

Building Businesses in the Trenches

By Chris Bouneff

You may find it hard to remember when Hewlett-Packard and Boise Cascade were small companies. Or that Micron Technology, one of the largest corporations in Idaho, qualified as a small business only 20 years ago.

Large corporations all have humble beginnings, and Boise State University is poised to help entrepreneurs with big ideas who must first start small.

The Idaho Small Business Development Center, based at BSU, regularly works with hopeful entrepreneurs statewide on the vital key to success — a business plan.

Whether they want to start a business or expand a small company, owners have to know their market, potential sales and potential profits, says Jim Hogge, the center's state director. A business plan is that blueprint, an essential document that describes a business, its organizational structure and its markets — details that secure loans from banks and venture capitalists.

The ISBDC helps with its staff of business consultants and student researchers, who examine the market and write the business plans in cooperation with business owners.

"You're trying to help them get all the numbers," Hogge says. And those numbers are more important than ever in the business world.

With bank consolidations and a business boom, the personal connections between banks and their clients have disappeared. So if you don't carry your homework in hand, Hogge says, you can forget about your loan request.

The center works with about 1,600 clients a year, Hogge says. From 1995-97, businesses that worked with the center generated about \$130 million in sales and added \$5.7 million to state tax collections and \$3.1 million to federal coffers.

The center also offers intensive classes around the state on how to research and construct a business plan. Business plan consultations and research are free, and the classes can be taken for a fee.

The research and education work isn't glamorous, and it doesn't capture headlines like news of job additions or losses at large companies. But without the ISBDC's expertise, many businesses would never move from idea to reality. And others would never expand.

"The center's staff is in there with the businesses you've never heard of, helping those businesses stay open that may have closed,"

says Charles Skoro, a Boise State University economics professor. "They're helping that guy with a new invention or that mom-and-pop business make that next step to a real business."

The ISBDC contracts with the federal Small Business Administration, which provides about 40 percent of the agency's \$1 million budget. The state, BSU and Idaho's other higher education institutions provide the remainder. The center operates eight regional offices in cities such as Boise, Nampa, Lewiston and Pocatello.

The agency also oversees a new program for Idaho's small manufacturers called TechHelp. The program, which started in 1997, works to connect manufacturers with experts in the field when a problem arises.

"The ISBDC discovered that manufacturers needed help with plant as well as business issues," says Burt Knudson, TechHelp's marketing director. "TechHelp is for manufacturers and processors what the cooperative extension service is for agriculture."

TechHelp has already demonstrated its troubleshooting capabilities. Quality Veneer, a Caldwell company that makes veneer wood facing, had a problem with sorting tables that shocked workers with static electricity buildup.

A TechHelp field engineer spotted a problem with the machinery and recommended changes, and the company made improvements that safeguarded its workers.

Other companies also call on TechHelp to connect them with experts nationally to solve production problems or other general business questions.

"With TechHelp, manufacturers now have one place to go for help

with all those problems," says Louise Bertagnolli, president of JST Custom Fabrication in Garden City, who called on TechHelp for assistance with a company performance evaluation.

On the business side, Hogge says entrepreneurs who use the ISBDC see the results. On average, firms that use the center for a business plan surpass growth in their industry by 10 percent. If retail sales boom in Idaho, for example, sales for those businesses with a formal plan rise 10 percent higher than the rest of the state.

"That's the power of business planning," Hogge says. □

Former BSU News Services intern Maggie Chenore contributed to this piece.



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