

CONNECTIONS

A PUBLICATION OF THE MAINE SMALL BUSINESS DEVELOPMENT CENTERS

Governor Lauds Maine SBDC Return on Investment

For every dollar of state funds invested in Maine SBDC, more than four dollars in state tax revenue is generated annually, according to an independent report presented to Governor John Baldacci in September at the Maine SBDC state headquarters in Portland.

"It is critical that we invest in the growth of small business in Maine because small businesses employ approximately half of our workforce," said Governor Baldacci. "The Maine SBDC is a big part of our small business development strategy, and the report clearly shows they warrant our continued support."

The 2005 Chrisman Report analyzes activity of Maine SBDC in 2003 and its subsequent financial impact on 2004. According to the report, Maine SBDC provided more than five hours of business counseling to each of their 595 long-term clients, which, in turn, generated at total of \$3.01 million in state taxes and \$1.58 million in federal taxes.

Also in calendar year 2004, Maine SBDC long-term clients generated \$67.3 million in incremental sales and 497 new jobs. Another estimated \$73.5 million in sales and 495 jobs were saved due to Maine SBDC counseling,



OOc²z ä >/ t fi ä > æOæz ä t ç Úz g æñ Ú ä , ñ œ² ä OOÿÿO i On ä %ñ ð z Ú² ñ Ú ä , ñ fi ñ j g œO ç Ú ä ñ %ä æœz ä . z " ç ÿ ©Oæi Úz x ÿ ä / i ÿ ç² z ÿ ÿ n ä = z ÿ z OÚ g œä O² Ú z ÿ i ©æÿ ä ñ %ä æœz ä fi œÚ ç ÿ - O² ä = z Ä ñ Ú æÊ

according to the Chrisman Report. In addition, an estimated \$28.3 million in financing was obtained by long-term clients as a result of Maine SBDC counseling.

Maine SBDC State Director John Massaua presented the report to the Governor on September 21, acknowledging the Maine SBDC staff and network of partners, including the SBA, University of Southern Maine, Department of Economic and Community Development, and the economic and community development corporations that host SBDC offices. "Through this collaborative effort, we are continuously improving the services being provided to Maine's small business community," he said.

The Chrisman report is prepared annually by James Chrisman, Ph.D., a Mississippi State University professor who tracks the value of state and federal investment in SBDCs throughout the country via their impact on state economies.

. t t t = > & ' ; ä > ;

Maine Leadership Meets Maine SBDC Advisors

A lively discussion of small business issues this fall at the State House formed the basis for what participants hope will be an on-going dialog between the small business owner-members of the Maine SBDC Advisory Board and Maine's legislative leadership. "We'd like to see a partnership with your

organization and what we want to achieve in the legislature," Speaker of the House John Richardson told the small gathering.

Richardson, who last year helped author a Maine Small Business Bill of Rights and has been increasingly vocal as a small business advocate, was joined at the morning session by the co-chairs of the Legislature's Business, Research and Economic Development Committee, Senator Lynn Bromley and Representative Nancy E. Smith. Majority Leader, Senator Michael Brennan, also participated and Rick McCarthy, Senate President Beth Edmonds' Chief of Staff, represented the senator, who was unable to attend.

Continued on pg. 4



| INSIDE | |
|---------------------------------|---|
| Message from the Director . . . | 2 |
| State Star | 2 |
| Technically Speaking | 3 |
| Counselor Profile | 4 |

Service to Others is the Key to Stardom



By John R. Massaua, Maine SBDC/ SBTDC State Director

In this issue of the *Maine SBDC/SBTDC Connections*, are reports about the economic impact of the Maine SBDC and about an excellent commentary written about the Maine SBDC by a U.S. Small Business

Administration (SBA) official. The reason for these two *Connections*' articles can be derived from a third, that being an article about the Maine SBDC 2005 State Star.

It is the Maine SBDC State Star that exemplifies the true quality and dedication of all the Maine SBDC counselors and staff. For sure, Business Counselor Tom Gallant led our pack into 2005 with significant counseling and training outputs and outcomes, as well as in the area of client satisfaction. Nevertheless, Tom is only one of the many stars who each day goes to work in Maine to help others achieve the American Dream.

Each of the many Maine SBDC stars embraces the concepts that "service to humanity is the best work of life" for themselves, and for their clients that, "entrepreneurs are simply those who understand that there is little difference between obstacle and opportunity and are able to turn both to their advantage". They recognize, as pointed out by Dr. Jerome Katz, Coleman Foundation Chair in Entrepreneurship at the John Cook School of Business - Saint Louis University, in his text, *Entrepreneurial Small Business*, that giving help helps: "Small

Business Development Center clients... have only half the failure rate of start-ups in general." So that being the case, Maine SBDC counselors and staff set out to be stars about giving help. And so they are!

These are tough budgetary times; we all know it. However, I hope that those in Augusta and Washington, who predominately help fund the Maine SBDC program, also recognize that giving help helps, especially at a time when the Maine SBDC has been level funded for nearly ten years. An increase in funding for the Maine SBDC is sound business. As pointed out in this *Connections*' economic impact article, Maine SBDC ROI is a proven commodity. It is perhaps, the brilliance of the stars.

Massaua Elected National Board Chair

John R. Massaua, State Director of the Maine SBDC/SBTDC, headquartered at the University of Southern Maine, was elected chair of the Board of Directors of the Association of Small Business Development Centers (ASBDC) at its national conference in Baltimore September 6.

The Washington, D.C. area-based ASBDC represents the collective interests of the over 1200-service-center, national network of small business development centers that serve America's small business community through business management assistance, education and advocacy. Over 500,000 small businesses are assisted by ASBDC member programs each year, including those in the dynamic start-up mode as well as existing-businesses, searching for the stability of planning for growth.

Congressman Michaud Acknowledges State Star

U.S. Congressman Michael Michaud joined Maine SBDC in December to celebrate in Bangor the selection of Tom Gallant as Maine SBDC 2005 State Star. Gallant, who is center director of the Maine SBDC service center at Eastern Maine Development Corporation (EMDC), was recognized for his work assisting Maine's small businesses in the greater Bangor region.



U.S. Congressman Michael Michaud (left) presents the 2005 State Star award to Tom Gallant (center) at the Maine SBDC service center at EMDC. Standing to the right are Maine SBDC staff members. The award ceremony was held in Bangor, Maine.

Congressman Michaud called Gallant "a key member of the team leading the economic growth of greater Bangor."

The State Star Awards are presented each year by the Association of Small Business Development Centers (ASBDC) which honors an outstanding SBDC professional in each state. The State Star Awards

this year were presented in September at the ASBDC annual conference held in Baltimore where Gallant received his award, but it is not formally announced in state until a ceremony is held here.

The Maine event was held at the Whig & Courier Restaurant and Pub in Bangor, a site chosen because its owner, Chris Geaghan, is one of Gallant's clients. This past year, Geaghan worked with Gallant to obtain a bank loan and to improve the profitability of his business.

To earn the State Star honor, Gallant underwent a detailed Maine SBDC review process. Gallant, director of the Maine SBDC service center at EMDC since 2003, is a senior business executive with over 25 years progressive management experience in sales and marketing. He has a Masters in Business Administration from the University of Southern Maine and a Bachelors of Science degree from Colby College. Tom lives with his wife, Nina, in Brewer, Maine.

One Stop for Maine Business Information

“Where can I find what I need?” is a phrase often uttered by the prospective or existing business owner who wants information, training, resources or networking opportunities. Scott Robinett, Maine SBDC’s MIS Manager, has the answer. “In three words,” said Robinett, “**Maine Business Works**.”

Maine Business Works is an eight year-old business information source currently undergoing a major facelift. Robinett’s goal is to make it the premiere resource for business information from Presque Isle to York.

“We are invigorating our **Maine Business Works** site (www.mainebusinessworks.org) to include hundreds of training events and information on dozens of providers of support services, financing programs, and small business information of all kinds,” said Robinett.

Administered by Maine SBDC, **Maine Business Works** is accessed by Maine’s business services providers who list their own training events. “There are currently 75 agencies posting as many as 460 events at any one time,” said Robinett’s new University of Southern Maine graduate assistant, Brent Havu. One of Havu’s primary tasks is to recruit and retain participating agencies who post events.

Web site visitors, currently about 17,000 per month, are free to search training events by date, locality, or topic. “Our goal is to have a constantly updated listing of events,” said Havu, “so that people will get in the habit of checking it regularly, knowing they’ll find something they need here.”

“It’s also useful for business assistance providers who want to refer clients to other resources,” says Havu, “and it’s excellent for promoting an event for the best possible response – the calendar is there for an entire year.”

The web site that eventually became **Maine Business Works** was initially launched in 1997 as a wide-area network connecting several nonprofit groups. In early 1998, the principal partners re-named it **Maine Business Works** and updated its design. However, with Robinett’s and Havu’s efforts, **Maine Business Works** is evolving into an even richer source of answers for the business person who asks “Where can I find what I need?”



Ç . ä æ ¶ ä = È ä ä / Ú z ² æ ä & O ö i ä œ O Y ä Ú z g
O O ç ² z ä > / Ł fi ä Y æ O % % ä æ ¶ ä œ z © Ä ä > g ¶
ç ² ö ç ¶ ¶ Ú O æ z ä ä ö ö È - O ç ² z J i Y ç ² z Y

SUCCESS STORY

Smaller But More Profitable



Southern Maine

After seven years of steady growth, this contract carrier’s compensation rates were no longer covering rapidly increasing fuel and insurance costs. However, this southern Maine trucking operation responded quickly, working with Maine SBDC certified business counselor Brian Burwell to examine the options. Together they prepared a proposal for increased rates of compensation to submit to the carrier’s largest client. When its largest client rejected the proposal, Burwell advised the carrier to discontinue the unprofitable deliveries and to do some cost cutting. Soon a new large customer was acquired. The carrier’s firm is now smaller but substantially more profitable and poised for renewed growth.

SBA Conducts Positive Review

A bi-annual review of the Maine SBDC by the U.S. Small Business Administration not only confirmed the agency’s compliance with SBA regulations but also cited accomplishments. The review, authored by SBA Program Manager Chancy Lyford in November, acknowledged Maine SBDC’s status as only the fourth SBDC nationally to receive a “T” designation from the Association of Small Business Development Centers, authorizing it to formally provide technology support to Maine businesses. The review

also cited the support Maine SBDC receives from its host organization, the University of Southern Maine, and the interim dean of the School of Business, John Voyer. The report’s author also offered these observations:

- “The quality of counseling and training provided throughout the (Maine SBDC) network is excellent.”
- “The Maine SBDC well exceeded each of its goals for counseling cases, training sessions as well as training attendees.”
- “The Maine SBDC has reached out to others in Maine which is the key reason I believe that Mr. Massaua has such an outstanding organization today. He has brought in many, many key resource partners to the table.”
- “The Maine SBDC maintains an outstanding website...(which) shows how progressive the Maine SBDC is.”

“Leadership” continued from pg. 1

Senator Bromley called small business “the future of Maine’s economy,” while Representative Smith commented on the increasingly important economic impact of small business. “If each small business adds one new job in this state, there would be thousands of new employees,” she said, “and I guarantee none of that would show up in the news.”

Senator Brennan, who has a particular interest in education issues, talked about the difficult choices Maine has regarding how best to spend its education dollars – which represent 50% of the State budget – to support a healthy business climate. “We need an accessible training and education system” said Brennan, “Are we investing where we should?”

Maine SBDC Advisory Board chair, Jim Nicholson of Nicholson & Associates, Waterville, led the small business contingency that also included Maine SBDC Advisory Board members Andy Charles, Haven’s Candies; Steve Greene, Alpha Marketing; Rachel Grivois, Accounting Services of Maine; Ed Pollard, Emergency Vehicles of Maine; Diane Sammer, Goombah Music Discovery. Members of the Maine State Commission on Small Business & Entrepreneurship were also invited to attend, including Susan Giguere,

Ted Wirth



As a certified public accountant with an MBA, certified business counselor Ted Wirth offers his northern Kennebec and Somerset County clients significant financial expertise. That’s a good thing because according to Wirth, their biggest challenge is accessing capital.

“I advise my clients to develop early a good relationship with their bank,” says Wirth, a Maine SBDC business counselor hosted by Coastal Enterprises, Inc. “Don’t go to the bank only when you are desperate; that’s a bad way to start a relationship with an institution,” he explains. Wirth advises his clients to access capital when they are not in crisis. “That way, the bank sees you as planning ahead for your needs, and you have time to build a relationship,” he says.

Wirth is not just a “bean counter”; he uses his quick humor and easy smile to put his clients at ease, and he has a wide range of technical business skills aside from his financial expertise. He has owned his own business and he has held a variety of senior financial positions for large, private companies. He is also an adjunct professor of accounting at the University of Southern Maine. Wirth lives with his family in Yarmouth.

Care & Comfort, and John Kendall, CHIPCO International.

From:

Maine Small Business Development Centers/
Small Business & Technology Development Centers
University of Southern Maine
96 Falmouth St. • P.O. Box 9300
Portland, Maine 04104

Assistance • Information
Resources • Training
www.mainesbdc.org
1-800-679-SBDC

Maine SBDC Connections is a publication of the Maine Small Business Development Centers (Maine SBDC) and its tech-focus group, Maine Small Business & Technology Development Centers (Maine SBTDC).

Maine SBDC/SBTDC provides comprehensive business management assistance, training, resource and information services to Maine’s micro, small and technology-based business communities. Business assistance is provided at no cost to business owners by professional certified business counselors who meet rigorous education and business experience standards.

Maine SBDC/SBTDC is a partnership program of the U.S. Small Business Administration (SBA) in association with the SBA/OSBDC, Maine Department of Economic and Community Development (Maine DECD), the University of Southern Maine (USM), and leading economic and/or community development hosting organizations, including the Androscoggin Valley Council of Governments (AVCOG), Coastal Enterprises, Inc. (CEI), Eastern Maine Development Corporation (EMDC), and the Northern Maine Development Commission (NMDC); with support from the Maine Technology Institute (MTI), the University of Maine (UMaine), and other contractors, allies and stakeholders.

Accredited by the Association of Small Business Development Centers (ASBDC) and administered by USM’s School of Business. Maine SBDC/SBTDC operates a network of 11 service centers and numerous outreach offices located conveniently throughout the state.



NON-PROFIT ORG.
U.S. POSTAGE
PAID
PERMIT #370
PORTLAND, ME
04101

To: