Americans, and HUBZone-certified businesses.

Value Proposition

Make a clear and compelling statement about the unique value your company brings to the market.

Customer Relationships

Describe how customers will interact with your business. Is it automated or personal? In person or online? Think through the customer experience from start to finish.

Customer Segments

Be specific when you name your target market. Your business won't be for everybody, so it's important to have a clear sense of who your business will serve.

Channels

List the most important ways you'll talk to your customers. Most businesses use a mix of channels and optimize them over time.

Cost Structure

Will your company focus on reducing cost or maximizing value? Define your strategy, then list the most significant costs you'll face pursuing it.

Revenue Streams

Explain how your company will actually make money. Some examples are direct sales, memberships fees, and selling advertising space. If your company has multiple revenue streams, list them all.

Want to see an example of a business plan?

View examples of both business plan formats at sba.gov/business-guide/plan/write-your-business-plan-template

LEAN STARTUP PLAN CHECKLIST

- Key partnerships
- Key activities
- Key resources
- Value proposition
- Customer relationships
- Customer segments
- Channels
- Cost structure
- Revenue streams

“If you fail to plan, you are planning to fail.”

Benjamin Franklin

You love growing
your business.

Then you'll love this bank.



Need more space? Lack of equipment holding you back? Progress can empower you with our expertise and be by your side as you make those big, and not so big, decisions. We want to clear the path so you can focus on your growth.

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Birmingham • Decatur • Destin • Florence
Huntsville • Inlet Beach • Jones Valley • Madison • Vestavia

 **ProgressBank**
myprogressbank.com

NMLS#401921

Alana Hodde Parker

PRESIDENT, ROCKET CITY DRYWALL & SUPPLY INC.
Huntsville, AL

Alana Parker never imagined she would one day take over her family's small business, one of the last locally owned and operated building materials distribution companies in the area.

At the age of 25, Alana stepped up as manager during a difficult time in the market. The SBA helped Alana develop her business expertise so she could then create jobs in her hometown and contribute to the local economy. Alana received assistance from both her local Women's Business Center and Small Business Development Center.

Rocket City Drywall & Supply specializes in wall and ceiling products for residential and commercial construction. The business was started by Alana's grandparents, Charles and Jewell Stanley, in 1985. With Alana's leadership and the support of her family, community, and employees, the company weathered the Great Recession and grew into a thriving enterprise. In 2016, Alana purchased the business from her grandfather and to this day remains one of the youngest suppliers in the United States for her product division.



COURTESY OF ROCKET CITY DRYWALL & SUPPLY INC.

- What challenge did you have?** The world of business plans and financial projections was unknown to me. I needed an expert business counselor at minimal cost to myself since I was just purchasing the business, all its assets and property. I then had to turn around a struggling enterprise desperately in need of capital. As a young person and a single mother, it's hard to find a lender that will invest in you and your business.
- What was the SBA solution?** Small business owners have such a great community in the Huntsville area because of our fantastic SBA Resource Partners. I sought help from my local Small Business Development Center at the University of Alabama in Huntsville and the Catalyst Center for Business & Entrepreneurship North Alabama. My counselors helped me generate financial projections and develop a business plan. My mentors also guided me toward SBA funding programs. The SBA guarantees loans made by lending institutions to small business that would not otherwise be able to obtain financing. My small business secured an SBA-backed 7(a) loan from Synovus Bank, which provided the line of credit I needed to grow.
- What benefit did this have for you?** SBA-backed financing allowed me to purchase the business and to become the sole executive owner of a drywall distribution company. I'm one of the few young women in the United States to do so! The business is on target to exceed 40% growth in 2019, about \$5 million in gross revenue. To be an entrepreneur you not only have to be a successful business, but you also have to be able to overcome challenges and use those times as opportunities to learn and grow.

FUNDING PROGRAMS

Financing Your Small Business



A Deal is Inked

An SBA loan helps these entrepreneurs succeed in the challenging printing market.

WRITTEN BY Pam Kasey

When Mark Morales's employer, the owner of Printing Palace in Santa Monica, California, told him in 2014 he'd found a buyer for the business, Morales reacted with shock. "Why?" his boss asked. "Do you want to buy it instead?"

The idea surprised Morales, but it was appealing. He'd been in the industry for more than 20 years and at Printing Palace for a decade. As general manager, he managed nine employees and took care of the business as if it were his own; many customers assumed he was the owner. He and his husband, John Briggs, discussed a possible purchase over lunch. "It wasn't something I was looking to do, I was just trying to take control of my own destiny," Morales says. He was scared, but the couple decided to take the leap.

Morales and Briggs visited their credit union and were quickly disappointed. The loan officer wouldn't take the risk. "He decided that printing was a dying industry and there was no way he was going to fund us," Morales said.

In frustration, Morales posted about the setback on Facebook. His social network came to his aid; the post got him the attention of an SBA Lender—as high up as the bank's vice president, Mark Morales. This SBA Lender decided the couple deserved the chance, and Morales and Briggs soon qualified for SBA funding. They received a 7(a) loan of \$1.1 million toward the \$1.4 million purchase, enabling Morales and Briggs to buy Printing Palace in 2015.

It was a challenging time to invest in printing. "There were probably 20 printers in our area 10 years ago, and there are probably four now," Morales says. "The industry has changed a lot, even in the past three years. What used to be 20 to 30 percent of our business is now 50 to 60 percent, and that's on-demand, digital, quick, turned around in a day." The couple has met the challenge, giving up equipment they owned for five new digital printers they lease. They also added an architectural plan printer in response to frequent customer requests. "It's not a huge moneymaker, but it meets demand and it's a profitable unit," Morales says.

What sets Printing Palace apart in a changing industry is the shop's commitment to customer service. "Everybody wants to do online printing," he says. "What keeps us going, and we're doing well, is that we cater to people who are frustrated with that—or who just want to come in and feel things and talk to somebody who's knowledgeable about the product." Printing Palace's website touts its print-industry veterans who take pride in delivering jobs on time. Morales and Briggs have earned high reviews online.

Morales sought certification early on as an LGBT-owned business. He serves as president of his local chapter of the Los Angeles Gay & Lesbian



COURTESY OF J. EMILIO FLORES



COURTESY OF J. EMILIO FLORES

Mark Morales believes that what sets Printing Palace apart in a changing industry is his talented work force and their customer service.

“
If it’s
something
you want to
do and you
have the skill
to do it, you
just have to
jump in with
both feet.”

Mark Moralez
Owner
Printing Palace

Chamber of Commerce, giving Printing Palace prominence in a loyal market. “We’ve also done some charity work for Human Rights Campaign and Equality California, we’ve donated money and free printing. Those causes are near and dear to our hearts.”

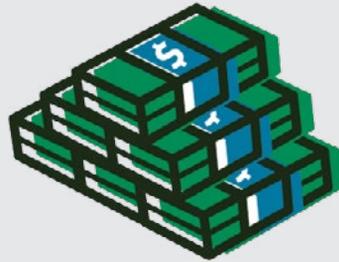
At a time when print shops routinely struggle and fail, Printing Palace has secured its place. “Revenues have stayed steady,” Moralez says. “But we’ve streamlined everything, so we’re a lot more efficient and profitable than we were. In an industry that peaked 10 years ago and has slowly been in decline, the fact that we can stay where we are and make it profitable is a strong indication of how well we’re doing.”

The pressure is real. “Now everybody is relying on us, and the weight falls on my shoulders,” Moralez says. “It’s more work than I’ve ever done in my life, but it’s been a good thing. I’m glad we did it.”

For those seeking business financing, Moralez has this advice: do your research and find an SBA Lender who wants to work with you. “Then, go for it,” he says. “If it’s something you want to do and you have the skill to do it, you just have to jump in with both feet.”

SBA-backed Loans

For small business owners and entrepreneurs who cannot get traditional forms of credit, an SBA-guaranteed loan can fill that need. The SBA guarantees loans made by lending institutions to small businesses that would not otherwise be able to obtain financing. If you are eligible and cannot obtain conventional financing with reasonable rates and terms, the SBA guarantee reduces a lender’s risk of loss in the event of a default on the loan. The guarantee is conditional on the lender following SBA program requirements. Just like with any other loan, you make your loan payments directly to your SBA Lender in accordance with your terms.



Lender Match

Visit your local SBA office for a lender referral, or use Lender Match, sba.gov/lendermatch. The SBA’s online tool connects entrepreneurs with SBA Lenders interested in making small business loans in your area.

Need Financing?

Visit your local SBA office or lender to learn about these funding options.



The 7(a) Loan, the SBA's Largest Financing Program

If you're unable to get conventional financing and you meet the eligibility requirements, you can use a 7(a) loan to buy real estate, equipment, or inventory for your small business. It may also be used for working capital, to refinance business debt or purchase a small business.

MAX LOAN AMOUNT: \$5 million

INTEREST RATE: generally prime + a reasonable rate capped at 2.75 percent

TERMS: loan term varies according to the purpose of the loan, generally up to 25 years for real estate, 10 years for other fixed assets and working capital

GUARANTEE: 50 to 90 percent

CAPLines

Meet your revolving capital needs with lines of credit. CAPLines can be used for contract financing, seasonal lines of credit, builders line of credit, or for general working capital lines.

SBA Express Loan

Featuring a simplified process, these loans are delivered by experienced lenders who are authorized to make the credit decision for the SBA. These can be term loans or revolving lines of credit.

MAX LOAN AMOUNT: \$350,000

INTEREST RATE: for loans less than \$50,000, prime + 6.5 percent; for loans of \$50,000 and greater, prime + 4.75 percent

TERMS: loan term varies according to the purpose of the loan, generally up to 25 years for real estate and 10 years for other fixed assets and working capital.

GUARANTEE: 50 percent

Community Advantage Program

Financing for women, veterans, low-income borrowers, and minority entrepreneurs just starting up or in business for a few years. Receive free business counseling as you work with a community-based financial institution.

INTEREST RATE: prime + 6 percent

TERMS: up to 25 years for real estate, 10 years for equipment and working capital

GUARANTEE: 75 to 90 percent

Microloan Program

Eligible businesses can startup and grow with working capital or funds for supplies, equipment, furniture and fixtures. Borrow from \$500 to \$50,000 and access free business counseling from microlenders.

INTEREST RATE: loans less than \$10,000, lender cost + 8.5 percent; loans \$10,000 and greater, lender cost + 7.75 percent

TERMS: lender negotiated, no early payoff penalty

504 Certified Development Company Loan Program

If you do not qualify for traditional financing, but would like to purchase/renovate real estate or buy heavy equipment for your business, ask about the 504 loan program. It provides competitive fixed-rate mortgage financing through a lender and a Certified Development Company.

MAX LOAN AMOUNT (up to 40 percent of the total project): up to \$5 million; \$5.5 million for manufacturing or energy public policy projects

INTEREST RATE: below market fixed rates for 10, 20 or 25 year terms

TERMS: 20 or 25 years for real estate or long term equipment, 10 years for general machinery and equipment

GUARANTEE: the lender provides a senior loan for 50 percent of the project cost (with no SBA guarantee); the CDC finances up to 40 percent in a junior lien position (supported by the SBA guarantee)

SPECIAL CONDITION: a minimum borrower contribution, or down payment, is required, amounts vary by project but are usually 10 percent

SBA Lenders

Our participating SBA Lenders serve all Alabama unless otherwise noted.

ATMORE

United Bank

Government Guaranteed Lending
200 E. Nashville Ave.
(251) 446-6172
unitedbank.com

BIRMINGHAM

Ameris Bank

1 Chase Corporate Center,
suite 400
(205) 970-6180
amerisbank.com

BancorpSouth Bank

4680 Highway 280
(205) 408-1954
bancorpsouth.com

BBVA Compass Bank

15 S. 20th St., suite 201
(205) 732-4627
bbvacompass.com

Branch Banking and Trust Co.

2501 20th Place South
(205) 445-2344

Cadence Bank

17 N. 20th St.
(205) 327-3462
cadencebank.com

CB&S Bank

1301 Doug Baker Blvd.
(205) 408-7160
cbsbank.com

First US Bank

3291 US Highway 280, suite 100
(855) 736-3008
firstusbank.com

Iberia Bank

2340 Woodcrest Place
(205) 803-5828
504 loans (866) 622-4504
7(a) loans (404) 235-5550
iberiabank.com

National Bank of Commerce

600 Luckie Drive, suite 200
(205) 313-8100
nationalbankofcommerce.com

Progress Bank and Trust

2121 Highland Ave. South
(205) 822-5500
myprogressbank.com

Regions Bank

1901 Sixth Ave. North
(205) 264-7512
regions.com

Reasant Bank

2001 Park Place, suite 600
(205) 327-4275
reasantbank.com

River Bank & Trust

(334) 290-1012
riverbankandtrust.com

Robertson Banking Co.

2917 Central Ave., suite 305,
office 217
(334) 289-3564
[robertsonbanking.com/
index.htm](http://robertsonbanking.com/index.htm)

ServisFirst Bank

2500 Woodcrest Place
(866) 317-0810
smallbusinessloans@
servisfirstbank.com
servisfirstbank.com

Southpoint Bank

3501 Grandview Parkway
(205) 503-5000
southpoint.bank

Synovus Bank

800 Shades Creek Parkway
(205) 868-6110
synovus.com

Southern Bank Co.

400 Office Park Drive, suite 220
Birmingham, Al 35223
(205) 868-1515
sobanco.com

United Community Bank

3800 Colonnade Parkway,
suite 100
(205) 307-8422

Valley National Bank

1100 Corporate Parkway
(205) 408-2051
valley.com

Wells Fargo Bank

420 20th St. North
(205) 254-5230

CALERA

Central State Bank

11025 Highway 25
(205) 668-0711
centralstatebank.com

ENTERPRISE

First Financial Bank

1247 Rucker Blvd., suite B
(334) 347-9944
enterprise.ag@ffb1.com
(does poultry lending)

FORT PAYNE

First Financial Bank

2201 Gault Ave. North, suite G
(256) 845-4270
fortpayne.ag@ffb1.com

GARDENDALE

Peoples Bank of Alabama

GCAP Financing, a division of
People's Bank
925 Sharit Ave., suite 213
(205) 631-8324
peoplesbankal.com
[peoplesbankal.com/gcap-
financing](http://peoplesbankal.com/gcap-financing)

HOOVER

Bryant Bank

2721 John Hawkins Parkway
(205) 733-7560
bryantbank.com

JASPER

Pinnacle Bank

1811 Second Ave.
(205) 221-8868

LEEDS

Millennium Bank

7924 Parkway Drive
(205) 702-2265
millennial.bank

MOBILE

Commonwealth

Business Bank

2214 St. Stephens Road
(251) 476-5938
ecommonwealthbank.com

SLOCOMB

Friend Bank

220 E. Lawrence Harris Highway
(334) 886-2367
friendbank.net

TALLADEGA

First Bank of Alabama

120 North St. East
(256) 362-2334

TUSCALOOSA

SmartBank

2301 University Blvd.
(205) 469-4000
smartbank.com

OUT OF STATE BANKS

Alamerica Bank

2170 Highland Ave., suite 150
(205) 558-4600
alamericabank.com

American Pride Bank

(404) 989-7032
americanpridebank.com

Bank of America

bankofamerica.com

Bank of Hope

(678) 380-0774
bankofhope.com

BankUnited

bankunited.com

Byline Bank
(615) 584-2361
bylinebank.com

Celtic Bank
(800) 363-6500
celticbank.com

Community Bank of Mississippi
(601) 469-1611
communitybank.net

Customers Bank
sbagroup@customersbank.com
customersbank.com

East West Bank
(888) 761-3967
eastwestbank.com

Embassy National Bank
(800) 560-9883
embassynationalbank.com

Evolve Bank & Trust
(866) 367-2611
getevolved.com

Fidelity Bank
(404) 759-9287
lionbank.com

First Bank
(910) 692-6222
localfirstbank.com

First Financial Bank
ffb1.com

First Home Bank
(727) 685-2083
firsthomebank.com

First IC Bank
(770) 451-7200
firsticbank.com

First Landmark Bank
(770) 792-8870
info@firstlandmark.com
firstlandmark.com

First Utah Bank
firstutahbank.com

Hancock Whitney Bank
(800) 965-5626
hancockwhitney.com

Heritage First Bank
(706) 378-5300
heritagefirstbank.com

Independence Bank
(401) 886-4600 and
(888) 824-8873
independence-bank.com

JPMorgan/Chase Bank
chase.com

Live Oak Banking Co.
(910) 790-5867
liveoakbank.com

Metro City Bank
(888) 852-9602
metrocitybank.bank

Newtek Small Business Finance Inc.
(800) 749-8707
newtekone.com

NOA Bank
(678) 385-0826
sba@noabank.com
noabank.com

Pacific Premier Bank
(888) 388-5433
ppbi.com

Peoples Bank
peoplesbancorp.com

Piedmont Bank
(678) 576-9392
piedmont.bank

PNC Bank
(770) 814-5590 or (800) 762-5684
pnc.com

Radius Bank
(312) 767-2668
radiusbank.com

ReadyCap Lending
(212) 257-4600
smallbusiness@readycapital.com
readycapital.com

Redstone Federal Credit Union
(256) 722-3408
redfcu.org

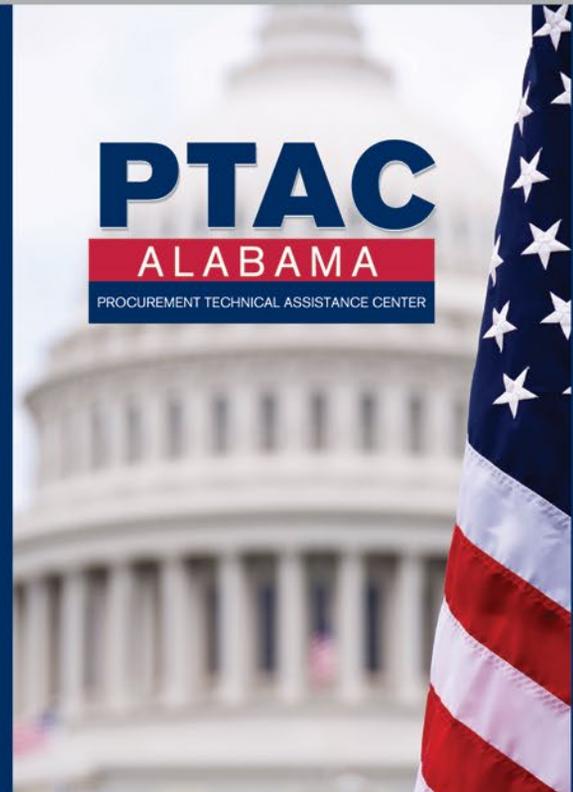
Simmons Bank
(865) 291-1931
simmonsbank.com

Southern States Bank
(678) 416-0319
southernstatesbank.net

Spirit of Texas Bank
(877) 366-1836
sotb.com

State Bank & Trust Co.
(877) 455-1301 or
(800) 366-4967
statebank1898.com

Your Resource To Winning Government Contracts



Alabama Procurement Program

- Advising
- Training
- Bid Matching Service
- Subcontracting
- Certifications
- Bid/Proposal Assistance

Register Today:
www.AL-PTAC.org



This procurement technical assistance center is funded in part through a cooperative agreement with the Defense Logistics Agency. Hosted by The University of Alabama.

Stearns Bank
 (888) 320-2899 or
 (320) 258-4802
stearnsbank.com

Suntrust Bank
 (800) 786-8788
suntrust.com

Touchmark National Bank
 (770) 328-7220
touchmarknb.com

Trustmark National Bank
 (601) 208-7391 or
 (601) 208-7392
trustmark.com

United Community Bank
 (678) 714-3603 or
 (404) 372-9864
ucbi.com

United Midwest Savings Bank
 (614) 538-2443 or
 (216) 403-7899
umwsb.com

Wallis State Bank
 (713) 935-3760
customerservice@wallisbank.com
wallisbank.com

Participating Certified Development Companies

Alabama Small Business Capital
 330 E. Magnolia Ave.
 Auburn
 (334) 209-2600
info@asb504.com

Florida First Capital Finance Corp.
 (334) 610-5010
ffcfc.com

Foundation Capital
 1500 First Ave. North
 Suite B108
 Birmingham
 (205) 250-6380
info@bbrc.biz
foundationcapital.biz

Greater Mobile Development Corp.
 Business Innovation Center
 1141 Montlimar Drive, suite 2015
 Mobile
 (251) 650-0826
gmdc@ceebic.org
cityofmobile.org

Southern Development Council
 8132 Old Federal Road
 Montgomery
 (334) 244-1801 or (800) 499-3034
sdci@sdcinc.org
sdcinc.org

Participating Microlenders

Community Enterprise Investments Inc.
 (850) 595-6234 or (888) 605-2505
ceii.pensacola.com

LiftFund
 401 19th St.
 Bessemer
 (888) 215-2373 x1851 or (205) 266-9639
alabama.liftfund.com

Pathway Lending
pathwaylending.org

VentureSouth
Serving Blount, Chilton, Jefferson, Shelby, St. Clair, and Walker counties
 2 20th St. North, suite 1150
 Birmingham
 (205) 264-8428
venturesouth.org

Community Advantage Lenders

LiftFund
 401 19th St.
 Bessemer
 (888) 215-2373 x1851 or (205) 266-9639
alabama.liftfund.com

TruFund Financial Services Inc.
 (205) 715-2710
info@trufund.org
trufund.org/markets/alabama

Growing Alabama's Economy, One Small Business at a Time.



The Alabama Small Business Development Center (ASBDC) Network provides management and technical assistance to help entrepreneurs start new businesses or expand existing small businesses. We have professional business advisors at a location near you:

Alabama State University • Auburn University • Jacksonville State University
 Troy University • The University of Alabama • University of Alabama Huntsville
 University of North Alabama • University of South Alabama • University of West Alabama

SPECIALTY PROGRAMS:
 Capital Access • Government Procurement • International Trade

www.asbdc.org

Funded in part through a Cooperative Agreement with the U.S. Small Business Administration.



Assistance with Exporting

Businesses that export are less dependent on any one market. Exporting also broadens the market and stabilizes sales for those who make seasonal products.

Small businesses can enter and excel in the international marketplace using State Trade Expansion Program grants and training. Visit sba.gov/internationaltrade to find out if your state is participating. You can:

- learn how to export
- participate in foreign trade missions and trade shows
- obtain services to support foreign market entry
- translate websites to attract foreign buyers
- design international marketing products or campaigns

Financing for International Growth

The International Trade Loan can position you to enter or expand into international markets. It can also help you better compete if your business has been adversely affected by unfair trade practices.

Max loan amount: \$5 million

Interest rate: generally prime + a reasonable rate capped at 2.75 percent

Terms: up to 25 years for real estate, up to 10 years for equipment

Guarantee: up to 90 percent

Ask your SBA Lender about the **Export Express Loan** for enhancing your export development.

Max loan amount: \$500,000

Interest rate: typically not to exceed prime + 6.5 percent

Terms: up to 25 years for real estate, up to 10 years for equipment, up to seven years for lines of credit

Guarantee: up to 90 percent

Exporters looking to meet their short-term capital needs can use the **Export Working Capital Program**. Use this loan to purchase inventory to make the products you export or to finance receivables. You can apply for lines of credit prior to finalizing an export sale or contract.

Max loan amount: \$5 million

Interest rate: negotiated between lender and business, fixed or variable rate

Terms: typically one year, cannot exceed three years

Guarantee: up to 90 percent

Expert Advice on Exporting

If you need assistance with international trade regulations, the SBA can be your advocate in foreign markets. Call toll free (855) 722-4877 or email your contact information and trade issue to international@sba.gov.

Find an SBA professional in one of the 21 U.S. Export Assistance Centers, sba.gov/tools/local-assistance/eac, located in most major metro areas. The centers are also staffed by the U.S. Department of Commerce and, in some locations, the Export-Import Bank of the United States and other public and private organizations. Also, visit your local Small Business Development Center (see page 8) for exporting assistance from professional business counselors.

Benefits of Exporting

Nearly 96 percent of consumers live outside the U.S., and two-thirds of the world's purchasing power is in foreign countries. If you're a small business owner, here's how to work with the SBA for your trade needs.

STEP 1 GET COUNSELING



STEP 2 FIND BUYERS



STEP 3 GET FUNDING



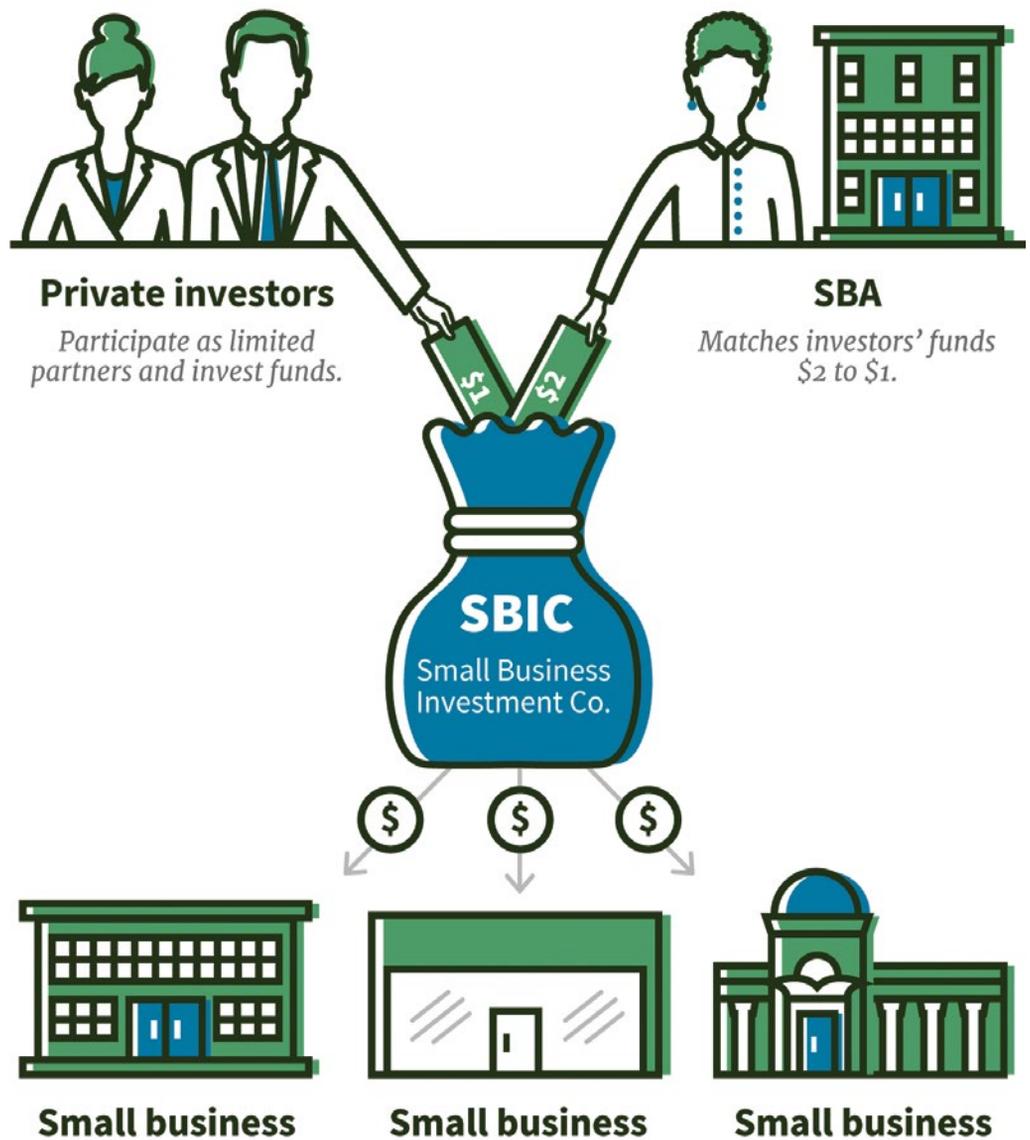
Investment Capital

Looking for investors? You might find leads in our Small Business Investment Company online directory.

If you own a U.S. small business, you could receive capital from a Small Business Investment Company that is regulated by the SBA. Investment companies with financing expertise in certain industry sectors receive SBA-guaranteed loans, which means the federal government is responsible in case of default. These investment companies use the SBA-guaranteed capital and private funds to invest in qualifying small businesses. Small businesses then receive a loan, equity (a share of ownership an investment company gets in a business), or a combination of both.

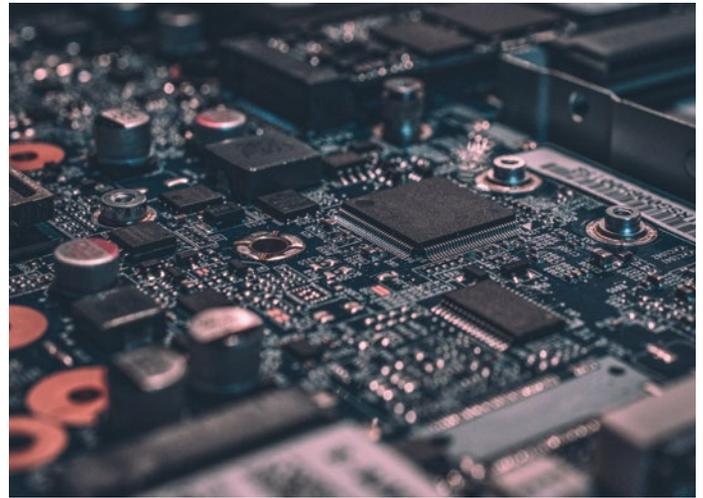
Mature, profitable businesses with sufficient cash flow to pay interest are more likely to receive an investment from an SBIC. Each one has its own investment profile in terms of targeted industry, geography, company maturity, the types and size of financing they provide.

Search the SBIC directory by visiting sba.gov and clicking on **Funding Program** and then **Investment Capital**.



R&D Opportunities for Next Gen Entrepreneurs

If you are engaged in high-risk research and development, your small business may be eligible to compete for funding to develop your tech and get it to market.



Do you work in one of these areas?

- » advanced materials
- » agTech
- » artificial intelligence
- » biomedical
- » cybersecurity
- » energy
- » first response
- » national security
- » space exploration

The Small Business Innovation Research and the Small Business Technology Transfer programs, also called America's Seed Fund, provide more than \$2.5 billion in early stage capital through more than 4,000 new awards annually.

How it works

Every year, 11 participating federal agencies announce topical areas that address their R&D needs. Eligible businesses submit proposals through a competitive process, and if successful, enter a three phase awards program.

- » Phase I, the proof-of-concept stage, typically lasts from 6-12 months, often providing \$100,000-\$225,000.
- » Phase II, the full R&D period, lasts about 24 months and typically provides \$600,000-\$1.5 million.
- » Phase III, the commercialization stage, where you seek public or private funds for your venture.

How else does your startup benefit? The funding agency does not take an equity position or ownership of your business. The federal government also has a protection period in which it does not disclose your reports and data.

Visit [sbir.gov](https://www.sbir.gov) to find funding opportunities and helpful program tutorials, as well as past award winners, such as Qualcomm, iRobot, Illumina, and Symantec.

Participating agencies:

- » Department of Agriculture
- » Department of Commerce
- » National Institute of Standards and Technology
- » National Oceanic and Atmospheric Administration
- » Department of Defense
- » Department of Education
- » Department of Energy
- » Department of Health and Human Services
- » Department of Homeland Security
- » Department of Transportation
- » Environmental Protection Agency
- » NASA
- » National Science Foundation



FOREST LAKE DRAPERY AND UPHOLSTERY FABRIC CENTER

After the Flood

A South Carolina fabric business rebounds bigger and better with the help of an SBA disaster loan.

WRITTEN BY CARLEE LAMMERS

After floodwaters devastated his family business, Michael Marsha visited the SBA and received something not many others could give him: security. Marsha is the owner and president of Forest Lake Drapery and Upholstery Fabric Center Inc. in Columbia, South Carolina. The fabric store started in 1964 as an offshoot of L.A. Marsha Textile Co., a closeout fabric store owned by his father and grandfather. Marsha took over the family business in 1990 and worked to grow it into something bigger. "I grew it slow," he

says. "I didn't borrow money. I just took the cashflow over the years and grew it into a big, big company. I didn't really have a banker at all. I didn't really need one."

When catastrophic flooding hit South Carolina in October 2015, water destroyed Marsha's entire fabric inventory and nearly destroyed the lower level of his store, wrecking structural havoc, tearing out sheetrock and destroying the carpeting. The damages came to about \$1.4 million. Crews spent hours cleaning after the floods receded. All that was left of Marsha's business was a shell.

He had to act fast. Marsha bought a space two doors down from his store. Marsha kept his inventory in the upper level of his original store and cut the fabric in his new space. Lenders made offers to help him rebuild, but Marsha wanted better terms. He was speaking to state officials about the flood when he met some SBA disaster assistance specialists.

Marsha recalled how he felt at the time: "I couldn't crawl back into business, I needed to sprint back into business."

He received a low-interest, fixed-rate SBA

“
The SBA bent
over backward
to help me get
back in business.
I couldn’t have
asked for a
better situation.
I really
couldn’t.”

Michael Marsha
Owner/President
Forest Lake Drapery and Upholstery
Fabric Center

disaster loan for \$735,000, which Marsha used to rebuild the property, replace inventory, and install storm shields to protect the property from future floods.

Forest Lake Fabrics reopened a year later and saw back-to-back months of record sales. He rebuilt even stronger and was excelling. SBA assistance didn’t stop with construction. Marsha still regularly consults with his local SBA district office staff for help with online marketing. “Not only does SBA disaster assistance lend you money, but local staff help me find out ways to make money to make sure I’m in a profitable situation to pay them back,” he says. “It’s security.”

Now, three years after the flood, Marsha is doing so well, the SBA recently presented him with the Phoenix Award for Outstanding Small Business in Disaster Recovery. “The SBA bent over backward to help me get back in business,” Marsha says. “I couldn’t have asked for a better situation. I really couldn’t.”



Working Together

The SBA, the Federal Emergency Management Agency, and other organizations work together to provide assistance to those affected by a disaster. Once immediate safety and security needs are met, the SBA helps get you and your community back to where you were before the disaster. The SBA provides loans to businesses of all sizes, nonprofits, homeowners, and renters to cover rebuilding costs not covered by insurance or other forms of assistance.

Small businesses and nonprofits are also eligible to apply for economic injury losses, even if they suffered no physical damages. These direct loans come with low-interest rates and long terms. Property owners can also secure additional SBA funds to help protect their business or home against a disaster. Visit [sba.gov/disaster](https://www.sba.gov/disaster).



COURTESY OF KATRINA KIDDER

“We Would Have Been Out of Business Twice”

SBA disaster assistance helps a Houston bakery recover after disaster.

WRITTEN BY CARLEE LAMMERS

Three Brothers Bakery is no stranger to difficult times. The business got its start in Chrzanow, Poland in the early 1800s as Morris Jucker’s Bakery. Jucker’s twin boys, Sigmund and Sol, started out in the business in 1932 when a baker’s strike meant only family members could work the ovens—this started a lifetime of camaraderie and partnership between the brothers. They worked together through the outbreak of World War II and the invasion of Poland, enduring internment in a Nazi concentration camp when they were

19. After their liberation, Sigmund and Sol Jucker joined their younger brother, Max, and immigrated to America. Living in Houston, Texas, the three brothers returned to their family roots and established their bakery in 1949, near one of the city’s bayous on Braeswood Boulevard. Today, the three locations of the kosher Eastern European bakery are owned by Sigmund’s son Bobby Jucker and his wife, Janice.

The family has continued to weather storms. Hurricane Ike in 2008 brought 12 inches of rain, destroying the bakery roof. Hurricane Harvey in 2017 poured four and a half feet of water



into the building. Photos of the bakery's submerged parking lot went viral on social media.

After each disaster, the family had some money for recovery, but not nearly enough. There was so much to purchase, so much to repair. Each time, Three Brothers turned to the U.S. Small Business Administration's disaster assistance program for help.

The SBA was a saving grace for the Juckers, providing money and resources they wouldn't otherwise have access to. "If it weren't for the SBA, we would've been out of business—twice," Janice Jucker says. "There was no way we would have had the cash to recover."

Houston is recovering, but there's still work to be done. "People are buying sofas and socks," Janice Juckers says, "But they are not yet buying as many cakes and other baked goods." She remains optimistic for a full recovery. The Juckers are also leading an effort to craft legislation that would encourage consumers to shop in areas affected by a disaster—to help rebuild broken economies.

With help from their local SBA district office, the bakery is rebranding, working on a new website, and investing in new marketing strategies. "Everything the SBA does—everything they do—is good," she says.

Disaster Declarations

Who to contact after a disaster is declared by the President



Register with FEMA at

disasterassistance.gov, call **(800) 621-3362**,

TTY: **800-462-7585**, or visit a Disaster Recovery Center.

Locations can be found at **fema.gov/drc**.

Businesses are automatically referred to the SBA. Most homeowners and renters will be referred by FEMA to the SBA to apply for disaster loan assistance. You must complete the SBA application to be considered for assistance. If the agency cannot help you with a loan for all your needs, the SBA will, in most cases, refer you back to FEMA.

Express Bridge Loan Pilot Program

Businesses affected by a Presidential disaster declaration are eligible to receive expedited bridge loan financing through an SBA Express lender. The bridge loan funds may be used for disaster-related purposes while the business waits for long-term financing through the SBA's direct disaster loan program.

Loan Amount: \$25,000

Terms: up to 7 years

Guarantee: 50 percent

Who to contact after a disaster is declared by the SBA

Contact the SBA directly to apply for a disaster loan. Businesses of all sizes, nonprofits, homeowners and renters are eligible to apply:



- online at **disasterloan.sba.gov/ela/**
- visit a federal/state Disaster Recovery Center in your area
- call our customer service center at (800) 659-2955 (TTY: 800-877-8339) and ask for an application package to be mailed to you

FEMA grant assistance for homeowners or renters is not available under an SBA declaration.

Information needed to get started:

- address of damaged residence or business and contact info
- insurance information, including type of insurance, policy numbers, amount received
- household and/or business income
- routing and bank account numbers
- description of disaster-caused damage and losses

How an SBA Disaster Loan Works

The SBA provides loans to businesses of all sizes, nonprofits, homeowners and renters to cover rebuilding costs not covered by insurance or other forms of assistance.

Verification & Processing

An SBA loss verifier will estimate the total loss to your property damaged by the disaster. A loan officer determines your creditworthiness and eligibility after reviewing any insurance or other recovery funds. The SBA can approve and disburse a loan while your insurance recovery is pending. You will be advised in writing of all loan decisions.

- Terms may go up to 30 years. The SBA sets terms based on each borrower's ability to repay, no early payoff fees or penalties.
- Rates are low, based on the type of loan and if you have credit available elsewhere.

For Physical Damages

A business of any size and any nonprofit may borrow up to \$2 million to repair or replace damaged or destroyed real estate, machinery and equipment, inventory, and other business assets.

- A homeowner may borrow up to \$200,000 to repair/replace primary residence damage.
- A homeowner or renter may borrow up to \$40,000 to repair/replace damage to personal property, including vehicle losses.

For Economic Injury

The SBA also offers economic injury disaster loans for up to \$2 million to help meet working capital needs caused by a disaster.

- Who are eligible: small businesses, small agricultural cooperatives, small aquaculture businesses, and most nonprofits.
- Economic injury assistance is available regardless of whether the business suffered any property damage.

Closing & Funds Disbursement

Approval decision and disbursement of loan funds is dependent on receipt of your documentation.

Be sure to sign your closing documents. This can be done by mail or with an SBA representative at a closing center, if one is open in your area.

The SBA disburses loan funds as recovery work is completed, items are replaced, and/or as funds are needed. The SBA will typically make an initial disbursement of up to \$25,000, if all requirements are met, within five days of receiving your signed loan closing documents. Your case manager will schedule subsequent disbursements of the full loan amount. Your case manager will work with you to help you meet all loan conditions. Your loan may be adjusted after closing according to your changing circumstances, such as unexpected repair costs or additional insurance proceeds.

Keep in mind

An SBA disaster loan is a direct loan from the government. Other organizations may reduce or not award you a grant if you have received an SBA loan or other assistance. Be sure to check with other organizations to see how an SBA loan might affect your eligibility for their program.

In general, recovery expenses covered by insurance, FEMA or other forms of assistance may reduce the amount provided by your SBA disaster loan.

How to Prepare Your Business for an Emergency

The financial cost of rebuilding a business after a disaster can be overwhelming. However, with a business continuity plan in place, you will be able to rebound and reopen quickly. You'll be in a better position to contribute to the economic recovery of your community.

Establish a protocol to communicate with employees outside of the office to ensure they and their families are safe. Test the procedures regularly.

Keep your plan and all related documents in a digital format or in an accessible, protected, off-site location.

Review your insurance coverage

- Contact your insurance agent to find out if your coverage is right for your business; make sure you understand the policy limits and deductibles.
- Ask about business interruption insurance, which compensates you for lost income and covers operating expenses if your company has to temporarily shut down after a disaster.

Establish a solid supply chain

If your vendors and suppliers are local and the disaster is widespread, you will all be in the same situation—struggling to recover. Set yourself up to be able to get key supplies from companies outside your area, if possible.

- Create a contact list of important contractors and vendors you plan to use in an emergency.
- Make sure you know your suppliers' recovery plans.

Plan for an alternative location

- Do some research in advance of the disaster for several alternative places to relocate your company in case a disaster forces you to close your business for an extended time.

Contact a local real estate agent to get a list of available office space. You could make an agreement with a neighboring business to share office space. You could also make plans for employees to telecommute until your office reopens.



The Ready Business program, ready.gov/business, gives step-by-step guidance on how to prepare your business for a disaster. The series includes preparedness toolkits for earthquakes, hurricanes, inland flooding, power outages, and severe winds/tornadoes. Spanish materials are available.

Surety Bonds

Surety bonds help small businesses win construction, supply, and service contracts.

Surety bonds help small businesses win construction, supply and service contracts by providing the customer with a guarantee the work will be completed. Many contracts require surety bonds, which are offered by surety companies. The SBA guarantee provides an incentive for surety companies to work with small businesses that would normally not be able to obtain the bond. Eligible small businesses can receive the bonding assistance necessary to compete for contracting and subcontracting jobs using the **Surety Bond Guarantee Program**. This program is aimed at small businesses that lack the financial resources or performance track record necessary to secure bonding through regular commercial channels.

Small businesses that often come to the SBA for surety bonds:

- **Startups and firms** in business less than three years
- **Businesses with credit issues** or internally prepared financial statements
- **Subcontract trades** with a desire to establish their own bonding as a prime contractor
- **Those wishing to increase** their current bonding limits



1
Surety bonds are requested

Some contracts require that the business doing the work be properly bonded.



2
Surety partners with business

Authorized surety companies provide surety bonds to businesses that meet their qualifications.



3
The SBA guarantees

The SBA guarantees surety bonds for private surety companies, so more small businesses can qualify.



4
Small businesses benefit

Small businesses get SBA-guaranteed surety bonds so they can get to work.

For Public and Private Prime Contracts and all Subcontracts

The SBA guarantees: bid, payment, performance, and ancillary bonds issued by surety companies

Cost of contract: up to \$6.5 million

SBA reimburses surety companies in case of default
90 percent of losses sustained for veteran and service-disabled veteran, minority, 8(a), and HUBZone-certified small businesses; all projects up to \$100,000
80 percent for all other small businesses.

For Federal Contracts

The SBA guarantees: bid, payment, performance, and ancillary bonds issued by surety companies—if a guarantee would be in the best interest of the government

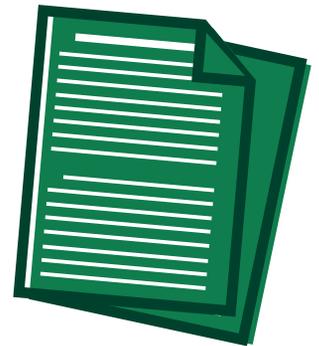
Cost of contract: up to \$10 million

SBA reimburses surety companies in case of default
90 percent of losses sustained for veteran and service-disabled veteran, minority, 8(a), and HUBZone-certified small businesses; all projects up to \$100,000
80 percent for all other small businesses.

SBA's QuickApp Program

Typically, small businesses provide financial statements and other documentation when applying for surety bond guarantees. This process is streamlined under the **SBA's QuickApp program**, which is for contracts below \$400,000. The streamlined application reduces the normal paperwork to a simple two-page application, and the small business does not need to file any financials with the SBA.

The SBA partners with 35 surety companies and hundreds of bonding agents. Online applications submitted through SBA authorized agents are approved in less than two days for regular applications and within hours for QuickApps. Find authorized agents at sba.gov/osg.



Questions?

Do you want to discuss the advantages of the SBA's Surety Bond Guarantee Program or need to locate an SBA authorized agent? Contact a bonding specialist:

Tamara E. Murray
Denver, CO
(303) 927-3479

Kevin Valdes
Seattle, WA
(206) 553-7277

Jennifer C. Bledsoe
Washington, DC
(202) 205-6153

CONTRACTING

Doing Business with the Government



COURTESY OF EVANS CAPACITOR CO.

Staying Power

Evans Capacitor Co. of Rhode Island was chosen as the SBA's 2018 National Small Business Subcontractor of the Year for its customer care.

WRITTEN BY JESS WALKER

Powering some of America's greatest defense and aerospace technologies is a small product from a small business located in the smallest state. Evans Capacitor Co. of Rhode Island is a leading manufacturer of high energy density capacitors, battery-like components that can release stored electrical energy quickly—crucial in applications such as laser or radar systems.

“The best and most rewarding feeling is when we have visitors to our plant, be they customers, politicians, or even from the SBA, who look around and are truly astonished by what we do right here in East Providence,” says Charles Dewey, cofounder and CEO of Evans Capacitor. “They are always smiling and surprised when they see our great employees actually building these devices by hand.”

In 1996, Dewey and his cousin and cofounder Dave Evans spun Evans Capacitor out of an old family business. Dewey handled the business model and finances, and Evans spearheaded engineering and development. Evans's hybrid capacitor invention, which combined electrolytic with electrochemical technology, had come to him in a dream. He made that dream into a reality, but the market for it was not immediately robust. A licensing deal with medical device producer Wilson Greatbatch Technologies incorporated the invention into capacitors for implantable defibrillators, jump-starting the young company.

Evans Capacitor has been a subcontractor since its beginning, with most products sold commercially to defense contractors. Its client base now extends into commercial aviation and the oil and gas industry. “Dave Evans and I decided early on that we would work on what we knew,” says Dewey. “He invented a lot of stuff, but only some things were business-viable. We stuck to what worked and built a niche.”

Evans Capacitor prides itself on its responsiveness to customers. When a client once needed a smaller product, the company repackaged its round capacitor into a square, which provided more energy using the same footprint. Another client's comments about overheating resulted in a capacitor that reduced resistance by half, effectively doubling the power while decreasing the need for cooling. “Listening to our customers is critical so we know which direction to focus our efforts,” says Colin McClennan, vice president and general manager. It's a practice that pays off in relationships and recognition: Longtime customer Lockheed Martin



COURTESY OF EVANS CAPACITOR CO.



COURTESY OF EVANS CAPACITOR CO.

Evans Capacitor built its business by being a subcontractor that sells its products to defense contractors. The company is expanding into commercial aviation and the oil and gas industry.

nominated Evans Capacitor for the 2018 National Small Business Subcontractor of the Year, which the company went on to win.

The State Trade Expansion Program, administered by the SBA's Office of International Trade, has helped Evans Capacitor smooth the peaks and valleys of production through expansion of its customer base. A national export initiative, the STEP grant awards matching funds to states and territory governments to help small businesses enter and thrive in international markets.

For the past two years, Evans Capacitor has used Rhode Island STEP funding to send representatives to global exhibits, create trade show materials, and revamp its website for international audiences. The company has been represented as far away as India, Spain, and the United Kingdom. "We've done programs with [STEP assistance] we likely wouldn't have done otherwise," says McClennan. "I expect we'll continue using it."

Running a small business can be hard, but the close-knit environment makes it worthwhile. When McClennan joined the company in 2000, he thought he'd live in Rhode Island for a year or so before moving back to Ohio. Eighteen years later, he still finds every day at the 47-employee plant engaging and ever-changing. "You're able to have such an impact in a small business," he says, "as opposed to working in a large corporation where the impact of your efforts might be much more diluted."

Dewey is happy for other entrepreneurs to learn from Evans Capacitor's experience. "We hope the SBA uses us as a model, especially to other small businesses looking to get into subcontracting and defense work," he says. "It is a daunting undertaking for a commercial company, but it's been our lives since day one, so maybe we can help." For other small businesses, no matter the industry, Dewey recommends they hone in on their niches. "Don't stray, stay focused, and be the best you can be. As Dave says, 'You have to play the hand you're dealt.' But you can learn to play it well."

How to do business with the government

- 1** Identify your product or service number at naics.com.
- 2** Search the FedBizOpps database (fbo.gov) or web.sba.gov/subnet to see if any federal agencies are looking for your product or service.
- 3** Attend an SBA district office workshop on contracting. Visit sba.gov/localassistance to find your local office.
- 4** Talk to a local Small Business Development Center counselor (see page 8) or visit a Procurement Technical Assistance Program adviser. Find your closest center at aptac-us.org.
- 5** Obtain a free DUNS number at fedgov.dnb.com/webform.
- 6** Register with the System for Award Management (sam.gov) to start doing business with the government.
- 7** See if you're eligible for a contracting program and start the certification process. All required documents must be uploaded to certify.sba.gov before submitting an offer on a contract set aside for a specific program.

Government Contracting

Is it right for you? Government contracting can be a valuable tool to grow your small business, but it isn't for everyone. Complete the following readiness assessment to help you decide whether your company can successfully compete for government contracts.

1 Does the government buy the product or service that you sell?

- Continue to question 2.
- Government contracting may not be for you at this time.
- Start with your local SBA district office. If you can't identify at least three federal agencies that might buy what you sell, contracting might not be right for you.

2 Are you capable of fulfilling a government contract (e.g., time, staffing, and materials)?

- Continue to question 3.
- Your local SBA district office can help you gauge ramp-up time and other factors that contribute to government contracting success.

3 Confirm your answer to all of the following:

- Is the majority owner(s) a U.S. citizen?
- Does your company have a place of business in the U.S.?
- Is your business organized for profit?
- Does your business generate revenue?
- Continue to question 4.
- These are requirements for participation in government contracting programs.

6 Do you have cash on hand to purchase working inventory, if needed?

- Continue to question 7.
- Talk to an SBA Lender about getting a line of credit or a loan to do business with the government.

5 Do you have an accounting system that produces financial statements, such as profit and loss statements, balance sheets, and cash flow projections?

- Continue to question 6.
- Before you get into government contracting, make sure your accounting system is compatible with the government's requirements.

4 Are you credit worthy?

- Continue to question 5.
- Visit an SBA Resource Partner for tips on repairing your credit.
- Talk to an SBA Lender about how to build credit.

7 Do you already have federal/state/local government contracting experience?

- Continue to question 8.
- If you don't yet have contracting experience, you won't reap the full benefit of opportunities like the 8(a) Business Development Program. You can participate in the 8(a) program once, so make sure it's the right time for you.

8 Do you know where to find contracting opportunities?

- Continue to question 9.
- Ask an SBA business opportunity specialist for help.

9 Make sure you have:

- a DUNS number
- the NAICS codes and size standards for your industry
- SAM registration
- Continue below.
- This is a requirement for participation in some government contracting programs.

It sounds like you may be a good fit for government contracting!
Visit your local SBA district office or [sba.gov/contracting](https://www.sba.gov/contracting) for more information.

SBA Certification Programs

Your business could earn profit and gain valuable work experience by providing goods or services to the government.



COURTESY OF THE SUNDANCE CONSULTING

◀ HOW THE SBA HELPED ME SUCCEED

September Myres knew that becoming a government contractor would empower herself and other native peoples, while also growing her small business to the next level. She sought business development assistance from the SBA, qualifying for the SBA 8(a) Business Development Program, which helps small disadvantaged businesses compete in the federal marketplace. This program helped September strategically grow her company to become a competitive force in the environmental services industry. Sundance Consulting of Pocatello, ID has won contracts from the Army Corps of Engineers and the U.S. Forest Service. She has continually secured Department of Defense contracts to improve Native American lands adversely affected by past department activities. September often assists Native American tribes and Alaska Native villages with developing projects and community plans.

American Indians, Alaska Natives, and native Hawaiians seeking entrepreneurial development training can start, grow, and expand their business with the help of the SBA, [sba.gov/naa](https://www.sba.gov/). The Office of Native American Affairs also consults with tribal governments prior to finalizing SBA policies affecting tribes.

Socially disadvantaged: those subjected to racial or ethnic prejudice or cultural bias without regard to their individual qualities because of their identity as members of certain groups. The following groups often fit this status: Black Americans, Native Americans, Alaska Natives, Native Hawaiians, Hispanic Americans, Asian Pacific Americans, and Subcontinent Asian Americans. A person who is not a member of one of these groups must establish that it is more likely than not that he or she has suffered social disadvantage.

Economically disadvantaged: those whose ability to compete in the marketplace has been impaired because they have not had as much capital and credit opportunities compared to others in the same or similar line of business.

The benefits of the 8(a) program:

- » You are assigned an SBA professional to help coordinate business development assistance.
- » You could be awarded an 8(a) sole-source contract up to \$4 million for goods and services, \$7 million for manufacturing, exceptions apply.

8(a) small business that can provide the needed services. This is an accelerated process saving time for both you and the government agency or office.

All Small Mentor-Protege Program

Looking for an opportunity to partner with a more experienced firm for mentorship? That effort can be rewarded in the All Small Mentor-Protege Program, [sba.gov/allsmallmpp](https://www.sba.gov/allsmallmpp). At the same time you're gaining invaluable direction and experience, you and your mentor can compete for government contracts, further growing your business. To qualify for this program:

- » Proteges must have a mentor prior to applying for the program. Visit your local SBA office for guidance. Ask about the SBA's Resource Partners and the Procurement Technical Assistance Program for help in connecting you with a mentor business.

Contracting certification programs are designed to help you better compete for and win federal contracts set aside for small businesses. Visit [sba.gov/contracting](https://www.sba.gov/contracting) to learn more about set-asides and whether one or more of these government certification programs is right for your business. To see if you are eligible and then certify as a woman-owned, HUBZone, 8(a), or All Small business, visit [certify.sba.gov](https://www.certify.sba.gov).

8(a) Business Development Program

If you're an entrepreneur who is socially or economically disadvantaged, you may be eligible to receive business training and government contracting assistance through the 8(a) Business Development Program, [sba.gov/8a](https://www.sba.gov/8a). It includes free business development

education, training workshops, and match-making opportunities with federal buyers. Firms owned by Alaska Native Corporations, Indian tribes, Native Hawaiian organizations, and Community Development Corporations are also eligible for 8(a) business development assistance.

To be eligible for the 8(a) program, your small business must:

- » be owned and controlled by U.S. citizens who are socially and/or economically disadvantaged
- » demonstrate at least a two-year track record and have potential for continued success
- » have a net worth and adjusted gross income of less than \$250,000 and assets under \$4 million

- » You must be certified as a small business within your NAICS industry classification (naics.com).
- » Mentors and proteges must be organized for profit or as an agricultural cooperative.
- » Mentors cannot own more than 40% equity in the protege's business.
- » An SBA determination of affiliation must not exist between the mentor and the protege. All Small-approved partnerships receive an exclusion of affiliation for contracting purposes.

HUBZone

Businesses located in Historically Underutilized Business Zones, sba.gov/hubzone, can gain special access to federal contracts. To qualify for the certification, your small business must:

- » be owned and controlled by U.S. citizens, a Community Development Corporation, an agricultural cooperative, Indian tribal government, Alaska Native Corporation, or a Native Hawaiian organization
- » have a principal office located in a HUBZone, which includes Indian reservations and military facilities closed by the Base Realignment and Closure Act. Enter your address in our interactive map, maps.certify.sba.gov/hubzone/map, to see if you qualify.
- » have at least 35% of your employees living in a HUBZone



Service-Disabled Veterans

If you're a service-disabled veteran looking to enter the federal marketplace, you may be eligible for this small business certification. To determine your eligibility, contact a veterans business development officer at your local SBA office, or the SBA's Office of Veterans Business Development, sba.gov/ovbd. After you have set up to do business with the government in sam.gov, update your status as a service-disabled veteran business. Keep in mind, the SBA does not officially certify this designation, so when a contract awarded based on this eligibility is protested, the SBA will determine if your business meets the eligibility status, ownership, and control requirements.

Women-Owned Small Business Certification

If you're a woman proprietor looking to sell to the federal government, you may be eligible for the Women-Owned Small Business certification, sba.gov/wosb.

Here's how to get certified:

1. Make sure you're eligible

- Your business must be at least 51 percent owned and controlled by one or more women who are U.S. citizens. The ownership must be direct and unconditional.
- A woman must hold the highest officer position and have managerial experience required to run the business.
- One or more women must manage the daily business operations on a full-time basis and conduct long-term decision making and planning.

To qualify as an economically disadvantaged woman-owned small business, your company must meet these criteria and the business owner and/or manager must meet certain income and asset requirements.

2. Register

- Register with the System for Award Management (sam.gov) to start doing business with the government.

3. Certify

Self-certify as a woman-owned small business or an economically disadvantaged woman-owned small business for free, or obtain certification from one of the SBA's approved third-party certifiers (which costs a fee):

- El Paso Hispanic Chamber of Commerce
- National Women Business Owners Corporation
- U.S. Women's Chamber of Commerce
- Women's Business Enterprise National Council

All required documents must be uploaded to certify.sba.gov prior to submitting an offer on a contract set aside for the program.

4. Update your status

- Update your status as a woman-owned small business in sam.gov.

5. Search the database

- Search the FedBizOpps database (fbo.gov) for your new business opportunity.



An O'Fallon Casting Inc. employee at work in O'Fallon, MO. Owner Vince Gimeno grew his business thanks to expert SBA business counseling.

By the Numbers

The U.S. government is the largest single purchaser of goods and services in the world. Every year it awards more than

\$500 billion

in contracts.

Of those prime contracts, the federal government must set aside 23 percent for small businesses.

This includes:

- 5 percent for small disadvantaged businesses
- 5 percent for women-owned small businesses
- 3 percent for HUBZone-certified small businesses
- 3 percent for service-disabled veteran-owned small businesses



Procurement Technical Assistance Centers

Businesses that want to sell products or services to federal, state, or local governments receive one-on-one counseling and training at Procurement Technical Assistance Centers, free or low cost, mscpc.com.

How can a procurement assistance center help you?

- » A center adviser can help you determine if your business is ready for government contracting.
- » An adviser can help you register in the System for Award Management (sam.gov).
- » Your adviser will help you see if you are eligible for any small business certifications and programs.

Federal contracting can be complex, but you don't have to do it alone. Visit sba.gov/localassistance to find your local SBA office or an SBA Resource Partner near you (see page 8).

Alabama PTAC

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 621 Greensboro Ave.
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