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# Black Tie Makes Design Dreams Come True

**TAX TIME**  
Check out  
small business  
tax changes  
2010  
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**By: Denise Hertslet**  
Guam SBDC Business Counselor/WIB Program Director

Move over tacky rubber balloons and brown butcher paper. Birthdays and weddings just got classier with a new locally-owned business. Black Tie is a special events and floral design service business located in Hagatna, across from Agana Shopping Center. The Black Tie team includes a florist with over 20 years experience and a creative designer. According to co-owner, Angeline "Angie" Aflague, "We approach events from unique design elements to venues and overall theme. We wanted to live the dream of owning a business because we always had a passion for detail, embellishment, style and decor." Taking the next step to open our own shop was the natural thing to do.

Angie was quick to point out that the support and encouragement from her friends and family helped shaped her team's motivation to get into the special events business. "For years we did our own decorating at home before friends and family invited us into their homes during holidays to share and showcase our talent." Co-owners Angie and Eugene surrounded themselves with people, magazines and the internet to research and gain positive influences in the industry. Angie sought the assistance of Denise Mendiola Hertslet, Program Coordinator for the Bank of Guam Women in Business Program at the UOG-Guam Small Business Development Center, who helped guide her step by step. With Denise's assistance, Angie created a business plan and developed her marketing strate-

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**BLACK TIE**  
▲ OWNERS: ANGELINA AND EUGENE B. AFLAGUE  
▲ TYPE OF BUSINESS: FLORAL DESIGN AND EVENTS and more...  
▲ LOCATION: 110 VICTORIA BUILDING, SAN RAMON HILL, ROUTE 4, HAGATNA (across new Yogurtland in Agana Shopping Center)  
▲ HOURS OF OPERATION: 9:00 A.M. TO 6:00 p.m. M-F; 9:00 A.M. TO 4 P.M. SAT.  
▲ CONTACT INFORMATION: (671) 475-4843/777-1024

## University of Guam Pacific Islands Small Business Development center Network (PISBDCN) announces selection of Anel Philimon as State Star

Left to right, include: Charles "Tee" Rowe, President/CEO, Association of Small Business Development Centers, Jerry Cartwright, State Director, Florida SBDC, Casey Jeszenka, Network Director, Pacific Islands Small Business Development Center Network, Anel Philimon, Director of the RMI Small Business Development Center (SBDC), Antonio Doss, Associate Administrator, Office of Small Business Development Centers, U. S. Small Business Administration, Jim Mullery, Vice President, ACT! Sales, Sage North America



**By: Casey Jeszenka**  
PISBDCN, Network Director

PISBDCN Director Casey Jeszenka announced that Anel Philimon has been selected as the 2010 State Star of the PISBDCN. Anel Philimon is the Director at the Republic of the Marshall Islands (RMI) Small Business Development Center in Majuro.

"I am pleased to make this announcement, and to recognize Anel Philimon for extraordinary contribu-

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# Accomplishments Across Micronesia Region

## Pacific Islands Small Business Development Center Network (PISBDCN) Helps Businesses Start, Grow, & Succeed

The PISBDCN's mission is to support the growth and economic development of the U.S. affiliated islands in the western Pacific region by providing one-on-one confidential counseling and high quality training to existing small businesses and to small business start ups.

Programs and services available include:

### SMALL BUSINESS COUNSELING

FREE CONFIDENTIAL, one-on-one counseling in all areas of business management, including pre-venture feasibility, business plan development, marketing, record keeping, financial and human resource management, operations management, and access to capital (loans & investors), as well as specialized areas such as international trade and technical services. This service is available to all existing and/or potential small business owners that are US citizens, green card holders or citizens of the Freely Associated States. Because the SBDC maintains links to small business resources through its membership in the Association of Small Business Development Centers, its partnership with the U.S. SBA, the National Business Incubation Association, and other economic development groups regionally and internationally, we are also able to refer local businesses to high-quality external sources of information and ideas.

### SMALL BUSINESS TRAINING

Ongoing program of workshops, conferences, and semi-

nars designed to meet the needs of local small businesses. Workshop topics include starting a business, business plans, creating business financial projections, marketing your products or services, understanding financial statements, managing a business, legal issues, selling & salesmanship, new product development, and human resource issues. Courses are also offered as advanced programs aimed at enhancing the growth potential of established businesses. Training courses are presented at low to no cost. Trainings are facilitated at either the SBDC training center or other convenient locations based on demand.

### SMALL BUSINESS ASSISTANCE CENTER

Provide access to relevant business information through resources offered to include:

- Extensive small business library
- Computer laboratory with high-speed internet access
- Government & local business resource information

### COMMUNITY VILLAGE OUTREACH

SBDC's is available for presentations to schools, village organizations, and community groups.

We offer programs ranging from youth entrepreneurship and how to get started to the pros and cons of small business ownership, and tailored presentations upon request.

The University of Guam – School of Business and Public Administration – PISBDCN is sponsored in part by the U.S. Small Business Administration (SBA) under a cooperative agreement. The support given by the U.S. SBA through such funding does not constitute an expressed or implied endorsement of any of our co-sponsors and/or participant's opinions, products, or services.

Call your local SBDC nearest you today! Please visit the official PISBDCN website at [www.pacificsbdc.com](http://www.pacificsbdc.com).

Number of Jobs created		
	2009	2010
Projected	130	130
Actual	272	261

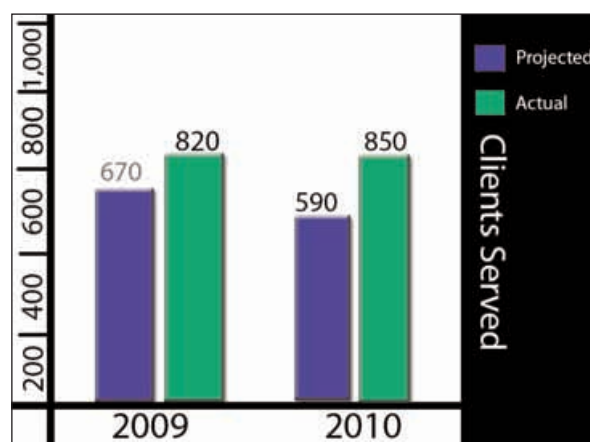
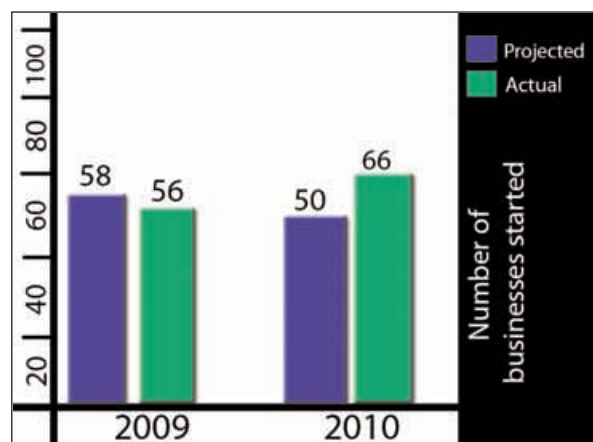
Number of Jobs Retained		
	2009	2010
Projected	70	75
Actuals	136	113

Total Loans		
	2009	2010
Projected	\$2,000,000	\$1,800,000
Actual	\$1,722,420	\$2,077,143

Total Loans and Equity Injection		
	2009	2010
Projected	\$2,445,000	\$2,235,000
Actual	\$2,690,643	\$3,723,025

## STATISTICAL HIGHLIGHTS

JANUARY THROUGH DECEMBER/COMPARISON CHART 2009 & 2010



Pacific Business Partners  
Officers, Staff and Board Members



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# Small Business Tax Changes 2010

By Fred Granilo  
Guam SBDC Business Counselor

*"Worried about an IRS audit? Avoid what's called a red flag. That's something the IRS always looks for. For example, say you have some money left in your bank account after paying taxes. That's a red flag." — Jay Leno*

When January rolls around every year we are reminded of new year's resolutions, new beginnings or a fresh start. The new year also represents the start of the new income tax season or dreadful reminder of that annual responsibility that many of us fear. So while you start to dig out your tax documents to get ready for tax preparation there are some recent changes you should be aware of. During the end of 2010 there were two significant Federal legislations that have direct tax impact for small business owners. Every small business owner should be familiar with the Small Business Jobs Act of 2010 and The Tax Relief Act of 2010, because these acts will require change in how one does their tax return for 2010. Also, most of the provisions are temporary affecting only 2011 and 2012.

## THE TAX RELIEF ACT OF 2010

### New Payroll Withholding for Business Owners – Payroll Tax Cut

As a result of the Tax Relief Act (TRA) of 2010, the Internal Revenue Service released instructions to help employers implement the 2011 cut in payroll taxes, along with new

income-tax withholding tables that employers will use during 2011. Millions of workers will see their take-home pay rise during 2011 because the TRA provides a two percentage point payroll tax cut for employees, reducing their Social Security tax withholding rate from 6.2 percent to 4.2 percent of wages paid up to the taxable wage base of \$106,800. This reduced Social Security withholding will have no effect on the employee's future Social Security benefits.

Employers should start using the new withholding tables and reducing the amount of Social Security tax withheld as soon as possible in 2011 but not later than Jan. 31, 2011. Publication 80, (Circular SS), Employer's Tax Guide, provides information on tax withholding and tax deposit information. Publication 15 (Circular E), Employers Tax Guide containing the extensive wage bracket tables that some employers use for withholding Guam income tax. Both publications are available at the Department of Revenue & Taxation (DRT) or on IRS.gov. The DRT recognizes that the late enactment of these changes makes it difficult for many employers to quickly update their withholding systems. For that reason, the agency asks employers to adjust their payroll systems as soon as possible, but not later than Jan. 31, 2011.

For any Social Security tax over withheld during January, employers should make an offsetting adjustment in workers' pay as soon as possible but not later than March 31, 2011. Employers and payroll companies will handle the withholding changes,

so workers typically won't need to take any additional action, such as filling out a new W-4 withholding form.

**EXAMPLE.** Jason earns \$50,000 a year and pays FICA tax on his earnings. Under the 2010 Tax Relief Act, Jason's employee-share of OASDI tax is reduced from 6.2 percent to 4.2 percent for 2011. Instead of paying \$3,100 in OASDI tax for 2011, Jason would pay \$2,100 in OASDI tax, resulting in a tax savings of \$1,000.

### Other key impacts:

▲ Individuals who do not pay into Social Security, for example, some public (or Government of Guam) employees, will not benefit from the payroll tax cut. These individuals did benefit from the Making Work Pay credit.

▲ The 2010 Tax Relief Act makes no changes to the Medicare portion of Social Security taxes, which is 2.9 percent.

▲ Self-employed individuals under the 2010 Tax Relief Act would calculate the deduction for employment taxes without regard to the temporary rate reduction (that is, one-half of 15.3 percent of self-employment income). However, the 2010 Tax Relief Act provides an enhanced percentage representing the employer portion of the deduction.

▲ Self-employed individuals under the 2010 Tax Relief Act would calculate 2011 self-employment taxes at 13.3% of net earnings from self-employment. This is defined gross income of an individual from the conduct of any trade or business minus allowable deductions and share(s) of income or loss from a partnership.

## Business Incentives

### 100 Percent Bonus Depreciation

The 2010 Tax Relief Act boosts 50-percent bonus depreciation to 100-percent for qualified investments made after September 8, 2010 and before January 1, 2012. The 2010 Tax Relief Act also makes 50-percent bonus depreciation available for qualified property placed in service after December 31, 2011 and before January 1, 2013. Certain long-lived property and transportation property is eligible for 100-percent expensing if placed in service before January 1, 2013.

### Other key impacts:

▲ This provision is one of the most expensive for businesses. Unlike Code Sec. 179 expensing, it is not limited to use by smaller businesses or capped at a certain dollar level.

▲ The 2010 Small Business Jobs Act extended 50-percent bonus depreciation for one year (qualified property placed in service during 2010; 2011 for certain long-lived property and transportation property).

▲ The new law refers to 100 percent bonus depreciation as "100 percent expensing" but it is separate from Code Sec. 179 expensing (discussed below).

▲ The 2010 Small Business Jobs Act also increased the Code Sec. 179 dollar and investment limits to \$500,000 and \$2 million respectively, for tax years beginning in 2010 and 2011. The new law provides for Code Sec. 179 expensing at a level of \$125,000 for 2012 (see below). Bonus depreciation is not limited by the size of a taxpayer's investments

in qualified property and it can generate net operating losses. Bonus depreciation, however, applies only to new property and is not exempt from certain uniform capitalization rules as is small business expensing.

## Code Sec. 179 Expensing

Congress has repeatedly increased the dollar and investment limits under Code Sec. 179 to encourage business spending. The 2010 Small Business Jobs Act increased the Code Sec. 179 dollar and investment limits to \$500,000 and \$2 million, respectively, for tax years beginning in 2010 and 2011. The 2010 Tax Relief Act provides for a \$125,000 dollar limit (indexed for inflation) and a \$500,000 investment limit (indexed for inflation) for tax years beginning in 2012 (and sunsetting after December 31, 2012). The 2010 Tax Relief Act also extends the treatment of off-the-shelf computer software as qualifying property if placed in service before 2013.

**IMPACT.** The \$500,000/\$2 million thresholds for tax years beginning in 2010 and 2011 were scheduled to revert to \$25,000/\$200,000, respectively, for tax years beginning in 2012 (both amounts not indexed for inflation).

The new law does not extend the rule which allows a taxpayer to expense qualified real property. The election to expense qualified real property continues to apply only to qualified real property placed in service in a tax year that begins in 2010 or 2011.

# Guam SBDC Training Schedule

## Thursday, February 24th (12:00pm-2:00pm)

WIB Workshop: "Identifying & Meeting Market Needs"  
Presented by UOG Guam SBDC-Bank of Guam Women in Business Program  
Fee: \$20 (includes lunch)  
Location: Bank of Guam Headquarters 2nd Floor Conference Room, in Hagatna

## Friday, March 11th (8:30am-11:00am)

"How to Start a Business"  
Presented by Guam SBDC.  
Fee: \$20 per person  
Location: UOG Guam SBDC Room # 148

## Monday, March 14th (8:30am-11:00am)

"Quickbooks: Getting Started & Setting Up"  
Presented by Guam SBDC  
Fee: \$50 per person  
Location: UOG Guam SBDC Room # 148 Leon Guerrero SBPA Building

## Thursday, March 24th (12:00pm-2:00pm)

"Women In Business Workshop (WIB): Setting Financial Goals"  
Presented by UOG Guam SBDC-Bank of Guam Women in Business Program  
Fee: \$20 (includes lunch)

Location: Bank of Guam Headquarters 2nd Floor Conference Room, in Hagatna

## Friday, March 25th (8:30am-11:00am)

"How to Write a Business Plan"  
Presented by Guam SBDC.  
Fee: \$20 per person  
Location: UOG Guam SBDC Room # 148 Leon Guerrero SBPA Building

## Friday, April 1st (8:30am-11:00am)

"Recordkeeping & Cash Flow Management"  
Presented by Guam SBDC.  
Fee: \$20 per person  
Location: UOG Guam SBDC Room # 148 Leon Guerrero SBPA Building

## Wednesday, April 6th (8:30am-11:30am)

"Intro to Microcredit"  
Presented by Guam SBDC.  
Fee: FREE  
Location: UOG Guam SBDC Room # 148 Leon Guerrero SBPA Building

## Friday, April 15th (8:30am-11:00am)

"How to Market Your Business"  
Presented by Guam SBDC  
Fee: \$20 per person  
Location: UOG Guam SBDC Room # 148 Leon

## 2:30pm)

"Women In Business Workshop (WIB): Planning the Product/Service"  
Presented by UOG Guam SBDC-Bank of Guam Women in Business Program  
Fee: \$20 (includes lunch)  
Location: Bank of Guam Headquarters 2nd Floor Conference Room, in Hagatna

## Friday, April 29th (8:30am-11:00am)

"Quickbooks: Working with Lists and Bank Accounts"  
Presented by Guam SBDC  
Fee: \$50 per person  
Location: UOG Guam SBDC Room # 148 Leon Guerrero SBPA Building

## Friday, May 6th (8:30am-11:00am)

"How to Start a Business Plan"  
Presented by Guam SBDC.  
Fee: \$20 per person  
Location: UOG Guam SBDC Room # 148 Leon Guerrero SBPA Building

## Friday, May 13th (8:30am-11:00am)

"How to Write a Business Plan"  
Presented by Guam SBDC.  
Fee: \$20 per person  
Location: UOG Guam SBDC Room # 148 Leon

Guerrero SBPA Building

Thursday, April 28th (12:00pm-

Guerrero SBPA Building

Thursday, May

26th (12:00pm-2:00pm)

"Women In Business Workshop (WIB): Researching & Analyzing the Market"  
Presented by UOG Guam SBDC-Bank of Guam Women in Business Program  
Fee: \$20 (includes lunch)  
Location: Bank of Guam Headquarters 2nd Floor Conference Room, in Hagatna

## Friday, May 27th (8:30am-11:00am)

"Guerrilla Marketing"  
Presented by Guam SBDC.  
Fee: \$20 per person  
Location: UOG Guam SBDC Room # 148 Leon Guerrero SBPA Building



To register for these workshops, please contact the Guam SBDC at 735-2590 or email Laurine Sablan at [laurine@pacificsbdc.com](mailto:laurine@pacificsbdc.com) For more information, please visit our website at [www.pacificsbdc.com](http://www.pacificsbdc.com) Requests for reasonable accommodations for persons with disabilities must be made 72 hours in advance. Services are extended to the public on a non-discriminatory basis. For arrangements, please call Guam SBDC at 735-2590.

# Renu Brings Eco-friendly Water Solutions to Guam

**Owner Robert "Phoenix" Reyes**  
**Interviewed by Denise Hertslet, Guam SBDC**

## 1. Please tell us about yourself and your family.

I grew up in a military family (Father is retired Army) moving from place to place once every 2-three years. I graduated from South Kitsap High School in Port Orchard WA in 1986. Shortly after graduation I enlisted into the U.S. Army. I did a tour overseas in Germany and was deployed to Operation Desert Shield/Storm from Germany. I returned to Ft. Lewis WA in 1992 and I was discharged from active duty in 1993. I had a break in service from the military. I moved to Guam in 1994 and continued my college education at the University of Guam, where I obtained my bachelors degree in psychology. While I was working on my degree from UOG I was employed at the University of Guam's computer center then I was hired as a satellite operator for a defense contractor. I also joined the U.S. Army Reserve in 2000 and I am currently the Company Commander for the only Infantry Battalion in the Army Reserve. I worked as a satellite operator for approximately 9 years. I resigned from the company in December 2010 to start RENU Water Solutions.

I am a single parent I have one son, Robert Michael Reyes, 12. Both my parent are originally from the village of Agat. I am the eldest of four children.

## 2. Why did you decide to start your own business?

I have always contemplated about starting my own business. The difficult part was finding that particular "niche". I wanted to become more independent.

## 3. What experience do you have in this type of business?

gies. Angie admits that her start-up process was very challenging but with a competitive spirit, she and her team were able to overcome their challenges. "Bank of



Robert "Phoenix" Reyes, Owner

## ness?

ABSOLUTELY NONE! I first saw this product on television. The presenter talked about the benefits of the product for both the consumer and the environment. I did a lot of research and after the research was done I saw the possibilities of this product on Guam. I truly believe in the NUVO water softener that I resigned from my job as a Satellite Operator so that I could focus on my new business.

## 4. How did the Small Business Development Center and other resources help you?

SBDC helped me with different resources that I could utilize to assist me with the business. The biggest help they gave me was the new changes in the laws pertaining to the number of members in the LLC and Corporation.

## 5. What was the start-up process like?

Some of Angie's biggest challenges was getting everything in order and marketing her team's vision that would appeal to individuals and businesses to buy and use their services. Black Tie has been open for several months and the team is pleased to hear commendations and satisfaction from even the most hard-to-please customers. "Nothing is more satisfying than working on amazing events and

The start-up process was not that difficult, primarily because I began the process months out prior to starting the business. I had time to do research and make contact with those in the agencies where I would eventually have to submit my applications. I talk with them and they gave me advice on the best way to approach getting clearances, documents and other article that I would need to complete my packet for a business license. I made time to meet with Denise Mendiola Hertslet, Senior Business Counselor from the Small Business Development Center, Guam Revenue and Taxation, and the One Stop Center. I also met with an investigator from the Guam Contractors Licensing Board to evaluate the type of business I was planning to do and to ensure that I am not in any violations if I was to operate with or without a contractors license.

## 6. How did you fund your

## business?

100% Self Funded. I sold some stocks that I had invested in other companies and decided that my own company was worth investing in. My personal investment into the company is around \$90,000.00

## 7. What were some of the biggest challenges you experienced in the start-up process?

Legal! The most challenging part was trying to get my Article of Organization written for a single ownership LLC. Most LLC on Guam are for 2 or more individuals in the company/corporation.

## 8. What is your most memorable triumph in your start-

## up process?

My first sale! Once I made my first sale I truly felt that I was on my way to becoming successful. I made my first sale 2 days after I opened my doors.

## 9. What are your short-term and long-term plans for your business?

Short-Term Goals - at this point is to move enough units so that by the end of the second quarter I will be able to open a showroom.

Long-Term goals - I am looking at becoming a distributor or NUVO water softeners for the Asia-Pacific area. I would like to see this product in the outer islands such as Saipan, Rota, Tinian and Palau. I am also looking at Philippines, Australia and New Zealand. Currently I am the only retailer of NUVO outside the continental United States.

## 10. What advice would you give to others who want to start a business at this time?

Start planning early! Planning is key to any business. Understand your product and or services that you plan to offer or provide. Look at the demographics of your customer base. Ask yourself is what I want to offer needed and who will want to utilize my product or service. You may have a great product but, if your intended

customer base is not interested or the area they live in cannot support the product you may want to rethink about what you can do to make your product/service a viable commodity.

For more information about the Guam Small Business Development Center program and services, contact Denise Mendiola Hertslet, Senior Business Counselor, 735-2594 or [denise@pacificsbdc.com](mailto:denise@pacificsbdc.com)

### RENU Water Solutions

▲ **Owner:** Robert "Phoenix" Reyes  
 ▲ **Product Line:** Water Softeners  
 ▲ **Type of Business:** Home Base  
 ▲ **For product presentation or to place an order, call 671-487-8148 (Bus.), [info@renuh2o.com](mailto:info@renuh2o.com) (Personal cell Number 486-7699)**

# Black Tie makes Design Dreams Come True

continued from page 1

Guam, the people's bank, believed in us. Using our business plan, we were able to impress upon the bank that we would be a viable business."

Some of Angie's biggest challenges was getting everything in order and marketing her team's vision that would appeal to individu-

als and businesses to buy and use their services. Black Tie has been open for several months and the team is pleased to hear commendations and satisfaction from even the most hard-to-please customers. "Nothing is more satisfying than working on amazing events and

being told by our customers that we have turned their dreams into beautiful reality." Angie and Eugene's short term goal is to improve on each customer's experience. Their long term goals are to continue to expand, have fun keeping up with the trend and meet and exceed their

customers' expectations. When asked what advice she would give to aspiring business owners, Angie said, "Research the ever-changing market, approach challenges creatively and stick with your business plan with a can-do attitude!"

# New Business Planning Method: 4 simple steps to SUCCESS

This is a classic case of keeping it simple. It's just big enough to manage your business, adapt to change, and profit from new opportunities. It's not just a plan, it's planning. It's on your desk, travels with you, and enjoys ongoing updating not dumping in a drawer. This plan can be shared with others so they can do what you ask of them. It tells everyone where you are taking them and how they can help. This dynamic system works if you are expanding your business or doing the classic "start up" and need, MONEY!

## Step One: Define Success

You could call these long-term objectives. I call it predicting my own future. It's way more important than most people realize. Not all business is intended to simply grow sales and make profits; a lot of businesses are intended to empower founders, develop independence, do your own thing, be home when the kids get back from school, or still make every fiesta. All business planning should keep the real goals in mind. It's about

achieving what you want.

It's not about the fancy document. It's about the content you put in it. It's your life, it's your future. Keep track of it any way you want, as text, bullet points, even pictures.

## Step Two: Focus on the Correct Thing

You can't do everything. Planning is correct focus, often based on what you don't do well. Think about your core strengths and weaknesses, where should you concentrate your attention? What makes you shine? What makes you say to yourself, "give me more of that?". What tasks do you hate? What drains your energy? What do you put off doing? These things are your weakness. Your plan will have you doing less of them. Focus on your strengths. Keep your planning focused on a well defined market and understand who your best customer isn't. Be a niche player, knowing where you are the strongest. Spend all your time growing and improving your company in this niche.

## Step Three:

## Meaningful Numbers and Your Mental Health

Planning without implementation is just hiding behind research. Will you please come out and play! Make your plan real with dates, tasks, responsibilities, (come on, get in the game of life and play). You don't have to win every game to be a winner. Just win more than you lose and get better. Measure the meaningful. Keep track of the numbers that you learn from. Did you tell yourself you put in lots of effort only to hear the numbers report cry out "not true". Does it seem like you are losing ground? But wait, now I hear the numbers report cry out, "Keep going you are almost there"? How exciting would the Super Bowl be if they didn't "measure" for a first down? What if the ref hollers out "close enough"? You need to forecast sales, cost of sales, and expense budgets and more.

Don't forget that there are also measurements beyond the accounting statements, like sales calls, presentations, units sold, leads, minutes per call, media mentions, and so on.

Also people like having specific measurements as part of their job to find emotional fulfillment. Humans like measurements, "7 days in a week, 24 hours in a day, school Year, pay Day". You get the idea; our lives are guided by measurements. Guide your business life with measurements!

Whether you are a real number cruncher or a good Bingo player, you will need a few simple spreadsheets or charts, including milestones with dates and task responsibilities, sales forecast, and expense budgets. The Ancients used the stars; the Moderns use a smart phone app; the Middle-aged use their kids. Pick one of the three and get planning.

## Four: Planning For Implementation

Planning is progress! What makes the real difference for your business is managing the implementation of the plan, keeping the planning process alive, reviewing progress toward goals, watching for changing assumptions, and revising. It's ok to change based on new information. You can update your wardrobe based on feedback from your

mirror. Likewise you can update your business plan based on what you see in the mirror of experience.

Your plan sets down what is supposed to happen, and your measurement of the numbers catches what did and didn't happen. The why and what to do next is called ongoing planning. Planning isn't about predicting the future accurately, it's about "good guessing" then it's about managing change and doing planning based on more good guesses.

Get up, get going, do something, call us to become a client and let "Uncle Sam" pay us to help you. This IS a good use of your tax dollars.

**Remember: If you are not making your dream come true, you are working to help someone else make theirs come true.**

For more information about small business technical assistance services, please contact Chuuk Small Business Development Center at (691)330-5846 or email [ketsen@pacificsbdc.com](mailto:ketsen@pacificsbdc.com)

## Chuuk SBDC Training Schedule

February 21, 2011

Pre-Business Planning  
Time: 9:00 – 11:00 am

February 22, 2011

Business Plan Overview  
Time: 9:00 – 11:00 am

February 23, 2011

Understanding Financial Statements  
Time: 9:00 – 11:00 am

February 24, 2011

Banking  
Time: 9:00 – 11:00 am

March 21, 2011

Record Keeping  
Time: 9:00 – 11:00 am

March 22, 2011

Tax & Licensing

Time: 9:00 – 11:00 am

March 23, 2011

Principals of Accounting  
Time: 9:00 – 11:00am

March 24, 2011

Customer Service  
Time: 9:00 – 11:00am

April 11, 2011

Business Diversity  
Time: 9:00 – 11:00am

April 12, 2011

7 Keys to Growing your Business  
Time: 9:00 – 11:00am

April 13, 2011

Fatal Flaws  
Time: 9:00 – 11:00am

April 14, 2011

Savings  
Time: 9:00 – 11:00am

May 16, 2011

Introduction to Computer  
Time: 9:00 – 11:00am

May 17, 2011

Business Diversity  
Time: 9:00 – 11:00am

May 18, 2011

Understanding Financial Statements  
Time: 9:00 – 11:00 am

May 19, 2011

7 Keys to Growing your Business  
Time: 9:00 – 11:00am

The CHUUK 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. Workshops will be held at the Chuuk SBDC located directly across the Shiget's Store. Individuals interested in attending the workshops may call the Chuuk SBDC at (691)330-5846 or email [cassandra@pacificsbdc.com](mailto:cassandra@pacificsbdc.com) or [ketsen@pacificsbdc.com](mailto:ketsen@pacificsbdc.com) Requests for reasonable accommodations for persons with disabilities must be made 72 hours in advance. Services are extended to the public on a non-discriminatory basis.

# Small Business Success for MIC's Store

**By: Skiller Jackson**  
 Director, Business Counselor  
 (Kosrae SBDC)

Michaela G. Noda is a small business owner for more than 25 years. Noda's small business story started as a small scale home base operation offering tailor services to the Kosraen Community. Financed with personal dollars, Michaela purchased a sewing machine and materials to make ladies dresses. After several years, the Noda's felt it was time to relocate to another area in Kosrae. In 2003, the couple's relocation plan not only meant moving themselves, but the business operation as well. They knew their tailor business would also be of great demand in their new place in Koarom, Malem Municipality. The Noda's also saw an even greater need for retail services to provide grocery goods. And this was so! The Noda's were able to start their retail establishment now known as MIC's Store. Although the business was prospering, one thing became clear the business lacked in good recordkeeping skills. Michaela also had some difficulty figuring out how the Custom, Tax & Revenue Office calculated gross sales. This situation moved Michaela and her husband to seek the technical assistance by the Kosrae Small Business Development Center (SBDC).

Tasked with having to obtain the proper training, Michaela's husband

approached the Kosrae SBDC for assistance back in 2003. Then Counselor Stanley Raffilman had recommended his attendance to the record keeping workshop hosted by SBDC and co-sponsored by FSM Development Bank, Kosrae Branch in February 2003. The workshop provided a wealth of knowledge and hands on training using Microsoft excel. Successfully completing the training, Michaela and her husband are now able to efficiently track sales and expenses, produce quarterly

financial reports and keep accurate records.

In 2005, Noda's approached the SBDC once again for technical assistance in the area of business expansion. The business plan was to be submitted to a banker for possible financing. Michaela, her husband (business partner) with the assistance of the SBDC worked effortlessly to gather all the information needed to complete the proposal. The whole process took about 1 month to complete. Soon the

plan was done and then submitted for review and approval. Two months of waiting was well worth the time. Michaela then received word that her loan was approved. Funds were used to expand the building, purchase more equipment and inventory. With the funds, the business was able to create 4 new jobs and retain 7 jobs.

In 2007, expansion plans was in order once again. Taking the same approach, the Noda's assisted by the Kosrae SBDC completed all requirements for bank submission. The future of MIC's Store continues to look brighter receiving favorable approval from the Pacific Islands Development Bank (PIDB). Funding allowed for the purchase of a medium size walk-in-Freezer, a delivery truck, and extend its existing facility for a bigger space to increase its inventory. Here again, through

the use of the loan funds, the business was able to retain 7 employees.

Starting out with only two employees, MIC'S Store was able to generate annual sales revenue of at least \$4,800. Today, MIC'S Store employs 11 full-time employees with monthly average sales revenue of approximately \$20,000. MIC'S Store continues to sell grocery goods, clothing, house wares, furniture and appliances, electronics and many more.



FREE Small Business Counseling & Training  
 offered at the Kosrae SBDC  
 Kosrae SBDC is here to serve you for all your small business needs.  
 Visit us at the College of Micronesia or  
 Call (691)370-2751 for an appointment today!  
[www.pacificsbdc.com](http://www.pacificsbdc.com)

## Kosrae SBDC Training schedule

Month	Training Topic	Time	Venue
Feb. 15-18, 2011	Basic computer Skills	9 AM-12 PM	Kosrae SBDC Training Room
Feb. 22 & 24, 2011	Youth Entrepreneurship	11 AM-12 PM	Sanrik Elem. School
March 8-10, 2011	Introduction to Profit Mastery	9 AM-12 PM	Kosrae SBDC Training Room
March 22-24, 2011	Profit Mastery - Price, Volume, Cost	9 AM-12 PM	Kosrae SBDC Training Room



All workshops are open to all qualified small business owners, managers, key personnel and individuals planning considering to start and/or expand their small business venture. All workshops are FREE. For more information, please contact the Kosrae SBDC at (691)370-2751. Interested individuals may also submit a web request at [www.pacificsbdc.com](http://www.pacificsbdc.com) or send an email message to [ksbdc@pacificsbdc.com](mailto:ksbdc@pacificsbdc.com). Requests for reasonable accommodations must be made 72 hours in advance. Services are extended to the public on a non-discriminatory basis.

# Four years of Small Business Success

*24-7 Taxi Service Still in Business for Yap State (interview with Bernard Giltamngin, Owner)*

By Yap SBDC

**1. Please tell us about yourself and your family.**

I am resident of Yap by birth. I completed two years of college at the College of Micronesia majoring in general business. I also was enrolled at the University of Guam for two years majoring in business before serving in the US Armed Forces. Upon completion of my service, I returned to Yap to manage a family business before starting my own taxi service business in 2006. Since then I've owned and been operating my the business with my wife Amanda and two children Amelia and Golbuu.

**2. Why did you decide to start your own Business?**

Employment opportunity in the island is hard to find after returning home. I decided to open my own business so I could employ myself and others in my community who are in need of employment. There's also nothing better than being my own boss.



**3. What experience do you have in this type of business?**

I had very limited experience in the taxi service business. But I saw a need for a 24 hours taxi service in the island as both private and public transportation were very limited. I took a risk to start this operation with the little experience I had. Today, I can say that I have learned a lot about this line of business especially through the people we serve and work with.

**4. How did the Small Business Development Center and other resources help you?**

The Yap SBDC was very helpful in the start-up process of my business. The center also continued to help me even when I was in business. Without the Yap SBDC, I would not have received from the bank the start-up capital that I needed, and remain in business to this day.

**5. What was the start up**

**process like?**

The start-up process was mind-numbing and challenging, but it was a great learning experience as well. I came to the center with a business idea, but did not consider much that is involved in putting the idea to reality. The Yap SBDC helped me take all of these into consideration before implement the business idea.

**6. How did you fund your business?**

Much of the start-up capital came from a loan with the FSM Development Bank, and the rest was my own personal contribution.

**7. What were some of the biggest challenges you experienced in the start-up process?**

I think the biggest challenge in starting any business in the islands is having access to start-up funding. And once you finally get into business the market is very limited, hence, comes the challenges of ensuring quality service, and attracting and main-

taining your customers.

**8. What is your most memorable triumph in your start-up?**

The biggest triumph in what I do is being happy with what I do, and knowing that my business is a service to the people of Yap.

**9. What are your short-term and long-term plans for your business?**

24-7 taxi service plans to get a new fleet of vehicles and increase the number of drivers to meet the growing demand of customers.

**10. What advice would you give to others who want to start a business at this time?**

Start now! And be sure to utilize the Small Business Development Center's resources and programs.

▲ OWNER: Bernard Giltamngin  
 ▲ TYPE OF BUSINESS: Taxi Service  
 ▲ LOCATION: Gagil, Yap  
 ▲ HOURS OF OPERATION: 24 hours/7 days a week  
 ▲ CONTACT INFORMATION: (691) 350 – TAXI

*For more information regarding the Yap SBDC's Programs and Services, please call (691) 350-4801/2 or [www.pacificsbdc.com](http://www.pacificsbdc.com)*

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**CONGRATULATIONS!**  
**24-7 Taxi Service for 4 years of doing business in Yap State.**

## Yap SBDC Training

Yap SBDC offers monthly Small Business Trainings at low to no cost. Trainings are targeted to those interested in starting or expanding their business. For more information, please contact the Yap SBDC @ telephone numbers (691) 350-4801/4802 or email address [ysbdc@mail.fm](mailto:ysbdc@mail.fm) Seating is limited to 25 participants per session. Request for reasonable accommodations for persons with disabilities must be made 72 hours in advance. Services are extended to the public on a non-discriminatory basis.



# What Does it Take to Satisfy Customers?

As an entrepreneur, the answer to this question is your top priority. Today, customers have higher expectations than ever before and are less likely to tolerate poor service. It is not enough to meet customer's expectations, you must exceed them. Remember, service isn't just a policy or guidelines but a feeling that the customer responds to.

In order to exceed customer's expectations, you must first know what they are. Basic service includes returning phone calls in a timely manner, making deliveries when scheduled and treating their problems as if they were your own—even if it costs you more

money.

To go beyond the basics, however, use surveys to get constant feedback.

Through surveys, you can learn the little things that mean a lot to your customer. Perhaps it's as simple as not giving

enough condiments with lunch deliveries or a bigger problem to be addressed such as a rude employee.

Business owners need to take responsibility for the actions of their employees. Proper training on the importance of customer service is important.

Employees should also be well-versed in proper phone etiquette.

Go beyond your customer's expectations and you will create loyalty. Paul R. Trimm at Brigham Young University's Marriott School of Management uses a formula

for customer service called VISPAC, which stands for:

▲ **Value.** Give customers a little more value than they expected

▲ **Information.** Provide information about what your customer has purchased.

▲ **Speed.** Return all

phone calls and emails in a timely manner. Always deliver on time.

▲ **Personality.** Promote a friendly image in your office. Ensure every customer is greeted when they walk in the door. Keep your office clean and inviting. Make sure employees are well groomed.

▲ **Add on.** Give customers a bonus like a coupon or a free gift.

▲ **Convenience.** Make it easy for customers to come to you. Analyze the inconveniences of your business: are there enough parking spaces? Could you offer delivery service? Should you stay open on weekends?

## FOR MORE INFO

▲ For information regarding Customer Service trainings and other small business workshops, please call the Palau SBDC at tel. (680)587-6004 or cell (680)775-5472 or EMAIL [lees@pacificsbdc.com](mailto:lees@pacificsbdc.com) or [palausbdc@palaunet.com](mailto:palausbdc@palaunet.com).

## Palau SBDC Training Schedule

1st Quarter TRAINING/Workshops – January–March

February 16, 2011

Tax & Licenses with Social Security Administration

February 17, 2011

Tax & Licenses with Division of Tax and Revenue

February 23, 2011

Personal Budgeting: If you can handle your personal financing, you can handle a small business

March 08-11, 2011

QuickBooks Hands-On Training

March 16, 2011

How to develop your business plan

March 17, 2011

How to develop your financial projections

Presentation by: Palau SBDC and Resource Partners

All Training/Workshops are open to all qualified small business owners, managers, key personnel, and/or individuals planning, considering to

start or expand their business ventures. The training/workshops are presented at low to no costs. Location depends on number of participants and most training sessions are conducted during the evenings. For more details, please contact Palau SBDC at (680)587-6004 or cell phone (680) 775-5472 or e-mail: [lees@pacificsbdc.com](mailto:lees@pacificsbdc.com) or [palausbdc@palaunet.com](mailto:palausbdc@palaunet.com). Requests for reasonable accommodations for persons with disabilities must be made 72 hours in advance. Services are extended to the public on a non-discriminatory basis.





# Laundromat Services Reopen After 10 years

By: RMI SBDC

Mr. Amos McQuinn and his family were the first to establish a small scale Laundromat business in Majuro during the 1980s. The business was in operations for a number of years until the mid-1990s. However, due to water problems the business was forced to close down.

Times have changed and water problems are becoming a thing of the past. Amos now more than ever is excited about the reopening of what was once a family owned business years back. The idea to reopen was also reconfirmed by the Community's need for a Laundromat service since a significant number of households do not own washers & dryers. Amos stated that starting up once again this business venture will enable him to earn sufficient income to support and meet the needs of his family on a daily basis, as well as, to save money to finance his children's pursuit of the higher level of education.

Being in the Laundromat Business Service Operations for more than 10 years, this experience has provided Amos and members of his family with the managerial talent needed to operate a successful business. The other areas of experience include hotel and retail store management.

At the initial thought and desire to re-establish his business, Amos then sought the technical assistance provided of the RMI Small Business Development Center at the Ministry of Resources and Development. Here he received the much needed and necessary counseling and quality training to complete the required business plan and other supporting documents.



Mr. Amos McQuinn , Owner

Once done, the package was submitted to the lender known as the Marshall Islands Development Bank-MIDB for consideration. With the wait, this time resulted in a favorable decision and another person's dream a reality.

Want to own your business; Amos McQuinn encourages others to take advantage of the services provided by the SBDC and the local lending institutions (Banks) as they are willing to help with technical assistance and funding for start up and existing businesses.

Mr. McQuinn intends to improve the

operations of his business in three years and expand to other parts of Majuro. Mr. McQuinn would like to take this opportunity to express profound gratitude to Mr. Amon Tibon (MIDB Managing Director), MIDB Board of Directors and RMI SBDC at the Ministry of Resources and Development for the assistance provided to us to make our dreams become a reality.

The RMI SBDC and Marshall Islands Development Bank extend their congratulations to Mr. Amos McQuinn and his family and wish them great success in their

## A&M Laundromat Service

- ▲ Owner: Mr. Amos McQuinn
- ▲ Type of Business: Laundromat Service
- ▲ Address: Uliga Village
- Hours of Operations: 24 hours  
7 days a week
- ▲ Telephone: (692) 625-4236  
(692) 455-0137



business once again.

The RMI SBDC is a member of the University of Guam's Pacific Small Business Development Center Network (PISBDCN). The PISBDCN's mission is to support the growth and economic development of the U.S. affiliated islands in the western pacific region by providing high quality training and one-on-one confidential counseling to existing and small business startups. For more information regarding the RMI SBDC programs and services, please contact the RMI SBDC at (692)625-3685 or visit [www.pacificsbdc.com](http://www.pacificsbdc.com).

## University of Guam Pacific Islands Small Business Development center Network (PISBDCN) announces selection of Anel Philimon as State Star

continued from page 1

tions to the work of the Pacific Islands Small Business Development Center Network and to the start-up and existing businesses in RMI," said Casey Jeszenka.

Anel is currently the Director/Counselor at the RMI SBDC. Anel was chosen by the PISBDCN for being an outstanding per-

former, making a major contribution to the RMI SBDC program, and showing a strong commitment to small business in the Marshall Islands.

It is an honor to accept this award," said Anel Philimon, "and to have the opportunity to help so many people achieve the dream of starting and succeeding in their own business."

America's Small Business Development Center (ASBDC) Network is a partnership

uniting private enterprise, government, higher education and local nonprofit economic development organizations. It is the Small Business Administration's largest partnership program, providing management and technical assistance to help Americans start, run and grow their own businesses. With about 1,000 centers across the nation, America's SBDC network provided business consulting to approximately 200,000 clients,

training for more than 400,000 attendees, and other forms of management and technical assistance to approximately 600,000 small businesses and aspiring entrepreneurs last year.

## RMI SBDC Training Schedule

Date	Topic	Time	Venue
February 16, 2011	Marketing	10:00am - 12:00 noon	RMI SBDC
February 17, 2011	Financial Statement	10:00am - 12:00 noon	RMI SBDC
March 23, 2011	Customer Service	10:00am - 12:00 noon	RMI SBDC
March 24, 2011	Recordkeeping	10:00am - 12:00 noon	RMI SBDC

All 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. For more information, please call RMI SBDC at (692) 625-3685.

Individuals interested in attending the scheduled workshop can also

submit a web request at [www.pacificsbdc.com](http://www.pacificsbdc.com) or send an email message to [leeno@pacificsbdc.com](mailto:leeno@pacificsbdc.com). The training schedule is subject to change. Services are extended to the public on a non-discriminatory basis. Reasonable accommodations for persons with disabilities will be made if requested at least two weeks in advance.

The RMI SBDC is a member of the Pacific Island Small Business

Development Center Network (PISBDCN) and is supported by the U.S. Small Business Administration. The PISBDCN is a program supported by the U.S. SBA under a Cooperative Agreement. SBA does not endorse any products, opinions, or services of any external parties or activities.

