

Newsline

A Monthly Newsletter from the San Diego District Office

U.S. Small Business Administration



Your Small Business Resource

Volume 4 Issue 5

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Training Calendar

A list of events from SBA and our resource partners may be found at www.sba.gov/ca/sandiego under Training Calendar.

[February Schedule Coming Soon](#)
IVSBDC in El Centro, CA.

[Feb. 12 - Are You Ready to Be Your Own Boss?](#) presented by the SBDITC in National City, CA.

[Feb. 16 - Selling Through the Internet—eBay Stores](#) presented by SCORE in San Diego, CA.

[Feb. 20 - Business Plan & Market Research](#) presented by the NCSBDC in Oceanside, CA.

Inside this Issue:

Events Around San Diego in Pics	2
Ask SCORE Column	3
How to Help Women-Owned Small Businesses	3
Announcements	4
San Diego District Office Activity Report	5

SDDO Welcomes Chinese Delegation from Shanghai



L to R — Ms. Julie Talley, SBA Lead Business Development Specialist—San Diego, Mr. Wang Shanrong, Director, Shanghai Production Services Cooperation Agency, and Ruben R. Garcia, SBA District Director—San Diego Office

The Shanghai Chinese delegation, led by Director, Mr. Wang Shanrong, of the Shanghai Production Services Cooperation Agency, visited the U S Small Business Administration (SBA) San Diego Office in January of 2008.

In attendance with the Director were nine members of the delegation including Economists, Presidents, and General Managers of Shanghai's business community.

Those attending were: Mr. Yao Huizhong, Senior Economist/Director, Honghou Production Services Corporation, Mr. Lu Youhai, Director, Shanghai Yingrier Stationery Co., Ltd., Mr. Jiu Anning, Chairman, Shanghai

Gongxing Transport Logistics Co. Ltd., Mr. Zhan Xinqi, General Manager, Shanghai North Wring Commercial Street, Department of management Market Operations, Mr. Zhang Jiong, Chairman and General

Manager, Shanghai Lei-yunshang Xinhonglian Pharmacy, Mr. Gong Yanhai, General Manager, Shanghai Feifan Sports & Leisure Goods, Co., Ltd., Mr. Zhang Huayi, President, Shanghai Huading Advertising Co., Ltd., and Mr. Chen Weiye, General Manager, Shanghai Tendon Steel construction Co., Ltd.

Picture of entire delegation can be seen on Page 2, bottom.



Cynthia Harris
Business Development Specialist

Recipient of the

SBA
San Diego District Office

FY2008 1st Quarter
EXCEL All Star Award

For her exceptional work on the Monthly District Newsletter

Events Around San Diego



L to R—Ruben Garcia, SBA District Director - San Diego & wife Alma, Ron Morrison, Mayor—National City, Ditas Yamane, President/CEO-National City Chamber of Commerce, and husband Ray at the National City Chamber of Commerce 98th Inauguration and Gala.



Ron Perry, SVP—Seacoast Commerce Bank receives award from Ruben Garcia, SBA District Director—San Diego, for Largest Dollar Volume of 7(a) Loans, Fiscal Year 2007, #1 Lending Partner Among Small Banks.



Hank Cunningham, Chairman of the Board—CDC Small Business Finance, Rick Benito, SVP, Bank of America and Kurt Chilcott, President/CEO CDC Small Business Finance accepting a \$20,000 donation check to the CDC from Bank of America.



L to R—Hank Cunningham, Chairman of the Board—CDC Small Business Finance, George Ramirez, Market President, Union Bank of California and Kurt Chilcott, President/CEO CDC Small Business Finance accepting a \$30,000 donation check to the CDC from Union Bank of California.



Shanghai Delegation— Mr. Chen Weiye, Mr. Zhang Huayi, Mr. Gong Yanhai, Director Wang Shanrong, Mr. Zhang Jiong, District Director Ruben R. Garcia, Mr. Zhan Zinqi, Mr. Liu Anning, Mr. Yao Huizhong, and Mr. Lu Youhai.

Ask SCORE for Business Advice

Small Businesses Can Face Economic Cycles With Confidence

Dealing with an uncertain economy is never easy, especially for small businesses. Unlike their larger counterparts, small businesses rarely have the resources to monitor and take corrective action for every trend and issue. And even those owners who have weathered numerous business cycles may be faced with new circumstances that confound their otherwise successful instincts and knowledge.

While there is no crystal ball that accurately predicts the future, small business owners can take a number of steps that will help their enterprises endure the worst of times, and position them for success when conditions inevitably improve.

Consult your bank about your business's financial status.

It may also be helpful to arrange a line of credit. You may not need it for several months or at all. But if a lag in cash flow occurs, you will have a ready source of bridge money in place.

Similarly, keep a close watch on your receivables.

Follow up with whoever owes your company money and make sure they are meeting their terms. Be firm when dealing problem accounts, but also be willing to negotiate where appropriate. It may take only a matter of months for a struggling customer can become a highly stable

performance. If you carry an inventory of products, check the accuracy of your records and procedures to prevent losses. It may also be helpful to adjust your order amounts to match projected sales.

Step up your marketing efforts. Many businesses mistakenly see marketing as a luxury when money is tight. The truth is that this is the time you need marketing most. Along with reassuring your current customers that you are still there to serve them, marketing can help you reach new markets that will sustain your business now, and facilitate its growth in the future.

Source:
http://www.score.org/da_3.html

Ask SCORE your question. Email sd.score@sba.gov or visit www.score-sandiego.org for additional information.



Make sure you have good relations with your creditors.

You may find it necessary to renegotiate terms, but overdue bills and inconsistent payment practices will not help your position. What's more, your creditors may be experiencing financial difficulties as well. Any flexibility will hinge on whether they perceive you as a reliable partner, or a risk.

source of income. If you can accommodate such situations without adversely affecting your company's financial position, everybody wins.

Make sure expenditures can be justified, and that they contribute to the financial health of your business.

You may find it necessary to redirect money to areas that will enhance business per-

How to Help Women-Owned Small Businesses

By Steve Preston, Administrator,
U.S. Small Business Administration

In 1994, Congress set a government-wide target that 5 percent of all federal contracts should go to women-owned small businesses (WOSBs). More recently, legislation was signed into law creating a set-aside for such businesses but requiring that the Small Business Administration study the issue to determine in which — if any — of the government's 313 contracting categories, many of which are defense-related, WOSBs were underrepre-

sented.

Since then there has been an SBA study, a National Academy of Sciences review, a court case, and an external, independent study by the respected RAND Corporation on the issue.

The RAND study concluded that WOSBs were underrepresented in four contracting categories, based on a review of dollars going to such firms.

Two weeks ago, based upon the RAND study, statutory law and constitutional

precedent, SBA issued a proposed set-aside rule for women-owned small businesses. Our responsibility was to implement the statute in a constitutional manner, and that is what we've done.

Some critics have not been satisfied, pointing out that women are 52 percent of the population and own 28 percent of American businesses, yet in 2006 — the last year for which we have data — they received only 3.4 percent of federal contract dollars.

However, it is important to recognize this is an ap-

ples-to-oranges comparison. Women-owned businesses may be more than one-fourth of all businesses, but their gross receipts were only 4.2 percent of the economy, according to census data, because of the inclusion of large companies, many of which are led by women.

The census also indicates that women-owned businesses with fewer than 500 employees make up 3.4 percent of the economy.

See *Women-Owned* on Page 4

Women-Owned

Continued from Page 3

For the SBA rule, the pool was confined to the nearly 56,000 women-owned small businesses that were registered federal contractors at the time. The data in fact reveal positive news for women: When WOSBs compete for contracts, they do well. In 136 of the 140 categories where RAND had sufficient survey samples to analyze, the data indicated that when women compete for federal contracts they succeed.

Actual contracting dollars to women-owned small businesses have increased dramatically under President Bush: Prime contract dollars to such companies increased from \$4.6 billion in 2000 to \$11.6 billion in 2006.

The year-over-year increase from 2005 to 2006 was the largest ever, \$1.5 billion. Subcontracting dollars also increased, from \$3.6 billion in 2000 to more than \$10 billion in 2006.

Moreover, the share of federal contracting dollars that goes to WOSBs is growing as a percentage of the federal contracting universe. In 2000, these businesses received 2.3 percent of the federal government's contracts. That share has increased steadily each year of the administration and, as mentioned, reached 3.4 percent in 2006.

Federal agencies are working hard to reach the 5 percent WOSB target, but how do we get there the right way? We need to understand that the data do not show significant under-representation in the contracting arena, but rather, that too few qualified women-owned small businesses are choosing to enter that arena. A broad set-aside would be advantageous to women-owned small businesses already pursuing contracts, but again, the data indicate that as a group they're already doing comparatively well.

The better way to increase

women-owned small businesses' share of federal contracts is to get more such firms "ready, willing and able" to perform federal contracts, and ensure they are registered in the Central Contractor Registration system.

Currently, there are some 63,000 women-owned small businesses in the registration system, receiving 3.4 percent of contracting dollars. It stands to reason that if we can get more ready, willing and able WOSBs into the system, we can increase their share of federal contracting dollars. Simple arithmetic suggests that to reach the target of 5 percent, there will need to be thousands more qualified women-owned small businesses in the system competing.

Therefore, a bipartisan agenda that should unite all parties and avoid constitutional hurdles is to increase the number of capable WOSBs competing for federal contracts.

On this, SBA has taken the lead:

Agency field staff is focused on contracting to businesses owned by targeted groups, including women.

We recently instituted a government-wide scorecard of federal agencies to rate their small business contracting efforts, including for women, bringing greatly enhanced transparency and accountability to the process.

And, on a smaller but still significant level, in 2007 SBA women-owned business procurements exceeded the government-wide statutory goal of 5 percent, reaching 24.7 percent.

In this age of partisanship, people want positive solutions. Helping more women-owned small businesses compete for government contracts, and doing it the right way, is a winner for all sides.

Announcements

SBA's Live Web Chat Series to Highlight Business Credit Management

—
Ellen Thrasher, SBA's director of Business and Community Initiatives, and Michael McGeehan, government customer manager at Dun & Bradstreet, will answer questions Thursday, January 31 from 1:00 p.m. to 2:00 p.m., ET

WHO:

Ellen Thrasher, SBA's Director of Business & Community Initiatives, and Michael

McGeehan, Government Customer Manager with Dun & Bradstreet, will host the January Web chat on:

"Managing Business Credit."

Thrasher and McGeehan will share their expertise in business development and the value of managing business credit, and answer questions to help chat participants learn the importance and use of business credit, to improve business profitability.

WHAT:

The SBA's live Web chat series provides small business owners with the opportunity to have an online exchange

about relevant business issues with experts, real-world industry leaders and successful entrepreneurs. Participants will have direct, real-time access to the Web chat via questions they submit online, in advance and during the session, with instant online answers.

WHEN:

January 31, 2008, 1:00 p.m. to 2:00 p.m. (ET)

Thrasher and McGeehan will answer questions for one hour.

HOW:

Participants can join the

live Web chat by going online to www.sba.gov, and clicking "Online Business Chat." Web chat participants may post questions for before the January 31st chat by visiting <http://app1.sba.gov/liveMeeting/jan08> and posting their questions online.

To review archives of past Web chats, visit online at <http://www.sba.gov/tools/monthlywebchat/index.html>

U.S. Small Business Administration



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The U. S. Small Business Administration was created in 1953 to maintain and strengthen the nation's economy by aiding, counseling, assisting, and protecting the interests of small businesses and by helping families and businesses recover from national disasters.

SBA's San Diego District Office is your small business resource for access to capital, counseling services, training, and government contracting opportunities, to help start or grow a small business in San Diego and Imperial counties. Our programs and services are delivered through participating lenders and our resource partners, SCORE: Counselors to America's Small Businesses and Small Business Development Centers.

Newsline is produced by the U. S. Small Business Administration's San Diego District Office. Subscribe to Newsline by registering online at web.sba.gov/list. Look for San Diego News.

Send questions or comments to the Newsline Editor, Cynthia Harris, Business Development Specialist, at Cynthia.Harris@sba.gov.

San Diego District Office Fiscal Year 2007 Activity

October 1, 2007 through December 31, 2007

	Number of Loans	Dollar Amount
7(a) Loans	255	\$45,088,000
504 Loans	55	\$35,046,000
Total	310	\$80,134,000

CDC Small Business Finance Corporation	40	\$25,919,000
U.S. Bank, NA	29	\$1,606,200
Washington Mutual Bank	21	\$711,000
Wells Fargo Bank, NA	18	\$3,172,700
Business Loan Center, LLC	18	\$1,478,000
Bank of America, NA	17	\$534,700
Borrego Springs Bank, NA	12	\$1,027,000
Capital One, NA	12	\$655,000
Innovative Bank	12	\$235,000
EDF Resource Capital, Inc.	11	\$6,909,000