



NECOG Development Corporation

RLF Quarterly Newsletter
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Small Businesses are the Backbone of Rural Communities

By Rhea Landholm, Center for Rural Affairs, www.cfra.org

Small scale entrepreneurship is a proven strategy to revitalize rural communities. Owning one's own business can create genuine opportunity across rural America with the support of a modest public investment.

The importance of entrepreneurship is particularly profound in the most rural areas. Our analysis of economic conditions in the farm and ranch counties of Iowa, Kansas, Minnesota, Nebraska and the Dakotas found that nearly 60 percent of job growth in the 1990s came from people creating their own job by starting a small non farm business.

Small entrepreneurship is the one development strategy that consistently works in these communities. This strategy also has the capacity to bring back young people – including those who earn a college degree. Our surveys of rural youth in northeast Nebraska found that half would like to someday own their own farm or business. That opportunity has the potential to draw them back to rural America.

Small business development helps rural people acquire assets and create wealth. That is essential. Asset and wealth-building through home ownership, business ownership and enhanced education lead to important long-term psychological and social effects that cannot be achieved by simply increasing income.

Businesses and houses bond one to a place and help to build sustainable communities. A commitment to rural asset- and wealth-building strategies can lead to stronger individuals, families and communities.

Small businesses are also very philanthropic. In a 2015 survey, an estimate of nearly half of all small businesses gave to charity with 90 percent of donations supporting local causes.

As part of National Small Business Week, April 30 to May 6, the Small Business Administration will offer free webinars. Find out more at <https://www.sba.gov/nsbw/webinars>.

In This Issue

Small Businesses are the Backbone of Rural CommunitiesPage 1

6 Myths About the Future of Small TownsPage 2

Business InsurancePage 2

Nothing Replaces Good Management PracticesPage 3

Reminder to Send in Tax Returns, Financial StatementsPage 3

Upcoming Events.....Page 4

6 Myths About the Future of Small Towns

by Milan Wall and Vicki Luther, Ph.D.,
Heartland Center for Leadership Development

Myth 1 – Towns that are “too small” have no future.

The truth is that there is no magical number at which a town can survive. Heartland Center research has shown that even very tiny towns, with populations as small as 100 or less, manage to survive through thoughtful planning, entrepreneurial genius and hard work. No community should perceive itself as “too small” to survive.

Myth 2 – A community’s location is key to its survival.

In an Information Age, leadership, not location, is the most important fact in community survival.

Myth 3 – Industrial recruitment is the best strategy for economic development.

Study after study shows suggests that industrial recruitment, alone, is not a realistic long term answer. Communities must adopt a broad-based economic development plan that supports existing businesses and encourages entrepreneurship.

Myth 4 – Small towns can’t compete in the global economy.

Many rural communities have small manufactures that are producing high-quality products for a unique marketing niche, which extends beyond the local area to a regional, national or even international market. Small towns throughout America are home to an amazing variety of highly sophisticated, entrepreneurial successes.

Myth 5 – The “best people” leave small towns as soon as they can.

It is true that many people find opportunities elsewhere, but it’s also true that many talented and capable people choose the quality of small town living.

(6 Myths cont. on Page 3)

Business Insurance

By Alison Kiesz, RLF Manager

When you start a business or if you make significant changes to your business, it’s imperative that you obtain proper business insurance to protect your investment and future earnings. Here is a brief look at a few important coverages:

Builder’s Risk – covers your building while under construction

Property – this coverage pays for losses/damages to your building, contents, inventory, signage and equipment

Crime – provides coverage for theft, disappearance or destruction of money and securities at your business or in transit

Business Income/Extra Expense – provides coverage for loss of earnings and extra expenses incurred after a loss and during the time of restoration and the rebuilding of your business

General Liability – provides legal defense and protection for damages legally owed to others as a result of your business operation

Automobile – covers physical damage for the vehicles used in your business and liability coverage if the driver injures a person or damages property

Workers Compensation – protects you in the case of an employee’s on-the-job injuries. Pays for medical expense, rehabilitation, loss of wages and survivor benefits.

Professional Liability – pays for losses resulting from injuries to third parties when a professional’s conduct falls below the professions standard of care.

You should seek the services of a Commercial Insurance Agent to assist you with identifying all of your risks and obtaining proper insurance coverage.

This information was originally put together by Insurance Plus in Aberdeen.

Nothing Replaces Good Management Practices

by Kelly Weaver, Small Business Development Center Regional Director

The newest technology, the best salesperson, a hot new product/service, a great location, deep pockets... these are all things that any business owner would love to have in their bag of tricks. However, none hold long term promise without good management by the business owner.

The following list is a collection of the wisdom *Inc.* staffers have gathered over time from their interviews with top entrepreneurs. The complete article can be seen at www.inc.com.

Making money is ultimately an unsatisfying goal. There must be another driving factor beyond money that guides your business.

Culture matters. Many business owners say their employees are their most prized asset – create a culture that *demonstrates* it.

To engage workers, let them call (some of) the shots. Call on the hands-on knowledge of your staff.

Character is the most important quality to look for in a job applicant. Character traits can't be trained but most skills can be.

To grow, you must first learn to delegate and to trust. There is only so far you can take your business on your own.

Plan for rainy days. Recessions, disruptive technologies, catastrophes, and even road construction can change a business' course in a short period of time. Have a Plan B.

Keeping good records should never be considered a trivial thing. There are too many ways to get in trouble if you aren't taking care of the details.

Customer service is not a department, it's a way of life... and it is everyone's job. You must give employees authority to fix problems as close to the customer as possible.

Failures are good for you. There will be stumbling along the way. Today, the key is to fail

fast so that you can learn the lesson, make the adjustment, and move toward success.

You need to leave yourself time to dream. If you are not envisioning your company's future, who is?

Business owners who search endlessly for the next 'trick' to maintain their business without also working on these fundamental management practices are missing the boat. Unfortunately, businesses with poor or inexperienced management are exposed even more quickly when challenges arrive (and they will). So take some cues from those who have made it work.

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 kelly@growsd.org. The Center is hosted by GROW South Dakota.

Reminder to Send in Tax Returns, Financial Statements

This is a reminder for NECOG-DC borrowers that as you complete your tax return for 2016, 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.

(6 Myths cont. from Page 2

Myth 6 – The rural and urban economies are not interdependent.

It's not really news that rural industries such as agriculture, mining or land management are playing a smaller role in the rural-urban economic mix. This doesn't mean, however, that cities and counties could maintain their quality of life without farm products, coal, oil and the natural resources, available to the city and country person alike.

UPCOMING EVENTS

National Small Business Week | April 30—May 6 | <https://www.sba.gov/nsbw/>

QuickBooks: The Basics | May 9 | 9:00 – 12:00 | Aberdeen

Designed for those considering a computer-based system or those QuickBooks users who feel they would benefit from the topics covered (Chart of Accounts, Items, Customers, Vendors, Invoicing, Check Writing, Bills, and Reports).

QuickBooks: Inventory and Payroll | May 9 | 1:30 – 4:00 pm | Aberdeen

This training will provide an overview of how inventory and payroll are processed and the basic concerns to be addressed when setting up and using these features. Topics covered include Inventory Items, Inventory Types, Purchase Orders, Payroll Items, Payroll Checks, Payroll Liabilities, and Reports.

\$65 for one class or \$120 for both classes

To register or for more info. contact Jill at The Training Place. 725-1833 or jillvining@adcsd.com

Power Hour – Is Your Business Setup Correctly? | May 24 | 12:00 – 1:00 | Aberdeen

Join Chris Jung, attorney at Siegel, Barnett & Schutz, on how to select a legal entity that fits your business needs, as well as how forming a legal entity can protect you from personal liability. This discussion will also highlight related topics, including obtaining a federal tax ID number and other helpful tips.

Space is limited to the first 18 registrations. The Power Hour will be held at 208 S Main St (the Workshop) on the 2nd floor with stair access only.

\$15. Register online at www.adcsd.com

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