



Tips for Successfully Running a Small Business on a “Shoestring” Budget

The economy in the United States is a major concern to all citizens in our great country. Everything and everyone has been negatively impacted in some way. Like many others, small businesses are feeling the pinch of the economic downturn.

In this economy, many, if not most, small businesses are operating on very tight budgets to simply get by. Some call this “bootstrapping” or operating on a “shoestring.” In either case, it is possible to successfully operate a business on a shoestring!

Through both good and bad times, success in operating a business is not necessarily predicated on a fat wallet. Rather, it comes from good financial management, proper planning, and a relentless drive to succeed. Listed below are several tips for entrepreneurs who are operating on a tight budget. The tips also apply to entrepreneurs in the startup phase:

Put your money where it will bear fruit. Try to put as much money as possible into working assets (which bear cash and sales), and as little as possible into fixed assets. Also, if you have dead inventory, figure out ways to dispose of it quickly.

Push the Sales. Continually work at building sales of your product or service. Be sure to have a plan in place, and dedicate time each day to market your business. It's really easy to get in a rut and stop effectively marketing your business. Businesses that stop marketing may soon be out of business. There are many cost effective ways to do marketing. If you need help, contact your area REAP Business Specialist for assistance.

Be “Lean and Mean.” Businesses operating on a shoestring do not need any deadweight. Strive to keep your fixed costs as low as possible, and spend on items that contribute to your bottom line. Every dollar in expense should be directly tied to income. Spend a nickel only when you can get a dime in return. Production is mandatory from all involved with the business. If you have employees, “hire slow and fire fast.” The success of your business relies on all involved, and time is of the utmost importance.

—See **Tips** on page 2.

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Roger Anderson of Roger's Market in Bancroft, NE listens intently at a business plan training. Representatives of 16 businesses or potential businesses participated in the five -week course. See **Business Pans in Northeast Nebraska** on page 3 for more.

Creighton University Offers Law Clinic for Business Owners

The Community Economic Development (CED) Clinic is offered through the Creighton University School of Law with major financial support from the U.S. Departments of Agriculture and Commerce. Senior Creighton law students working under the supervision of a CED Clinic attorney advise and represent small businesses and entrepreneurs across Nebraska.

The students gain valuable hands-on experience in issues affecting small businesses, while people looking to start or maintain a small business who would be hard-pressed to pay for an attorney get first-rate legal representation free of charge. The CED Clinic also offers community education events ad

—See **Law Clinic** on page 3.

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IRS Makes it Easier to Find Information Online

Year-long campaign educates new self-employed small business owners about federal tax responsibilities

The IRS is mounting a year-long campaign to help educate new self-employed small business owners about federal tax responsibilities and about filing Schedule C, Profit or Loss from Business. Two new products are designed to make it easier to locate information on the IRS's official website, IRS.gov.

Publication 4667, *Tax Information for Small Businesses and the Self-Employed*, is a free laminated bookmark with Key Search Words to help locate tax information on IRS.

gov. You can order the bookmark on their site at the Small Business Products Online Ordering page: <http://www.irs.gov/businesses/small/article/0,,id=101169,00.html>.

The IRS has also created a "Self-Employed Individuals Tax Center" to serve as a starting point for small businesses and self-employed taxpayers. This page provides links to information on the most common issues new business owners face. Access it at: <http://www.irs.gov/businesses/small/article/0,,id=115045,00.html>.

A free subscription to *e-News for Small Businesses* will offer you the latest information about IRS events and new products and services. To sign up, go to the link listed below, type in your email address, and then hit submit: <http://www.irs.gov/businesses/small/content/0,,id=154826,00.html>.

Source: Information courtesy of IRS.gov.

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Master the Financial Tools. As the business owner, you are responsible for the life and growth of the business. Through good times and bad, you must be able to effectively manage all elements of the business. Having a clear and total understanding of the finances will give you control over the direction of the business. It is critical to understand your cash flow, income, profit and loss statements, and the over-

all bookkeeping system. Having a keen understanding of the money part of your business will tell you where you've been, where you're going, and how fast you're getting there.

Use Available Resources. Resources like the REAP program are available to assist startup and existing small businesses. Many times, entrepreneurs wait until it's too late to ask for help. Resources like REAP are in the busi-

ness of helping entrepreneurs through counseling assistance, training and loan assistance. It is up to the entrepreneur to ask for help, which will in turn increase the odds of small business success and growth.

These are just a few thoughts and ideas around the topic of operating a business on a tight budget. The REAP Program has Business Specialists located throughout rural Nebraska. If you need small business counseling, a loan, business training or other, please contact your area REAP Business Specialist to set up an appointment. Contact information is listed on the back of this publication or can be viewed at www.cfra.org/reap.

For information about REAP: contact Jeff Reynolds, REAP Program Director, 402.656.3091 or jeffr@alltel.net.

Resources like REAP are in the business of helping entrepreneurs through counseling assistance, training and loan assistance.

Check out our website for more information.
www.cfra.org/reap

Local Food Vendors Sought

The Center for Rural Affairs is requesting proposals for local food items to serve at the MarketPlace conference luncheon, along with morning and afternoon snacks and an evening banquet. The event will take place at the Sandhills Convention Center in North Platte, Nebraska on February 25, 2009.

Food proposals are due November 1, 2008. The Request for Proposals (RFP) is posted online at <http://www.cfra.org/files/2009-RFP-food.pdf>.

The Center for Rural Affairs strives to serve locally produced food at gatherings to directly support the family farmers and ranchers, small businesses and rural communities we fight for everyday. Over the years, REAP clients have produced and catered food items for our annual meetings.

The MarketPlace conference is a one-day event focused on strengthening small businesses and rural communities. Attendees of MarketPlace will learn essential business skills; network with service providers and other entrepreneurs; including agricultural entrepreneurs; and discover new ideas that work for small businesses and communities. Attendance has been growing, and over 600 people are expected this year.

For more information: contact Traci Bruckner, tracib@cfra.org or 402.687.2103 x 1016. Visit <http://www.cfra.org/marketplace/home> for more on MarketPlace.

Business Plans in the Works in Northeast Nebraska

Five communities in Northeast Nebraska co-sponsored a Business Plan Training with the REAP Women's Business Center this fall. Representatives of 16 businesses or potential businesses participated in the five-week course. Each community offered to host one night of the trainings. Sessions were held in Oakland, Lyons, Tekamah and Bancroft. Businesses or organizations from each of these communities participated as well as from Decatur and Wisner.

Facilitator Russ Wilcox provided information and led discussions

on marketing/advertising, pricing, financial statements, goal setting and customer relations. Discussions around the current financial environment and the potential impact on the local businesses proved interesting. One conclusion of the discussions was the importance of "above and beyond" customer service. It's very important to identify and know your target market and how to reach it.

Participating members shared experiences, brainstormed marketing tactics and techniques, and offered networking opportunities to

each other. This is what the REAP program is all about – training, sharing, encouraging, networking and supporting small business owners in rural Nebraska.

Thank you to the Burt County Economic Development Corporation and the community leaders in Bancroft, Decatur, Lyons, Oakland and Tekamah for assisting with recruitment and sponsorship.

For more information: contact Monica Braun, REAP WBC Director, at mbraun@windstream.net or 402.643.2673.

Calendar

REAP Activities:

10/27, **"Find a Buyer" Dinner Seminar**, Holdrege, NE. To register, contact the Minden Chamber of Commerce, 308.832.1811 or mindenchamber@gtmc.net or the Holdrege Chamber of Commerce, 308.995.4444 or chamber@holdrege.org.

10/27 & 28, **Spanish Tax Literacy Workshop** will be held at the Platte River Room at the Public Library in Columbus at 5:30 p.m. Contact Adriana Dungan at 402.494.1013. This workshop is sponsored by Nebraska Enterprise Fund.

10/27 y 28, **Seminario en Preparación de Impuestos** se llevará a cabo en el salón River Platte de la Biblioteca Pública en Columbus a las 5:30 p.m. Contacte a Adriana Dungan al 402.494.1013 para mayor información. Este seminario es Patrocinado por Nebraska Enterprise Fund.

2/25, **MarketPlace: Opening Doors to Success**, presented by REAP and the Center for Rural Affairs, Sandhills Convention Center, North Platte NE. For more information and to register, visit <http://www.cfra.org/marketplace/home>.

Statewide Activities:

10/27, 1/9, 3/9, 5/15, 5/16 (presented in Spanish), 8/15, and 10/3, **From Recipe to Reality Seminar**, Food Processing Center at UNL, Lincoln, NE. Contact Jill Gifford, 402.472.2819 or jgifford1@unl.edu.

11/12, **Effective Networking Tips & Techniques for Business Owners**, eXtension webinars for small business. These free sessions take place the 2nd Wednesday of every month from 2-3pm Eastern Time.

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dressing small business issues.

The CED Clinic is designed to supplement the services that organizations such as the Center for Rural Affairs and REAP offer to small business people with legal advice and representation. It assists both startup and ongoing businesses. Services include:

Pros and cons, including tax consequences, of various business entities: sole proprietorship, partnership, limited liability company, corporation.

Creation of a business entity through preparation of organizational documents such as articles of incorporation or organization, legal notices, bylaws, etc.

Employment law, employee/independent contractor issues, tax withholding requirements for employees.

Trademark and intellectual property. (The Clinic cannot represent

clients seeking to obtain a patent.)

Legal formalities essential to maintain a given form of business entity such as a corporation.

Community education presentations in coordination with organizations such as REAP.

The CED Clinic does not apply hard and fast income or asset limitations. Their goal is to help people for whom the cost of an attorney is a substantial hurdle in their efforts to start or maintain a business.

REAP clients needing services can call Milo Alexander, Director of the Community Economic Development Clinic at 402.280.3068 between the hours of 8:30 a.m. and 4:30 p.m. Central time Monday through Friday. Several general questions will be asked about the client's situation. The Clinic will then notify the client in writing whether the case is accepted or not.

QUESTIONS?

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Director and Southeast 1 Business Specialist,
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Business Center

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Administration. All opinions, conclusions, or recom-
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REAP and the Women's Business Center and the
Hispanic Business Center are programs of the
Center for Rural Affairs. The Center for Rural
Affairs is a private, nonprofit organization.

Spotlight On Business

Connie Hays' Okie Dokie Daycare Proving to Be a Growing Success

Connie Hays first moved to Ne-
braska in 1990 and then to the Vil-
lage of Mead, where she has been
living for 15 years now. As a mother
of 9, Connie had to find some time
for herself, but she
also loved being
with children.

Tired of not hav-
ing a secure job
and well versed
in caring for her
9 children, Connie
decided to start her
own child care busi-
ness – Okie Dokie
Daycare. Finding
the right business
location can be
challenging, and for
Connie it took
several months. She
finally decided on
Fremont, where the
business is still
located.

"It was quite fun when we went
to an auction and bought a lot of
things we needed for the daycare. It
was the hottest day of the year but
the most fun. We made 7 trips in
a pick-up to bring it all back here.
Wow!" Connie said, remembering
what it takes to start a business.

Just as she was about to open
the doors, Connie discovered she
had to have a fire Monitoring Sys-
tem installed first. With no mon-
ey to do this and 21 kids already

signed up, she started looking for
funds, but the doors were closed
to her. Connie turned to REAP and
worked with Business Specialist
Adriana Dungan.

With a \$6,000
REAP loan, she pro-
ceeded to install the
fire system and got
the business open
to the public. "The
loan was for the fire
system. Without it
we could not have
opened," Connie
said.

Okie Dokie Day-
care has 12 em-
ployees now, and

the business has grown almost up
to its limit. Connie is planning on
opening the daycare for 24 hour
services for families that have to
work different shifts. Hers will be
the only daycare center in the area
providing these services.

Connie is involved with the
Chamber of Commerce and par-
ticipates in different community
events. She is married to husband
Patrick.

Okie Dokie Daycare
416 E. 1st St.
Fremont, NE 68025
402.721.6773

**CENTER for
RURAL AFFAIRS**



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