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Small-Business

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SBA RESOURCES



Produced in cooperation with U.S. Small Business Administration
Contributing writers: Chelsie Beller, Mike O’Connell

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1001 Arapahoe Ave
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Boulder, CO 80302
Phone: 303-442-1475

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Tips for collecting overdue accounts receivable

By U.S. Small Business Administration

Collecting overdue accounts receivable can be an especially unpleasant part of doing business.

Most businesses have regular customers who pay on time and keep accounts current. But not handling late payments in a timely manner endangers cash flow and long-term viability.

Here are six simple steps to help make the collection process less stressful and more customer friendly.

- Make sure customers know the consequences of late payments.
- Establish a policy, and make sure your customers are aware of those policies before starting work.
- If you don't have a formal contract, have customers sign off on your

terms and conditions. The terms and conditions should state if you require a full or partial payment upfront or if you offer such payment terms as net-30. State in writing any surcharges for late or missed payments.

- Loose credit terms can create bad debt. If you provide goods or services on credit, develop qualification standards that are specific, yet fair — a good credit history or bank references, for example.

- Put your credit policy in writing and make sure employees understand it. You should also have the policy posted in your store, on your Web site or available as a handout.

- Enforce credit terms. Your collections policy will do no good unless you enforce it. You'll be amazed what a personal phone call can do to encourage timely payment. If you've met your

obligations and a customer hasn't, you're entirely in the right to make that reminder call.

Keep communication channels open. Don't assume the customer is entirely wrong. Stay in touch, and make sure they're satisfied with your products or services. If they become delinquent, ask for an explanation. The invoice might have been lost or is awaiting approval. A customer with cash flow problems could request extra time. Based on your experience with that customer, you might feel confident enough to allow extra time or installment payments. Make sure you and the customer clearly understand any compromise agreement.

Don't be afraid to take legal action. If your collection attempts fail, it could be time to turn to a lawyer or collection firm. Your course of action will depend on the situation. You might decide the amount of the overdue

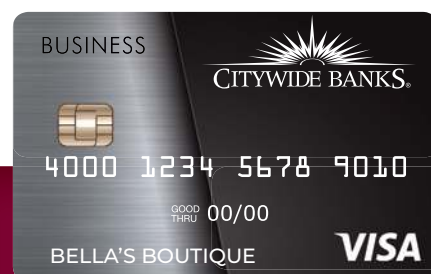
account doesn't justify the cost and effort to collect. If so, write it off as a bad debt and move on.

Don't make the same mistake twice. Should customers with poor payment histories approach you about working with them on restoring credit, don't immediately refuse unless you're absolutely certain they remain a bad credit risk. Determine if the situation has changed and decide whether it makes sense to restore the relationship. As a precaution, insist on stricter terms such as advance payment or cash only.

The U.S. Small Business Administration offers resources and guidance to business owners on ways to establish collections policies. For more information, please visit www.sba.gov, and remember to follow us on Twitter @SBA_Colorado.

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SBA has the right business mentor for you

By U.S. Small Business Administration

DENVER — One of the smartest moves an entrepreneur can make in 2019 is finding and using a smart and savvy business mentor. Starting a new business venture can be a risky proposition, but you can mitigate that risk by utilizing one of the U.S. Small Business Administration's many outstanding business mentors.

Our network of resource partners provides free and confidential one-on-one counseling, training and mentorship that can help to unleash your small business potential. Last year alone these efforts helped small firms across the country secure more than \$30 billion in capital, start over 15,000 new companies, and create and retain more than 700,000 American jobs.

SBA's resource partner network is comprised of SCORE, Small Business Development Centers, Women Business Centers, and in some states Veterans Business Outreach Cen-



ters. In Colorado, there are 14 SBDC centers across the state (including sites in Boulder, Fort Collins, Greeley and Longmont), five SCORE offices, and a WBC located at the Mi Casa

Resource Center in Denver. Together, these small-business partners make a huge impact in guiding and advising existing and new entrepreneurs. The Boulder SBDC is located in the

main Boulder Public Library and can be reached at 303-442-1475, while the Longmont satellite can be reached at 303-442-1475. The Larimer County SBDC is located in Fort Collins and can be contacted at 970-498-9295. The East Colorado SBDC is located in Greeley and can be reached at 970-351-4274.

The SBA's vast network of resource partners is helping small firms start, grow and expand nationwide. Together, they serve and mentor Colorado's dynamic business community including women, minority business owners, entrepreneurs over the age of 50, veterans, and millennial entrepreneurs.

If your 2019 plans involve starting, growing or managing a small business, maximize your chances of success by connecting with SBA's resource partners, or your local SBA office, by visiting www.sba.gov/local, and remember to follow us on Twitter @SBA_colorado.

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SBA Lenders

Ranked by gross amount of 7(a) SBA Loans in Boulder, Broomfield, Larimer and Weld counties.

Rank	Company	Dollar volume 2018 Total loans 2018	Headquarters Phone Website	Person in charge Title Year founded
1	Live Oak Banking Co. 1741 Tiburon Drive Wilmington, NC 28403	\$12,150,000 9	Wilmington, NC 877-890-5867 www.liveoakbank.com	James Mahan III CEO 2007
2	Wells Fargo Bank N.A. 101 N. Phillips Ave. Sioux Falls, SD 57104	\$11,488,400 36	Sioux Falls, SD 800-956-4442 www.wellsfargo.com	Timothy Sloan CEO 1874
3	First National Bank of Omaha 1620 Dodge St. Omaha, NE 68102	\$10,513,400 18	Omaha, NE 402-602-3022 www.firstnational.com	Bruce Lauritzen chairman 1863
4	CoBiz Bank 821 17th St. Denver, CO 80202	\$9,227,800 11	Denver, CO 303-312-3412 www.cobizbank.com	Steven Bangert CEO 1978
5	Advantage Bank 1475 N. Denver Ave. Loveland, CO 80538	\$8,844,600 12	Loveland, CO 970-613-1982 www.advantagebanks.com	John Nigh chairman 2000
6	Guaranty Bank and Trust Co. 1331 17th St. Denver, CO 80202	\$8,221,600 14	Denver, CO 303-312-3188 www.guarantybankco.com	Paul Taylor CEO/president 1955
7	Bank of the West 180 Montgomery St. San Francisco, CA 94101	\$5,679,100 6	San Francisco, CA 925-942-8300 www.bankofthewest.com	Nandita Bakhshi CEO 1874
8	Midwest Regional Bank 363 Festus Centre Drive Festus, MO 63028	\$5,522,000 6	Festus, MO 636-937-5351 www.mwrbank.com	Michael Bender CEO 2006
9	JPMorgan Chase Bank 1111 Polaris Parkway Columbus, OH 43240	\$5,110,600 14	Columbus, OH 312-732-4000 www.jpmorganchase.com	James Dimon CEO 1824
10	Sunflower Bank N.A. 1440 16th St., Suite 250 Denver, CO 80202	\$4,675,000 1	Denver, CO 888-827-5564 www.sunflowerbank.com	Mollie Hale Carter CEO 1892
11	NBH Bank, dba Community Banks of Colorado 7800 E. Orchard Road Greenwood Village, CO 80111	\$4,379,700 5	Greenwood Village, CO 888-237-3111 www.nbhbank.com	G. Timothy Laney CEO/president 2010
12	Compass Bank 15 S. 20th St. Birmingham, AL 35233	\$3,733,000 6	Birmingham, AL 800-239-1996 www.bbvacompass.com	Onur Gen? CEO 1964
13	Keybank N.A. 127 Public Square Cleveland, OH 44114	\$3,154,500 7	Cleveland, OH 800-539-2968 www.keybankusa.com	Beth Mooney CEO/chairman 1849
14	Bank of Hope 3200 Wilshire Blvd., Suite 1400 Los Angeles, CA 90010	\$3,141,000 2	Los Angeles, CA 213-639-1700 www.bankofhope.com	Kevin Kim CEO 1986
15	U.S. Bank N.A. 425 Walnut St. Cincinnati, OH 45202	\$2,529,800 28	Cincinnati, Ohio 800-872-2657 www.usbank.com	Andrew Cecere CEO 1863
16	Readycap Lending LLC 420 Mountain Ave., 3rd Floor New Providence, NJ 07974	\$2,448,500 3	New Providence, N.J. 800-453-3548 www.rclending.com	John Moshier president & CEO 2012
17	Hanmi Bank 3327 Wilshire Blvd. Los Angeles, CA 90010	\$2,338,000 3	Los Angeles, CA 213-427-5722 www.hanmi.com	Chong Guk Kum CEO/president 1982
18	Citywide Banks 1800 Larimer St., Suite 200 Denver, CO 80202	\$2,000,000 1	Denver, CO 303-365-3600 www.citywidebanks.com	Joanne Sherwood CEO 1963
19	Fidelity Bank 3490 Piedmont Road NE Atlanta, GA 30305	\$1,955,000 1	Atlanta, GA 404-814-8114 www.lionbank.com	H. Proctor president & CEO 1974
20	First Home Bank 9190 Seminole Blvd. Seminole, FL 33772	\$1,837,000 10	Seminole, FL 727-394-2265 www.firsthomebank.com	Anthony Leo CEO 1999
21	FirstBank 12345 W. Colfax Ave. Lakewood, CO 80215	\$1,617,100 4	Lakewood 303-235-1448 www.efirstbank.com	James Reuter CEO 1963
22	Stearns Bank N.A. 4191 Second St. S. St. Cloud, MN 56301	\$1,428,700 6	St. Cloud, MN 320-253-6607 www.stearns-bank.com	Kelly Skalicky president & CEO 1912
23	Celtic Bank Corp. 268 S. State St., Suite 300 Salt Lake City, UT 84111	\$1,425,000 4	Salt Lake City, UT 801-363-6500 www.celticbank.com	Reese Howell Jr. CEO 2001
24	First-Citizens Bank & Trust Co. 239 Fayetteville St. Raleigh, NC 27601	\$1,392,000 1	Raleigh, NC 919-716-7050 www.firstcitizens.com	Frank Holding Jr. chairman & CEO 1898
25	Independent Bank 3090 Craig Drive McKinney, TX 75070	\$1,249,700 4	McKinney, TX 972-562-9004 www.independent-bank.com	David Brooks chairman, president & CEO 1913



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It's time to do a midyear business checkup

By U.S. Small Business Administration

Making predictions is never easy, especially for small-business owners and managers. Unlike their larger counterparts, small firms rarely have the resources to monitor and take corrective action for every new trend and issue. Even entrepreneurs who've experienced numerous business cycles face new circumstances that confound their instincts and knowledge.

While there's no crystal ball that accurately predicts the future, small-business owners and managers can take steps to help their enterprises endure the worst of times and take advantage of the best of times. Perform a small-business health checkup to determine if your company is on track for the remaining months of the year.

First, talk to your banker about your company's financial status. Lenders

offer experience in advising managers and owners on issues specific to their businesses and industries. Have them review your year-end financial statements and offer an honest appraisal. Talk about establishing a line of credit, which could stabilize your cash flow position in 2018.

Second, strengthen relationships with creditors. It could be time to renegotiate terms or change payment amounts on overdue bills. Overdue bills and inconsistent payment practices won't help your long-term credit position. What's more, your creditors could be experiencing financial difficulties as well. Any flexibility will hinge on whether they perceive you as a reliable partner or a risk they want to eliminate.

Next, keep a close watch on your receivables. Review who owes your company money and make sure they're meeting terms. Be firm when dealing with problem accounts, but

also remain willing to negotiate when appropriate. With a little encouragement, a struggling customer could become a long-term source of income. The longer account receivable ages, the harder it becomes to collect on that debt.

Fourth, make sure all expenditures are justified and contribute to the financial health of your business. You might find it necessary to redirect money to areas that will enhance business performance. If you carry an inventory of products, check the accuracy of your records and procedures to prevent losses. It could be helpful to adjust your order amounts to match projected sales. Now is the time to review management and employee expenses to determine if they're justified and meet the mission of your business.

Fifth, review your operations and expenses on a regular basis. If you monitor your profitability on a month-

ly basis, it might be a good idea to begin reviewing it on a weekly or bi-weekly basis during slow economic times. Likewise, review and update your business plan more frequently. Monthly or quarterly reviews make it easier to make adjustments and keep your business on track.

Finally, step up your marketing efforts. Many business owners mistakenly see marketing as a luxury when money is tight. In actuality, this is the time when increased marketing could be needed. Along with reassuring current customers you're still there to serve them, marketing can help you reach new consumers who will grow your business now and into the future.

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Seasonal retailers face many hurdles

By U.S. Small Business Administration

Many small retailers earn 25 percent or more of total annual revenues during the busy summer shopping season. Stagnant seasonal sales can be the start of a slow death-spiral in the coming year. Small locally owned retailers don't typically have the sales volume and financial resources to compete with the huge discounts offered by big national chains. Small retailers' profit margins tend to be thinner than the big players, giving them less wiggle room on discounts. The SBA compiled the following six hurdles small retailers face during the summer shopping season, and ways to avoid them in the future.

1. Lack of inventory control. Inventory control is crucial for all small retailers, especially during the busy summer selling months. It is important to remember that inventory equals profits, and knowing how much product to order, when to order

it, and what items to order can be the difference between having cash in the bank or aging inventory on the shelves.

2. Hiring the wrong employees for critical positions. There is a cost to hiring the wrong people for key positions. Small firms tend to have less layers of management between the owner and the employees, therefore new hires must be able to perform with less direct supervision and be motivated to get the job done right the first time. Avoid this issue by writing a detailed job description, and immediately instilling a culture of quality customer service in each and every new employee.

3. Undercapitalization is always a problem. Cash flow is the lifeblood of all small businesses. Cash flow allows a business to make payroll, pay suppliers, and keep its doors open. Business owners should immediately increase cash flow by collecting accounts receivables in a timely

manner; don't keep cash tied up in unnecessary inventory; and eliminate unprofitable account relationships.

4. Not embracing online sales and social media. U.S. Census Bureau data shows that more than \$517 billion in e-commerce sales were made during 2018 – a 15 percent increase over the previous year. To stay competitive small retailer must develop a retail web presence. Also, leverage Twitter, Instagram, and Facebook to promote one-day sales events or plug special product lines and high inventoried merchandise. Use Facebook advertising to establish a greater emotional connection with shoppers.

5. Not delaying your employee office party and/or social events. It is sales crunch time from the beginning of May until the end of September. Office social events can be a distraction to employees and management at a time when the focus should be on business productivity. Consider moving the company picnic until

after Labor Day and call it the annual thank-you event. Involve the entire community in this thank you event and create some local goodwill.

6. Innovation and creativity lost. Historically, locally-owned small retailers beat their big box and online competitors by providing outstanding individualized customer service. Internet sales events have pushed large retailers into flooding the market with lost leader pricing on a wide array of seasonal products. Small retailers must take the offensive by selling creative and innovative products that cannot be found at the local retail mall or online. Create a unique customer experience that will draw shoppers to travel outside of their comfort zone, and discover that out-of-the-ordinary shopping district with ten trendy stores, not 50 traditional chain stores.

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TAKING CONTROL

When Strategies to Curb Volatility & Improve the Value of your Organization

Over sponsored healthcare has and continues to be one of the greatest financial challenges for many organizations throughout the United States. Historically, companies turned to the insurance markets to manage expenses year over year only to find future continue to rise while the value of what is being purchased declines. As costs rise to increase, so too does the impact on culture, growth and EBITDA.

As healthcare system continues to become more complex while options within the and marketplace continue to worsen. To combat this, employees must take a more proactive approach to managing expenditures or be destined to stay in the vicious cycle they find themselves in today.

Taking Control, we will reveal strategies to identify cost drivers, quantify them, and provide solutions to them. These proven strategies offer employers the ability to access highly recognized cost networks, create their own plan design, retain premiums, and reserve as profits for the insurance carriers, and curb year over year volatility.

SETH DENISON is a Healthcare Strategist, Entrepreneur, Author, Public Speaker and a regular contributor to media outlets including ABC, CBS, NBC & Fox News. He is the Co-Founder & Chief Strategist of GGP Advisors, LLC - a U.S. based consulting firm specializing in Healthcare Strategy & Risk Management. He has become a popular media personality and voice in ever-changing healthcare market as a result of his leading innovative metropolitan hearing with a straight forward West Texas communication style.

He is the author of *The Cure: A Blueprint for Saving America's Healthcare Crisis* which is set to be released in early 2019. He has extensive experience surrounding compliance, data analytics and strategic development. In addition to his role at GGP Advisors, Mr. Denison also serves as a founding board member of Paradigm Holdings, LLC (a U.S. based private health insurance captive).

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www.BizWest.com

Small firms benefit from growing, prosperous economy

By Dan Nordberg

SBA Region VIII Administrator

The old saying that a rising tide lifts all boats rings true given today's growing economy.

The U.S. economy's historic boom benefits all Americans as job creation soars and wages rise. The economy outperformed expectations for the second year in a row in 2018. More than 2.6 million jobs were created last year, and the number of job openings surpassed the number of unemployed workers for the first time on record. The unemployment rate remained at or below 4 percent for the past 13 months, the longest streak in nearly five decades. The booming economy paid off for American workers last year – with nominal hourly wage growth exceeding three percent for the first time in almost a decade.

Since 2017, the Trump Administration has rolled back job-killing regulations to unleash an economic boom



Nordberg

across all sectors of the economy. In 2018 alone, Federal agencies issued 12 deregulatory actions for every new significant regulatory action, saving

businesses \$23 billion in regulatory costs.

During tax-filing season, it is important to remember that the Tax Cuts and Jobs Act signed into law by President Trump has spurred additional business investment and put more money into the pockets of most American workers. Real disposable personal income increased by \$2,300 from the end of 2017 to the fourth quarter of 2018. Business investment and productivity are on the rise thanks to the tax cuts, and capital expenditures are up \$300 billion from 2017. One of the most powerful benefits of the tax law is the new 20 percent Qualified Business Income (Section 199A of the tax law) deduction for small firms and the self-employed. Section 199A allows owners of pass-through entities to deduct 20 percent of the business income that is passed onto their individual return.

The overall goal of all of these economic policies advanced by President

Trump is to make sure that all small business owners are leveraging the tax cuts and deregulation efforts pushed forward since the start of his administration. Today, business owners are investing in their companies and their employees by raising wages, providing bonuses, and increasing benefits. I look forward to additional good economic news over the next several months. 2019 looks to be a banner year for small business growth in Colorado. I am proud to represent the president in serving the small business communities across this state in the coming year. For more information on SBA's programs and services, please visit www.sba.gov and remember to follow us on Twitter @SBARockymtn.

Dan Nordberg serves as the SBA's Region VIII Administrator and is based in Denver. He oversees the agency's programs and services in Colorado, Montana, Utah, North Dakota, South Dakota, and Wyoming.

Giving Guide



This publication includes a comprehensive directory of nonprofits in Boulder, Broomfield, Larimer and Weld counties and publishes before Colorado Gives Day.

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Creative strategies for starting a business

By U.S. Small Business Administration

Starting a new business can be a challenge. Navigating the maze of rules, regulations and licensing requirements and the constant lack of resources constitute some of the reasons why more Americans don't follow their entrepreneurial dreams. A thriving small-business ecosystem drives our local economy so finding ways to promote new business development is vital. Fortunately, there are innovative ways to start, grow, and expand a new venture without breaking the bank.

For starters, consider buying an undervalued existing business. During economic downturns, many owners are forced to sell their ventures for various reasons. This creates opportunities for individuals with available capital to purchase existing companies under more reasonable terms. An established company is ready for business the day you buy it, and assets and equipment could be part of the sales price. You could also buy an

established client base. Customers are familiar with your well-known brand. Lenders are more willing to provide financing to an existing business. Moreover, you could inherit a trained and experienced staff.

Exchange salary for an equity position in a business. Most existing businesses are hungry to hire experienced, driven, and innovative employees. Cash-strapped companies that are growing, but in need of new talent, may be willing to exchange an equity or stock position in the company in lieu of a traditional salary and benefits. This new equity position could eventually provide an employee with an ownership opportunity. Consider working part-time at a startup while maintaining your regular job to learn the business, and then make an offer to purchase the firm at a future date.

Virtual office and shared creative work spaces are the current rave. There are many creative alternatives to traditional office or retail spaces. The Internet is the location where

most new small firms market and sell their products and services. Working from home and using shared office services is another way to create a virtual office space. Virtual offices could significantly reduce the cost of your startup. A new trend is the development of large creative work spaces where tenants share open spaces and small private offices, and even lunch areas.

Use creative means to secure capital. An undercapitalized business could be a losing proposition. This is especially true when the economy is faltering or slowing. Obtain capital by bolstering your personal savings in advance of starting your business. Friends and family financing in exchange for stock, or an equity position in your company, offers another option. If you're averse to taking on new debt, try starting your business slowly by using internally generated cash flow for expenses and growth. The less debt you incur today, the better position your business will be in

when you do apply for a business loan.

Leverage outside counseling before starting your new business. Now's the time to make an appointment with an SBA resource partner — including SCORE, Small Business Development Centers and Women's Business Centers. The counselors at these organizations can help you develop a well-defined and comprehensive business plan, realistic financial statements and extensive marketing strategy. Studies have shown entrepreneurs who put a minimum of one year of planning into their new ventures have a better chance of succeeding over the long term.

Owning and running your own business can be more satisfying and fulfilling than working for someone else. Creating innovative strategies for starting a new business can make the difference between success and failure. For more information on SBA programs and services please visit www.sba.gov, and remember to follow the SBA on Twitter @SBA_Colorado.



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JEFF NUTTALL
PUBLISHER
[970] 232-3131
[970] 227-7103
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