



Small Business Toolkit



**This publication was prepared by the
Monahans Main Street Association
Economic Restructuring Committee.
This committee is made up solely of volunteers
that spent many hours on this publication.
The Texas Main Street Resource Manual
was used as a source unless otherwise noted.
The committee hopes you will find this tool kit
useful in your business venture.
We would like to thank and acknowledge
Sam Silvas for the beautiful photo
of Oasis Park on our cover.**

**Frank Heslin- Committee Chair
Kellye Riley- Secretary
Audrey Lackey
Arlice Wittie
Rosie Almanza
Paula Walker**

QUESTIONS YOU NEED TO ASK BEFORE ENTERING BUSINESS

- What are the economic trends in your industry? (is it growing, stable, declining?)
- Who will your competitors be?
- Who will your customers be?
- What financial level of success have they achieved?
- Why do you think you will succeed?
- Are you planning to fill a market niche or take market share away from established businesses?
 - a. If a niche, are you sure it can be filled?
 - b. If market share, do you have a strategy for taking business away from the established firms?
- Do you know what the downside risks are?
- Do you have a financial backing to sustain reverses, to wait for success?

Questions to be Answered in a Business Plan

1. Description of the Business

What type of business are you planning?
What products or services will you sell?
What type of opportunity is it (new, part-time, expansion, seasonal, year-round)?
Why does it promise to be successful?
What are the growth opportunities?

2. Marketing Plan

Who are your potential customers?
How will you attract and hold your share of the market?
Who are your competitors? How are their businesses prospering?
How will you promote sales?
Who will be your best suppliers? Why?
Where will the business be located?
What factors will influence your choice of location?
What features will your location have?
How will your building contribute to your marketing strategy?
What will your building layout feature?

3. Organization Plan

Who will manage the business?
What qualifications will you look for in a manager?
How many employees will you need? What will they do?
What are your plans for employee hiring, salaries and wages, benefits, training, and supervision?
How will you manage finances?
How will you manage record keeping?
What consultants or specialists will you need? Why will you need them?
What legal form of ownership will you choose? Why?
What licenses and permits will you need?
What regulations will affect your business?

4. Financial Plan

What is your total estimated business income for the first year? Monthly for the first year? Quarterly for the second and third years?
What will it cost you to open the business and sustain it for eighteen months of operation?
What will be your monthly cash flow during the first year?
What will your personal monthly financial needs be?

What sales volume will you need in order to make a profit during the first three years?

What will be the break-even point?

What will be your projected assets, liabilities, and net worth on the day before you expect to open?

What will the capital value of your equipment be?

What will your total financial needs be?

What will your potential funding sources be?

How will you use the money from lenders or investors?

How will the loan be secured?

Getting Started With Your Business

Starting a business is often both exciting and scary. Concern over success and failure can be paralyzing, making it more difficult for a business owner to realize his or her dreams. Many of these concerns may be mitigated through careful business planning. A successful business plan defines goals and forms them into reality. Such a plan is critical in creating a profitable business, no matter the size.

The Business Plan

Approximately three-fourths of Texas Main Street managers cite a lack of business planning as the primary reason for failed new businesses. One of the most important things a potential business owner can do to improve his or her chances for success is to create a solid business plan.

Writing a business plan requires that a potential business owner ask and answer critical questions about the nature of the proposed business and the market in which it competes. A carefully considered business plan gives an entrepreneur a good idea of how much money he or she will need in startup capital and also helps to acquire financing. Banks normally require a comprehensive business plan before they lend startup money.

How Do I Write A Business Plan?

Use the following outline from the U.S. Small Business Administration (SBA) to begin gathering information and necessary documents for a business plan.

Elements of a Business Plan

- I. Cover sheet
- II. Statement of purpose
- III. Table of contents
 - A. Your Business
 1. Description of your business
 2. How will you market your business
 3. Your competition
 4. Your operating procedures
 5. Your personnel
 6. Consider what business insurance you need
 - B. Financial Data
 1. Loan applications
 2. Capital equipment and supply list
 3. Balance sheet
 4. Breakeven analysis
 5. Pro-forma income projections (profit & loss statements)
 - a. Three-year summary
 - b. Detail by month, first year
 - c. Detail by quarters, second and third years
 - d. Assumptions upon which projections were based

6. Pro-forma cash flows
 - a. Three-year summary
 - b. Detail by month, first year
 - c. Detail by quarters, second and third years
 - d. Assumptions upon which projections were based
- C. Supporting Documents
 1. Tax returns of principals for last three years
 2. Personal financial statement (all banks have these forms)
 3. In the case of a franchised business, a copy of franchise contract and all supporting documents provided by the franchiser
 4. Copy of proposed lease or purchase agreement for building space
 5. Copy of licenses and other legal documents
 6. Copy of resumes of all principals
 7. Copy of letters of intent from suppliers, etc.

Once the required data has been gathered to complete each of these topics, the entrepreneur can begin writing his or her business plan. There are several software programs available that assist with preparing plans. Business plan software can walk the user through each step of the business plan writing process and is particularly useful for calculating financial data.

Other Resources

Business plan software: <http://www.paloalto.com>

References

U.S. Small Business Administration: <http://www.sba.gov>

View sample business plans: <http://www.bplans.com>

How Much Will It Cost to Start My Business?

When you are starting your business, it can be difficult to account for all the costs associated with starting and operating a business. For example, a prospective restaurant owner will consider the costs of food and a building but may forget to include the cost of buying office supplies and plastic drinking straws. It is very important to consider every capital need your new business will have, so that you will not find yourself running out of startup money before you break even. Texas Main Street managers cite a lack of sufficient capital as the top reason for failed new businesses.

The following are common startup costs for small businesses in Texas:

Legal

Your first likely startup cost is legal advice and paperwork to make your new business official.

The actual legal costs you experience will be different depending on what kind of legal structure you decided on in your business plan. If you decided to operate as a sole proprietorship, there may be no paperwork necessary. If you decided to operate as any kind of corporation or partnership, some kind of legal paperwork will be necessary to create the corporation or initiate the partnership.

Talk with an experienced attorney to explore what you need to do. An ounce of money spent on legal advice early on can save you a pound of trouble later.

Personnel

Another important startup cost is the amount of money needed to hire help. This could be high school students who need work after school or seasoned professionals who command a high salary. Even if you do not expect to hire any help for your business right away, consider that you may need to budget for an employee if your business expands quickly.

Inventory

If you are starting a retail or wholesale business, you will need to plan for startup inventory. Remember that your startup inventory may not last long if you are successful, and it may take a while before your business generates more cash than it uses. Therefore, your startup budget should include cash to replace sold or spoiled inventory.

Space

Next, your startup budget must include a place for you to do business. Consider carefully before you cut costs in this area. For many types of businesses, the keys are “location, location, location.” A desirable business space will cost you more money, but it may pay dividends in both the short and long runs.

Utilities

Utilities are difficult to estimate, since the costs and usages of commodity items, like gas, water, and electricity vary from month to month. To get an idea of how much utilities will be, ask the owner of a business in your chosen location that has similar utility requirements. Remember that your startup budget must be able to fund utility payments for as long as it takes your business to break even.

Supplies

Most businesses need significant business supplies, even if they are not primarily offices. Your business will likely need pens, paper, staplers, paper clips, letterhead, and perhaps a computer and printer, among other things.

Advertising

Small business owners often fail because they did not market their business through advertising. Advertising does not have to be expensive to be effective. Create a marketing plan that describes what you will do to market your business and account for reasonable marketing costs in your startup budget.

Ongoing Capital Needs

Your startup budget must include enough money to support the ongoing capital needs of your business until it can support itself. This ongoing capital must take into account the possibility of increasing business over time. If your number of customers triples in your first six months, you must have the startup budget to hire more help, buy more inventory, and provide more customer service. Otherwise, you risk under-serving your customers and losing them forever.

Conclusions

Even the best business plan will fail if you run out of money before your business breaks even. Careful planning early in the startup process will help ensure that your young business is never strapped for cash.

Other Resources

Business Startup Checklist:

<http://www.businessknowhow.com/Startup/checklist.htm>

How Do I Finance My Business?

Financing is one of the key elements to a successful startup or expansion of your business. Raising capital is one of the most basic business activities. It can be a complex and frustrating process; however, if you are informed and plan effectively, raising money for your business should not be a painful experience.

The most important tasks are to define how much money will be needed, determine why the money is needed, and assess how the money will be paid back. One should prepare a list of items to be acquired with the new funds and show how these items will generate cash for a business.

There are several ways to finance your operations or expansion. Most people make the assumption that the only source of money is a bank, but there are other sources you should consider before going to a bank. For example, if you need money to finance your inventory, perhaps you can ask your vendors for a long term loan. In this way you are financing without asking a financial institution.

The following is a summary of sources and ways for small businesses to raise money:

Personal Savings

This is the primary source of capital for new business. Credit cards are often used to finance business needs, even for very small loans, but there are often better options available.

Friends and Relatives

This is a source of funding that could be beneficial to help you get started. Often friends and relatives loan the money with a low (or zero) interest rate. Be specific on when the money will be returned to protect the lender's investment and to prevent losing this source for future needs.

Banks and Credit Unions

This is the most common source of funding if you can demonstrate that your proposal is workable. A solid business and marketing plan will go far to demonstrate a workable business proposal. Before you go to the bank you must be prepared, because unprepared loan requests are deemed high risk loans. Such high risk will translate into a higher interest rate or denial of your loan. The best way to be prepared is to have a comprehensive loan proposal. Developing a comprehensive loan proposal will be discussed in a future issue of the *Business Development Journal*.

Capital Access Program

The State of Texas Capital Access Program "Capital Access Fund" was established to increase the availability of financing for businesses and nonprofit organizations that face barriers in accessing capital. Through the use of the Capital Access fund,

businesses that might otherwise fall outside the guidelines of conventional lending may still have the opportunity to receive financing. The essential element of the program is a reserve account established at the lending institution to act as a credit enhancement, inducing the financial institution to make a loan. For more details you can review the following web site:

<http://www.txed.state.tx.us/TexasCapitalAccess/>

Linked Deposit Program

The State of Texas Linked Deposit Program (“Linked Deposit Program”) was established to encourage lending to historically underutilized businesses, childcare providers, non-profit corporations, and/or small businesses located in an Enterprise Zone by providing lenders and borrowers a lower cost of capital. Use of proceeds may include working capital, the purchase, construction, or lease of capital assets, which include land, buildings, and equipment. Loans to start-up businesses are permissible, subject to lender’s normal credit evaluation. For more details you can review the following web site: <http://www.txed.state.tx.us/TexasLinkedDeposit/>

Venture Capital Firms

These firms finance expansions with an exchange of equity or partial ownership. ACE-net (Angel Capital Electronic Network) provides a wide variety of venture capital firms willing to participate in small business. <https://ace-net.sr.unh.edu/pub/>

Small Business Administration Loans

The SBA has a variety of financing options for small business, such as long term loans for machinery and equipment, a general working capital loan, a revolving line of credit, or a micro-loan. One of the most common SBA loans is the 7(a) Loan Guarantee Program that provides loans to small business unable to secure financing on reasonable terms through normal lending channels.

Other references for financing your business:

<http://www.sba.gov/financing/indexloans.html>

<http://www.sba.gov/tx/>

<http://www.sba.gov/tx/harlingen/indexabout.html> (SBA Lower Rio Grande Valley District Office)

<http://www.sba.gov/tx/lubbock/indexabout.html> (SBA Lubbock District Office)

<http://www.sba.gov/tx/sanantonio/indexabout.html> (SBA San Antonio District Office)

<http://www.sba.gov/tx/dallas/indexabout.html> (SBA Dallas Fort Worth District Office)

<http://www.sba.gov/tx/el Paso/indexabout.html> (SBA El Paso District Office)

<http://www.sba.gov/tx/houston/indexabout.html> (SBA Houston District Office)

<http://www.startupjournal.com/partners/kennedy.html> For-fee search of venture capital firms

<http://www.startupjournal.com/financing/trends/20020123-mccal.html> How to start a business with little money

<http://www.inc.com> Other sources of financing such as angel investors, venture capital firms, SBA loans, private equity financing, bank loans, micro-loans, strategic partnership, customer and supplier partnership and direct public offering.

How Do I Prepare a Loan Proposal?

You should prepare before you discuss your loan needs with a financial institution. Remember that lenders are willing to loan you money only if they know you will be able to repay the money. Lenders may also want to see a current business plan, for information on how to write a business plan please refer to page 4 in this toolkit.

The following information will help you to define what type of loan you will apply for:

Types of Business Loans

- Short-term: (maturity one year) working capital loans, accounts receive loans, and lines of credit.
- Long-term: (maturity greater than one year, but less than seven years) furniture and fixtures, vehicles, large computers, etc.
- Real Estate and Equipment: (maturity up to 25 years) construction loans, durable equipment such as a factory, etc.

The following loan proposal from the SBA outlines what your loan proposal should include:

General Information

- √ Business name, names of principals, Social Security number for each principal, and the business address.
- √ Purpose of the loan: exactly what the loan will be used for and why it is needed.
- √ Amount required: the exact amount you need to achieve your purpose.

Business Description

- √ History and nature of the business details of what kind of business it is, its age, number of employees and current business assets.
- √ Ownership structure details on your company's legal structure.

Management Profile

- √ Develop a short statement on each principal in your business; provide background, education, experience, skills and accomplishments.

Market Information

- √ Clearly define your company's products as well as your markets.
- √ Identify your competition and explain how your business competes in the marketplace.
- √ Profile your customers and explain how your business can satisfy their needs.

Financial Information

- √ Financial statements, balance sheets, and income statements for the past three years. If you are starting out, provide a projected balance sheet and income statement.
- √ Personal financial statements on yourself and other principal owners of the business.
- √ Collateral you would be willing to pledge as security for the loan.

Other Resources:

<http://www.sba.gov/gopher/Business-Development/Business-Initiatives-Education-Training/Finance-Plan/> This is a link to SBA's training on how to write a loan proposal.

What is a Marketing Plan?

A marketing plan is a valuable tool for developing and implementing your marketing efforts. Preparing your marketing plan helps you more accurately see the nature of your marketplace, and its historical trends. Just going through the process of developing your marketing plan guides you in creating an effective marketing strategy.

Your marketing plan is designed to solve problems. When you operate with the benefit of a good marketing plan, you are more likely to anticipate problems and react to them in a well thought out manner.

Before you begin creating your marketing plan, have clear answers to the following questions:

- What products and/or services you will offer
- The benefits and features of your products and/or services
- What problems, needs, or desires your products and/or services address
- Competitors' products and/or services
- Your target market
- The purchasing habits or trends of your target market

Creating a Marketing Plan

Your plan should cover at least one year. You need to allow a couple of months to write the plan, even if it is only a few ideas. Developing and deciding what to do and how to do it is the greatest challenge of marketing. Your marketing plan needs to be a clear, concise, well thought out document. It should guide you through your marketing efforts, focusing on the marketing objective and how you plan to accomplish that objective.

It is very helpful to put your marketing Plan in a binder or use a marketing software package. This way you can insert and delete items as necessary.

You should revisit your marketing plan every month or quarter. You can track the performance of your plan by using sales or manufacturing data on a monthly basis.

What is the Marketing Plan Purpose?

At the heart of the marketing plan, the purpose is to maximize sales. The marketing plan also has many secondary purposes, including:

1. Identifying Your Target Market – You have to know who you are selling to and know how to sell to them. You'll also identify your competitors and their influence in the marketplace.
2. Documenting Your Marketing Strategy – Much of your marketing plan is the minor detail of your marketing strategy. There are many aspects of marketing you should consider, including:
 - Pricing
 - Promotion
 - Critical dependencies
 - Distribution channels
 - Market share

- Sales force
- Sales support
- Advertising

3. Preparing a Budget – It is critical that you set aside enough money to implement your marketing strategy and support your staff. When you make your financial projections, the numbers you decide on must be specific so management can comfortably use them as milestones.

4. Producing a Document – Your marketing plan document is the culmination of all your strategic thoughts and planning, and should look as professional as possible, especially if you present your plan to potential investors or creditors.

5. Executing Your Plan – A marketing plan provides guidance throughout the year and directs all of your marketing efforts. Using the financial projections and milestones, you can:

- Compare actual sales to the numbers you projected
- Modify your projections
- Determine what must be done to get back on track

Your Target Customers

You must know whom your target customers are in order to reach them. Look for common identifiable characteristics like:

1. Are they companies or individuals?
2. Do they have a certain age or income level?
3. How often do they buy?
4. What features do they want?

The more specific you can be, the better your plan will be. Instead of saying “people who want car service” say “hot rod enthusiasts who want specialized detailing, products, and engine repair services from a hot-rod enthusiast who understands their passion.”

One common problem with new businesses is that they spread themselves too thin. Not everyone is your target customer. Instead, segment your markets. If you are selling window air conditioning units in a specific region, you could target your marketing at every household in that region. But would that be an efficient use of your time and money? Probably not. Try to narrow your focus. Are your target customers existing users of window air conditioning units or are they people who do not have air conditioning units at all? Or are you looking for people who have recently purchased a home and have not decided if and what type of air conditioning to use? Are you selling to residential customers or to local businesses?

The Benefits of Your Product or Service

You do not sell a product, nor do you sell a service. Instead, you sell benefits. Marketing involves putting yourself in your customer’s point of view and understanding what is important to them.

Think about:

- Consider your weaknesses along with your strengths. Once you know what your weaknesses are, you can direct your marketing effort to maximize your strengths and minimize your weaknesses.
- Analyze your competitor's strengths and weaknesses. Your marketing plan may need to minimize their strengths and take advantage of their weaknesses.

Positioning

Positioning involves analyzing each of your market segments and developing a distinct marketing position for each one. How do you want to appear to that segment, or what must you do for that segment to ensure that it buys your product or service? Here are some of the many possible marketing position categories:

- Specific product features
- Product benefits
- Specific product use
- Positioning against another product or a competing business

Some positioning tips:

- When you write your positioning statement, use phrases like “the most,” “the best,” “the fastest,” “the cheapest,” or “the only.”
- If there is little difference between you and your competitors, find a need or want of your target customer that has not yet been met.
- Try not to position your product directly against your competitor's product, because your competitor may suddenly change focus. Instead, focus on the strengths of your product.
- It may not be good to market solely on price, since your competition can very easily match your position just by matching your price.

Your Marketing Tactics

Describe the specific marketing tactics you will use to reach your target customers. Examples of these are advertising, public relations, and sales promotions. Make sure that they agree and support your positioning and your benefits.

Here is a list of tools that you might be using. Of course, there are many other marketing approaches and ideas you can choose.

- Advertising (print, radio, television)
- Brochures
- Classified ads
- Community service
- Coupons
- Direct mail
- Events
- Flyers
- Free samples
- Frequent buyer programs
- In-store signage/displays
- Newsletters
- Outdoor signage/billboards
- Personal contact
- Point-of-purchase displays
- Public relations
- Publicity

- Sales
- Sponsorships
- Telemarketing
- Trade shows
- Yellow Pages

Your Marketing Budget

Decide how much money you want to invest in marketing as a percentage of your sales. This percentage can be anywhere from 5% to 30% or more, depending on your business. If your business depends heavily on your marketing, such as a mail order business, then you should plan a higher percentage for your marketing efforts.

Consider:

- By determining an amount, you are committing yourself to supporting your marketing program. You will know how much you can afford to spend on different forms of advertising, PR, and other tactics.
- Keep track of how effective each marketing tactic is. You want to get the maximum return on your marketing investments.
- Consider using cooperative advertising in order to reduce costs.

References

<http://www.americanexpress.com/homepage/smallbusiness.shtml>

http://www.businessplansoftware.org/marketing_plan.asp

<http://www.bizmove.com/marketing/m2h.htm>

http://gmarketing.com/tactics/weekly_111.html

Other Resources

www.entrepreneur.com

How Do I Do My Accounting?

The word accounting may sound intimidating or overly technical, but it is nothing more than grouping transactions to be analyzed. The process of accounting that will be discussed in this installment of the Business Development Journal is designed to simplify the way people think about accounting. This section will explain some basic business accounting concepts to facilitate communication with accountants or other business-savvy people.

Bookkeeping and accounting have two main purposes:

- To keep track of your income and expenses, thereby improving your chances of making a profit
- To collect the necessary financial information about your business to file your various tax returns and local tax registration papers

Personal versus Business Accounting

The first step is to differentiate the transactions that are personal from the ones that are related to your business. Personal transactions are those that you must make for personal living, whether you have a business or not. Examples of personal transactions are: buying food for your family, buying articles of personal use, or purchasing a refrigerator for your house. Business transactions are those needed to conduct your business. Examples of business transactions could include: pay the business's rent, buy merchandise to sell, buy an office desk, sell merchandise, pay an employee, or buy a vehicle for delivery.

The best way to manage the differences between your personal and business expenses is to have separate bank and credit card numbers. If all your business expenses are paid with only one bank account, your accounting documentation is easier to organize when you do your personal and business accounting.

How Do I Keep Records?

Once you have identified your business expenses, you can keep your records very easily. An important part of your accounting is accomplished when you pay business expenses using only your business checking accounts. Your bank statements and checkbook registers will help you produce your financial statements. Even though your transactions are registered, you have to keep your receipts for tax purposes. Find a safe and organized way to keep your documentation together so you can find it later on.

The other important part of your accounting is your income. To keep track of your income, you have to find a way to register every sale. For example, you may use a notebook to register all sales of the day, or you can use a cash register like many retail stores. Your system should be appropriate to the complexity of your business and the number and diversity of the items sold. The important thing is to know how much you are selling per day, per month, and per year.

The use of accounting software is recommended to keep your financial information, and could also help to produce your financial reports, but is not required for your startup. The following links provide information about accounting software that you may consider for your business:

<http://www.quickbooks.com/> QuickBooks is an inexpensive software product that can help you get started (QuickBooks is written by the same company that writes Quicken Financial software).

<http://www.excelco.com/> This is a site where you can compare some accounting software.

<http://www.2020software.com/search/display.asp?tCategoryID=1&tMethod=category> This site provides you with the top 10 small business solutions in software. The price range is from \$500 to \$4,500. Most offer free demos.

<http://www.greatplains.com/solutions/product.asp?Type=Product&Category=Small%20Business%20Manager&TermValue=Small%20Business%20Manager> This is a site from Microsoft where you can find small business solution software.

<http://www.peachtree.com/> Peachtree is a software application used for small businesses.

BUSINESS START-UP CHECK LIST

Listed below is information that should be helpful when starting a new business in Texas. Depending on the type of business enterprise, there may be specific regulatory requirements. For assistance in determining these requirements, please call the Texas Department of Commerce Business Information and Referral at 512/936-0081 in Austin or 800/888-0511 outside of Austin.

Incorporation/Limited Liability Partnership/Certificated of Authority

To file articles of incorporation, file as a limited liability company or a limited partnership. To obtain a Certificate of Authority required for foreign companies to do business in Texas contact the Office of Secretary of State P.O. Box 13697, Austin, Texas 78711. 512/463-5555.

Assumed Name Certificate

Unincorporated businesses must file an assumed name certificate with the county clerk's office in the county that the business will be located.

Local Requirements

For local regulation, contact the city in which the business will be located.

Sales Tax Permit

To obtain a state sales tax permit or for information on other state tax responsibilities, contact the Comptroller of Public Accounts, LBJ State Office Building, 111 East 17th Street, Austin, Texas 78774, 512/463-4600 or 800/252-5555.

Federal Tax ID

For a federal tax identification number and any other federal tax information, contact the Internal Revenue Service, 300 East 8th Street, Room G101, Austin, Texas 78701, 800/829-1040. To order a Business Tax Kit and/or other tax publication, call 800/829-3676.

Employer Requirements

To obtain an employer identification number, contact the Texas Employment Commission located at 1010 East 15th Street, Austin, Texas 78778-0001, 512/463-2731. The commissioner's office representing employers provides an information package for employers. To obtain the package call 512/463-2826 or 800/832-6279.

Workers' Compensation

For information on worker's compensation classifications, contact the Texas Department of Insurance, 333 Guadalupe, Austin, Texas 78701, 512/322/3493. To become more familiar with the basic requirements for workers' compensation in Texas or for a new law guide, quarterly newsletter, and informational brochure for employers, contact the Texas Workers' Compensation commission at 4000 South IH-35, Austin, Texas 78704, 512/448-7900.

Drug-Free Workplace Requirements

To inquire about drug-free workplace requirements for Texas employers with 15 or more employees who maintain workers' compensation coverage, contact the Texas Drug-Free

Workplace Initiative, P.O. Box 684277, Austin, Texas 78769-4277, 512/328-1144 or 800/343-3822.

Americans with Disabilities Act Requirements

For information on the requirements of the Americans with Disabilities Act, contact the Texas Governor's Committee on People with Disabilities, P.O. Box 12428, Austin, Texas 78711, 512/463-5739.

Workplace Safety Requirements

For specific regulation regarding safety in the workplace, contact the U.S. Department of Labor – PSHA, 611 East 6th Street, Room 303, Austin, Texas 78701, 512/482-5783.

Foreign Ownership

To obtain an Investor's Visa, a petition must be filed with the Immigration and Naturalization Service Center having jurisdiction over the area in which the new commercial enterprise will be principally doing business. For a business that will locate in Texas, the petition should be mailed to U.S. Immigration and Naturalization Service Northern Service Center, 100 Centennial Mall North, Room B-26, Lincoln, Nebraska 68508. To check the status on an investor's visa, contact the U.S. Department of State American Consulate located in the country from which the foreigner is relocating.

Social Security Number

To inquire about a social security number contact the Social Security Administration, 611 East 6th Street, Austin, Texas 78701, 512/482-5404 or 800/722-1213.

We recommend you consult a professional tax consultant, accountant, and/or attorney to ensure that all legal requirements are satisfied before operations are begun.

City (for permits, codes and regulations)

City of Monahans
112 West 2nd Street
Monahans, Texas 79756
432.943.4343

David Mills, City Manager
Lorena Marquez, City Secretary
Bobby Sinclair, City Inspector

County

Ward County
Ward County Courthouse
4th and Allen Streets
Monahans, Texas 79756

Dolores Fine, Tax Assessor/Collector
432.943.2596

Natrell Cain, County Clerk
432.943.3294

Sam Massey, County Judge
432.943.3209

Randy Reynolds, District Attorney
201 West 4th Street
Monahans, Texas 79756
432.943.5038

Financial

First National Bank
Todd Hunt, President
307 South Main Street
Monahans, Texas 79756
432.943.2503

Complex Community Federal Credit Union
Carolyn Jones, Manager
1117 South Stockton Street
Monahans, Texas 79756
432.943.4080

West Texas State Bank
Sheran Johnson, President
214 South Main Street
Monahans, Texas 79756
432.943.7561

Ward County Teachers Credit Union
Kay Rankin, President
810 South Betty Street
Monahans, Texas 79756
432.943.3445

State

Comptroller of Public Accounts
State of Texas
4682 East University Suite 100
Odessa, Texas 79762
432.550.3027

To apply for Federal I.D. Number:
Internal Revenue Service
1.800.829.3676

To apply for Employer Number:
Texas Workforce Commission
2626 JBS Parkway Building D
Odessa, Texas 79762
432.367.3332
Local office: 921 East 4th
Monahans, Texas 79756
432.943.5097

Local

Office of Economic Development for
Monahans
Donna Johnson, Director
401 South Dwight Street
Monahans, Texas 79756
432.943.2062

Monahans Main Street Association
Paula Walker, Director
401 South Dwight Street
Monahans, Texas 79756
432.943.3418

Chamber of Commerce
Teresa Burnett, Director
Dr. Terese Andino, President
401 South Dwight Street
Monahans, Texas 79756
432.943.2187

Utilities

Water, Trash, Sewer
City of Monahans
112 West 2nd Street
Monahans, Texas 432.943.4343

Gas
Texas Gas Service
310 East 4th Street
Monahans, Texas 79756
432.943.2793

Electric
First Choice Power 1.800.469.2464
TXU 1.877.290.3722
Texas-New Mexico Power 432.586.9028

Emergency Numbers

Police Department 432.943.3254
Sheriff's Office 432.943.6703
Ward Memorial Hospital 432.943.2511

News Media

Monahans News
Smokey Briggs, Owner
107 West 2nd Street
Monahans, Texas 79756
432.943.4313

KLBO Radio
Daniel Melendez
1706 East Sealy
Monahans, Texas 79756
432.943.2588

KTPX Radio (Pecos) FM
Olivia Balderaz, local representative
Bill Randell Cole, owner
300 South Main
Monahans, Texas 79756
432.943.9898

Permits, Fees, Building Inspections, Zoning, Ordinances:

City of Monahans 112 West 2 nd Street Monahans, Texas 79756	432.943.4343
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Sales Tax:

Comptroller of Public Accounts 4682 E. University Suite 100 Odessa, Texas 79762	432.550.9113
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Ad Valorem Property Taxes:

Ward County Appraisal District 801-A East 4 th Street Monahans, Texas 79756	432.943.3224
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Ward County Tax Office Courthouse Monahans, Texas 79756	432.943.2546
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Small Business Resources Available at Ward County Library

Location: 409 S. Dwight Phone: 432.943.3332
Monahans, Texas 79756 Fax: 432.943.3332

Web site: www.wcl.lib.tx.us

Hours: Closed Sunday and Monday
8 a.m. to 7 p.m. on Tuesday and Thursday
8 a.m. to 5 p.m. on Wednesday, Friday and Saturday

Features: 50,000 + books, 45 magazines and periodicals, Spanish language books, copy machine, coin operated typewriter, updated reference system, automation, Internet access, Texas Workforce Commission computer access, member of Texas State Libraries and West Texas Library System.

A quick computer search by the Librarian yielded 27 books and references on small business, covering topics that ranged from tax, law, hiring, and advertising to “how to” guides.

Should your needs go beyond the resources on hand, the Ward County Library has access to other libraries around the state. Patrons can also access the TexShare Database at www.texshare.edu/wardcountylibrary/, using the library’s login and password.

The library is adjacent to the Ward County Convention Center, which has large and small rooms suitable for meetings, banquets, and other productions.

WEBSITE SUMMARIES

Internal Revenue Service: www.irs.gov

The Internal Revenue Service is the nation's tax collection agency and administers the Internal Revenue Code enacted by Congress. The homepage of this website provides informational links for the following: Individuals, Businesses, Charities and Non-Profits, Governmental Entities, Tax Professionals, Retirement Plan Community and Tax Exempt Bond Community.

In the "Individuals" link, a user can obtain all of the most commonly requested tax forms and instructions. Also contained within this link are new law changes pertaining to income tax, such as new deductions for sales taxes, exemption amounts, etc.

In the "Business" link, one can receive information such as: Individual Retirement Arrangement (IRA) Resource Guide for Small Business Owners and Individuals, Cost Segregation Audit Techniques Guide, Approved IRS e-file for Business Providers, and Tax Scams – How to Recognize and Avoid Them.

The Internal Revenue Service website contains all the information pertinent to tax collection and administration and is a valuable resource for individuals and businesses.

United States Small Business Administration: www.sba.gov

The mission of the Small Business Administration is to "maintain and strengthen the nation's economy by aiding, counseling, assisting and protecting the interests of small businesses and by helping families and businesses recover from national disasters." The guiding principles of the SBA are as follows:

Creativity – Our people inspire creativity in the American economy by developing and supporting entrepreneurs through a vast network of resource partners.

Advocate – We advocate for all small businesses by taking leadership in building a productive partnership between the American people and its government.

Results – Our team focuses on delivering results for small business, being accountable, accessible and responsive.

Empower – We empower the spirit of entrepreneurship within every community to promote and realize the American dream.

Success – We facilitate the environment necessary for America's small businesses to succeed, measuring our performance by small business success.

The homepage of this website contains informational links to the following: Starting Your Business, Financing Your Business, Managing Your Business, Business Opportunities and Disaster Recovery.

The homepage also provides users with a map to allow them to find the directory information for their own Small Business Administration.

Texas Economic Development: www.tded.state.tx.us

Texas Economic Development's mission is to market Texas and to assist communities to maximize economic development opportunities in a global environment. Texas Economic Development partners with communities to further their economic development efforts. It is their role to market Texas to compete both nationally and internationally. This includes marketing the state's business climate, strategic location, workforce and natural and cultural resources. Texas Economic Development offers economic development incentives and information to enhance a community's ability to compete, diversify and prosper.

Not only does the website contain informational links concerning economic development, but it also provides links to other websites of value to users, such as: Market Texas Clearinghouse, Business and Industry Data Center, Texas Marketplace, Community Profiles, TravelTex and Travel Research & Marketing. The homepage also contains a direct link to the Texas Online website. This website provides valuable on-line services pertaining to: Driver License and ID Card Online Services, Driver Record Requests, Vehicle Registration Renewal and Address Change, Pay Taxes, Occupational and Professional Licenses, and e-Filing for Courts.

Texas Department of Agriculture: www.agr.state.tx

The Texas Department of Agriculture is the nation's leader in agriculture, while promoting excellence in children's nutrition, rural economic development and providing efficient and extraordinary service. That's why the people and programs of TDA are topnotch, goal oriented and dedicated to Texas agriculture. With a global reach and a local focus, it's TDA's philosophy to stay one step ahead of today's changing technology, demographics and business opportunities, while keeping a steady eye on the future. Through this website, one can read about current TDA initiatives, research up to date market news, check licensing and pesticide regulations, and find facts about fruits and vegetables. Additionally, a user can even find a location in which he/she can pick his/her own produce, with the Texas Department of Agriculture's farmers' markets listing. This website is also excellent as a source for seeking information concerning grant and funding possibilities in the area of agriculture, farming or ranching.

Texas Workforce Commission: www.twc.state.tx.us

The Texas Workforce Commission (TWC) is the state government agency charged with overseeing and providing workforce development services to employers and job seekers of Texas. For employers, TWC offers recruiting, retention, training and retraining, and outplacement services as well as valuable information on labor law and labor market statistics. For job seekers, TWC offers career development information, job search resources, training programs, and as appropriate, unemployment benefits. While targeted populations receive

intensive assistance to overcome barriers to employment all Texans can benefit from the services offered by TWC and its network of workforce partners.

The Texas Workforce Commission is part of a local/state network dedicated to developing the workforce of Texas. The network is comprised of the statewide efforts of the Commission coupled with planning and service provision on a regional level by 28 local workforce boards. This network gives customers access to local workforce solutions and statewide services in a single location – Texas Workforce Centers.

Primary services of the Texas Workforce Commission and its network partners are funded by federal tax revenue and are generally free to all Texans.

The informational links provided on the Texas Workforce Commission homepage include:

- Business & Employers:** Firms, corporations, and individuals who employ
- Job Seekers & Employees:** Individuals looking for work, training and support services
- Researchers & Policy Makers:** Interested individuals, academics, elected officials, their staff and state agencies
- Service Providers:** Training providers, educational institutions and childcare providers
- Boards & Network Partners:** Local Workforce Boards, Texas Workforce Centers and other partners

Texas Retailers Association: www.txretailers.org

The Texas Retailers Association is an organization composed of small and large retailers throughout the state whose purpose is:

- Providing professional representation before the Texas Legislature and state regulatory bodies and generating active membership involvement in the political process as the “voice” of retailing in Texas;
- Development of educational and cost saving programs designed to keep members informed with up to date information and to assist them in operating profitably and efficiently; and,
- Maintaining a close affiliation with the National Retail Federation and other related national associations to favorably influence federal issues.

Over 1,500 companies and corporations operating thousands of stores and employing over 500,000 Texans in the retail industry comprise the membership of the Texas Retailers Association. Membership ranges from the independent proprietor to the large multi-national corporation. Department stores, specialty shops, drug stores, grocery stores, discount stores, hardware stores, jewelry shops...all are members of the Texas Retailers Association. In addition, two affiliated non-profit associations, the Texas Retailers Education Foundation and the Texas Federation of Drug Stores, representing the chain drug store industry, are also members. And, for supermarket members, the TRA Food Council specifically represents the needs of the twelve largest grocery store chains operating in the state of Texas.

Center for Retailing Studies: www.crstamu.org

The opening paragraph on the homepage of this website states, “Welcome to the Center for Retailing Studies at Texas A & M University, the bridge between the academic and business communities. The Center promotes and supports retailing through student and executive programs, resources, and service. We invite you to explore our site and bookmark it as a retailing source.”

In order to successfully bridge between the academic and retailing communities, the objectives of the Center of Retailing Studies include:

- To interest more college students in retailing as a career
- To better prepare college students for a retailing career
- To serve the needs of retail firms
- To position Texas A & M University as the premier institution committed to retail education, research and service

The website provides links designed for executives and for students, as well as a link for career resources.

National Trust Main Street Center: www.mainstreet.org

The National Trust Main Street Center is a program of the National Trust for Historic Preservation. In the 1970s, the National Trust developed its pioneering Main Street approach to commercial district revitalization, an innovative methodology that combines historic preservation with economic development to restore prosperity and vitality to downtowns and neighborhood business districts. Today, the message has spread, as the Center advocates a comprehensive approach that rural and urban communities alike can use to revitalize grassroots-based economic development. It has created a network of more than 40 statewide, citywide and countywide Main Street programs with more than 1,200 active Main Street programs nationally.

The Center has led the preservation-based revitalization movement by serving as the nation’s clearinghouse for information, technical assistance, research, and advocacy. Through its consulting services, conferences, publications, membership, newsletters, and trainings, it has educated and empowered thousands of individuals and local organizations to lead the revitalization of their downtowns and neighborhood commercial districts.

One can obtain information about the Main Street Center and how to become a member by visiting this website. The homepage contains informational links that include: About the Main Street Center, The Main Street Approach, Main Street Programs, Why Revitalize?, Solution Center, Consulting Services, Conferences and Trainings, Join Our Membership, Members Area and National Main Street Awards.

Useful Business Statistics On-Line: www.BizStats.com

This website provides instant access to useful financial ratios, business statistics and benchmarks, and effective and understandable online analysis of businesses and industries. If one needs statistical information about what the average small business owner keeps from each dollar of revenue, he/she can obtain a summary through the informational link entitled “industry profitability – sole proprietorships.” Retail benchmarks are available to users through the link entitled “Sales per Foot & Sales per Store – Retailers,” which compares national retailers. And, finally, if one needs information about which businesses have the best, and the worst, chances of success, he/she can long onto the “Safest and Riskiest Small Businesses” link on this website.

This website has an enormous amount of statistical information concerning national businesses, small business industries, and retail businesses.

The United States Government’s Office Web Portal: www.firstgov.gov

This website is the official site of the United States government and contains information for citizens, businesses and nonprofits, federal employees and government to government entities. Some valuable informational links for each of these categories include:

Citizens:

- Find Government Benefits
- Apply for Government Grants
- Shop Government Auctions
- Apply for Government Jobs
- E-file Your Taxes
- Change Your Address
- Find Recreation Activities
- Renew Your Driver’s License
- Get a Passport Application
- Apply for Social Security
- Check Immigration Case Status
- Contact Elected Officials
- Order Consumer Publications
- Weather Forecasts

Businesses & Nonprofits:

- Contract with the U.S. Government
- File Taxes Online
- File Wage Reports
- Free Newsletters
- Get a State Business License

- Get an Export License
- Get Online Training
- Register Employer ID Number
- Verify Employees' Social Security Number

Federal Employees:

- Buy Products and Services
- Check Per Diem Rates
- Compare Health Plans
- Find Training Opportunities
- Life Insurance Calendar
- Search for Federal Jobs
- Update Personal Information
- Update Thrift Savings Plan
- Learn Proper Use of Travel Charge Card

Government-to-Government:

- Geospatial Information One-Stop
- Disaster Management
- Safecom (Wireless Networks)
- E-Vital (Vital Records Management)
- E-Grants
- E-Authentication for Online Transactions
- GovBenefits
- Recreation One-Stop

Small Business Statistics

In the United States, businesses with fewer than 500 employees:

- Represent more than 99.7 percent of all employers
- Employ more than 50 percent of all private-sector employees
- Pay 44.5 percent of the total private payroll
- Generate 60 percent to 80 percent of the net new jobs annually
- Create more than 50 percent of the nonfarm private gross domestic product (GDP)
- Employ 39 percent of high-tech workers, including scientists, engineers, and computer workers

Source: US Small Business Administration, 2004

How much of the shopping dollar is retained in your community?

6 cents

6 cents of every dollar spent with a Big Box retailer is retained/recirculated in a community.

Source: Rocky Mountain Institute

20 cents

20 cents of every dollar spent with a chain store is retained/recirculated in a community.

Source: Small Business Administration

60 cents

60 cents of every dollar spent with a sole proprietorship is retained/recirculated in a community.

Source: Small Business Administration

Top Ten Reasons Businesses Fail

In Order of Occurrence:

1. Not developing a long-range business plan; at least five years.
2. Underestimating capital requirements limits hiring good people, marketing, and purchasing leverage.
3. Failure to establish a close business relationship with a local banker cuts the financial lifeline and access to good business consultation during formative years.
4. Failure to get management training in job design and time management. A manager should work 35% and manage 65% of the time.
5. Not adequately pricing products or services; confusing sales with profit. Reluctance to raise prices and trying to undercut the competition.
6. Not keeping timely and accurate records business and tax records. Not using operating statements and balance sheets as an early warning system for spotting operating problems.
7. Owners extend credit without a procedure to collect, then they don't get paid.
8. Owners fail to understand the needs of the market, and fail to develop a product to meet the needs of and find a niche in the market.
9. Owners hire inappropriate people for the job, and don't clearly define the duties and responsibilities of the position.
10. Reluctance to spend money on advisors, accountants, and legal consultants.

Qualities Specialty Stores Can Offer Customers

POINTS OF VIEW

Specialists don't drag the whole world in by the hair and throw it all down in front of their customers. They pre-shop the world and bring back the parts they want their customers to buy. It's what they leave out that matters. They buy that way, display that way, and advertise that way. They give direction. They do the customer's work for them.

LIMITED SELECTION

The Sock Shop sells socks. Get it? The same company is going to open The Tie Shop soon. Get it? The Disney Store sells Disney, not EVERYTHING. Customers don't want everything. They want Disney.

THEATER

Free entertainment, education, artistic pleasure, design, taste, fun, ideas, the new, the unknown.

CONSISTENCY

We all know exactly what to expect when we go to McDonald's. That's reassuring when you're starved and you're standing in downtown Taipei and it works for your family. Now, compare the consistency you feel about McDonald's to what you feel when confronted with prices in department stores.

ART

Drifting through Zona (New York City) is complete in every sense. What you see, hear, smell and touch add up to making the store a comprehensive work of art. And, better than museums, you can experience it. You can even buy it. That's what they're all standing there hoping you'll do.

AUTHENTICITY

Tiffany, Baccarat, Burberry's. You could not possibly make a mistake in any of those stores. The greatest desire of most human beings is to be safe, to fit in, to blend, and these stores have mastered reassuring people. Want to be safe and tasteful? Want quality, tradition? Hurry, hurry, to these establishments. They specialize in tasteful safety, self-assurance and only moderate label-consciousness.

AUTHORITY

Do you get the feeling the people who serve you at Disneyland have some idea of what they're talking about? Those people have been trained. They're practically Japanese in their relentless cheerfulness. And they look at patrons as reasons for being their best.

AN UNSPOILED PLACE

People would do anything today to find an unspoiled place – an unpolluted beach, a beautiful church or a relationship that is true. A good specialist can provide that “unspoiled” place.

If you're not a specialist, think about becoming one fast.
It's not just your job. It's your life.

