

Diversify your business to maximize results

Wall Street is bouncing back from the recession but only two major business segments have followed suit: health care and government. UCEDC can help your business take advantage of the growth in government and help you find and obtain government contracts.

Becoming a government contractor or supplier requires no previous certification, but it does require a roadmap and - for many - the assistance of a knowledgeable navigator. That's Maryann Williams's job.

Williams, UCEDC's director of procurement, offers free and confidential counseling to help businesses identify opportunities to sell or supply government agencies.

"We don't do it for them," she notes, "but we discuss what they need to do themselves."

UCEDC is one of a national network of 89 Procurement Technical Assistance Centers. PTACs are the bridge between the buyer (the government agency) and the seller (the private business).

Procurement counselors keep pace with the continual evolution of policies and procedures so your business can focus on your core skill. "We talk them through the situations they will encounter and the information that will be required. They can also bring their proposal in and we'll review it and talk to them about what we think is needed," notes Williams.

"There is," Williams says, "an insanity - if you will - to bidding." So you need to know how proposals are read

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Tee-time for our 25th annual golf event

Galloping Hills Golf Club in Kenilworth was again the setting for our annual golf classic. This year the event was hosted by Investors Savings Bank, in cooperation with Union County and the Board of Freeholders.

This year's windy event was a great opportunity for our partners, clients and customers to enjoy a day of great food, fun golf and networking and support UCEDC. Proceeds support our mission to foster economic development through innovative programs for New Jersey's small businesses.

Other sponsors included: tent sponsor – Verizon; dinner sponsor – PSE&G; lunch sponsor – Greenman-Pederson, Inc; golf cart sponsor – RSI Bank; flag sponsor – Sovereign Bank and registration sponsor – Capital One Bank.

Workshops around NJ complete the 2009 calendar

A full slate of training workshops is available to New Jersey's business owners this quarter. Programs in the "Business Basics" series will be offered in both English and Spanish in several locations around the state. And two new six-week sessions of the Entrepreneurial Training Initiative get underway in October in Middlesex County and Cumberland counties.

These programs are part of UCEDC's catalog of training and technical assistance programs that cover all areas of needs from small-business startup to global growth.

The programs are also evolving to meet the changing needs of UCEDC's clients. "Recently there's been a big push for social networking," notes Erich Peter, the agency's director of training and technical assistance. "So we've developed a program on social networking that we are going to start bringing out to people."

"We look to see if there's a need we can fill," Peter explains.

Fifty programs are conducted each year, including five of the six-week Entrepreneurial Training Initiative (ETI)

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Roselle diner's expansion served up local economic win

Louis Andrianos was 13 when his father George and uncle opened the Cavalier Diner in Roselle. He started bussing tables and has never looked back. But Louis is now running the business and describes himself as a "progressive personality."

"If we weren't able to grow here," he says, "we would have weighed other

options. We probably would have sold and left."

But with a lot of planning and the help of several financing sources including a \$150,000 Business Growth loan from UCEDC, the diner has reinvented itself into a restaurant, a catering facility, and a banquet hall separately branded the Cavalier Regency and Cavalier Social.

The Cavalier's journey began in planning stages years ago when the family bought an adjacent parking lot so they would have room to grow. Then



Gov. John Corzine, right, meets with John Strydesky, UCEDC trustee, Lori Matheus, NJEDA, Mark Leichtling, UCEDC loan officer

they brokered a deal that brought a Commerce Bank branch to the corner lot, which was a catalyst for other improvements.

Louis, who describes the Cavalier as "my passion, my nightmare, my everything," knows that if you're going to succeed in the future, you have to "look at the pieces of the puzzle and what it is going to take."

Credit markets are tough nuts to crack in this economy, but Louis describes Mark Leichtling, his UCEDC loan officer, as "aces, a gentleman," and his UCEDC team is "a great team of people to work with."

The Cavalier commitment to growth at a time of economic retrenchment is yet another sign of small business driving recovery.

"With this project," Louis says, "we put everyone to work – from a steel company, to a local electrician, to the booth table and chairs - we touched on so many levels with this addition. Projects like this certainly stimulate the economy."

Five questions you need to know the answer to before you go for a loan

Obtaining financing from UCEDC isn't necessarily about having the right answers; it's about asking the right questions.

Director of Financial Programs Ellen McHenry says that too many business people or would-be entrepreneurs fail to get financing because they haven't thought through the critical issues first.

Here are 5 questions McHenry wants you to ask yourself:

1. Is this a viable business? Too often people haven't done the market research necessary to know if this business has a chance of making it. This is the first qualifier. You need to be able to answer yes to this and convince a loan officer before you move on to question 2. "Even with good personal credit and equity in your home as collateral, we want to be sure your business plan is a good one. We don't want you to risk and potentially lose your home," McHenry says.

2. Do you have industry-specific experience? "We

like to see a minimum of 12 months of experience in the industry you want to get into," McHenry said. Without that kind of experience, how do you know what specific challenges or issues arise at different times of the year. "Your learning curve shouldn't be at the risk of our money or yours," McHenry says.

3. What's the loan amount? Do you know how much you really need? "If you really need \$300,000 you need to find financing for that amount." Starting a new business is risky at best without adding the challenge of being under capitalized.

4. What are you planning on contributing? McHenry wants to see you contributing to your business as proof of your commitment. "We don't do 100% financing" How much of your own capital you are willing to commit to the business is a sign of your personal commitment to making your business work. Lenders want to see you invested – both emotionally and financially.

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5 questions you need to answer

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5. How's your credit? This is an eye-opener, McHenry says, because many startups don't think personal credit should be involved in a business financing decision. But, she says, without a business-credit history to review, the best determinant of your credit worthiness is your personal financial behavior. "How you handle your personal bills reflects on how you're going to pay your business bills."



More questions will nail down your cash flow and business financing specifics, but being prepared for these five questions is an important start.

More than 500 businesses inquire each year about funding with UCEDC. If they can get through McHenry's "decision pyramid", they may be one of the 40-50 clients UCEDC funds each year.

Want to know how your ideas stack up?

Contact Ellen McHenry at 908-527-1166 or email emchenry@ucedc.com

Diversify your business with government contracts

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and reviewed and how to write for the audience.

"Every day new leads are posted," Williams says, noting that "we send those leads on bid jobs out to our clients' email every day. Even though they have access to the same databases, we do that work for them."

UCEDC currently has 300 active clients bidding on jobs.

Williams has seen an uptick in companies interested in obtaining federal, state or local contracts because of the recession, but Williams says, "every business should be working with both commercial and government customers at all times. You have to be diversified."

"I guess we are learning some lessons from the recession."

UCEDC has a full slate of programs available to get business owners started on the road to government contracting.

Training programs typically draw between 70-75 people and are free to attend.

Upcoming offerings include "How to Do Business with the Veterans Administration" on Oct. 15 and "How to do Business with the State of NJ and the US Army Corps of Engineers" on Nov. 15.

Contact Maryann Williams at mwilliams@ucedc.com or by phone at 908-527-1166 for more information.

2009 closes out with a full training schedule

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That helps would-be business owners develop business plans to determine the viability of their proposals.

At the end of ETI, participants are given an opportunity to present their plans to a panel of bankers, venture capitalists and other executives for review. Those who succeed have a leg-up in obtaining financing for their startup. The ETI program is offered periodically at locations around the state.

And what happens once ETI is over? Clients develop a relationship with UCEDC that continues after a program ends. That one-on-one mentoring is helping Melissa Cullen, who obtained a loan to start The Downtown Dog after completing the ETI program. "She's looking to open her doors in a few weeks," Peter notes, "and we're working with her in a mentoring capacity."

Contact Erich Peter at 908-527-1166 or epeter@ucedc.com for more information

Coming up this quarter

- Entrepreneurial Training Initiative, six-week session, Cumberland County Community College, begins 10/13/09.
- Business Basic Diagnostic, Centenary College, Parsippany, 10/14/09.
- Social Networking, Camden Waterfront Technology Center, 10/16/09; Monroe Twp. Public Library, 11/04; and South Brunswick Library, 12/15.
- Business Basics: Starting a Business (Spanish), Buena Regional HS, Buena, 10/21.
- Basics of Running a Business (Spanish), Camden Waterfront Technology Center, 11/20/09