

MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE.

The meeting was called to order by Chairman Donald Dahl at 9:00 a.m. on February 6, 2003 in Room 243-N of the Capitol.

All members were present except: Representative Donald Betts, Excused
Representative Rick Rehorn, Excused

Committee staff present: Jerry Ann Donaldson, Kansas Legislative Research Department
Renae Jefferies, Revisor of Statutes
June Evans, Secretary

Conferees appearing before the committee: Wally Kearns, Director, Kansas Small Business Development Center Network
Galen and Karen Huffman, Formation Plastics, Quinter
Lynda and Loren Fisher, Fisher's Fixtures, Topeka

Others attending: See attached sheet

The Chairman called the meeting to order at 9:00 a.m. and welcomed Wally Kearns, State Director of the Kansas Small Business Development Center Network (KSBDC).

Wally Kearns, KSBDC, introduced two regional center directors: Les Streit, center director of the Washburn University KSBDC and Curt Clinkinbeard, the new center director of the University of Kansas KSBDC.

The focus of KSBDC is to provide high quality, cost effective, educational, counseling and training services to entrepreneurs in the areas of retention, expansion and start-up using a team approach. KSBDC has been an integral player in economic development in Kansas since its inception in October of 1983. KSBDC clients create new wealth in Kansas by starting and growing businesses, creating and saving jobs and accessing capital. Implementation of the KSBDC program, upon completion of the annual cooperative agreement, rests with the KSBDC Network and the sponsoring statewide host organization which is Fort Hays State University (FHSU).

There are eight regional centers and two newly established outreach centers hosted by colleges and universities. The KSBDC collaborates with the U.S. Small Business Administration (SBA), Rural Development (RD-USA), Kansas Department of Commerce and Housing (KDOC&H), Kansas Women's Business Center, local economic development programs, Chambers of Commerce, certified development companies, small business financing programs, and other agencies. The KSBDC strives to meet the specialized and complex needs of entrepreneurs with a team approach through referral to and from, and joint counseling with these agencies.

By serving as "the bridge" between resources and area commerce, the KSBDC enhances the economic well being of both existing and prospective businesses.

KSBDC uses local cash matching funds, provided by KDOC&H, and the hosts of the eight regional centers and two outreach centers, to leverage \$778,455 of federal funding from the SBA. The funds are used to operate the KSBDC Network and deliver services to entrepreneurs.

The KSBDC's role is to create a team with diverse training and ownership experience. The team assists existing and aspiring entrepreneurs to help them increase their understanding of small business management.

The goal of KSBDC is to provide timely, quality, and cost-effective services that generate incremental tax revenues for Kansas. This occurs through increased sales from existing businesses, new sales from start-up businesses, sales from retained businesses, and additional income tax revenue from new jobs created and jobs saved. These increased revenues are greater than the cost of operating the KSBDC program (Attachment 1).

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE at 9:00 a.m. on February 6, 2003 in Room 243-N of the Capitol.

Lynda Fisher, Fisher's Fixtures, stated the company her husband had worked for went out of business. They purchased much of the equipment and started their own business. Ms. Fisher learned about KSBDC from an add in the newspaper. Through KSBDC they learned about workshops and seminars that were available. They learned the requirements for starting a business along with contacts and phone numbers needed to provide assistance.

Les Streit, Center Director, Washburn University KSBDC, gave the Fisher's counseling on the start-up, getting software in place, and develop government contacts, etc. Mr. Streit recommended Fisher's Fixtures for a case study. A marketing class analyzed and prepared a detailed marketing plan which was very beneficial. The counseling, seminars and workshops have been of tremendous benefit to their business. With the assistance of SCORE and KSBDC they are analyzing the possibility of expanding their business (Attachment 2).

Galen Huffman, Formation Plastics, Quinter, stated KSBDC has provided significant help to their small business and has been a big part of where they are today. Formation Plastics makes guards, fenders, covers, etc. for other manufacturers. The company began 30 years ago with SBA loans but lost the business after 5 years mostly because of the lack of knowledge.

After paying off the SBA loans for 15 years Formation Plastics began again with SBDC's help. SBDC gave guidance and got the company on the right track. SBDC did not do the work but showed us how to do it ourselves; what workshops we needed to attend and how to apply for grants and funding. The SBDC consultant has helped us through many stages of growing the company and making it successful. Through the years, Formation Plastics has received valuable assistance from a number of state agencies referred to us by our SBDC consultant. SBDC has given consistent, reliable and sound advice. They have guided us in the right direction. It is believed if SBDC would have been available to us during our first business venture it would have been successful. Formation Plastics has received valuable assistance from a number of state agencies, referred to us by our SBDC consultant (Attachment 3).

The meeting adjourned at 10:05 a.m. The next meeting will be February 10.

COMMERCE AND LABOR

DATE February 6, 2003

NAME	REPRESENTING
Wayne Maichel	K. AFL-CIO
Aileen Huffman	Formation Plastics - Quindary, KS
Glen Huffman	Formation Plastics, Quindary, KS
Lynda Fisher	Fisher's Fixtures Topeka, KS
Karen Fisher	Fisher's Fixtures Topeka, KS
Ken Skert	WASHBURN SBDC - TOPEKA
Curt Clinkinbeard	KU SBDC - Lawrence
Star Comp	Lead Center - KS BDC - Topeka
Scott Anglemeyer	KDOC#N
Alicia M Johnson RN	Antwood Care Center
Dennis Johnson	HAYS, KS
Robert Choromanski	KTLA
Tom Burgess	Burgess - Assoc.

The Kansas Small Business Development Center Program

“Growing Kansas Entrepreneurs”

Chairman Dahl and members of the Commerce and Labor Committee, I'm Wally Kearns, State Director of the Kansas Small Business Development Center Network. Thank you for providing the KSBDC the opportunity to present information about the Kansas Small Business Development Center program. I'll be presenting the initial briefing. I'll be followed by the owners of two existing businesses currently being provided services by the KSBDC. I'll introduce the owners prior to their presentation. Two regional center directors are also with me. Les Streit, center director of the Washburn University KSBDC and Curt Clinkinbeard, the new center director of the University of Kansas KSBDC.

Commerce &
Labor
2-6-03
Atch # 1

Purpose

The focus of Kansas Small Business Development Center Network (KSBDC) is to provide, high-quality cost effective educational, counseling and training services to entrepreneurs in the areas of retention, expansion and start-up using a team approach.

Please see handout H1, The Kansas Small Business Development Center Program. The handout provides additional information about the KSBDC and provides examples of counseling and educational services.

The KSBDC has been an integral player in economic development in Kansas since its inception in October of 1983. KSBDC clients create new wealth in Kansas by starting and growing businesses, creating and saving jobs and accessing capital. Implementation of the Kansas Small Business Development Center program, upon completion of the annual Cooperative Agreement,

rests with the KSBDC Network and the sponsoring statewide host organization, which is Fort Hays State University (FHSU).

The KSBDC Network operates eight regional centers and two newly established outreach centers hosted by colleges and universities and a chamber of commerce. **Please see handout H2, the Map of the Regions. The map provides a listing of the centers and counties serviced by each center.**

We collaborate with the U.S. Small Business Administration (SBA), Rural Development (RD-USDA), Kansas Department of Commerce and Housing (KDOC&H), Kansas Technology Enterprise Corporation (KTEC), the Kansas Women's Business Center, local economic development programs,

chambers of commerce, certified development companies, small business financing programs, and other agencies. The KSBDC strives to meet the specialized and complex needs of entrepreneurs with a team approach through referral to and from, and joint counseling with these agencies.

The KSBDC Network promotes economic development by putting the Regents' System, colleges and universities, and public and private sector based knowledge to work in business, industry, and trade. By serving as "the bridge" between resources and area commerce, the KSBDC enhances the economic well being of both existing and prospective businesses.

The Kansas Small Business Development Center Network combines the advantages of a national delivery system with the ability to focus on state and local needs for business development and growth. SBDCs operate in all 50 states, plus the District of Columbia, Puerto Rico, Guam and the Virgin Islands. The U.S. Small Business Administration administers the SBDC program at the federal level and oversees the program at the district (state) level. The governor of Kansas approved the initial KSBDC organizational plan in 1983.

KSBDC Funding

The Kansas Small Business Development Center uses local cash matching funds provided by the Kansas Department of Commerce and Housing (KDOC&H), and the hosts of our eight regional

centers and two outreach centers to leverage
\$778,455 of Federal funding from the U.S. Small
Business Administration. The funds are used to
operate the KSBDC Network and deliver services to
entrepreneurs. **Please see handout H3, the**
KSBDC Budget Allocation 2001-2004.

Team Members

The KSBDC Network currently has twenty-three (23)
full-time team members, twenty (20) of the twenty-
three (23) are involved in entrepreneurial activity and
sixteen (16) of the twenty (20) team members
provide counseling and training for entrepreneurs.
We also have three (3) part-time team members and
four (4) unfilled positions. In addition to the KSBDC

team members, we leverage faculty and student time to assist our clients.

How KSBDC Works

The KSBDC's role is one of creating a team, with diverse training and ownership experience, which assists existing and aspiring entrepreneurs. We are an educational and research resource for entrepreneurs and help them increase their understanding of small business management. We provide data and analysis that small businesses cannot afford to purchase in the private sector. There is an old Chinese adage that says, "Give a person a fish and you feed them for one day. Teach someone to fish and they can feed themselves all their lives." KSBDC helps our clients develop their business skills-the skills they need to make a success of their business.

The KSBDC counseling approach is one of guidance and education, not of doing the work for the client. The central point of the KSBDC's approach is teamwork. The KSBDC focuses on more than just helping a business owner write a business plan or fill out loan applications. If the business is not operating well, all the money in the world is not going to make it successful and will simply increase the debt load. That is why we focus on the "the holistic picture." We review all the different areas that affect a business's health and, ultimately, its bottom line.

The KSBDCs are unique in that our organizational structure gives us both a local and a statewide viewpoint. Our regional directors identify new areas where they can assist the local resources in providing support to emerging and existing entrepreneurs. Regional directors initiate many

specialized services and training programs to help local service providers accomplish their mission.

Initial Screening and Qualification of Potential Clients

The KSBDC Network has recently developed a statement of understanding and initial assessment processes and tools for existing and aspiring entrepreneurs.

The KSBDC will require clients to read and sign a statement of understanding. **Please see H4, the KSBDC Statement of Understanding.** This statement helps clarify an individual's role and their responsibilities and informs them of what they can expect from the counseling relationship. It is necessary that everyone requesting assistance have a strong personal commitment to finding and implementing solutions to the issues facing the start-up or existing business.

The initial screening procedures will help qualify individuals so we can determine the type(s) of assistance needed and if the assistance is to be provided by the KSBDC, another resource provider, or a combination of the KSBDC and other resources. Overall the procedures and forms will help us work with individuals in a more cost-effective and time-efficient manner. **Please see handouts H5-H7.**

Additionally, in order to properly advise and assist the client, we'll develop an in-depth understanding of all aspects of their business through a business needs assessment for existing businesses. The counselor and the client work together to identify needs, challenges, and the strengths and/or weaknesses of the business and business owner(s). Jointly, a plan of action is developed for the client as well as the counselor.

KSBDC counselors document their assistance with every client; they document the hours spent on contact, outside preparation and travel time, the number of employees, sales, access to capital, referrals to international trade, etc. **Please see handouts H8-H10. The handouts summarize entrepreneurial counseling and training activity.**

Quality Assurance

The KSBDC goal is to provide timely, quality, cost-effective services that generate incremental tax revenues for Kansas. This occurs through increased sales for existing businesses, new sales for start-up businesses, sales from retained businesses, and additional income tax revenue from new jobs created and jobs saved, that are greater than the cost of operating the KSBDC program.

The quality of the KSBDC Network is monitored by:

Congressional statute, which requires the KSBDC to undergo an accreditation review every four years and a federal financial exam every two years. The Association of Small Business Development Centers (ASBDC) conducts the accreditation review, and the U.S. Small Business Administration (SBA) conducts the financial exam.

The KSBDC is required to participate in the ASBDC national client economic impact survey every other year. In addition, WinCATS software is used to monitor, manage and follow-up on client activity. It is also used to generate required reports for SBA.

KSBDC team members continually update and expand their expertise through an ongoing professional development program.

We believe our role has positively impacted the

economic development of Kansas and will continue to play an important role in its growth. The KSBDC is a revenue positive program (counseling assistance generated \$1.60 in tax revenues for every \$1.00 spent on the entire program), even though by Federal Statute we are not permitted to charge for our counseling services. **Please see handouts H11 and H12. Handout H11 is the results of the most recent national survey conducted by Dr. James Chrisman and H12 in the results of the internal survey conducted by the by the KSBDC of clients assisted in CY 2001. Survey results for CY 2002 will be available mid to late March.**

Members of the Kansas Small Business Development Center Network truly appreciate your support and the funding support provided by the Kansas Department of Commerce & Housing.

This concludes my initial presentation. Lynda and Loren Fisher of Fisher Fixtures in Topeka Kansas will conduct the next portion of the KSBDC briefing. They will be followed by Galen Huffman of Formations Plastics in Quinter.

We'll respond to any questions you may have at the conclusion of their presentations.

Please call or email me anytime if you have any questions about the KSBDC program. Wally Kearns, ksbdc.wkearns@fhsu.edu
785-296-6514

**COMMERCE AND LABOR COMMITTEE
PRESENTATION HANDOUTS
FEBRUARY 6, 2003**

- H1 Kansas Small Business Development Center Program
- H2 Map of Regions
- H3 KSBDC Budget Allocation 2001-2004
- H4 Statement of Understanding
- H5 Initial Assessment for Start-up Businesses
- H6 Summary of Money Needs
- H7 Initial Assessment for Existing Businesses
- H8 Entrepreneurial Activity 2000, 2001, and 2002
- H9 Entrepreneurial Activity CY2002
- H10 KSBDC Workshops conducted in CY2002
(1/1/02 – 6/30/02)
- H11 Chrisman 2000-2001
- H12 KSBDC Internal Survey 2001



Kansas Small Business Development Center
214 S.W. 6th Street
Suite 301
Topeka, KS 66603-3719
(785) 296-6514 Fax (785) 291-3261
Toll Free 1-877-62K-SBDC or 1-877-625-7232

The Kansas Small Business Development Center Program

- Nationally, Congress authorized Small Business Development Centers in 1980.
- Kansas Small Business Development Centers started operating in October 1983.
- Fort Hays State University administers the KSBDC statewide program.
- Eight regional centers and two outreach centers hosted by Kansas's colleges and universities and a chamber of commerce make up the KSBDC Network.
- The KSBDC Network provides entrepreneurs and small business owners with knowledge, tools, and resources to enhance their success by:

Providing quality, confidential, management counseling at **no cost**;

Providing business education and programs to individuals, businesses and public groups;

Providing technical assistance on the business issues and challenges our clients face in the operation of their businesses.

- KSBDC counselors are both educated and experienced in various business fields. Counseling assistance includes finance, accounting, management, marketing, business planning, and business operations.
- The KSBDC is a partnership program. This partnership builds on the diversity and experience of each resource to meet the specialized needs of both existing and prospective businesses.
- The KSBDC Network promotes economic development by putting college/university, public/private sector based knowledge to work in business, industry, and trade.



Emporia State University • Fort Hays State University • Garden City Community College
Johnson County Community College • Kansas State University • Pittsburg State University
University of Kansas • Washburn University • Wichita State University

Funding

- The U.S. Small Business Administration provides federal funding for the operation of the KSBDC.
- In order to qualify for federal funds, the KSBDC must provide matching funds equal to the federal funds provided. **Local cash match in an amount not less than 50 percent of federal funding is required.** The remainder may be indirect or in-kind match.
- KDOCH and the eight host colleges and universities and two hosts of the outreach centers provide local cash match.

Counseling Services

- A representative sample of services follow:
 - Business plan assistance
 - Financial projection development
 - Cash flow analysis
 - Market research assistance
 - Identification of sources of capital
 - Marketing plan development
 - Review of advertising strategies
 - Analysis of product costs and pricing
 - Review of inventory control procedures

Education Services

- Courses, seminars, roundtables and conferences are offered throughout Kansas. Topics may include:
 - Starting and managing your own business
 - Financing alternatives for business
 - Customer service
 - How to start a home-based business
 - Bidding on government contracts
 - Record keeping
 - International trade
 - Getting started with electronic commerce
 - Effective marketing
 - State & federal taxes
 - Marketing on the Internet

Kansas Small Business Development Centers

<http://www.ksbdc.fhsu.edu>

Revised 01/14/03

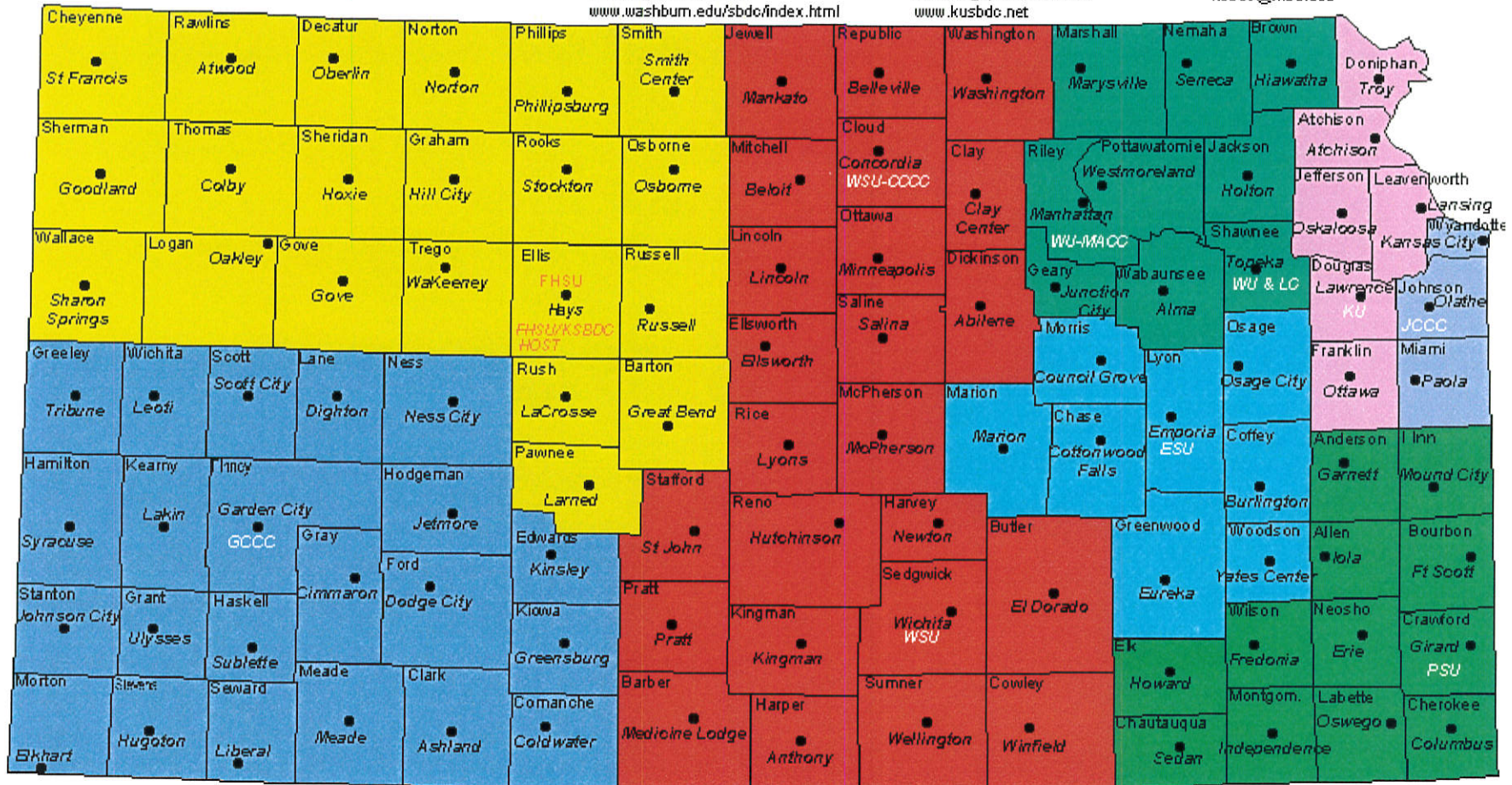
Fort Hays State University
Susan Britel, Regional Director
109 West 10th Street
Hays KS 67801-3802
(785) 628-6786
FAX (785) 628-0533
sbdc@fhsu.edu

WU Outreach Center
Manhattan Area Chamber of
Commerce
501 Poyntz Avenue
Manhattan KS 66502-6605
(785) 687-9917

Washburn University
Les D. Streit, Regional Director
120 SE 6th Street
Topeka, KS 66603
(785) 234-3235
FAX (785) 234-8656
zsbdc@washburn.edu
www.washburn.edu/sbdc/index.html

University of Kansas
Curt Clinkinbeard, Regional Director
734 Vermont, Suite 104
Lawrence KS 66044-2370
(785) 843-8844
FAX (785) 843-8878
kusbdc@ejnetworks.com
www.kusbdc.net

KSBDK Lead Center
Wally Keams, State Director
214 SW 6th Street, Suite 301
Topeka KS 66603-3719
(785) 296-6514
FAX (785) 291-3261
ksbdc@fhsu.edu



Garden City Community College
Pat Veesart, Regional Director
801 Campus Drive
Garden City KS 67846-8333
(620) 276-9632
FAX (620) 276-3249
sbdc@gccc.cc.ks.us
www.westernkansanet.net/sbdc

WU Outreach Center
Cloud County
Community College
2221 Campus Drive
PO Box 1002
Concordia KS 66901
(785) 243-1435 ext 324
(800) 729-5101 ext 324

Wichita State University
Marcia Stevens, Regional Director
WSU Metropolitan Complex
1845 Fairmont
Campus Box 148
Wichita KS 67260-0148
(316) 978-3193
FAX (316) 978-3647
wsusbdc@wichita.edu

Emporia State University
Lisa Brumbaugh, Regional Director
1320 C of E Drive
Emporia KS 66801-2584
(620) 341-5308
FAX (620) 341-5418
sbdc@emporia.edu

Pittsburg State University
Kathryn Richard, Regional Director
Shirk Hall, 1501 South Joplin
Pittsburg KS 66762-7560
(620) 235-4920
FAX (620) 235-4919
ksbdc@pittstate.edu

Johnson County Community College
Cheri Streeter, Regional Director
Carlson Center, Room 309
12345 College Boulevard
Overland Park KS 66210-1299
(913) 469-3878
FAX (913) 469-2547
sbdc@jccc.net
www.centerforbusiness.org



Kansas Small Business Development Center
 214 S.W. 6th Street
 Suite 301
 Topeka, KS 66603-3719
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KSBDC BUDGET ALLOCATION

FUNDING SOURCE	BUDGET PERIOD			
	CY 2001	CY 2002	CY 2003	CY 2004
SBA	819,244	819,242	778,455	(1)
KDOC&H (2) (3) (4)	485,000	485,000	373,208	(46,175)
LOCAL (4)	532,818	415,470	624,962	(1)
TOTAL	1,837,062	1,719,712	1,776,625	(46,175)

- (1) Funding amounts are not available at this time.
- (2) CY 2003 Funding - is net of 10 percent set-aside, appropriated funding for FY 2003 is \$414,675.
- (3) CY 2004 Funding - Agency recommendation is for an additional 11 to 12 percent reduction in funding in FY 2004.
- (4) KDOC&H and Local budget allocations are on a 6/30 fiscal year basis.



Emporia State University • Fort Hays State University • Garden City Community College
 Johnson County Community College • Kansas State University • Pittsburg State University
 University of Kansas • Washburn University • Wichita State University

Statement of Understanding

The **Kansas Small Business Development Center (KSBDC)** is pleased to have you as a client. The KSBDC is a business development service for the State of Kansas. The KSBDC provides counseling, management education, and technical assistance to Kansas businesses and would-be entrepreneurs. The KSBDC counseling approach is one of guidance and education, not of doing the work for the client. The quality of our assistance depends, in many ways, on you and the information you provide. In addition to your rights as a KSBDC client, you also have responsibilities that will help us provide you the best possible assistance.

The counseling services, which are provided to you, are part of the effort of the constituent institutions of KSBDC to respond to the growing needs of the business community. They are not intended to compete with, replace, or be a substitute for services, which are available from the private sector. Clients whose needs can be fully and affordably met by private-sector practitioners or firms will be encouraged to use those resources. It is necessary that everyone requesting assistance have a strong personal commitment to finding and implementing solutions to the issues and challenges facing the start-up or existing business.

KSBDC's goal is to have an open professional relationship between the counselor and the client.

As a new client of the KSBDC, we want to advise you of certain rights and responsibilities that you have as one of our clients.

Your Rights

- Expect all communications and information be kept confidential.
-
- Expect courteous and professional service.
-
- Be advised if the KSBDC is unable to provide services within the time frame required.
-
- Know the counselor's name and KSBDC telephone number of the KSBDC person assisting you.
-
- Receive one-to-one counseling free of charge.
-
- Know the general nature and risks of your venture.
-
- Express your opinion as to the quality of assistance you received and receive a response that addresses your concern(s).
-

Your Responsibilities

- Talk openly with your counselor and provide all information necessary to enable the counselor to properly assist you.
-
- Make available, upon request, current financial and operating data.
-
- Provide information for your cash flow projections.
-
- Write your business plan to the best of your ability.
-
- Be honest and direct about everything related to you as an entrepreneur and your potential or existing business.
-
- Notify your counselor if you do not understand the proposed plan of action.
-
- Advise us of any concern or dissatisfaction you may have with the assistance being provided.
-
- Ask questions about anything that is unclear.
-
- Cooperate with your counselor and consider the recommendations your counselor may make to help you improve your business.

Clarification Of Our Role

The Kansas Small Business Development Center is **NOT** a lending agency. Based on your input, we assist you run, analyze and critique cash flow projections for accessing capital. This type of assistance **DOES NOT** imply an endorsement of your proposal by the KSBDC, nor does it indicate intent to approve your loan request by any lending institution or guaranty institution, public or private. We will provide advice on techniques and sources of information needed for a financial proposal. However, it is your responsibility to collect the needed information.

A business plan is an essential tool for every business. KSBDC counselors **DO NOT** write business plans; counselors will review and make recommendations to your business plan.

Confidential Information

We acknowledge that clients may, from time to time, divulge confidential and proprietary information during the course of the counseling relationship. Unless otherwise expressly authorized by the client by filling out and signing KSBDC Authorization to Release Information, we will not disclose to any person or entity the identity of any client to whom we have rendered services, or any confidential or proprietary information obtained from the client and identified as such by the client. Please note the KSBDC program is a partnership program and collaboration is necessary between funding partners. The U.S. Small Business Administration (SBA) and the Kansas Department of Commerce and Housing (KDOC&H) and Kansas Colleges and Universities provide funds for the KSBDC program. Limited information with respect to your client status (name, address, nature/scope of service, and amount of service) may be provided to those public agencies which fund the KSBDC or are responsible for auditing the financial and program performance of the KSBDC.

Proprietary Rights

All patents, patent applications, trade secrets, processes, formulas and other proprietary information arising out of or resulting from the services provided to a client by the Kansas Small Business Development Center pursuant to this request shall be and remain the property of the client. The Kansas Small Business Development Center shall make no claim against a client asserting any interest in such property.

Business Needs Assessment

The KSBDC counselor must develop an in-depth understanding of all aspects of your business or potential business. It may be necessary to conduct a Business Needs Assessment of your existing business in order for our counselor to properly advise and assist you.

Additional Client Requirements

You will be expected to cooperate with KSBDC in its ongoing efforts to assure the quality and effectiveness of the counseling services, which it provides. In this respect, the KSBDC will ask all clients who received counseling assistance to complete a written evaluation of the services provided. Clients may receive direct inquiries from the SBA and other public-sector agencies with respect to the services provided by the KSBDC. Your response to these inquiries is expected and will be greatly appreciated.

Since a portion of the KSBDC program funding is provided by the U.S. Small Business Administration, we are required to obtain a signed copy of a Request for Counseling, SBA Form 641, from all Kansas Small Business Development Center clients **before providing assistance**. The Form 641 will be signed prior to your first counseling session.

Quality Assurance

We WELCOME you as a client and encourage you to call us if you have any questions or comments regarding your rights and responsibilities with respect to our services. You can do so by calling the KSBDC state director from anywhere in Kansas toll free (1-877-625-7232).

Acknowledgement

I have read and understand the Kansas Small Business Development Center Statement of Understanding.

Signature and Title

Date

Initial Assessment for Start-up Businesses

Name(s): _____ **Date:** _____

Address: _____

Type of Business: _____ **Email Address:** _____

Business Name: (If finalized) _____

Day Time Phone Number: _____ **Evening Phone Number:** _____

In order to make your upcoming counseling session more effective, please answer all of the following questions, to the best of your ability. There are **no** right or wrong answers.

Note: All information provided to the KSBDC is confidential.

How will owning and operating a business help you achieve your personal goals?

Describe your business idea in 25 words or less (please print or type):

Have you determined if there is a market (customer need and base) for your idea? No Yes

List all products or services you plan to offer your customers.

List any items (equipment, inventory, building, land, etc.) you own that may be used in your business.

What legal form of business organization do you intend to utilize?

<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Partnership	<input type="checkbox"/> Limited Liability Partnership
<input type="checkbox"/> Corporation	<input type="checkbox"/> Unknown
<input type="checkbox"/> Subchapter S Corporation	

Why are you selecting this legal form of business organization?

When do you plan to open your business?

Describe any experience you or other members of your management team have in operating a business or the specific industry in which you will function:

Place a check mark in the blank which best describes you and key partners or managers in your company.

	Adequate Knowledge	Counseling Needed	Training Needed
Accounting and Bookkeeping			
Computer Experience			
Financial Management			
Marketing and Promotion			
Operations			
People Management			
Personnel Policies			
Planning			
Pricing			
Sales			
Taxes			
Other:			
Other:			

Describe your credit history (also indicate the credit history of any partners):

- Excellent
- Good, past issues have been corrected.
- Fair, I need to take care of some issues.
- Poor
- Don't Know

Have you obtained and reviewed your credit report recently? ___ No ___ Yes
 If no, please order a credit report from one of the three national credit bureaus listed.
<http://www.experian.com> (888-397-3742); <http://www.transunion.com> (800-888-4213);
<http://www.equifax.com> (800-685-1111)

Have you had a bankruptcy in the past 5 years? ___ No ___ Yes If yes why?

Have you been to or are any other organizations or resources currently assisting you?
 ___ No ___ Yes If yes, please list the other organizations or resources.

Will you need financing to start your business? ___ No ___ Yes
 If yes, please complete the enclosed Summary of Money needs form to the best of your ability and provide a copy of your credit report. Please note, most lenders will require you contribute approximately 25-30% cash



kansas small business development center

"Growing Kansas Entrepreneurs"

Summary of Money Needs

NOTE: All information provided to the KSBDC is confidential.

1. Land _____ Building _____ \$ _____

2. Machinery/equipment \$ _____

3. Furniture/office equipment \$ _____

4. Inventory/materials \$ _____

5. Professional fees, licenses, permits,
insurance, deposits, etc.

_____ \$ _____

_____ \$ _____

_____ \$ _____

6. Anticipated operating cash required
(accounts receivable, marketing & advertising,
supplies, wages, utilities, and other)

_____ \$ _____

_____ \$ _____

_____ \$ _____

7. Total project costs (add lines 1 thru 6) \$ _____

8. *Personal funds you plan to invest in
your business* \$ _____

9. Amount invested by partners, stockholders,
or other investors

_____ \$ _____

_____ \$ _____

10. Total investment (line 8 & line 9) \$ _____

11. Balance of money to be financed (line 7 – line 10) \$ _____

Initial Assessment for Existing Businesses

Owner(s) Name(s):

Business Name:

Legal form of business organization:

Business Address:

Business Phone Number:

Business Fax Number:

Type of Business:

Business Email:

Date started/purchased business:

SIC/NAIC Code:

Provide a brief history and description of your business in 25 words or less:

What anticipated changes do you plan to make within the next year?

What are your business strengths and weaknesses with respect to marketing?

What are your business strengths and weaknesses with respect to management?

What are your business strengths and weaknesses with respect to finance?

Is your business's cash-flow positive? Yes No If no, why not?

List all products or services you offer your customers:

Describe your current customers including any major customers:

List and describe current competitors, including their strengths and weaknesses:

What is your business's competitive advantage?

Place a check mark in the blanks that best describes you and key partners or managers in your company:

	Adequate Knowledge	Counseling Needed	Training Needed
Accounting and Bookkeeping			
Computer Experience			
Financial Management			
Marketing and Promotion			
Operations			
People Management			
Personnel Policies			
Planning			
Pricing			
Sales			
Tax			
Other:			
Other:			

Do you need financing for your business? __No __Yes

If yes, please please provide a copy of your credit report. If you don't have a credit report, please order one from one of the three national credit bureaus listed. <http://www.experian.com> (888-397-3742; <http://www.transunion.com> (800-888-4213); <http://www.equifax.com> (800-685-1111)

Describe your credit history (also indicate the credit history of any partners):

- Excellent
- Good, past issues have been corrected.
- Fair, I need to take care of some issues.
- Poor
- Don't Know

Have you had a personal or business bankruptcy in the past 5 years? No Yes If yes, why?

Have you been or are any other organizations or resources currently assisting you? No Yes

Please provide copies of your year-end financial statements for the past two years.

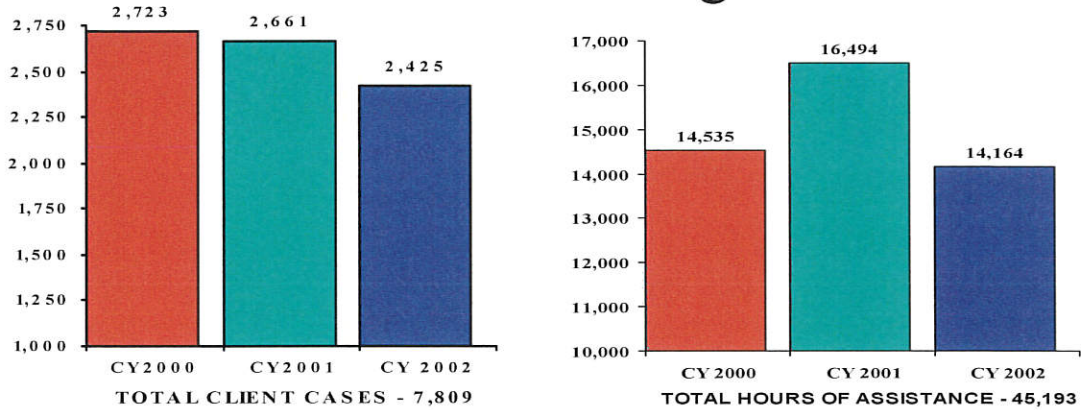
Please provide copies of your current financial statements.

Please provide copies of your business tax returns for the past two years.

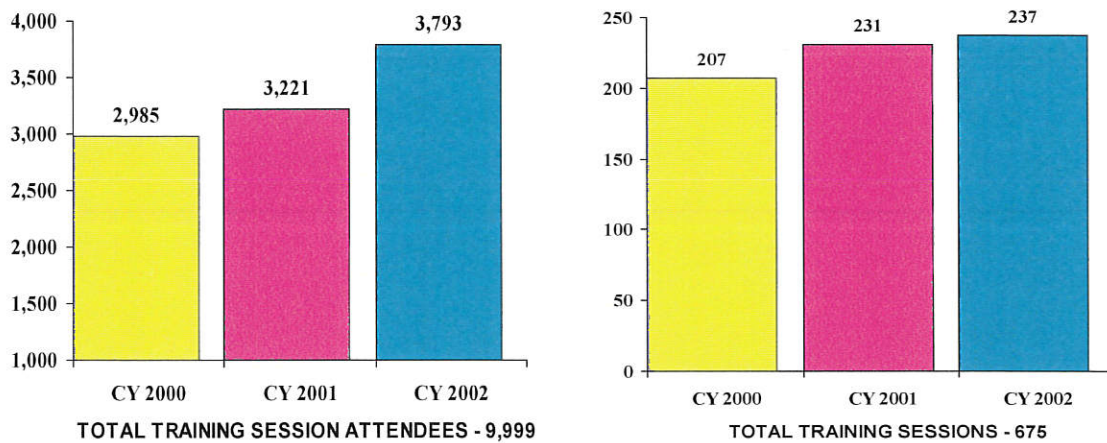
Please provide a copy of your credit report if you need financing for your business.

Entrepreneurial Activity CY 2000 - 2002

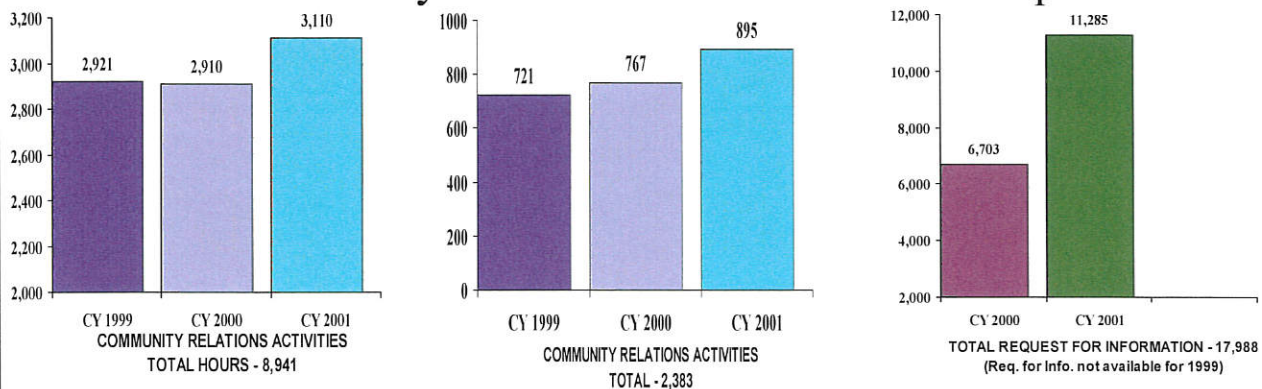
Counseling



Training

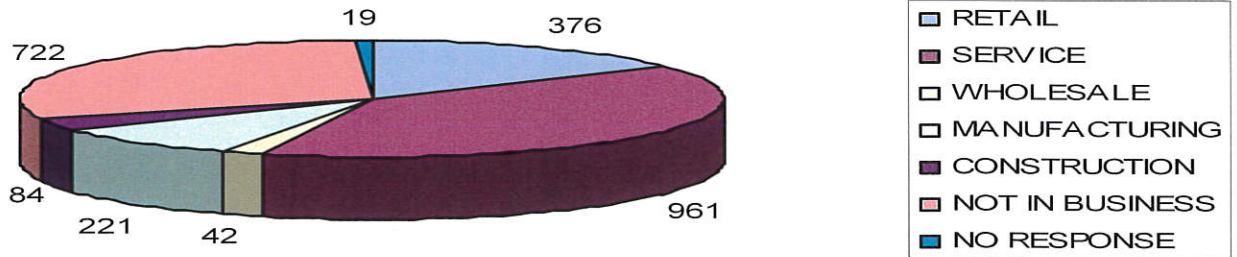


Community Relations and Information Requests

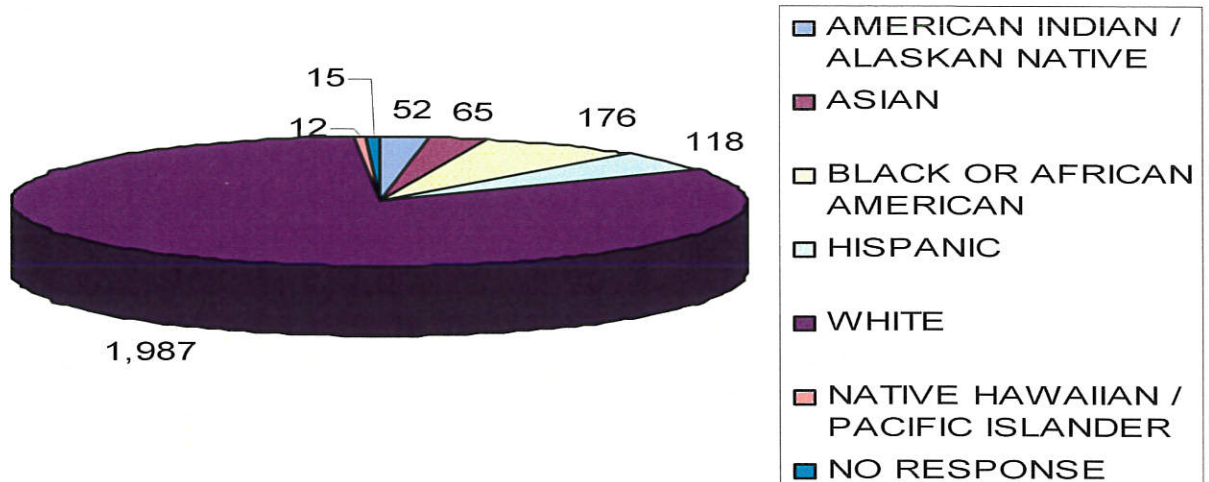


Entrepreneurial Activity CY 2002

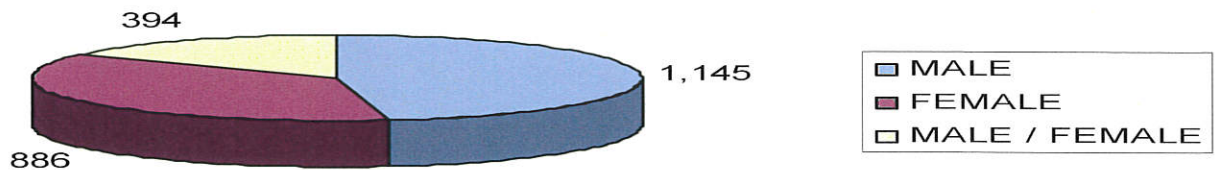
TYPE OF BUSINESSES ASSISTED IN CY 2002



ETHNICITY OF CLIENTS ASSISTED IN CY 2002



GENDER OF CLIENTS ASSISTED IN CY 2002



KSBDC SEMI-ANNUAL TRAINING REPORT FOR CY 2002

DATE 2002	SBDC CENTER	TITLE OF TRAINING	LOCATION	NO. OF ATTENDEES	TOTAL HOURS OF TRAINING
1/25/2002	ESU	Developing Your Child Care Business	Emporia	13	39.00
2/12/2002	ESU	Workers Compensation Basics	Marion	10	30.00
2/21/2002	ESU	Workers Compensation Basics	Emporia	6	12.00
3/14/2002	ESU	Sales & Withholding Tax Workshop	Emporia	9	27.00
4/8/2002	ESU	Workers Compensation Basics	Council Grove	13	26.00
2/6/2002	FHSU	Business Plan and Start Up Session	Hays	9	27.00
2/19/2002	FHSU	New OSHA Reporting Requirements	Hays	48	192.00
2/20/2002	FHSU	New OSHA Reporting Requirements	Colby	17	68.00
2/27/2002	FHSU	Small Business Tax Workshop - Great Bend/Hays/Colby	Various	9	27.00
2/28/2002	FHSU	Northwest KS Manufacturer Roundtable	Plainville	33	99.00
3/6/2002	FHSU	Small Business Start Up	Hays	10	30.00
4/6/2002	FHSU	Developing Your Family Child Care Business Class	Great Bend	13	91.00
4/10/2002	FHSU	Small Business Start-up Session	Hays	8	24.00
4/12/2002	FHSU	Small Business Start-up Session	Colby	8	24.00
4/17/2002	FHSU	NexTech Tech Fair	Hays	31	186.00
4/24/2002	FHSU	Small Business Start-up Session	Hays	7	21.00
4/27/2002	FHSU	Developing Your Family Child Care	Hays	18	126.00
1/23/2002	GCCC	Business Planning for Daycare Providers	Dodge City	18	54.00
1/24/2002	GCCC	Starting a Small Business	Scott City	14	42.00
3/19/2002	GCCC	Serving Customers From the Inside Out	Elkhart	30	90.00
4/9/2002	GCCC	Marketing Your Business	Elkhart	7	21.00
4/9/2002	GCCC	Small Business Start-Up Issues and Planning	Garden City	16	32.00
4/10/2002	GCCC	Small Business Start-Up Issues and Planning	Garden City	62	124.00
4/30/2002	GCCC	Small Business Workshop	Liberal	9	36.00
6/12/2002	GCCC	Customer Service	Garden City	15	90.00
1/8/2002	JCCC	Build Your Profits With Your Own Personal Marketing Team	Overland Park	22	44.00
1/15/2002	JCCC	Success Right from the Start	Overland Park	21	84.00
1/23/2002	JCCC	Marketing on the Internet	Overland Park	8	32.00
1/26/2002	JCCC	Developing Your Family Child Care Business	Overland Park	20	100.00
1/28/2002	JCCC	Intro to QuickBooks Pro	Overland Park	12	120.00
2/5/2002	JCCC	Small Business Success Sessions: Building a Business Plan	Overland Park	11	132.00
2/6/2002	JCCC	Meet the Tax Man: Your Tax Responsibility to the State of Kansas	Overland Park	4	16.00
2/11/2002	JCCC	Success Right from the Start	Overland Park	21	84.00
2/25/2002	JCCC	Intro to QuickBooks Pro	Overland Park	7	70.00
2/27/2002	JCCC	How to Start and Manage a Home-Based Business	Overland Park	10	60.00
3/7/2002	JCCC	Comprehensive Employment Tax Workshop	Overland Park	13	91.00
3/8/2002	JCCC	Kansas Small Business Resource Conference	Kansas City	81	405.00
3/12/2002	JCCC	Meet the Tax Man: Your Tax Responsibility to the State of Kansas	Overland Park	32	128.00
3/12/2002	JCCC	Success Right from the Start	Overland Park	24	96.00
3/27/2002	JCCC	Successful Selling for Entrepreneurs: Helping Customers Buy	Overland Park	12	84.00
4/15/2002	JCCC	Intro to QuickBooks Pro	Overland Park	13	130.00
4/16/2002	JCCC	Success Right from the Start	Overland Park	22	88.00
4/25/2002	JCCC	Tax Workshop for Small Businesses	Overland Park	10	40.00
4/29/2002	JCCC	Meet the Tax Man: Your Responsibility to the State of Kansas	Overland Park	16	64.00
4/30/2002	JCCC	How to Start and Manage a Home-Based Business	Overland Park	13	78.00
5/8/2002	JCCC	Successful Selling for Entrepreneurs: Helping Customers Buy	Overland Park	8	56.00
5/14/2002	JCCC	Success Right from the Start	Overland Park	22	88.00
5/15/2002	JCCC	Intro to QuickBooks Pro	Overland Park	11	110.00

KSBDC SEMI-ANNUAL TRAINING REPORT FOR CY 2002

DATE	SBDC			NO. OF	TOTAL HOURS
2002	CENTER	TITLE OF TRAINING	LOCATION	ATTENDEES	OF TRAINING
5/30/2002	JCCC	Comprehensive Employment Tax Workshop	Overland Park	11	88.00
6/4/2002	JCCC	Meet the Tax Man: Your Responsibility to the State of Kansas	Overland Park	21	84.00
6/11/2002	JCCC	Success Right from the Start	Overland Park	26	104.00
6/19/2002	JCCC	Intro to QuickBooks Pro	Overland Park	11	110.00
6/20/2002	JCCC	Success Right from the Start	Kansas City	11	44.00
1/18/2002	KSU	Roadmap to Business Success	Wamego	11	22.00
2/6/2002	KSU	Marketing on the Internet	Manhattan	8	16.00
2/12/2002	KSU	Business Planning	Manhattan	28	84.00
2/19/2002	KSU	Financial Management	Manhattan	29	87.00
2/25/2002	KSU	Recordkeeping and Taxes	Manhattan	9	27.00
2/26/2002	KSU	Recordkeeping and Taxes	Manhattan	23	69.00
3/4/2002	KSU	Marketing	Manhattan	7	17.50
3/5/2002	KSU	Marketing	Manhattan	17	42.50
3/6/2002	KSU	How to Start a Home-Based Business	Junction City	13	52.00
3/6/2002	KSU	KCRRRA DayCare Training	Junction City	23	69.00
3/6/2002	KSU	State Withholding and Sales Tax Workshop	Manhattan	14	49.00
4/2/2002	KSU	Income Taxes for The Sole Proprietor	Manhattan	9	18.00
5/6/2002	KSU	Marketing on the Internet	Manhattan	9	18.00
5/21/2002	KSU	State Withholding and Sales Tax Workshop	Manhattan	11	38.50
2/7/2002	KU	Starting and Managing Your Own Business	Lawrence	16	40.00
3/6/2002	KU	Small Business Tax Workshop	Lawrence	12	42.00
3/27/2002	KU	Loan Basics Workshop	Lawrence	11	33.00
4/4/2002	KU	Small Business Tax Workshop	Lawrence	13	45.50
6/20/2002	KU	Small Business Tax Workshop	Lawrence	11	38.50
1/15/2002	PSU	Winning Government Contracts	Pittsburg	10	20.00
2/16/2002	PSU	How to Start & Grow Your Own Business	Pittsburg	17	51.00
2/20/2002	PSU	Exceptional Customer Service	Columbus	12	36.00
2/20/2002	PSU	Exceptional Customer Services	Columbus	13	39.00
3/5/2002	PSU	Sales & Withholding Tax Seminar	Parsons	8	24.00
4/20/2002	PSU	Developing Your Family Child Care Business	Ft. Scott	8	24.00
4/24/2002	PSU	Exceptional Customer Service	Independence	19	57.00
5/21/2002	PSU	Exceptional Customer Service	Iola	15	45.00
5/22/2002	PSU	Understanding & Analyzing Your Business	Pittsburg	6	12.00
6/13/2002	PSU	Sales & Withholding Tax Seminar	Pittsburg	17	85.00
6/26/2002	PSU	Recordkeeping & Financial Analysis for Small Business	Pittsburg	6	18.00
1/15/2002	WSU	Business Plan Workshop	Wichita	29	87.00
1/23/2002	WSU	Federal Tax Workshop	Wichita	13	39.00
1/23/2002	WSU	State Tax Workshop	Wichita	13	52.00
2/11/2002	WSU	QuickBooks QuickStart	Wichita	10	60.00
2/11/2002	WSU	State Tax Workshop	Wichita	9	36.00
2/12/2002	WSU	QuickBooks Intermediate	Wichita	7	42.00
2/18/2002	WSU	Accounting for the Rest of Us	Wichita	7	14.00
2/19/2002	WSU	Business Plan Workshop	Wichita	20	60.00
2/21/2002	WSU	Winning Government Contracts	Wichita	12	24.00
2/26/2002	WSU	State Tax Workshop	Wichita	15	60.00
3/13/2002	WSU	State Tax Workshop	Wichita	15	60.00
3/20/2002	WSU	Business Plan Workshop	Wichita	25	75.00
3/26/2002	WSU	Federal Tax Workshop	Wichita	42	168.00
3/26/2002	WSU	State Tax Workshop	Wichita	22	88.00
3/27/2002	WSU	QuickBooks Intermediate	Wichita	9	63.00

Kansas Small Business Development Center
RESULTS OF THE ECONOMIC IMPACT STUDY CONDUCTED IN 2002
OF COUNSELING ACTIVITIES 2000-2001

Return on Investment:

Clients assisted by the Kansas Small Business Center generate sales and jobs that return more tax revenues to Kansas than the cost of operating the KSBDC program.

***Kansas Impact:**

Sales increased	\$49.9 million
Jobs created	369
Jobs saved	292
Taxes generated	\$3.49 million
Financing obtained	\$13.97 million

**Impact reported here includes only that which is above state economic indices and only that which occurred as a direct result of SBDC assistance.*

Financing obtained by 693 KSBDC clients in the past 48 months:

\$64,697,005

Tax Revenue Generated

Approximately \$1.42 million to Federal
Approximately \$2.07 million to State
Total additional tax revenue \$3.49 million
Compared to total cost of operating the KSBDC, counseling activities generated \$1.60 in tax revenues in one year for every \$1.00 spent on the entire program.

Sales

Average increase in sales was \$64,087
KSBDC clients experienced an increase of 19.5% in sales revenue, compared to an average decrease of -1.8% for Kansas businesses.

Employment

KSBDC clients increased employment by 5.1%, compared to -3.0% for Kansas businesses.

The KSBDC Network of 9 regional centers in 2001:
Provided 16,494 hours of direct counseling to 2,661 individuals and small businesses.
Attracted 3,221 participants to 231 workshops/seminars.
Responded to 11,285 requests for information.

Capital Injection

An estimated \$13.97 million in financing was obtained by clients as a result of counseling received.

This figure suggests that every dollar expended on the KSBDC operation was leveraged by approximately \$6.40 in new capital raised from external sources.

KSBDC Quality Ratings

Was the counselor knowledgeable?

Score was 4.32 on a 5 point scale.

Would you recommend the SBDC to another small business owner?

96.7% of respondents said "Yes."

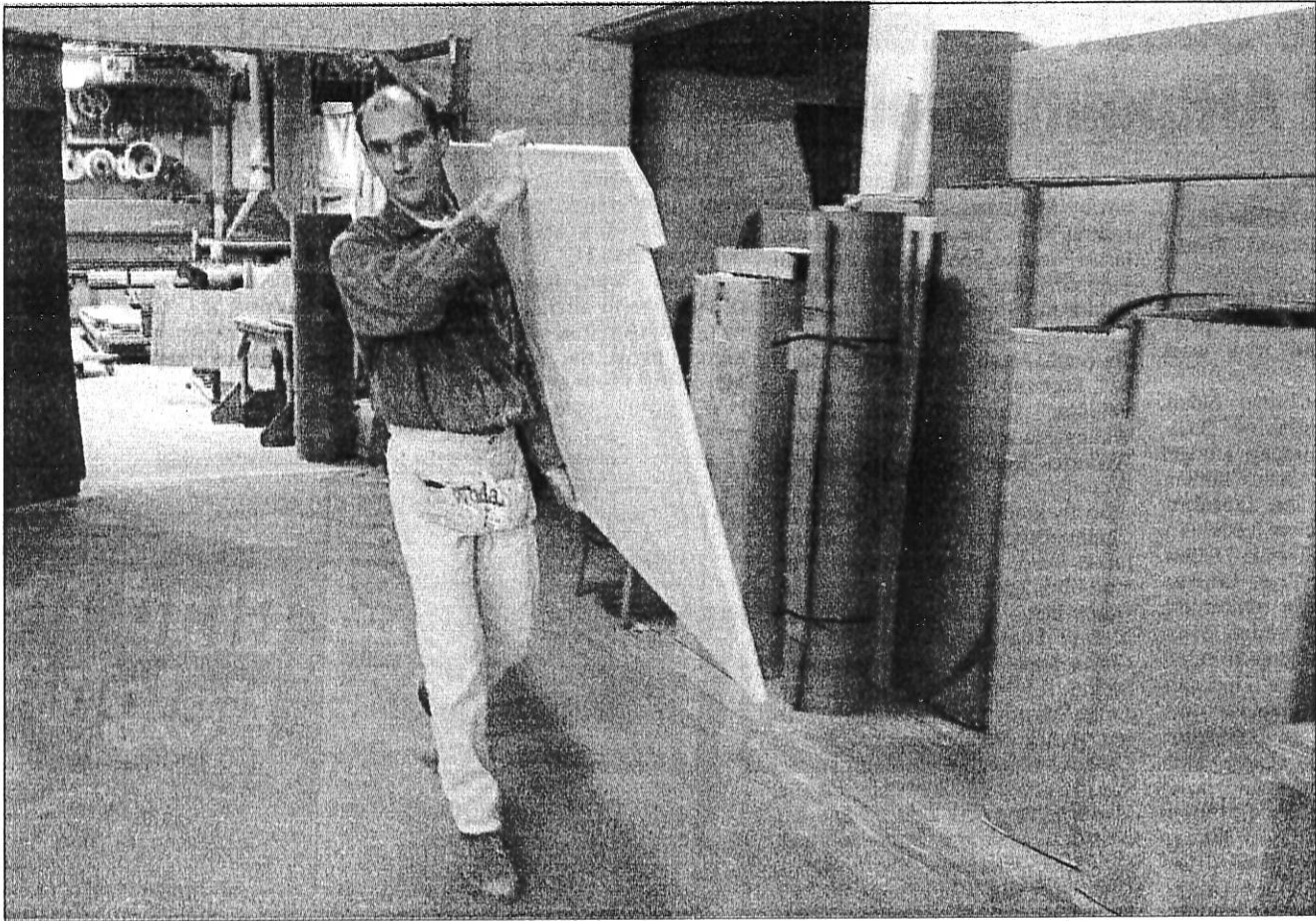
73% of respondents indicated counseling of similar quality was not available at a price they were able to pay.



**KANSAS
Survey**

**KSBDC Network Results
CY 2001 Clients**

QUESTIONS	Percent - YES!	
Did you receive prompt attention?	94%	
KSBDC Counselor: have skills need to advise you?	96%	
KSBDC Counselor: respond to your needs?	90%	
KSBDC Counselor: give specific recommendations?	92%	
KSBDC Counselor: point out other problem areas?	86%	
Would you recommend the KSBDC?	92%	
Rate the KSBDC counseling services:		
Excellent	44%	
Very Good	33%	
Good	13%	
Fair	6%	
Poor	4%	
Estimate number new jobs created with KSBDC assistance		
Full time	571	
Part time	327	
Estimate amount of capital raised with KSBDC assistance		
SBA	38 Loans	\$19,962,744
Other	93 Loans	\$ 7,399,345
Equity	73	\$ 8,413,068



Loren Fisher carries a piece that he will make into a countertop from one side of his shop to another.

MIKE SHEPHERD/The Capital-Journal

Family enjoys owning small Topeka business

By Ann Marie Bush
The Capital-Journal

In the spring of 2001, Loren Fisher found out the wood-working company he had been working for for 18 years was going out of business. At that time, he and his wife, Lynda, made a decision to start their own custom cabinetry business.

Fisher's Fixtures LLC started in May 2001 at 6700 S. Topeka Blvd., Lynda Fisher said.

The Fishers started their business with a computer controlled router in their garage. They were running parts for another cabinet shop in town. In June 2001, they leased about 3,500 square feet and began building commercial office, store and restaurant fixtures.

Shawnee Woodwork Inc. hired Fisher's Fixtures as a subcontractor for Security Benefit Group of Cos.' new building. The job included fabricating the radius wall panels in the lobby, the solid surface vanities in the rest rooms, window sills and stairway caps.

"We soon outgrew our space and leased an adjoining space, bringing our shop to around 10,000 square feet in June 2002," Lynda Fisher said. "Right now, we have enough space. We've had a tremendous couple of years but we want to stay small enough to still enjoy that small business feel. We have a family atmosphere."

There are three full-time and two part-time employees at Fisher's Fixtures.

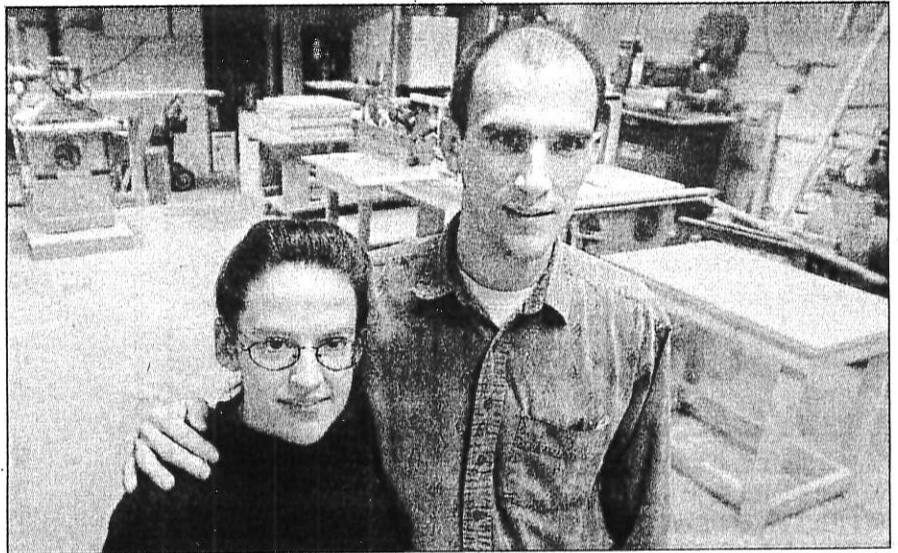
With two small children, the Fishers keep busy, said Lynda Fisher, who serves as the business manager. Loren Fisher does a majority of the woodworking.

"I enjoy being able to produce something that you can see, touch and enjoy," Loren Fisher said. "I just enjoy being able to create something."

Fisher's Fixtures has recently finished a translucent radius bar top that is backlit and changes colors for Jul's Cocktail Club in Gage Center. The company recently learned it has been hired to make some of the fixtures in the new Target distribution center.

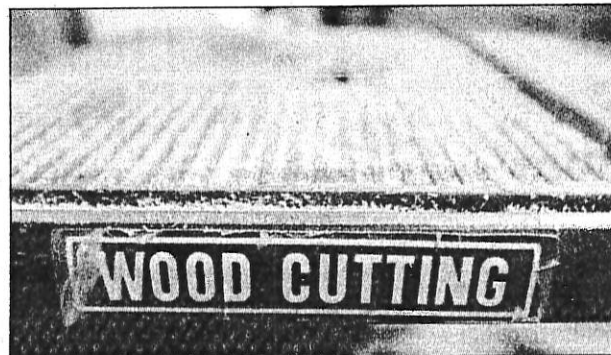
While the company doesn't do residential cabinetry, it has done several solid surface kitchen countertops.

For more information, call Fisher's Fixtures LLC at (785) 862-1862 or visit www.fisherfixtures.com.



MIKE SHEPHERD/The Capital-Journal

Lynda and Loren Fisher opened Fisher's Fixtures LLC in May 2001.



Fisher's Fixtures specializes in wood, as displayed on the side of a table saw in the company's shop.

MIKE SHEPHERD/The Capital-Journal

Commerced
Labor
2-6-03
A + h

**Assistance Received from the Small Business Development Center
5/1/02-Present**

- **Exploring Entrepreneurship Workshop**...detailed presentation along with supporting materials to refer to over and over again. This included all the requirements for starting a business in Kansas along with contacts and phone numbers for assistance.
- **State Tax Seminar**...hosted by SBDC, presented by Ron Grant, Attorney and Tax Specialist from KS Department of Revenue. Invaluable assistance with getting taxes set up correctly. The connection with Ron has helped as further subcontracting tax issues have arisen.
- **Conference with Les Streit**... the beginning of a crucial relationship for our business. Clear simple advice given for our start-up.
- **On-Site Accountant Visit**...arranged by Les to assist with getting our software in place.
- **Procurement Conference**...recommended by Les, helped develop government contacts
- **Sales and Marketing Conference**...held by the Sales and Marketing Executives.
- **Washburn Student Marketing Project**...Les recommended our business for a case study, marketing class analyzed and prepared a detailed marketing plan.
- **Loan Basics Seminar**...hosted by SBDC, presented by financial experts, SCORE members
- **Conference with Les and SCORE representative**...assistance analyzing possible business expansion venture.

TESTIMONY FOR SBDC

I am grateful for the opportunity to speak on behalf of SBDC. This agency has provided significant help to our small business, and has been a big part of where we are today.

We are plastic thermoformers; we make guards, fenders, covers, etc., for other manufacturers, and we have a few proprietary items. We began our first company 30 years ago with SBA loans, but lost our business after 5 years mostly because we lacked business knowledge. I grieve when I think where we could have been today, had we had the assistance from SBDC then that we have received this time around.

After paying off our SBA loans for 15 years, we jumped in and began again, this time with SBDC's help. We started over in 1989, using the basement and garage of our house. All the equipment necessary for operation was either purchased used and rebuilt, or we designed and built it ourselves. Our first need was to learn bookkeeping and accounting. Sheryl Davis, our local SBDC consultant, was a tough but patient teacher to my wife and got us on the right track. As we saw how knowledgeable she was, we learned to trust her and would consult with her when we had a business problem we didn't know how to handle. She always seemed to be able to give us enough background to be able to talk us through situations, help us come up with solutions, or find resources for our problems.

When we needed to go to the bank, she taught us how to do financial projections. When we needed to apply for grants and funding, she helped us find money sources and taught us how to do a business plan. We also attended an SBDC workshop on writing business plans. Later, when the bank asked for cash flows, she taught us how to do current year and projected cash flow projections. She advised us on how to handle layoffs during low production times. We consulted with her when we wrote an employee handbook. She referred us to KIT (Kansas Industrial Training) for funding assistance as our number of employees and need for training them grew. We needed marketing education and she referred us to Claire Gustin. We also attended an SBDC seminar on "Marketing Made Easy". As we grew we found we needed better management skills, and SBDC offered a "Strengthening Management Skills" seminar, which was quite helpful. Through the years we have tried to attend most of SBDC's seminars. We find them to be inexpensive, within a reasonable traveling distance, and they have provided us with vital, up to date information to help us maintain and grow our business.

As we outgrew our home-based location, our SBDC consultant helped us explore other possibilities for relocating. We then rented 3200 sq. ft. on the south end of the building we had built 20 years earlier for our previous business. During this time we had 5 full time employees. Although it allowed us more space for a while, we quickly outgrew our end of the building. Due to the shortage of suitable buildings in our small rural area, it was a real challenge to figure out how to expand again. And because of our limited capital, our other challenge was to find the money to expand. Again we went to our SBDC consultant with our quandary. She worked with other local resource people, and helped us explore all the possibilities. It was so valuable to have someone "in our corner" to help us, while we were busy running our growing business.

As a result of her tenacity and resourcefulness, we were able to acquire the building and grounds we were renting the south end of. We doubled the size of the building to 12,000 sq. ft, and purchased additional equipment and machinery. Our number of full time employees grew from 5 to 14.

We have since purchased an additional 4 station 6' x 10' thermoforming machine, a 3 axis CNC router, and a pressure former. We are poised to continue to grow and to be on the cutting edge of our industry. Last year we purchased job costing software and hired a part time accountant to help us track costs and raise profits. We are presently working with our SBDC consultant on our need for an engineer/project manager to drive through new projects.

Another need we presently have is to evaluate our business for the purpose of incorporating and selling stock. After a frustrating search to no avail all over the state to find someone who could help us without spending between \$5000 and \$7500 for this service, my wife finally picked up the phone and gave our SBDC consultant a call. Did she possibly know anyone who could help us with this who wouldn't be too expensive? " Sure", she replied. "I can. I do them every day. Just go on our SBDC website, print the forms, fill them out, and come on by. I'll help you do the rest. Oh, and it will cost you nothing." We should have called her in the first place. We continue to be amazed with the help available to us through our local SBDC office. And we know that as we continue to grow and our needs become more complicated and high tech, that SBDC will remain a vital resource for us.

Our potential in our present facility with the equipment being used to its full capacity and with increased sales to support it, is to have 20 -25 employees, and 2 ½ to 3 million dollars in annual sales. That may not sound like much compared to huge industries in larger cities, but proportionately it is significant. Our 14 employees in a population of 950 in Quinter... are equal to 5,000 employees in the population of 350,000 in Wichita. Our small business in rural Kansas does have an economic impact on our local economy.

Through the years, Formation Plastics has received valuable assistance from a number of state agencies, referred to us by our SBDC consultant. They are FHSU, KDOCH, MAMTC, Kansas State University, SBA, Department of Housing and Development, WKTC, and AMI. With SBDC's help, we have taken advantage of the project exemption for sales tax offered by the state and industrial revenue bonds sold locally. Last year we received a KDOCH Business Appreciation Award, and were featured on the Kansas Profile radio program. I firmly believe that without the technical support and other programs offered by the State of Kansas, our expansion would not have occurred, and our business would not be as viable as it now is. Small communities can provide employment for their residents. Encouraging local companies to grow is a wise investment of state money.

Over the years of working with SBDC, we have found, and benefited from, consistent, reliable and sound advice and teaching. We have been, and continue to be, educated by them. They have helped us by showing us different thought processes, and new ways to address the issues we have had. One of the most valuable things we have learned from Sheryl Davis is that... we don't have to know everything there is to know to succeed.....we just need to access those who do. And last and probably most important of all, she didn't DO things FOR us. She taught us how to do them, or helped us

find the resources we needed to enable us to move ahead. In other words, she didn't merely give us the fish....rather, she taught us how to fish.

Galen Huffman

Formation Plastics

February 6, 2003