



THE OHIO STATE UNIVERSITY

COLLEGE OF FOOD, AGRICULTURAL,
AND ENVIRONMENTAL SCIENCES

Working Together with the SBDC

OHIO AGRICULTURAL RESEARCH AND DEVELOPMENT CENTER

OHIO STATE UNIVERSITY EXTENSION



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The OSU South Centers Business Development Network

- District 7 Small Business Development Center (SBDC)
- District 7 Manufacturing & Technology SBDC (MTSBDC)
- District 7 International Trade Assistance Center (ITAC)
- Statewide Ohio Cooperative Development Center (OCDC)
- GROWING! Farmers' Markets
- Southeast TechGROWTH (ESP)
- Endeavor Center, Business Incubator
- Direct Marketing and Tourism
- Ohio Manufacturing Extension Partnership (Ohio MEP)



The Small Business Development Centers (SBDC)

- Who We Are...
 - A staff of highly trained, Certified Business Advisors, many of which currently or have previously owned and operated a small business and have an established network of partners and resources to benefit our client needs
- What We Do...
 - Provide **NO COST**, confidential, in-depth, one-on-one small business counseling for business plan assistance, product development, company assessments, financial planning, access to capital, expansion planning, assistance with state and federal programs, loan package assistance, marketing assistance, supply chain assistance and development and certification assistance.



Developing Your Business Plan

Your business plan serves as a road map. Helps answer such questions as:

- Who
- What
- When
- Where
- How





Business Plans usually consist of:

- Executive Summary
- Business Description
- Marketing
- Management
- Money



The Executive Summary

- Brief Overview of the Business Plan – This is read first but should be written last!
- Includes the compelling reason the business will succeed.
- If being used to seek financing – include how much money is needed, for what, and from where.



Business Description

- Describe the Company
 - Why does the company exist?
 - What need does the company fill?
 - What is the status of the business?
 - New start-up, or existing business planning expansion?
 - What is the current state of the industry you serve?
 - Characteristics and trends
 - What are your products/services?
 - What sector of the industry are you in?
 - Wholesale, Retail, etc.



Marketing

- Develop a detailed Marketing Plan and Budget
 - Who is your target customer?
 - Age, Income Level, Level of Education, etc.
 - What is your competitive advantage?
 - Why will customers buy from you?
 - What is your marketing strategy– how will you position your products/services?
 - Best Value, Highest Quality, Cheapest, Most Convenient
 - What are your 4 P's?
 - Product, Place, Price, Promotion
 - How will you market your business?
 - TV, Newspaper, Radio, Flyers, Billboards, Social Media, etc.
 - How much will you Budget for Marketing?



Management

- Key Owners/Managers
 - Resumes of key owners/managers
 - Demonstrate their experience, education, etc.
 - Organizational Chart
 - Who's responsible for what?
 - How does the decision making process flow?
- How Many Employees will you Hire?
 - What skills do they need to possess
- How do/will you manage risk?
- What Professional Support do you have/need?
 - Accountant, Attorney, Insurance Agent, etc.



Money

- There are 5 main areas lenders focus on
 - Financial Stability of your...
 - Personal Credit History
 - Available Collateral
 - Personal Financial Statement
 - Cash Contribution
 - Business Plan
 - Cash Flow Projections
 - Personal Experience





Access to Capital

Where am I going to get my money to help start or expand my business?



Funding your Small Business

- Self-financing
 - 15+% is normally required as your “skin in the game”
- The 3 “F’s” (Friends, Family and Fools)
 - Although it’s normally frowned upon to mix business with family and friends, if pitched and treated appropriately this could be a very lucrative funding source especially in today’s economy
- Banks
 - Hometown Banks, Traditional Lending, Commercial Lending
- Government Loan Programs/Partnership Loan Programs
 - USDA, SBA, SOACDF, GrowNOW, ReEnergize Ohio
- Other Lending Organizations
 - Gap Lenders, Micro loans, Community Revolving Loan Programs
 - Check with Local Chamber of Commerce, Economic Development Office or Small Business Development Center for local funding opportunities that may be available.



Funding your Small Business continued...

- Investors
 - Venture Capitalists, Angel Investors, Go Public, Crowd Funding
- Suppliers
 - Buy now, Pay later (Discounts for quantity, terms, consignment)
- Equity Capital
 - Money raised by a business in exchange for a share of ownership in the company
- Factoring & Accounts Receivable Financing
 - Creditworthy business-to-business or business-to-government accounts receivables
- Credit Cards
 - Take advantage of 0% – low interest for period of time however run the risk of high interest in the future.
 - Make sure you are paying down your balance during the low interest time period and not just the minimum payment/interest due
- Grants
 - ???
 - Specific requirements for eligibility



Grants for Small Business

“Where can I find a grant to start/expand my business?”

The answer is, you usually can't find a grant to start or expand your business. The following slides will provide you with general information about grant resources that may be available, and tips on how to decipher between a credible program and a potential scam.





Grant Myths & Facts

- ❑ **Myth** - You may have heard advertisements that suggest the government will "give" you money to start or expand your business.
- ❑ **Fact** - No government agency is handing out free money to start a business, regardless of your gender, ethnicity or economic status.
 - Some government grants are available, however they are designed for very specific programs such as:
 - Highly technical areas of industry
 - Schools and training programs
 - Other state and local government programs



Grant Myths & Facts continued...

- ❑ **Myth** – The U.S. Small Business Administration (SBA) has grants available for small business owners.
- ❑ **Fact** – The (SBA) does NOT provide grants for starting or expanding a business, though it does offer a wide variety of loan guarantee programs which must be applied for by an approved SBA lending institution. Visit www.sba.gov for more information.



Grant Resources

The following are valid resources for information about government grants and benefits:

- The U.S. Small Business Administration (SBA) www.sba.gov
 - “Loans and Grants Search Tool”
 - Helps identify what government financing programs may be available to start or expand your business
- The Catalog of Federal Domestic Assistance www.cfda.gov
 - Resource for types of assistance & writing grant proposals
- The Foundation Center <http://lnp.fdncenter.org/finder>
 - Use the Foundation Finder to search for basic information about more than 70,000 private and community foundations in the U.S.
- Society of Research Administrators <http://www.srainternational.org>
 - Resource for government & private funding and general research
- Grants.gov www.grants.gov
 - Federally operated website for finding & applying for federal grants



Grant Writing

Here are some tips if you find a grant opportunity:

- Identify the funding source
 - Grant applications must be responsive to the needs of the grant agency.
 - You must DO what the agency is funding.
 - Research the granting agency and its requirements.
- Get the correct application forms
 - Legitimate grants normally have an identified application process and they do not charge you fees to apply.
- Follow the application guidelines
 - Include the required information and meet the deadlines.
- Get help
 - Use the websites previously mentioned as well as accountants and attorneys.
- Develop a well-prepared business plan
 - Demonstrate your understanding of the business. This will help outline how your business will benefit the agency offering the funding.



Websites of Interest

The Ohio State University South Centers	http://southcenters.osu.edu/
Business Development Network	http://southcenters.osu.edu/business
Ohio Small Business Development Centers	www.ohiosbdc.ohio.gov
The Ohio Secretary of State	www.sos.state.oh.us
Internal Revenue Service	www.irs.gov
Ohio Department of Taxation	www.tax.ohio.gov
Ohio New Hire Reporting Center	www.oh-newhire.com
Ohio Bureau of Workers' Compensation	www.ohiobwc.com
Ohio Business Gateway	www.business.ohio.gov
Ohio Development Services Agency	www.development.ohio.gov
Adams County Economic Development	www.adamscountyoh.com
Southern Ohio Agricultural & Community Development Foundation	www.soacdf.net