



Stepping Out

A publication by the Arkansas Women's Business Development Center

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Expert's Corner: Is Buying An Existing Business Easier Than Starting One?

By Bryn Bagwell, VP Southern Financial Partners



Sometimes getting started in your own business can be simplified by buying an existing business. But purchasing an existing business has its

disadvantages too. There are many important things to consider when deciding whether to buy an existing business or start one from scratch. This is by no means intended to be an all-inclusive list of things to think about. Each case will have factors specific to your situation.

1. Financial Statements. Review the previous three years of financial statements with the current owner or their accountant. Owners who are unwilling or unable to provide this information are not being forthcoming. Tax returns will be required by the lender to verify any financial information the owner provides.

2. The market. Know the market potential of the business. Understand who the customers are and ask for a list of existing customers.

3. Owner's draw. Find out how much money or expenses the owner (and family) has been taking out of the business for their personal use.

4. Suppliers. Understand the credit relationship with suppliers and if they will give you the same terms.

5. Extending credit. Understand customers who have been receiving credit, and find out the ones that did not adhere

to the terms agreed upon. Determine what your policy for extending credit will be and how that will affect sales.

6. Assets. Review the list of assets in the business to determine fair market value. These include inventory, equipment and real estate. Understand clearly what assets will be staying with the business and those that will not. Buying the assets should be straightforward with minimal surprises. Purchasing stock ownership in a business can have unwanted liabilities associated with it. Ask for assistance from a knowledgeable attorney if you intend to buy the stock.

7. Buy-sell agreement. Have a buy-sell agreement in writing with advice from a knowledgeable attorney to protect you.

8. Non-compete agreement. Consider a non-compete agreement, but understand the difficulty/expense in enforcing it.

9. Business valuation. Get a business valuation from an independent third party. Ask your lender for recommendations; contact the Arkansas Women's Business Development Center for referrals or check with your CPA.

10. Support from seller. Consider a consulting contract with the seller for a period after the sale to aid in the transition.

11. Reasons for selling. Why is the owner selling? Does that reason make sense?

Finally, consider what the owner brings to the table that is necessary for the success of the business that you cannot replace as the new owner. This could include customer loyalty to the current owner, sales and marketing skills, personal cash to support the business and relevant field or industry experience.

Meet Carol Boyd

Welcome Carol Boyd, ARWBDC's new Program Associate.

Carol is here to help you. If you're thinking about starting a new business, Carol can get you started by helping you with your business plan, accessing the Internet and getting the resources you need from our Business Information Center.

She can give you information about any of our training and workshops and get you registered. She will also manage

our data collection and reporting.

She is located in the Pine Bluff office and works from 8 a.m. until 12 noon.

To reach Carol, call her at 870.535.6233, extension 13 or email her at cboyd@ehbt.com.



Carol Boyd is our new Program Associate.

50 Scholarships Available For The 17th Annual Arkansas Women's Conference

ARWBDC is offering 50 scholarships to this great conference. To qualify, you must be a graduate of FastTrac First Step, The Business Side of Childcare, Home-Based Business, Women's Mentoring, or an attendee at one of our workshops. If you are one of the first 50 women to respond, ARWBDC will pay for your registration, lunch and transportation to and from Little Rock. A \$20 non-refundable holding fee will secure your reservation.

Transportation: We will offer transportation to the conference if you live in the Forrest City and Helena areas. We need at least 10 women from each region to make the trip. If you live in the Little Rock or Pine Bluff area, you will need to find your own transportation to the conference.

How To Apply: By now you should have received an application package. We've also included an insert with the same application details. Please complete it and return it to ARWBDC via fax or mail. You will be notified by mail as soon as the scholarships are awarded. The application deadline is April 10.

If you do not qualify for a scholarship, please call 501-791-2717 or visit



www.arkwomensconf.homestead.com for a conference registration form.

Conference Highlights:

- * Bonnie St. John, Keynote Speaker— Selected as one of the five most inspiring women in America by NBC Nightly News.
- * Experts will lead 15 choices of workshops on business and women's issues on including money management, financial planning and other relevant business and professional issues.
- * Vendor booths and exhibits.
- * Networking opportunities during breakfast and lunch
- * Continuing Education Units.

Receive Stepping Out Electronically

Now you can have your copy of the Stepping Out newsletter E-mailed to your home or office. Plus you'll get advance notice of upcoming classes, workshops and small business tips that can help you work smarter.

You also can view the newsletter online at www.southernfinancialpartners.org. Just click on the *SFP Publications* link.

It's easy to subscribe. Just E-mail us at arwbdc@ehbt.com and tell us you'd prefer to receive your quarterly newsletter electronically.

2003 Arkansas Women's Business Directory Now Online

The 2003 Arkansas Women's Business Directory is now available online at: www.southernfinancialpartners.org. Just click on the *SFP Publications* link.

Home-Based Business Graduates

Ten people graduated from ARWBDC's "How to start a home-based business" training program in Helena. The 6-week program kicked-off with intensive training on how to determine the feasibility of your idea, marketing, competition, tax issues and financials.

"This class has given me the energy and education to start my business and I hope to open my doors by August 2003," said one of the participants.

ARWBDC offers business counseling, training, assistance with business plan preparation as well as a computer, fax machine and a printer all for use by aspiring entrepreneurs.

If you need assistance, give us a call at any of our offices.



Back row (l-r): Andrea Valenzuela, management consultant-alt. Consulting, Dewhitt Givens, Evelyn Olloway, Dinah Washington, Rhonda Childress, Pat Scott, program manager-ARWBDC

Front row (l-r): Carlis Holmes, Connie Nathan, Michelle Briggs, Arlene Ewing
not pictured: Mary Scott and Verna Green

Training & Workshops

The Business Side of Childcare —Forrest City

Highlights: Training focuses on running your daycare like a business and ensuring that you are profitable.

Cost: \$50, Scholarships Available! Contact us for details

Location: East Ark. Community College, 1700 Newcastle Rd.

Date	Time	Class
5/06/03	6-8:30 pm	Orientation & Feasibility
5/13/03	6-8:30 pm	Marketing and Advertising
5/20/03	6-8:30 pm	Licensing
5/27/03	6-8:30 pm	Nutrition / Financials 1
6/03/03	6-8:30 pm	Financials 2
6/10/03	6-8:30 pm	Financing the business
6/17/03	6-8:30 pm	Legal Issues
6/24/03	6-8:30 pm	Graduation

The Business Side of Childcare —Stuttgart

Highlights: Training focuses on running your daycare like a business and ensuring that you are profitable.

Cost: \$50, Scholarships Available! Contact us for details

Location: Industry Partners, 301 W. 25th

Date	Time	Class
6/03/03	6-8:30 pm	Orientation & Feasibility
6/10/03	6-8:30 pm	Marketing and Advertising
6/17/03	6-8:30 pm	Licensing
6/24/03	6-8:30 pm	Nutrition / Financials 1
7/01/03	6-8:30 pm	Financials 2
7/08/03	6-8:30 pm	Financing the business
7/15/03	6-8:30 pm	Legal Issues
7/22/03	6-8:30 pm	Graduation

The Truth About Loans and Grants

Highlights: Jim Coffey, SBA Loan and Public Information Officer will present a free seminar, open to the public. Small business owners needing loans for their businesses and those interested in financing the start-up or purchase of a small business are encouraged to attend. Seating for the seminar will be limited, so advance registration is recommended.

Cost: Free

Time: 11:30 a.m. until 12:30 p.m.

Where & When:

Pine Bluff: May 7, Good Faith Fund, 2304 W. 29th

Forrest City: May 21, East Arkansas Enterprise Community 1000 Airport Rd.

Helena: June 18, First National Bank, 502 Cherry

Stuttgart: June 4, Industry Partners, 301 W. 25th

Listening To Your Business

Highlights: A workshop designed to help you plan the growth of your business. It will help you evaluate where your business is today, where you want to be in three years and how to create a plan of action!

Camden: April 7, 6-8 pm, Ross Center, 746 California Sw

Forrest City: April 16, 6-8 pm, East Arkansas Enterprise Community, 1000 Airport Rd.

April 24, 6-8 pm, East Arkansas Community College, 1700 Newcastle Rd.

Business Counseling

Highlights: Free one-on-one business counseling is available to aspiring women entrepreneurs or women business owners.

Cost: Free

Time: Call to schedule an appointment

Locations:

Pine Bluff: Good Faith Fund, 2304 W. 29th

Helena: First National Bank, 502 Cherry St.

Forrest City: East Arkansas Enterprise Community, 1000 Airport Rd.

Computer Training

Introduction to computers, Microsoft Word, Microsoft Excel, Introduction to the Internet and e-mail. Computer training is available by appointment. Cost is \$20 per session.

Ever Think About Starting a Small Business?

Maybe you've thought about it, but don't know where to start. Stop by our Business Information Center in Pine Bluff. We have these great, free guides that give detailed information about how to start a small businesses.

These are just a few of the 75 we have available:

- ✓ How to start a childcare center
- ✓ How to start bridal consulting business
- ✓ How to start an event planning business
- ✓ How to start a craft business and many more.

Now You Need a Business Plan

We have just about everything you'll need, including outlines, business planning software, and computers. Call us to schedule a time to visit.

To Register:

To register for training, workshops or business counseling call:

Pine Bluff: Carol Boyd or Miriam Karanja at 888.323.6233 or 870.535.6233

Helena: Pat Scott at 870.816.1120

Forrest City: Delores Woods at 870.630.2005 or email us at arwbdc@ehbt.com



ARWBDC's mission is to create income and assets for women of the Delta by helping them start and grow their own small and micro-businesses.

How Can You Help?

ARWBDC relies in part on financial contributions from individuals, corporations, and foundations to provide funding for our much needed programs and

services. Contributions enable us to expand these programs and offer our services to more people each year.

Making a financial contribution to ARWBDC is easy and is a wonderful way to give back to your community. As a program of Southern Financial Partners, a 501(c)3 tax exempt non-profit organization, your donation to ARWBDC is tax deductible to the fullest extent allowed by law.

For more information about making a financial contribution to ARWBDC, please contact Miriam Karanja at 870.535.6233, or via e-mail at arwbdc@ehbt.com.

ARWBDC Regional Offices

Pine Bluff

Good Faith Fund
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toll-free 888.323.6233

Forrest City

Contact Pat Scott
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Or Enterprise Community
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www.southernfinancialpartners.org

ARWBDC is partially funded by the U.S. Small Business Administration's Office of Women's Business Ownership (OWBO) under Cooperative Agreement Number –99-012.). The Office of Women's Business Ownership is established to help women become full partners in economic development through small business ownership. The Women's Business Ownership homepage is: [//www.sba.gov/womeninbusiness](http://www.sba.gov/womeninbusiness). ARWBDC is a public private partnership of the U.S. Small Business Administration and Southern Financial Partners, a non-profit affiliate of Southern Development Bancorporation. SBA's cooperation does not constitute or imply its endorsement of any opinions, products and/or services. Reasonable arrangements for persons with disabilities will be made if requested at least two weeks in advance. All SBA programs are extended to the public on a nondiscriminatory basis.

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