

Visit our website at www.pacificsbdc.com

STEKAN'S ENTERPRISE

From shrubs to profit...

By: Lisa Abraham, Palau SBDC

As Palau undergoes road improvements and development of the compact road to Babeldaob, clearing of trees were essential to expand the size of the roads as well as enable the road engineers to do their jobs. However, the cut shrubs that were left beside the road were ignored and unused; the tree branch shrubs were collected by the local community as fire woods, but the large tree trunks are left beside the roadway waiting to run into earth, while people make their way up north of Babeldaob.

But one person, Mr. Steven Kanai, an artist by nature, accustomed to look beyond what is presented before him in his environment saw a spark of dollar signs...In two years time, he began collecting the shrubs and the trunks. He was cutting, burning, and failed each time. Nevertheless, he never gave up and kept his records of all the trials he has conducted. Well, it is like the saying goes, "trial and error." One day he struck the jackpot! He burned and burned the wood just to its perfection! Thus, charcoal made in Palau



was born...

In 2006, Mr. Steven Kanai made his way to the Palau SBDC and said to the counselor, "I have invested all my savings into this busi-

ness, promoted and sold to several and various businesses; and now I cannot meet

continued on page 11

TROPIC SOAP SELLS SWEET SCENTS OF THE ISLANDS

By: Denise Mendiola Hertslet, Guam SBDC

Barbara McCarron was born and raised in San Francisco and first arrived on Guam in March 1978 when her late husband was active duty in the U. S. Navy. He was stationed on Guam and she worked for the Guam Oil & Refining Co (Gorco) for the 3 ½ years. It was during this time that she learned a lot about the island people and their culture. It was not long before Barbara found that she really loved Guam. She and her husband moved to San Diego in October 1981 but decided to keep their house and retire on Guam when he got out of the Navy and returned in 1984. During the last 23 years Barbara has been involved in various business activities as well as an active volunteer in many of the island non-profit organizations.

Barbara decided to open Tropic Soap because she believed there was a demand for locally produced products but there were very few such items to be found on the market. She chose to make soap because she felt that she could make an inexpensive and attractive prod-



uct that would appeal to both the local and military market.

Before Barbara started her business

she did a lot of research on soap making and joined the 4 largest soap-making

continued on page 4

Page 1

Ste kan's Enterprise
Tropic Soap Sells Sweet
Scents of the Island

Page 2

2006 Veteran's Small
Business Conference
Business Start-Up Tips

Page 3

Guam Chamber of Commerce Small Business
Management Seminar
Get Guam Teleworking (GG) Loan Program
Guam SBDC Training Workshop

Page 4

Rosy Rouge: Dream comes true for aspiring make-up artist

Page 6

High Hopes for New Micro Loan Program
RMI Host PISBDCN Staff Development Meeting
RMI SBDC Training Workshop

Page 8

Kosrae Trade Consultation Meeting
Kosrae SBDC Workshops
Chuuk MicroCredit Client Expands to Exporting
Chuuk SBDC Training Workshop

Page 9

Yap SBDC Kicks Off the New Year with its First Youth
Business Plan Competition
Yap SBDC Works with Rural Community to Access and
Pool Business Development Resources
Yap SBDC Training Workshop

Page 10

Business and Money Myths

Page 11

Yesterday's Tomorrow...
Palau SBDC Workshop



U.S. Small Business Administration
SBA
Your Small Business Resource

The Pacific Islands Small Business Development Center is a program supported by the U.S. Small Business Administration under a cooperative agreement and extended to the public on a non-discriminatory basis. SBA cannot endorse any products, opinions, or services of any external parties or activities. This material is based on work supported by the U.S. Small Business Administration. Any opinions, findings, conclusions or recommendations expressed are those of the author(s) and do not necessarily reflect the views of the SBA.

Editorial/Production Staff

Lee P. Webber, President, G.P.I.

Pacific Island Business Development Center
Network, Editorial

Jae Fermin Medina, Advertising Director

Clarinda P. Mendiola, Special Publications
Coordinator

Rena B. Santiago, Layout/Design

2006 Veteran's Small Business Conference

On Tuesday, November 21, 2006, the Guam Small Business Development Center (SBDC) presented its inaugural Veteran's Small Business Conference, subtitled "How to Start a Small Business – Tips and Tools for Veterans". The advance payment fee to attend the conference was a modest \$10, intended to cover administrative cost only.

The conference had two primary objectives:

1. Support Veteran's Month activities nationwide;
2. Bring together, package and present to veterans resources available to assist them to consider a career as a small business entrepreneur.

The conference was held in the new Jesus and Eugenia Leon Guerrero School of Business and Public Administration at the University of Guam. The Multi-Purpose Room is proving to be an ideal venue for the University to host small conferences (up to 100 participants).

Conference participants were welcomed to the University campus by Dr. Helen Whippy, Senior Vice President for Academic and Student Affairs followed by presentations by Ken Lujan of with the U. S. Small Business Administration and Rodney Webb with the Guam SBDC of resources available to assist veterans start a small business. Participants were also provided with a conference packet that included Resource Contacts, Business

Start-Up Tips, Business Plan Components, Federal Procurement Guidelines, and a unique veteran's business card template for networking with other veterans.

The principal presentations on the conference agenda were two local success stories presented by the business owners.

Mike Ady, President, M80 Office Systems: Founded in 1995 by a service-disabled veteran, this office furniture supply company has expanded from a single room home-office with a single client (Deloitte & Touche) and one employee (himself) to an established business presence in Guam serving 20 major government and private sector clients with the support of 10 employees.

Lucy Alcorn, President, Global Food Services LLC (GFS): This business was formed in early 2003 to bid on military food service management contracts, and to partner with a consortium of other local small businesses to compete for the components of the Base Operating Services contract (BOS) for the Navy and Air Force in Guam. Later that year, GFS were contacted by Raytheon. A \$15 million contract was subsequently negotiated and awarded to GFS in October 2003 to manage many of the Navy's base operations, including assuming the management of more than 200 local employees (the contract and the employees were previously under the management of an off-island company). In 2004 GFS were also awarded a contract to manage food services at DODEA schools.

Then in May 2005, GFS bid and won a one-year, \$27 million contract to provide and manage Navy housing operations and maintenance services on Guam. In April 2006, GFS were awarded a \$23.5M contract to operate Morale, Welfare and Recreation (MWR) Programs at various local naval installations on Guam. So in just 3 years ago, this woman-owned local business has gone from a start-up company to become one of the leading management services company in Guam.

The conference wrapped up with an outline of services from:

- Fred Gofigan, Director, Guam Department of Veterans Affairs;
- Don Bruce, Small Business Advisor, Naval Facilities Engineering Command Marianas; and
- Mike Terlaje, Program Coordinator, Guam System for Assistive Technologies (resources and programs for disabled veterans).

While also open to the general public, the 65 participants at the conference were mostly veterans, and this is believed to be the largest conference forum for Veterans staged in Guam in recent years. In addition, in response to requests from Veterans after the conference, a comprehensive 8 week Micro Business Training program has been set up specifically for veterans, kicking off in January 2007. The Guam SBDC is hopeful that it can continue this new tradition with an annual veteran's conference aimed at supporting veterans seeking to start their own business.



BUSINESS START-UP TIPS

Keep your Business Idea Top of Mind

Experience indicates that people who have a specific business in mind will get the most out of putting together a business plan. They are able to relate all that is being learned to their specific business situation and business needs. Our experience has been that learning to plan for a business without a concrete business idea tends to decrease the motivation of the candidate, as well as make the conduct of business too theoretical or abstract. Since the courses we offer focus not so much on learning business, but DOING business, we suggest that you have a business idea in mind before starting on your business plan.

(Caution: if you have more than one business idea, choose the one you are most interested in and put the others aside for the time being. Again, experience indicates that it is difficult enough to research and write a business plan for just one business; it becomes much more difficult trying to do it for two or more simultaneously. We suggest doing only one business at a time!)

Beware of Too Much Image and Too Little Substance

One of the problems with small business is that it is fond of imitating big business. Because of this, one of the biggest misconceptions of new entrepreneurs is that image is

all-important, especially during the start-up phase. Expensive cars, luxury interior furnishings, and fancy logos will not make you successful (but they might result from you being successful). The point is do not become pre-occupied with success symbols before you have achieved success. Instead, we suggest you plan your business start-up in such a way that most of your time and money goes into asset and income producing activities. Your "image" and reputation will develop from how well you are serving your customers and getting sales. A good rule of thumb is to keep your ego out and your customers' best interests in when planning your new business.

FREE MARKETING FOR YOUR BUSINESS

The Pacific Islands Small Business Development Center Network website now offers a telemarketing medium called a **BUSINESS CARD**. This presents another wonderful opportunity for businesses to advertise their Company's products and/or services by expanding their exposure beyond the Pacific Rim.

Logon to www.pacificsbdc.com



Pacific Islands Small Business
Development Center Network
Location: University of Guam, UOG Station
P.O. Box 5014

Warehouse B - Room 3, Mangilao, Guam 96923
Telephone: (671) 735-2590 • Fax: (671) 734-2002
Website: <http://www.pacificsbdc.com>

Casey Jeszenka, Director
casey@pacificsbdc.com

Betsy Chargualaf-Iriarte, Network Operations Manager
betsy@pacificsbdc.com

Georgette F. Reyes, Associate Network Director
georgette@pacificsbdc.com

Guam SBDC
P.O. Box 5014

UOG Station, Mangilao, Guam 96923
Telephone: (671) 735-2590 • Fax: (671) 734-2002

James E. (Jim) Demney, Senior Counselor
Denise Mendiola, WIB Program Coordinator-Counselor
Lorie Sablan, Technical Assistant

Chuuk SBDC
Office of the Governor

P.O. Box 1143

Weno, Chuuk Federated States of Micronesia 96942
Telephone: (691) 330-5846 • Fax: (691) 330-5847
email: chuuksbdc@mail.fm

Tiser Lippwe, Director
Ketsen Haregai-chig, Counselor

Yap SBDC
P.O. Box 1171

Colonia, Yap Western Caroline Island, 96943
Telephone: (691) 350-4801 • Fax: (691) 350-4803
email: YSBDC@mail.fm

James Limar, Director
Maelyn Edwin, Counselor Assistant
Jacinta Primo, Office Manager
Michael Gaan, Counselor
Monica Tinag, Counselor

RMI SBDC

P.O. Box 1727 Majuro, Marshall Islands, 96960
Telephone: (692) 625-3685
email: rmisbdc@ntamar.com
Anel Philimon, Director
Leeno Aikuji, Office Manager

Palau SBDC

c/o Palau Community College
P.O. Box 9, Koror, Republic of Palau 96940
Tel: (680) 488-6004

email: palausbdc@palaunet.com
Lisa Abraham, Director
Sheree Sengebau, Counselor

KOSRAE SBDC

P.O. Box 577, Tofof, Kosrae State, FM 96944
Telephone: (691) 370-3044/2751 • Fax: (691) 370-2066
email: kbdac@mail.fm
Skiller Jackson, Director
Stanley Ramman, Counselor
Atalia Jackson, Office Manager
Adam Leff, PCV

PI SBDCN Advisory Board

Lee Webber, Chairman • Marcel Camacho, Member

- Casey Jeszenka, Secretary
- James Gilmar, Member (Yap)
- Robert Pinho, Member (RMI)
- Philip Reikai (Palau)
- Mason Fritz (Chuuk)
- Michael Ady, Member
- Marie M. Keirin, Member
- Ken Lujan, ex-officio

Guam Chamber of Commerce Small Business Management Seminars

The Guam Small Business Development Center (SBDC) has been an associate member of the Guam Chamber of Commerce (the Chamber), and an active participant on their Small Business Focus and Development Committee (the Small Business Committee), since 2003. Since that time, under a Memorandum of Understanding with the Chamber, the SBDC has assisted the Committee in the development of training programs to encourage the formation and growth of small businesses.

In 2006, under the leadership of Mike Ady, Co-Chair, membership on the Small Business Committee increased by 14%, and participation in the monthly Small Business Management Training Seminars increased by more than 100% over the previous year (over 300 total participants averaging more than 25 per session). The Small Business Committee looks forward to continuing to play a key role in assisting Chamber small business members take advantage of opportunities from the impending military build up on Guam, and to encourage more small businesses to join the Chamber.

Small Business Management Training Seminars covered the following topics in 2006:

- Employee Workplace Issues: Hiring and Firing, Motivation, Sexual Harassment (Carlsmith Ball);
- Workplace Compliance Issues: Safety, Privacy & Ethics, & Legal (GTA)
- Relationship Marketing: Trends, Best Practices & How to make it Work! (UOG School of Business and Public Administration)
- Drug & Alcohol Addiction: How to Identify Employee Behaviors & Performance Deterioration (Motiva Training & Consulting);
- How to Incorporate Work Ethics into Company Policy and Performance Evaluation (Motiva Training & Consulting);
- How to Work with the General Services Administration (GSA);

- Financial Reports: Tools & Benefits (Ernst & Young);
- Do's and Don'ts for Employee and Management Training Investment (Motiva Training & Consulting);
- Management of Discrimination and Harassment (Carlsmith Ball);
- FedBiz 101: How to Start Doing Business with the Federal Government (SBA); and
- Tax Issues for Small Businesses (Deloitte & Touche).

Each seminar event is available to Chamber members at no cost, while a \$20 fee is assessed for non-member participation. The Guam Small Business Development Center makes a brief presentation at each seminar about its programs and services. Because of the increase in demand for training seminars in 2006, Chamber members Outrigger Guam Resort & Royal Orchid Hotel supported the Small Business Committee by providing a venue for the training sessions from time to time.

The Small Business Committee also hosts an annual small business networking event. In 2006, the 2nd Annual Small Business Expo: A Matchmaking Event, showcased participating member services and/or products to an audience of business professionals. 30 Chamber members participated and about 200 people attended the event held on June 29, 2006 at the Hyatt Regency Guam Grand Ballroom. The principal Small Business Business Expo Partner was Landscape Management Systems, and the (very important) Wine Sponsor was Mid-Pacific Distributors Inc.

Information for this article was obtained from the 2006 Annual Report of the President to the Membership, Guam Chamber of Commerce, prepared by President Eloise R. Baza. For more information, please call the Guam Chamber of Commerce at 472-6311 or visit the website at www.guamchamber.com.gu

Get Guam Teleworking (GGT) Loan Program

GGT is a federally funded program, administered by the Guam Center for Excellence in Developmental Disabilities Education, Research, and Service (CEDDERS). Our mission is to provide a program that offers affordable financial loans to help individuals with disabilities purchase equipment in order to Telework.

What is Telework?

"Telework" is defined as paid employment that is regularly performed at a place other than the employer's office or place of business, such as a worker's home or a Telework center. The employment may be either full-time or part-time.

Paid self-employment that is a home-based business is also considered Telework.

- Equipment may include, but is not limited to:
- Computers, printers and related peripherals
- Software
- Fax machine

- Scanners
- Office machines (e.g. calculators)
- Telecommunication devices
- Home modifications for accessibility and/or to create home offices

Eligibility Requirements:

- To be eligible for a GGT loan, applicants must:
- Be a Guam Resident
 - Be at least 18 years old
 - Be a person with a disability
 - Telework Intent - Employment with an existing business or Self-Employment

Receiving an application is easy, contact the GGT staff at : 735-2490/1 735-2491 (TTY) or Email to: mterlaje@ite.net

What if I need help completing the application? If you have any questions or need assistance completing the application, GGT has a helpful staff that would be happy to assist you.

Guam SBDC Training Workshop

FEBRUARY 2007

February 22 - HIRING THE RIGHT PEOPLE AND DRUG & ALCOHOL ADDICTION-HOW TO IDENTIFY EMPLOYEE BEHAVIOR AND PERFORMANCE DETERIORATION

Presented By: Ms. Toshie Ito, MOTIVA Consulting & Training

Time: 9:00 am-12:00 noon

Workshop Fee: \$30

February 23 - RECORDKEEPING & CASHFLOW MANAGEMENT

Presented By: SBDC

Time: 9:00 am-11:00 am

Workshop Fee: \$20

MARCH 2007

March 3 - MARKETING STRATEGIES (VETERANS MICRO BUSINESS TRAINING)

Presented By: SBDC

Time: 9:00 am-11:00 am

Workshop Fee: FREE

March 15 - WORK ETHICS-FOUNDATION TO PROTECT YOUR BUSINESS AND ATTRACT GOOD EMPLOYEES

Presented By: Ms. Toshie Ito, MOTIVA Consulting & Training

Time: 9:00 am-12:00 noon

Workshop Fee: \$30

March 16 - NEW TECHNOLOGY FOR BUSINESS PLANNING

Presented By: SBDC

Time: 9:00 am-11:00 am

Workshop Fee: \$20

APRIL 2007

April 19 - GREAT WEALTH WITHIN-DEALING WITH CO-DEPENDENT BEHAVIOR MANAGING SELF-ESTEEM

Presented By: Ms. Toshie Ito, MOTIVA Consulting & Training

Time: 9:00 am-12:00 noon

Workshop Fee: \$30



All workshops will be conducted at the SBDC Room #148 located in the Jesus & Eugenia Leon Guerrero School of Business & Public Administration Building on the campus of the University of Guam. Seating is limited. Advance signup and payment required prior to workshop date. If paying by check, please make payable to: UNIVERSITY OF GUAM. Individuals interested in attending the workshop can submit a web request at www.pacificsbdc.com <<http://www.pacificsbdc.com/>> or contact Lorie Sablan at 735-2590 or e-mail lorie@pacificsbdc.com. Requests for reasonable accommodations must be made 72 hours in advance. Services are extended to the public on a non-discriminatory basis.

Rosy Rouge: Dream comes true for aspiring make-up artist

By: Denise Hertslet, Guam SBDC

My name is Cherry Aiken, owner of Rosy Rouge Hair and Make-up Salon. I am married to Kim Aiken, a very cool guy, and we have a wonderful 3 year old son, Blaze. I have been on Guam for sixteen years. When I first came to Guam I worked as a cook and then as a florist for my Aunt Dalisay.



Rosy Rouge salon owner Cherry Aiken with husband Kim Aiken & son Blaze.

I have worked at Duty Free Shoppers (D.F.S.) for the past 10 years as a trained M.A.C. make-up artist. Throughout my years in this career I have continually updated my skills to achieve the most up-to-date look. I decided to be a freelance make-up artist because I have already collected all the colors, tools and knowledge of the product and I have extensive experience, having done make-up for brides, glamour, prom and commercial photography. Being a make-up artist is a very challenging and interesting field. You get to meet and learn about your customers and sometimes they become your friends.

A few years ago, I told my husband about my dream of building a small business and he agreed and supported me. It took me almost two years to make this salon happen. I had to write a business plan, which included gathering all the information for the business idea and observing and studying the field that I was getting into. When I was ready with my business plan, I went to Guam SBDC and met with Denise Mendiola for consultation and she gave me lot of advice. After my business plan was finalized, I went to Bank of Hawaii to meet with Rodney Webb and Nacia Atalig, who were very helpful. I was surprised at the speed of my approval.

When I received the funds for my business I ordered some equipment and furniture online and I bought some products here on Guam. My husband did all the construction with the help of some friends, Jim and Dave Kautz. In less than a month the place was

done. I have to thank my husband for all his hard work on the salon! Getting the business license was easy. However, dealing with Public Health was the hardest part. I experienced a lot of changes and delays and it cost me a lot more money than I anticipated.

In the meantime, I started looking for people to work with me. I thought this part would be easy. I learned soon enough that some people will commit to you and you will trust them. And at the last minute they let you down. That is where my faith in God became stronger than ever. Everything worked out and I am fortunate enough to be working with Cynthia and Samantha who have 15 years in the field of cosmetology. They are excellent in their own fields and very supportive and fun to work with.

What was once a dream, is now Rosy Rouge Hair and Make-up Salon. The business houses professionals with 10 to 15 years of experience in a wide range of beauty services. With that, we have an understanding of the importance of luxury and customer service to include: audio and visual stimuli promoting a warm ambience, hot and cold beverages and refreshments, mini M.A.C. cosmetic bar to initiate beauty as well as positive social interaction. Rosy Rouge is located at 144 Fujita Road, Tumon, Guam. Salon Hours are 8:am to 7:pm Monday to Saturday. If you would like to set up a personal consultation, you can call 649-6369.

My advice to anyone who wants to go in to business is this: you must have a business plan, get advice and information. You have to put your heart, mind and faith into it. Finally follow your dream and see it through.



Rosy Rouge

Hair and Make-up Salon

Owner: Cherry Aiken

144 Fujita Road, San Vitores Tumon Guam 96913

Ph: 649-6369 • Cell: 888-6920

Email: kcaiken@teleguam.net

Salon Hours: 8am - 7pm Monday to Saturday

TROPIC

continued from page 1

groups on Yahoo Groups. Initially, she was going to make traditional cold pressed soap but then she ran in to the problem of buying lye (a hazardous material) and shipping it. Barbara decided to go with a glycerin type soap base instead. According to Barbara, "The one great thing about the glycerin base is that it can be colored bright tropical colors which cannot be done with cold pressed soap."

Shortly after, Barbara called Frank Crisostomo-Ka'aihue at the Guam SBDC and asked if he would reactivate her status with the Guam Center. She attended classes on "How to start your business", "How to finance your business" and "How to market your business." In August 2005, Barbara went to the Department of Revenue and Taxation and

received 3 business licenses: Home Industry, Wholesale and Retail (Peddling).

Barbara found most of her supplies and equipment for her business based on recommendations from the members of her Yahoo soap groups. According to Barbara, "The groups that I belong to, which are mainly composed of women, have been a wonderful source of information and networking for my business." Barbara's biggest problem was shipping the items to Guam, so she tried to consolidate orders so that most of her supplies would arrive at the same time. The freight forwarder that she uses on a regular basis has been reliable about ensuring that her supplies arrive in a timely manner.

A big part of producing a product is testing. You have to make sure that it is safe, has a certain amount of shelf life, and is marketable. According to Barbara, "Soap does not need a lot of product testing but Public Health requires that all ingredi-

ents must be listed on the label. We tested our soap by giving out samples and asked people to give us feedback on how they liked the products. We did samples with local friends as well as military friends that I work out with at the Anderson gym." All of Tropic Soap's products are produced in an extension to Barbara's house which was built expressly for her soap production. All of Tropic Soap's soap contains coconut oil which Barbara makes at her shop.

Barbara focuses a lot on marketing her product to her customers. One of her key selling points is that customers can custom order the scent and color that they would like. Part of her focus on providing excel-

lent customer service includes accepting major credit cards, which allows customers to make larger purchases. Her client list includes Bonita Baskets, Coconut Villa Gift Shop, Jeff's Pirate Cove and the Navy

Tropic Soap:

Barbara McCarron, Owner

P.O. Box 631

Hagatna, Guam 96932

Ph: 637-7630

Fax: 637-7631

Cell: 688-5967

Email: tsoap@ite.net

Exchange.

When asked if she could give advice to other women who want to go into business for themselves, Barbara says "I would strongly recommend that anyone planning to go in to business should do research, which should include a good market study. If you do plan to make a local product, I would strongly recommend that you get a Guam Product Seal." Barbara claimed that the Guam Product helped her obtain a vendor contract with the Navy Exchange. Finally, Barbara says "Take advantage of all of the services offered at the Guam SBDC. It is a wonderful program and I would like to thank Denise Mendiola for all of the advice and recommendations that she has given me."

For more information about the Bank of Guam Women in Business Program at the Guam SBDC, UOG, call Denise Mendiola at 735-2594 or email denise@pacificsbdc.com.



High Hopes for New Micro Loan Program

By: RMI SBDC Staff

In the real world if you go to a bank to apply for a development loan, a bank will assess your eligibility by considering four factors:

1. A sound business plan
2. Collateral
3. Good credit history, and
4. Equity injection

In the Marshall Islands, however, in order to get a loan you need to have a pay check because that's the only way a bank will feel secure enough to lend money if they know the loan will be paid back through direct deductions from your pay check.

For this reason, Pacific Island Small Business Development Center Network Director Casey Jeszenka admits that he's discouraged that Marshallese will ever be able to get a true commercial loan that does not require payroll deduction.

"For the past four years, RMI SBDC was unable to create economic impact because there were no true commercial loan programs.

The current Bank of the Marshall Islands and Taiwan joint micro credit loan program is the first positive step Mr. Jeszenka said he's seen for the private sector since he started working with the Marshall Islands.

While in Majuro for the PISBDCN 4th. Quarter Staff Development Meeting, Director Casey Jeszenka

and the Associate Director Georgette Reyes were able to meet with the Taiwan Ambassador Hon. Lien-gene Chen and his key-staff, the President/CEO of the Bank of the Marshall Islands Mr. Patrick Chen and his key-staff Mr. Sultan Korean, Secretary of Resources and Development Frederick Muller and RMI SBDC Director Anel N. Philimon to discuss future possibilities to get the micro loans turned into true development loans that don't require payroll deductions.

According to the results of the discussion on the micro loans, the understanding is that if the first batch of loans is successful, then Taiwan will be considering a second phase. Taiwan has heard the needs of the people of RMI on economic developments and has come and answered.

The goal of micro loan is to borrow and pay back, borrow again and pay back so that your business can grow and expand. It gets someone bankable and gives a person a credit history.

The RMI SBDC under the Ministry of Resources and Development is a neutral party that can help individuals with their business plans and record keeping. To contact the RMI SBDC for counseling call (692)625-3685.

RMI Host PISBDCN Staff Development Meeting



By: RMI SBDC Staff



The Director of the Pacific Islands Small Business Development Center Network (PISBDCN) Mr. Casey Jeszenka was in the Republic of the Marshall Islands for the 4th Quarter Professional Development. In attendance were members from the Network Office and service center representative from Guam, Palau, Yap, Kosrae and RMI. Mr. Robert Pinho, RMI's representative on the Network's advisory board, welcomed the group to Majuro. Secretary of R & D Frederick Muller recognized the Network for its strong support of local small business development.

Dr. Anita Borja Enriquez representative from the University of Guam was invited to speak about a new US-funded project that aims to build up business capacity and to support a variety of feasibility and market studies through the Pacific Center for Economic Initiatives (PCEI).

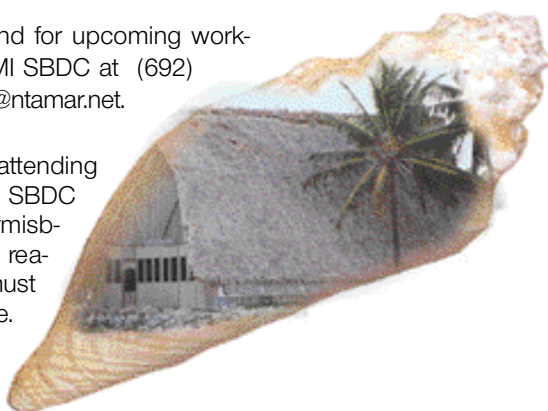


RMI SBDC Training Workshop

The RMI Small Business Development Center (SBDC) Training Sessions are open to all qualified small business owners, managers and key/personnel and individuals planning to open or thinking about opening small business ventures. All training sessions are free of charge and will be held at the RMI SBDC Office located at the Marshall Islands Development Bank Building Room 404.

For actual dates/times and for upcoming workshops, please contact the RMI SBDC at (692) 625-3686 or email to rmisbdc@ntamar.net.

(Individuals interested in attending the sessions can call the RMI SBDC at (692) 625-3685 or email rmisbdc@ntamar.net. Request for reasonable accommodations must be made 72 hours in advance. Sessions are extended to the public on a non-discriminatory basis).



(Sessions are open to all qualified small business owners, managers and key personnel and individuals planning to open or are thinking about opening small business ventures. Enrollment in all classes is limited. All sessions are free of charge. The sessions will be conducted at the RMI SBDC which is located at the Marshall Development Bank Building, floor 4, Room 404. Individuals interested in attending the workshops can call RMI SBDC at (692) 625-3685 or e-mail rmisbdc@ntamar.net. Requests for reasonable accommodations must be made 72 hours in advance. Services are extended to the public on a non-discriminatory basis).

Young Lady Assisted by Chuuk MicroCredit



By: Chuuk SBDC

The young lady came to the Center looking for assistance to open up a retail outlet in her village in Mwan, Weno. She went through the counseling requirement, and also attended our business workshops. The lending institutions in Chuuk would not assist her since she is in her early twenties, and with limited experience. She enrolled in the Chuuk Microcredit Program, completed all the requirements, and submitted her cash flow to the peer group. Her plan was approved. She immediately renovated a house in Mwan, and opened her new store last October 2006. The

store has recently expanded to include women's dresses, skirts, children's clothing, and other merchandise that were not found in her store last year. Linda told us that so many people are coming to shop at her store that she can not find time to rest nor attend the workshops on Business Computers offered by the Chuuk SBDC in January 2007. She is looking forward to expanding her building, and hiring another helper at the store. The Chuuk Small Business Development Center congratulates Linda Konman on a very successful business venture in Chuuk.

Chuuk MicroCredit Client Expands to Exporting

By: Chuuk SBDC

Susan Dannis operates a small sewing business selling women's dresses such as Likoutang, Mumu, the famous Chuukese Sikato, and other related finished products in Chuuk. Last year she enrolled in the Chuuk Microcredit Enterprise program, submitted her business expansion plan to her peer group and the plan was approved. Susan opened her export business to the Chuukese communities, in those far away places, such as Guam, Hawaii, and also in the US Mainland.

Susan has reported to the Chuuk SBDC that her business has grown so fast that she can not meet the demand. Yet she is enjoying the benefit from doing business outside Chuuk. Susan said that a Likoutang will double in sales price when sold outside Chuuk. Susan is also an active member of the Chuuk Women Association and has been very instrumental in helping other Chuukese women start up their businesses, so that they too can be their own boss.

Chuuk SBDC Training Workshop



Feb 19 Monday Pre-Business 9:00am-11:00am	9:00am-11:00am
Feb. 20 Tuesday Business Plan 9:00am-11:00am	Mar 1 Thursday Business Diversity 9:00am-11:00am
Feb 21 Wednesday Record Keeping 9:00am-11:00am	Mar 2 Friday Is It The Right Price? 9:00am-11:00am
Feb 22 Thursday Financial Statements 9:00am-11:00am	Apr 2 Monday Quick Book Simple 9:00am-11:00am
Feb 23 Friday Customer Service 9:00am-11:00am	Apr 3 Tuesday MS Excel Inventory 9:00am-11:00am
Feb 26 Monday Tax & Licensing 9:00am-11:00am	Apr 4 Wednesday MS Excel Organizing Data 9:00am-11:00am
Feb 27 Tuesday Principals of Accounting 9:00am-11:00am	Apr 5 Thursday Price Analysis/Break Even 9:00am-11:00am
Feb 28 Wednesday - Banking	Apr 6 Friday Double Entry Recordkeeping 9:00am-11:00am

The workshops will be conducted at the Chuuk SBDC which is located on the 2nd floor of Building B at the Chuuk High School. Sessions are open to all qualified small business owners, managers, key personnel and individuals interested in starting or considering opening a small business venture. Enrollment in all classes is limited. All sessions are FREE OF CHARGE. Individuals interested in attending the workshops can call the Chuuk SBDC at (691)330-5846 or email: chuuksbdc@mail.fm . Requests for reasonable accommodations must be made 72 hours in advance. Services are extended to the public on a non-discriminatory basis.



(The workshops will be conducted at the Chuuk SBDC which is located on the 2nd floor of Building B at the Chuuk High School. Sessions are open to all qualified small business owners, managers and key personnel and individuals planning to open or are thinking about opening small business ventures. Enrollment in all classes is limited. All sessions are free of charge. Individuals interested in attending the workshops can call Chuuk SBDC at (691) 330-5846 or e-mail chuuksbdc@mail.fm . Requests for reasonable accommodations must be made 72 hours in advance. Services are extended to the public on a non-discriminatory basis.)

Yap SBDC Kicks Off the New Year With Its First Youth Business Plan Competition

By: Yap SBDC

The Yap Small Business Development Center is proud to announce that it will be taking its first try in a "Business Plan Competition". The competition will commence in June of this year. The idea came out after attending the ASBDC Conference held in Houston, Texas on September of 2006. A presentation made by Ms. Suzanne Barnett from the Valdosta Small Business Development Center entitled: "The Ultimate Reality Game: A Business Plan Contest with 10,000 reasons to Play." The presentation was very detailed and informative that it interested the staff and management of Yap SBDC. The Yap SBDC staff decided

to use the idea to create a similar project with the Youth Program that is currently and has been active since June, 2002.

The Yap SBDC Business Trainer is happy to share the news and is anxious and excited to kick off the competition. Recruitment of participants has already started. The participant ages will range between 18 to 25 years. Currently there are a number of interested groups and individuals, who are waiting to go through the screening process. The final preparations and final list of participants will be completed by February 2007.

The Yap SBDC is very excited and anxious to start the project and anticipates positive results.

Yap SBDC Works with Rural Community to Access and Pool Business Development Resources

By: Yap SBDC

Historically the Yap SBDC has predominantly worked with individuals either to start a business or address specific business issues. Lately, that is beginning to change, and more and more of the program's clients are representatives of communities around Yap who come to work with the SBDC on business ideas aimed at benefiting the various communities as a whole.

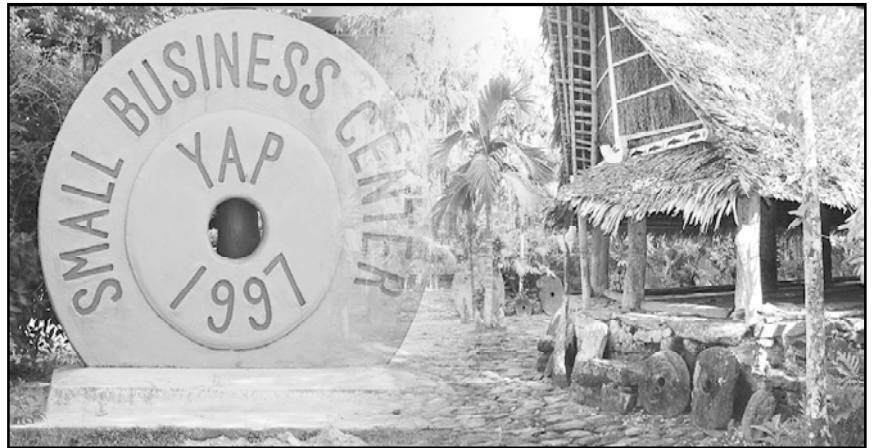
A recent successful example of this trend is the community of Wuluu, a village in Fanif Municipality. The village previously got a grant from the local Historical Preservation Office (HPO). Residents utilized the grant proceeds to make repair to a traditional stone footpath, construct a fish weir (sagel), and build a traditional men's house (faluw). The village became an attraction site with island visitors paying an entrance fee to visit the village. Based on the project's income, the residents recently decided to expand its scope and add more amenities to diversify the income base of the project. They decided to extend the repair of the stone footpath network meandering through the village, to repair the village traditional meeting place stone platform and to rehabilitate the traditional dance performance site. Their objective is to add to the inventory of areas of interest for sightseeing and provide a venue for traditional dance performance for hire by project patrons.

The community needed more financial resources than it had to implement this phase of the project. It was aware of and wanted to target grant funding of the Yap Visitors Bureau (YVB) under its Tourism

Product Development Grant Fund, a program recently established with the help of the SBDC. A representative of the community, after being informed about an MOU between YVB and SBDC, came to the SBDC seeking assistance on development of a grant proposal. The client worked with a counselor of the SBDC and after two weeks a proposal was submitted to the YVB. The YVB grant guidelines require, among other things, 25% cash match as equity. The community did not have the cash match but with its prior favorable business history with the HPO, it received the 25% cash match as a separate grant. During the last week of December 2006, YVB came back informing the community that it had been awarded a product development grant in the amount of \$8,000.00. Combined with the 25% matching grant from HPO, the community now has grant funding in the total amount of \$10,000.00 awaiting disbursement.

It is becoming evident that some local communities are considering collective ownership of businesses and are actively seeking available resources and leveraging those resources. It is also noteworthy that an increasing number of otherwise predominantly rural residents of Yap State are proactively exploring options to bring employment and income generation opportunities to a segment of the island population that has historically been outside of the formal sector of the state economy. This development enables more and more residents to become meaningful participants in the overall development process of Yap State.

Yap SBDC Training Workshop



February

How to Create an Amortization Schedule Using Excel
Presented By: Eldon Haines

How to Create an Inventory Schedule Using Excel
Presented By: Eldon Haines

How to Create a Cash Flow Statement Using Excel
Presented By: Eldon Haines

How to Create Graphs Using Excel
Presented By: Eldon Haines

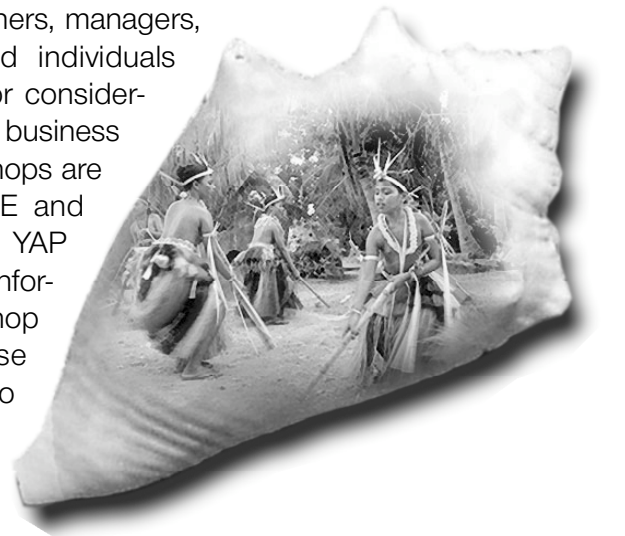
QuickBooks Simple Start
Presented By: Eldon Haines

How to Prepare Financial Projections
Presented by: Monica Tinag

March

Customer Services
Presented by : Monica Tinag

Yap SBDC workshops are open to all qualified small business owners, managers, key personnel and individuals planning to open or considering starting a small business venture. All workshops are FREE OF CHARGE and will be held at the YAP SBDC. For more information on workshop dates/times, please call Jacinta Primo (691) - 350 - 4801/4802.



Hiring and Managing People With Special Needs
Presented by : Monica Tinag

April

Quick Books
Presented by : Mae Lynn Edwin

Cash Flow Management
Presented by : Monica Tinag

Introduction to Micro Finance
Presented by : Monica Tinag

May

Tourism Product Development
Presented by : James Limar

Business Decision Making Concepts
Presented by : James Limar

Business Communications
Presented By: James Limar

Individuals interested in attending the workshop can submit a web request at www.pacificsbdc.com or email ysbdc@mail.fm. Requests for reasonable accommodations must be made 72 hours in advance. Services are extended to the public on a non-discriminatory basis.

Note: Above schedule is subject to change without prior notice.

Business and Money Myths

By James E. Denney, Guam SBDC

How many of the following statements are true? "Incorporating a business provides 'blanket' protection to the owners." "The US Government has free money to help a start-up business." "Changing the company status to minority, and/or woman-owned will guarantee government contracts." "A company needs a business plan only when they need to borrow money." "A high credit score (good credit) is guaranteed as long as minimum, on time payments are made on all loans and credit cards." The short answer is that all of these statements are generally false. Let's take a closer look.

There are many pros and cons to incorporating so the first step should be to seek the advice of a tax accountant or an attorney. Some believe that incorporating will protect them if the company defaults on a loan; is sued; or, fails to fulfill a contract. Actually, most company loans must be signed, and thus guaranteed, by the owners themselves and so owning a corporation would not remove responsibility for defaulting on a loan. Insurance and bonding are used to guard against the other two issues.

The US Government may have grant money for a well-established corporation that specializes in research or a highly skilled service that is difficult to find. But to quote Entrepreneur.com, "Nothing could be further from the truth!" if you believe the government has grants for startups. There are grants for organizations whose members and partners have credentials and/or have proven themselves in specific fields of service that can fulfill a specific community need. Numerous examples can be found by looking through the Community Development Block Grants (CDBG) provided by the US department of Housing and Urban Development (HUD).

Many owners believe that just by changing their company's socio-economic status to veteran, minority and/or woman-owned will guarantee they receive prime or sub-contracts with the federal government. But the Introduction to the Central Contractor Registration (CCR) Handbook clearly states, "...registration does not guarantee business with the federal government." There are other important factors to be considered when making a status change such as it must be evident that 51% of the company is actually owned and controlled by one or more of the twelve socio-economic groups. Those being said however, please understand that registering with CCR is very important for any company who is looking to provide goods or services to the federal government. This registration, with the proper NAICS codes, will help them get on the short list for the government or prime contractor who is searching for help.

Again, according to Entrepreneur.com, "A business plan is the absolute first thing (that must be done)." It gives perspective and uncovers potential problems for which solutions must be found before the business opens. Remember the proverb, "He who fails to plan, plans to fail." Here is a scenario. Suppose someone will win \$1 million if they can claim it in exactly 24 hours at the Post Office located in Bovina, Texas. Now if this person, in their excitement, just jumps on the first plane, he will miss the deadline. Failing to plan the trip he will not know that the closest international airport is over 100 miles away, flights from a few major cities arrive only a few times a week, and since there is no airport in Bovina he would need to rent a fast car.

The final myth applies to both business and personal credit. What most people don't realize is the fact that at some point a person (or a company) can become over-extended even if they have been making all their payments. They will have reached the maximum number of loans and/or amount of debt allowed by the most liberal finance companies.



Kosrae Trade Consultation Meeting

By Kosrae SBDC

In October 2006, a trade working group representing the five governments and private sectors met in Palikir, Pohnpei. Part of the meeting outcomes included the FSM Trade Analyst and FSM Trade Unit staff to visit the four states early 2007 to get more inputs, comments and views of each state.

On the 15th through the 19th January 2007, the state visit commenced in Kosrae. The consultation meeting was coordinated by the Kosrae Business Development Council and Kosrae SBDC and facilitated by Jesse Giltamag, Trade Unit Deputy Secretary, FSM DEA, Gainmore Zanamwe, FSM Trade Analyst, and Shiu Raj, Pacific Islands Forum Secretariat Trade Specialist. The first two days of the meeting was slated for industry familiarization so the FSM Trade Analyst, FSM Trade Unit staff and PIFS Trade Specialist could have better taste of the activities and best practices in the private sector. Operations they visited include an integrated farm of kava, noni, and egg production, KPPO (vegetable farm group), Kosrae Crab Farm, Giant Clam Export, banana farm, and other potential trade operators.

The remaining three days of the meeting comprised of a lot of learning,

sharing, exchanging of information related to trade and information gathering took place. The three days were very intensive and the participation was impressive, too. The first day of the meeting was opened by a remark by the acting governor. In his message, he emphasized the need for trade activities to be improved and coordinated for better economic advancement for the State of Kosrae. Various state departments and agencies, Kosrae Chamber of Commerce, Kosrae Business Development Council, Kosrae SBDC, and private operators were represented. Informative presentations were given by the Department of Agriculture, Land, & Fisheries, Kosrae Visitors Bureau, and Department of Commerce & Industry. Among the participants was Dr. C.L. Cheshire from the Hawaii Pacific Business Center. Dr. Cheshire was invited by the Kosrae Business Development Center to attend the consultation meeting on its behalf. The facilitators felt the consultation meeting was a success. They were also impressed with the level of organization and acknowledged with their sincere thank you and appreciation to Kosrae Business Development Council and Kosrae SBDC for their efforts. Kulo Malulap!!!

Kosrae Small Business Development Center (SBDC) Workshops



March Workshops

Tuesday, March 6th – Thursday, March 8th
(9:00am – 12:00pm each day)
"Computers in Business"

April Workshops

Thursday, April 12th (9:00am – 12:00pm)
"Recordkeeping"

Thursday, April 26th (9:00am – 12:00pm)
"Accounting and Financial Statements"

May Workshops

Thursday, May 10th (9:00am – 12:00pm)
"Cashflow"

Thursday, May 24th (9:00am – 12:00pm)
"Pricing"



For more information on upcoming workshops, please contact the Kosrae SBDC at (691)370-2751 and/or call the municipal offices for the Outreach Training to register your name. Individuals interested in attending the workshop can also submit a web request at www.pacificsbdc.com or send an email message to kbdac@mail.fm.

The Kosrae Small Business Development Center is a program supported by the U.S. Small Business Administration and extended to the public on a non-discriminatory basis. SBA cannot endorse any products, opinions, or services of any external parties or activities. Reasonable accommodations for persons with disabilities will be made if requested at least two weeks in advance.

If you are interested call Kosrae SBDC at (691)370-2751 or email kbdac@mail.fm. You may also call the municipal offices for the Outreach Training to register your name.

YESTERDAY'S TOMORROW...

People, Partners, Planning is Successssss!

By: Palau SBDC

Palau SBDC is once again seeing another successful year end. The year is celebrated with success of additional resource partners, clients, and support from the community as well as the leaders of the country. "This year has been an extra special year where Palau SBDC tightens the joint collaboration with the USDA Farm Service Agency, former center director returns to assist the center in conducting training workshops, and most importantly, the leaders of Palau are asking questions and making sugges-

type of businesses as well as commercial loans. With the financial support of the local based FDIC and the development banks in Palau and Guam, I hope Palauans will wake up to the opportunity at hand. Economic development is good for Palau and can sustain better livelihoods, but proper planning is essential to avoid loss of assets and increase benefits. Therefore, the Palau SBDC with the support of the Ministry of Commerce and Trade, Palau Community College, U.S. Small Business Administration, Guam



tions to improve the center's services", states Lisa K. Abraham, Director.

Another great success is through the flexibility of the lending institutions based in Palau; For example, the National Development Bank of Palau (NDBP) that most Palauans go to for financial seed money to launch their business dreams or housing development, the Pacific Island Development Bank (PIDB) in the same vital role of commercial loans, the Bank of Hawaii (BOH) that has been significantly supportive given that, business loans puts BOH at greater risks as they cannot take real estate assets as collateral to commercial loans. Similarly, for administering U.S. SBA commercial loans that have helped the small business community expand. At the same time, Bank of Guam (BOG) for its continuous support in administering U.S. SBA commercial loans for expansion



branch, and the Pacific Island SBDC Network are here to support those businesses in expansion planning and/or prospective businessmen who seeks pre-planning counseling. These array of resources and partnerships of the lending institutions has paved the opportunity road for Palauans. Therefore, "I hope the community will continue to seek assistance and take advantage of the chances at hand," Lisa K. Abraham, Director.

The Palau SBDC takes this great opportunity to wish everyone a "Prosperous New Year! Thank you." (Last glimpse of 2006, highlights!)

STEKAN'S

continued from page 1

demand. How can I obtain extracapital to hire more people and expand the facility with additional tools?" Hence, planning began; Working with the center's counselor, they both explored the several lending institutional opportunities and Mr. Kanai decided to try everyone, but one at a time. However, due to Mr. Kanai's consistent recordkeeping, he was able to complete his business plan in two days and submitted to Bank of Hawaii for consideration. Two weeks thereafter, the loan was approved 100%. Hence, Stekan's Enterprise immediately launched their expansion plans, and despite all the detail constructions, the employees multi-tasked as orders are coming in fast, so the operations can continue. According to an employee of Stekan's, the business has accomplished approximately 80% of the work plus projected revenues and still can bring on more.

Stekan's Enterprise is located in Ngerikilil, Airai State. Owned and managed by Mr. Steven Kanai. Since Stekan's charcoal is growing into the community, Mr. Kanai has also developed a barbeque grill for the charcoal, to add value to the product, and you can buy it from the same location. For inquiries, please

contact Steven Kanai at Tel.# (680) 587-4715 or e-mail at javask@palaunet.com.

The Palau SBDC wishes Stekan's Enterprise and Mr. Steven Kanai, the best of luck in his entrepreneurial endeavors! Well, that one person sees what you may see as rubbish as gold...Open your eyes and look beyond what you see...

The Palau SBDC mission is to support the growth and economic development of the Republic of Palau by providing high quality one-on-one confidential counseling and training as well as innovative workshops to existing and prospective small businesses. Dedicated to this mission, the SBDC embraces every opportunity to conduct outreach and provide its services to all the state in the Republic. Future



Owner Steven Kanai



workshops will be promoted with flyers posted at all the large shopping centers, and government public bulletins. Similarly, each workshop announcement will be aired through Eco-Paradise 87.9 FM. If you should need any assistance in setting up a workshop/seminar for your business (s) or organization, please do not hesitate to contact the Palau SBDC at Tel.# (680)488-6004 Fax# (680)488-1549/2447, or e-mail at lees@pacificsbdc.com.

Palau Small Business Development Center (SBDC) Workshops FEBRUARY - JUNE 2007

MONTH	TITLE	Date of Workshops:
January - March	1. Marketing & Sales	February 27, 2007
	2. Tax & License	March 13, 2007
	3. Basic Recordkeeping	March 27, 2007
April - June	1. Business Plan	April 17, 2007
	2. Financial Plan	April 19, 2007
	3. Cash flow management	April 26, 2007
	4. Budget & Planning	May 3, 2007
	5. Are You Charging the Right Price	May 22, 2007
	6. Customer Relations	June 12, 2007

Note: All workshops will start at 6:00 pm

Individuals interested in attending the workshops can contact the Palau SBDC at (680)488-6004 or email: lees@pacificsbdc.com or palausbdc@palaunet.com. Requests for reasonable accommodations must be made 72 hours in advance. Services are extended to the public on a non-discriminatory basis.

Individuals interested in attending the workshop can submit a web request at www.pacificsbdc.com <<http://www.pacificsbdc.com/>> or contact lees@pacificsbdc.com or palausbdc@palaunet.com Requests for reasonable accommodations must be made 72 hours in advance. Services are extended to the public on a non-discriminatory basis.

