

"Celebrating 30 Years of Small Business Success"



July 14, 2014

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DCEO Monthly Newsletter

Please click on [The DCEO Newsletter](#) to find the latest information and program updates from the Illinois Department of Commerce and Economic Opportunity. The newsletter includes a message from Director Adam Pollet reports on several current DCEO initiatives.

Counseling Is Often More Valuable Than a Small-Business Loan

By Ami Kassar on *wsj.com*, 7/7/14 - The head of the U.S. Small Business Administration, Maria Contreras-Sweet, made a bold statement this week in an interview regarding the state of small-business lending and the SBA's role in aiding small businesses. Ms. Contreras-Sweet said "the counseling is almost more important than the lending."

What she is referring to is something I encounter on a regular basis as well. Small-business owners often believe that loans are a remedy for nearly all business problems. However, a loan isn't always the best answer. In fact, it can oftentimes worsen the problems small-business owners are facing by putting them even deeper into debt when that may be unnecessary.

By acknowledging the fact that many small-business owners use loans as a crutch or a Band Aid for lingering business problems, Ms. Contreras-Sweet is taking a definitive step toward helping small businesses across the country grow responsibly and with purpose. As a co-founder of a bank servicing small businesses, she knows firsthand how many discussions with business owners seeking financing progress.

When small-business owners call my loan-brokerage firm seeking capital, the first thing that we ask is why they need the money. You'd be surprised that most can't directly answer this question. From our experience, many get in a tough spot financially and think that they need a loan to fix their problems instead of looking at the true root of the problem.

A few months ago, I spoke to an owner who was in a cash crisis. He thought that he needed a large loan in order to pull his business out of a deep financial hole. When I asked him what the problem with the business was, he said that he thought it had something to do with his marketing and low conversion rate.

I counseled him to put his focus into his company's marketing endeavors to improve sales conversions instead of taking out a large loan that would only increase financial stress on the company in the long run due to monthly payments and interest rates. By talking with business owners about the roots of their problems and how they can possibly solve these—without taking a loan—Ms. Contreras-Sweet and others from the lending industry are doing a great service. The need for quality mentoring is just as vital as the need for faster bank-loan processing, or the need for more transparency in the alternative-lending space.

<http://online.wsj.com/articles/counseling-is-often-more-valuable-than-a-small-business-loan-1404757599>

Program Success of the Week – Marshall Tactical Outfitters

Harry Marshall noticed that co-workers and friends often had to either travel far or shop online to purchase uniform equipment, gun accessories, law enforcement clothing, accessories, and apparel. There was an obvious need for a local source for these products. In 2011 Mr. Marshall opened Tactical Outfitters as a home-based business. A hobbyist gunsmith and sportsman, Mr. Marshall also saw a growing demand for modern sporting rifles. He earned a Federal Firearms License (FFL) and began selling custom-built rifles. People recognized his excellent work and as demand grew he decided to open a retail location.

Mr. Marshall began meeting with Gabriele Farner at the Illinois Small Business Development Center at Shawnee Community College to plan this expansion. He noted, "The Shawnee Business Development Center helped us successfully put together a business plan and submit our application for a small business loan. The team at Shawnee Community College worked with us through the entire process and followed up to assist with any questions or concerns we had. --A big thank you for all the guidance and the help you provided in our success!" Tactical Outfitters opened a store in November 2012 in Vienna, Illinois.

Tactical Outfitters sells law enforcement apparel and duty equipment such as boots, shoes, coats, belts, flashlights and knives. They carry name-brand apparel and footwear including Under Armour®, 5.11 gear™, Blackhawk, Bianchi and Tru-Spec®. The store also sells CLASS I (semi-auto) sporting, hunting, and recreational shotguns, rifles and handguns as well as ammunition and firearms accessories. Tactical Outfitters provides training courses for all aspects of gun ownership, safety, and proper usage of firearms as well as processing Firearm Owner Identification (FOID) applications.

You can find Tactical Gear at 523 E Vine St., Vienna, IL, 62995, call them at 523 E Vine StUSILVienna62995(618) 658-2374 or go to <https://www.facebook.com/marshalltacticaloutfitters>.

Resource of the Week – www.videosurveillance.com

Go to the site below for information on how to enhance security at retail shops. This resource may be useful to your retail clients also provide business advisors with additional information in this key area impacting retailers.

<http://www.videosurveillance.com/retail-surveillance-systems.asp>

Neoserra Open Until 7-15-14

Neoserra/WebCATS will remain open to enter June 2014 data until 4:00 PM on Tuesday, 7/15/14. Please use this extra time to catch up on your data entry.

Moves and News

Please click on the linke below for a good article on the benefits of the U. S. Ex-Im Bank which includes quotes from Jim Foley, the Director of the Illinois SBDC International Trade Center (ITC) at Bradley University.

<http://www.pjstar.com/article/20140705/NEWS/140709651/?Start=1>

America's SBDC Network Connect

Please [CLICK HERE](#) to see the June 26, 2014 edition of [America's SBDC Network Connect newsletter](#).

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The **WEEKLY CONNECTION** is distributed by the Illinois SBDC and DCEO Office of Entrepreneurship, Innovation & Technology each Monday to members of the DCEO Illinois SBDC Network to provide the service delivery partners with regular updates on small business issues, opportunities and resources. You may send any information to share with the Illinois SBDC Network to Tom.Becker@illinois.gov. Please feel free to forward this update to other interested resource providers and key stakeholders.

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