

# Minority Business Week

## Financing Preparations For Business Expansion

BY LAILA F. CULLY

Growth provides a challenge even for profitable businesses. As it considers expansion, a business needs to do some homework. At a minimum that would include:

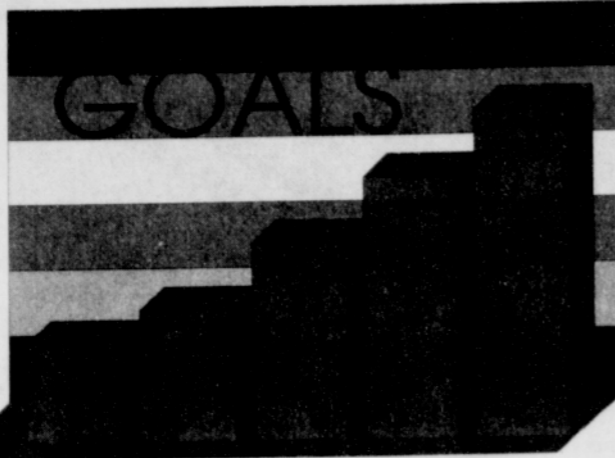
- Analysis of changes in business conditions that are causing the expansion. The expansion should be well defined.

- Determining the amount and type of financing necessary to support the expansion. The business will usually finance land, building and equipment acquisitions with term debt. Expansions usually require additional working capital financing.

- Examining the financial structure of the expansion: when are the funds needed and for how long? For example, asset and equipment acquisition may result in a need to expand working capital.

- If the owners determine a loan is needed, they should prepare a business plan. The proposal should de-

tail business organization and history, a strategic plan for production and marketing and how the loan will be used and repaid. At the minimum, the loan proposal should include:



Financial Statements: Income Statements and balance sheets for the last three years (if the business has been in operation that long).

Balance Sheet: Detailing assets, liabilities and net worth, for most recent fiscal year.

Cash Flow Projections: Detailing the company's current and future ability to pay its obligations.

These projections should cover at least three years of operations. At least one year should be month to month.

Profitability analysis, including impact of loan repayment.

Personal Information: Including business experience, personal balance sheet and credit history. This information should be provided for each partner/stockholder with 20 percent or more of the business.

Collateral: a detailed description of property to secure the loan, including: quality, condition, original cost and date of acquisition, liquidation value and liens, if any.

Equity: Additional equity to be injected if any and source(s).

Management: Current and proposed, if different.

Laila Cully is a Finance Director at the Oregon Economic Development Department. For more information, she can be reached at (503) 229-5625. The location of OEDD is One World Trade Center, 121 SW Salmon, Suite 300.

## Ten Commandments for Business Success

**First:** Commit to Your Business

**Second:** Share Your Profits

**Third:** Motivate Your Partners

**Fourth:** Communicate All That You Know

**Fifth:** Appreciate What Your Associates Do

**Sixth:** Celebrate Your Success

**Seventh:** Listen to Everyone in Your Company

**Eighth:** Succeed Your Customers' Expectations

**Ninth:** Control Your Expenses Better Than Competitors

**Tenth:** Swim Upstream & Avoid Conventional Wisdom

## Limits to Business Growth

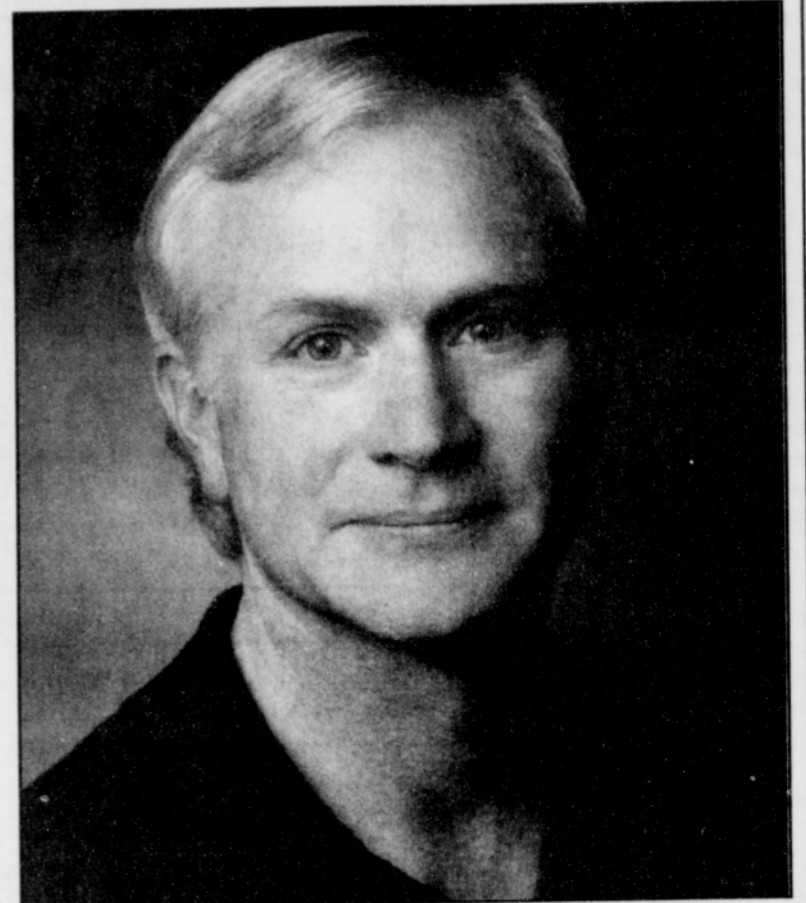
BY BRAD LEE SMITH

Growth of a business is a combination of seeing the path forward, preparing the internal structure for that growth and taking the actions necessary to expand into the market. One of the areas most neglected in business growth is changing the blocks that limit growth before it reaches the action stage.

Over years of observing management and business, I have developed a theory that has been proven correct more than it has been disproven. The character of a founder, entrepreneur or long term manager of an organization is roughly duplicated in the business. Whatever trait you look at in the leader of the organization you will see echoes of it throughout. It does not matter whether it is a positive trait such as generosity or a negative trait such as an inability to communicate thoroughly, there is either duplication or response to it in the personnel, policies and the culture.

If a manager has the egoless trait of being able to hire individuals who have a greater capacity at anything than he/she does a great result shows up in the business. If this is not the case a block occurs to the ability of the organization to grow. This is a very difficult circumstance or characteristic for anyone to confront and remedy.

In the critical ability of vision, the first step in growth, this same duplication of characteristic may also occur. Perception of the organization and its competitive environment as an interactive whole must exist within the abilities of the culture, personnel and management for a business to thrive. If this global visioning is not complete and appropriate responses are not proactively pursued, the business will eventually self-limit and be over taken by the competition. Examples where vision has worked well are Bill Gates and Microsoft and also at Nike in its



Brad Lee Smith, an Executive Coach

early growth.

Other characteristics that are critical to the first parts of growth are cultural IQ, emotional intelligence, the ability to listen unconditionally, especially by management and most of all the ability to fully communicate. How many managers have gotten to the retrospective stage in a business glitch and could recall at least one person telling them at a critical stage that where they were headed was the road to disaster. A slight alteration of the direction in thinking at that moment combined with the ability to listen deeply and respond could have changed a disaster into a cash cow.

In my coaching, I have managers look at the qualities they have in them-

selves that are the seeds of their past and future disasters and also the seeds of their next success. The first stages of growth in visioning and internal preparation within the organization are the most sensitive to these potentials. A great manager is willing to look deeply at the patterns of their character and compare them to the state of their organization. Most often they will see that the limits to growth are a reflection of their own willingness to be open, seek out opportunities for change and initiate growth in themselves.

Brad Smith is an Executive Coach based in Wilsonville. He can be contacted for consultation at (503) 570-9697 or e-mail him at braelyn@pacinter.net



Opportunities  
with the  
Oregon Lottery

Working for You  
and  
"Doing Good Things for Oregon!"

The Oregon Lottery, recognized as a "National Leader" with annual sales of more than \$700 Million, may be the place for you! The Lottery is a very successful revenue-producing business that creates and sells entertaining games. Revenues produced from these games help develop Oregon's economic growth and support Oregon's education system. The Oregon Lottery offers a unique opportunity to demonstrate your talents, excitement, creativity, and drive!

At the Oregon Lottery,  
"We've Got Your Number!"

And now you have ours!

Internet - [www.oregonlottery.org](http://www.oregonlottery.org)  
Lottery JobLine - 503-540-1328

The Oregon Lottery is an Equal Opportunity/Affirmative Action employer. Women, minorities, and persons with disabilities are encouraged to apply.

# A ROMANTIC TOUCH OF PARADISE

## A Romantic Touch Of Paradise

Offering a unique selection of more than 250 exotic herbs, spices, sauces, seasonings, jams, jellies, tropical fresh fruits & vegetables, and wildly wonderful Jamaican cut flowers.

Caribbean fruit and veggie drinks.

Golden Bright International

Available to Pacific NW food & produce distributors

Call 888-634-0496 or 503-284-4163

today!