

Highlights

Networking / Seminar

“Information Technology Survival Guide”

Joe Vangsness, President, Vangsness Consulting Inc. addressed an audience of more than 25 on Wednesday, March 8th to discuss “Information Technology” for businesses.



Prior to the seminar guests were able to network and enjoy our attractively decorated (green and white) atrium area. Hors d’oeuvres, beverages and even the chocolate fountain were in plentiful supply.

Mr. Vangness’ discussion touched on many issues pertinent to business owners such as: how to select the proper software and hardware for your business, security and internet issues and how a business can protect their IT infrastructure also he, provided real world examples of the importance of having a Disaster Recovery / Business Continuity Plan in place. He concluded his presentation by providing the audience with a number of reference sources including websites, books, newspapers and magazines where they could find additional information.

Our next networking/seminar is scheduled for Wednesday - June 7, 2006 on the topic of “Identity Theft For Individuals and Small Business Owners”. Please mark your calendars and plan to join us for an evening of networking with business owners. Watch for more information to follow.

March 2006

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STUDENT INTERNS AVAILABLE

We are happy to announce that members of the BOA have been offered student-interns by Professor Boiarsky (Department of English) and Professor Dakich (Department of Communications and Creative Arts). The interns will be available for a limited time and will have a limited range of tasks which they can undertake. The list of defined services is as follows:

- Writing & Designing Brochures & Flyers
- Producing power-Point Presentations
- Writing Software Documentation
- Preparing Press Releases
- Newsletters
- Web Design and Web Pages
- Video Editing
- Voice Over
- Marketing

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NEED FREE CONSULTING?

The E21 group of business owners are soon to embark on the “consulting” segment of the Entrepreneurship Program. As such we are seeking Client Companies.

There is no financial cost to be a Client Company. As a Client Company you will be required to cooperate fully with your E-Consultant team. Each team is made-up of experienced, full-time, business owners. Additionally, it will be necessary for you to meet at the E-Center 6 to 7 times with your consulting team.

If any member of the BOA is interested in becoming a “Client Company” please contact us at 219-989-2100 or by email at e-center@calumet.purdue.edu



MY EXPERIENCES WITH STUDENT INTERNS

Debbie Niksch, Pres. Broad Horizons, Inc., 219-923-4486

I want to commend the E-Center for the Student Internship program. We have had a very positive experience with both interns that have worked with Broad Horizons, Inc. so far. Typically, the intern will work 100 hours on the project during the semester class. Last semester, we were able to work with Laura. We decided to have her work on the "No Child Left Behind" project to evaluate the area schools and determine what services they offer, such as tutoring, piano lessons, computer classes, etc. This semester, Jasmine is helping us gain accreditation through the National Association for the Education of Young Children (NAEYC).

We appreciate the excellent help we have received from both interns. We hope that this program will continue since our company is always looking to expand and explore new programs!

Note: Each semester students enrolled in BA-391 are individually assigned to a different business. The business prepares a list of "projects" that they are interested in implementing in their companies but have never found the expertise, time or resources to initiate. The E-Center then tries to match the expertise of available students with the needs of the business. If you are interested in STUDENT INTERNS please contact 219-989-2100.

Second-Stage Business Owners

are Cordially Invited to a

Dinner / Workshop

on

"Becoming a Total Marketing Organization"

- A Paradigm Shift for the 21st Century

Tuesday, April 18, 2006, 5:30 - 9:00 PM

At

**Purdue University Calumet Conference Center
2200 - 173rd Street, Hammond, IN 46323**

The old rules about marketing as a stand-alone function—organizationally and strategically, no longer apply in the 21st Century. The new paradigm is to transform every corporate function and action into a "marketing activity".

This workshop will enable second-stage business owners to immediately make tactical changes to their businesses while enabling long term change of thinking and vision about the future

Immediately following the presentation by Jon Baskin (www.baskinbrands.com) will be a quick overview of how the new paradigm was implemented by Tammi Franke, President of Kima Wireless, Inc. (www.kimawireless.com)

The cost is \$95.00 (to be prepaid) and includes; dinner, workshop and handouts. Registration is required, walk-ins not encouraged

For more information or to register call 219-989-2100

BOA "SUSTAINING" & "CHARTER" MEMBERS THANK YOU!

A special thank you to Regular Members of the Business Owners Association for upgrading their memberships to become Sustaining or Charter Members. Your support and commitment will ensure that we are better able to provide needed services to our shared business community. By upgrading your membership from a "Regular Member" (no annual dues) to either a Sustaining Member or Charter Member you can avail yourself to a much greater set of services—the value of which is many times the annual dues.

For more information regarding membership please contact Joe Kosina, Project Coordinator for the BOA at 219-989-2121.



DALE REISER (E1) SPEAKS TO PURDUE STUDENTS

Dale Reiser (E1) Owner/President of Professional Building Services, Inc., was invited to speak to undergraduate students of Purdue University Calumet on Wednesday, March 8, 2006 on the topic: "Successful Entrepreneurship – Do's and Don'ts".

He identified the following as key factors to Successful Entrepreneurship:

1. VISION: Successful entrepreneurs are always looking ahead, so they also have the insight to make good decisions. The above-average business owners develop the foresight to see how things will work as a result of their policies and methods.

2. OPTIMISM: People who excel are not "downers". Of course, they have moments of discouragement, but for the most part they respond to life with a cheerful spirit and an attitude that "this problem can be solved". An optimist laughs to forget; a pessimist forgets to laugh. The pessimist sees a difficulty in every opportunity and the optimist sees an opportunity in every difficulty.

3. CONFIDENCE: People of excellence know that if they don't believe in themselves, no one else will believe in them. Self-confidence is not un-natural. On the contrary, self-confidence is an honest belief in the gifts and talents given by God.

4. COURAGE: The above-average people know that it is always too soon to quit. That excellence demands courage in the face of defeat. Many games have been won in the bottom of the ninth because of one pinch hit single. The highest degree of courage is seen in the people who are most fearful, but refuse to let fear defeat them however fearful they have been.



Techniques to Increase Cash Inflows

There are several simple methods that can be used to increase the amount of cash flows while simultaneously reducing the effects of irregular or seasonal patterns of receipts. Five proven techniques are:

- Taking deposits and progress payments
- Offering discounts for prompt payment
- Asking for your money
- Taking on non-core paying projects
- Factoring receivables



Deposits and progress payments can greatly smooth the receipt of cash in businesses which otherwise have highly variable levels of cash flows. For example, many businesses that involve summer activities, such as water parks, are open as few as 100 days per year. However, many costs, such as rent, taxes, maintenance, security, and utilities, continue year-round. These types of businesses often choose to obtain cash flow during the closed season by selling season tickets or other forms of advance purchase. Progress payments are payments that are received from your customer as you achieve predetermined goals in a lengthy project. Progress payments are very common in the construction industry where individual projects may take years to complete.

Requiring deposits is advisable in many kinds of businesses in which the process to fulfill a contract with a customer requires significant amounts of time or additional capital. Examples of this type of business are building contractors, consultants, and manufacturers of custom machinery.

Discounts for prompt payment will often motivate your customers to make payments in a timely manner. It is common for wholesale suppliers to offer their customers terms of a 2 percent discount for payment within 5 to 10 working days. You must carefully balance the cost of providing the discount with the cost of obtaining the needed cash from other sources. The cost of a discount for prompt payment is deceiving. Consider that you are operating a wholesale distributorship of plumbing supplies, with an average margin on sales of 22 percent, and you provide a 2 percent discount for prompt payment. A customer purchases \$100 of supplies on account. What is the effect on your profitability? Your profit margin will decline from \$22 to \$20, a decline in gross margin of 9.1 percent.

Asking for your money is the most simple and the most

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**TRANSITION BANQUET
SILENT AUCTION &
EXPOSITION**

**TUESDAY
MAY 23, 2006**

**SERBIAN SOCIAL CENTER
STONEY ISLAND AVENUE
LANSING, IL**

**5:00 Networking, Silent Auction
6:50 Dinner
7:40 Program**

**TO RESERVE YOUR TABLE, SEAT
OR EXPOSITION BOOTH
CALL 219-989-2100**

Interns—continued from page 1

- Audio Production
- Photography
- Write News Stories
- Edit Publications
- Translating Technical Information into Plain English for a Lay Audience

The intent is to provide students with real-world experience by asking them to work on specific 'tasks' with business owners for brief periods of time in the coming months.

If you are interested in availing of this wonderful opportunity please contact us quickly. We would like to see maximum number of BOA members benefit from this service.

Please call 1-219-989-2100 or 1-877-974-2100 or
Email us at:
e-center@calumet.purdue.edu



Cast Flow—continued from page 3
effective way to obtain payment from customers. Surprisingly, many owners and managers of small businesses are loath to call customers and request that they pay what they owe. However, you will find that few, if any, business people will be offended by a polite phone call requesting payment. This is especially true of the owners and managers of small businesses who have encountered cash flow difficulties themselves. Very often, a request for prompt payment will be honored, if possible. Of course, there is an implied obligation that, if at some time in the future the customers encounter cash flow problems, you will also be understanding and cooperative, helping them through their own rough spot.

Taking on non-core projects can often provide desperately needed cash during slow business periods. Possibilities are limited only by your imagination. Signgraphics, Inc., of Kansas City, Missouri, during slow times in early spring, often will send a crane truck and operator to hoist air-conditioning and other equipment onto the roofs of buildings. Bill Millers' Barbecue of San Antonio, Texas, for a fee, deep-fries whole turkeys for customers during the slow restaurant periods immediately preceding Thanksgiving and Christmas. Rowan Oak House B&B, in Salisbury, North Carolina, as do many bed and breakfasts, during its slow seasons, sells "murder mystery weekends" that include lodging, breakfast, dinner, and a role-playing mystery game, complete with costumes and props.

Factoring receivables should be considered only if other, less expensive methods to increase cash flows have not been sufficient. Factoring is a method of borrowing against receivables. The factor will usually lend between 75 percent and 80 percent of the amount of uncollected receivables. As the receivables are collected, the factor deducts a proportional principal amount and remits the remainder, less its fee, typically 5 percent of the gross receivables, to the business.

To factor your receivables, your customers must have good credit ratings. Your credit rating is irrelevant because it is the customers who pay the factor, not you. To provide for losses on uncollectible accounts, some factors either hold back some of the remittances or charge back any uncollected amounts at the end of a specified contract period.

*Katz, Jerome A., and Richard P. Green.
Entrepreneurial Small Business.
New York: McGraw-Hill/Irwin, 2007. 412-414.*