

NECOG Development Corporation

RLF Quarterly Newsletter
February 2016

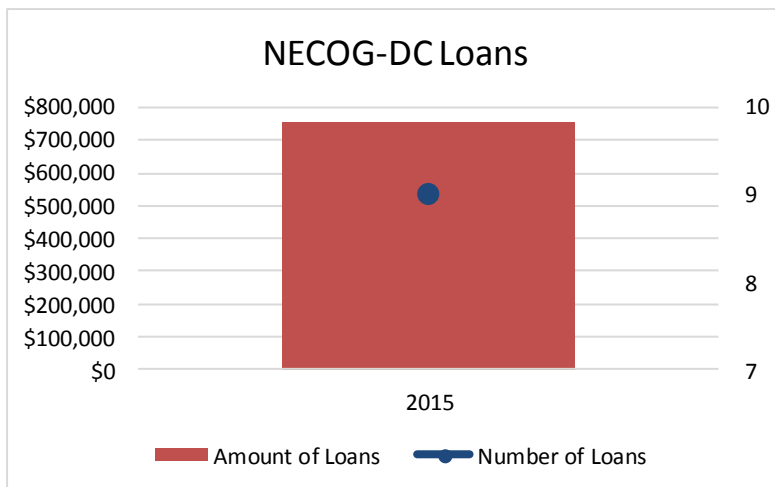
NECOG-DC: A Year In Review

2015 was a successful year for the NECOG Development Corporation. We provided \$752,458 in financing to 9 new and expanding businesses in northeast South Dakota, including businesses in Aberdeen, Bowdle, Gettysburg, Hitchcock, Leola, Redfield and Webster.

NECOG-DC assistance leveraged \$490,755 in private investment. There were 42 jobs created or retained from these 9 loans.

Since 1989, NECOG-DC has made 200 loans totaling more than \$13.7 million. These funds have leveraged more than \$86 million in other funds and have created or retained 1,661 jobs in the region.

NECOG-DC also received nearly \$650,000 from USDA Rural Development and SD Governor's Office of Economic Development to re-lend to small businesses in our region. With these funds, NECOG-DC's total portfolio will reach \$5 million.



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South Dakota's Minimum Wage Now \$8.55

South Dakota's minimum wage for non-tipped, non-exempt employees went up to \$8.55 on January 1, 2016. Employers must pay tipped employees at least \$4.275 per hour, which is 50% of the state minimum wage. The wages paid by the employer plus the tips received by the employee must equal at least the minimum wage.

With limited exceptions, the minimum wage applies to all employees regardless of number of hours worked, length of employment or age of the employee*. The state minimum wage does not apply to babysitters or outside salespersons. There are also certain exceptions for employees of amusement or recreation establishments; training wages, apprentices and persons with developmental disabilities.

South Dakota's minimum wage is adjusted annually. It is adjusted by any increase in the cost of living, as measured by the Consumer Price Index, published by the U.S. Department of Labor. The new rate will be determined by October 15th for the following year. The minimum wage cannot be decreased.

There is no employer requirement to post the state minimum wage. However, the South Dakota Department of Labor does have a poster available for employers to post.

*The 2015 South Dakota Legislature passed a bill proposing a youth minimum wage of \$7.50 an hour for non-tipped employees under 18. The legislation has been referred to a public vote that will take place in November, 2016.

Is Your Website Mobile Friendly?

For many businesses, having a website is essential. Consumers look to websites for basic information about businesses such as hours, contact information, pricing, products or services. Recent statistics show that a larger percent of people use mobile-only platforms compared to those that use desktop-only platforms. There is no indication that this trend is slowing down. While your existing website can be viewed on a smartphone, high-resolution graphics and colored backgrounds can be slow to load and deter users from staying on your site. Small fonts and complicated navigation can also diminish a user's experience on mobile devices.

You can look at your website analytics to determine how many of your users are using mobile devices vs. other devices. If you have a significant amount of traffic from mobile devices you may want to consider upgrading to a mobile-friendly website. You may have noticed that many websites have different formats if you are viewing their site from a desktop computer or your smartphone.

Mobile users have a very short attention span and won't stay on your site for long if they can't find what they are looking for.

Online Listings

Many users (especially mobile users) will look to online review sites for restaurants, shops and other businesses (yes, even here in South Dakota). Make sure your online listings are up to date. Include a brief description of your business and products/services as well as contact information.

Want Customers? Meet Their Expectations

by Kelly Weaver, Small Business Development Center Regional Director

Customer loyalty is not a given. If you want to get and keep customers you must meet (or exceed) their expectations. Whenever we make a purchase of any kind, we enter the transaction with certain expectations. For instance, when we walk into a restaurant, we expect to be seated and have our order taken within a certain period of time; we expect our order to be correct and properly prepared when delivered. If our expectations are exceeded, we are happy; if they are not met, we are dissatisfied.

Businesses that are successful not only understand their customers' expectations but are proactive in managing those expectations. They understand that a customer's expectations are based on a lifetime of experiences, not just their business's interaction with the customer.

Here are some simple steps to help manage your customers' expectations and create a better experience and stronger relationship with those customers.

Understand the base expectations. Brainstorm all the things a customer expects in their interaction with you. Think about how your competitor's actions might impact those expectations. If expectations are unrealistic, think about what can be done to change (educate) the customer's expectations.

Influence expectations. Communicate with your customer to influence their expectations. The goal is to make promises high enough to motivate the customer to do business with you but realistic enough that you can consistently deliver on those promises.

Product/service performance. Many companies tend to focus mainly on the customer's expectation of the performance and quality of the product or service. Even this can be improved by such things as effective use of complaints to make improvements to the product or soliciting customer feedback prior to marketing a product.

The company experience. Beyond what many might refer to as 'customer service', great companies put effort into training their staff to handle customer complaints positively and give them resources to solve problems on the front lines. They collect and use information from customer complaints to improve their company processes and products. Companies create a consistent experience customers can rely on time and again.

Post purchase reinforcement. Only 4% of customers with problems will complain to you. Contacting the customer after the sale gives you the chance to learn more about how your product or service is (or is not) meeting the customers' needs and correct any problems early on. While solidifying your relationship with the customer, it may even open the door for additional or repeat sales.

While none of this information is revolutionary, it is surprising how little most companies invest in such strategies. Take a proactive stance in managing your customers' expectations and you will reap the rewards of better customer relations and a stronger company.

Kelly Weaver is the Regional Director of the Small Business Development Center in Aberdeen which offers free, confidential business consulting to start up and existing businesses. She can be reached at (605) 626-2565 or kweaver@midco.net. The Center is hosted by GROW South Dakota. More information on these concepts can be found in "HyperGrow Your Business" by Curtis Clinkinbeard.

Reminder to Send in Tax Returns, Financial Statements

This is a reminder for NECOG borrowers that as you complete your tax return for 2015, you are required to send a copy of your tax return and financial statements (Profit & Loss and Balance Sheet or similar statements) to NECOG-DC.

Looking at the tax returns and financial statements helps us determine how the business is doing financially.

UPCOMING EVENTS

Aberdeen Area Job Fair | March 17 | 12:30—5:00 pm | If your business would like to meet your next prospective employees, please reserve your table now for only \$75.00 (\$3.00 surcharge for credit/debit cards). This participation cost includes table set-up, your own customized section in the Job Fair booklet, and extensive advertising for this event. In addition, a computer bank will be available for job seekers to use in order to accommodate those companies accepting online applications. Contact Dan Thielsen at the SD Department of Labor. 626-2340 or dan.thielsen@state.sd.us

QuickBooks Advanced | April 5 @ 8:30 am - April 6 @ 5:00 pm | Aberdeen | \$499

This class will explore these features as well as setting up your company, generating reports and documents needed for tax payment, banking and writing checks. The class is held April 5-6th from 8:30-5:00pm each day. The cost includes the required textbook and trial software. For more information contact Jill at The Training Place. 725-1833 or contact@ttdpsd.net

Governor's Economic Development Conference | April 12-14 | Sioux Falls |

www.sdreadytopartner.com/conference

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