

# IOWA SMALL BUSINESS OWNER... REACH YOUR DREAMS!



The Targeted Small Business (TSB) Program is designed to help women, \*minorities or persons with disabilities overcome some of the major hurdles of starting or growing an Iowa small business and realize their dream of owning a successful business.

*\*American Indian, Asian, Black, Latino, Pacific Islander*



# FIRST STEP - GET CERTIFIED

The first step to accessing the benefits of the Iowa Targeted Small Business Program is to complete the certification process through the Iowa Department of Inspection and Appeals (DIA). Visit [www.dia.iowa.gov/](http://www.dia.iowa.gov/) for information on how to apply and to access the application form.

Becoming certified is not a difficult process, but it does take time to complete and submit the application and provide all required supporting documentation. Decisions on certification are granted approximately two weeks from the receipt of a completed application and the \$25 processing fee.

## THAT'S IT... THAT FIRST STEP GAINS YOU ACCESS TO ALL THE IOWA TSB PROGRAM HAS TO OFFER:

### Financial Assistance

TSB funds may be used to purchase equipment, acquire inventory, provide operating capital or leverage additional funding. Loans of up to \$50,000 may be provided at interest rates of 0-5 percent that must be repaid in monthly installments over a five year period. The first installment can be deferred for three months for a start-up business and one month for an existing business.

### Additional Benefits of Being Certified

**Preferential Treatment** — 48-hour preferential treatment for all state procurement let through the Department of Administrative Services (DAS) for goods and services costing \$10,000 or more. Plus, Iowa Code allows state agencies to purchase direct from an Iowa Certified TSB without a formal bid process for goods and services costing less than \$10,000.

Once you are certified as a TSB, we add your business to our online directory that is frequented by both state agency purchasing agents and private sector companies for additional exposure to customers searching for services.

**Targeted Small Business Technical Assistance Service Providers** — Our technical assistance experts can help your growing business with inevitable growing pains. They'll put their experience and know-how to use by giving you one-on-one, personalized guidance and direction. How much will these professional consultants cost you? Not one cent – we pay their fees.

**Educational Opportunities and Business Resources** — Benefit from workshops, seminars, networking opportunities, business research summary data and other tools to help you be a successful Iowa business.

**Targeted Small BusinessLink** — An e-newsletter direct to your in-box to inform you on upcoming training opportunities, program enhancements and highlighting Iowa TSB successes. Subscribe today at: <http://www.iowalifechanging.com/business/tsb.html>

1. Click on "Join Our E-Mail List"
2. Once you complete the registration page, be sure to check the subscription box for Targeted Small Business among any others you are interested in receiving.
3. Don't have an email address? Then call, 515.242.4715 or 800.532.1215 to be added to our TSB snail mail list!

# TSB PROGRAM FINANCIAL ASSISTANCE

In May 2007 the Iowa State Legislature signed into act House File 890, appropriating funding to the Iowa Department of Economic Development Targeted Small Business (TSB) Program for low-interest financing up to \$50,000, with up to 60-month repayment terms to Iowa businesses that are:

- At least 51 percent owned and actively managed/operated by women, minority members or persons with disabilities
- The majority owner must be a resident of the State of Iowa
- The business must be certified as an Iowa TSB
- The TSB has at least 10 percent down in cash on the purchase or project cost

Financing approved for the Iowa Certified TSB may be used to purchase equipment or machinery, acquire inventory, facility purchase or enhancement costs and/or to leverage conventional business financing. Note: TSB program financial assistance may not be used to refinance or consolidate existing debt of the business or business owner.

The application form and additional information are available at <http://www.iowalifechanging.com/business/tsb.html> or through contacting the TSB financial assistance program managers at 515.242.4813 or 515.242.4819.

## LOAN APPLICATION PROCESS:

Step	Action	Responsible	Deadline/Timing	Follow-up
1	Submit loan application and all supporting documentation required	Certified TSB owner	Last Friday of each month	Forward application to TSB Loan Review Committee
2	Application reviewed and funding recommendation made	TSB Loan Review Board	Third Wednesday of month following the application deadline	Forward funding recommendation to Economic Development Director
3	Funding recommendation considered	Economic Development Director	Next scheduled board meeting following the release of funding recommendation	Notification to TSB owner. If denied process ends. If approved, see next steps
4	Complete financial assistance contract detailing terms of loan	Iowa Department of Economic Development (IDED) Business Development Financial Team	Up to two weeks	Submit to TSB owner for review, acceptance and signature
5	Financial Assistance Contract Accepted	TSB owner	Varies	Return original, signed contract agreement to IDED/TSB
6	Financial Assistance check is prepared and delivered	IDED Administration Accounting Team	Up to two weeks	Contract repayment terms must be met by the TSB owner

For timeline charted above, an application to actual funds release could take two to three months to complete. Considering this, the TSB owner needs to plan in advance for his/her future funding needs.



## CASE STUDIES IN SUCCESS

# PERFECT CHOICE HAIR & BEAUTY SUPPLY

### A “Certified” Dreamer

Sometimes all you have is a dream and determination and if you wait for everything to be perfect, you may never take a risk to start your own business. Deborah Mobley had spent a large part of her working life as an executive in the mortgage-banking world. She knew little about retail except that she liked to shop. But she also knew she wanted to work for herself and live a dream.

“We (she and husband, Murphy) set out on this journey because we really believed we were led by the Lord”, she says. So in the beginning of a difficult Iowa winter, December 2007, just a few days before Christmas, Deborah and Murphy opened the doors to their own business.

Perfect Choice Hair & Beauty Supply sells cosmetics, wigs, premium hair care products, styling tools, and barber and stylist supplies aimed at a multicultural consumer base.

Her beautiful and immaculate store is like a breath of fresh air. “I wanted a décor that was inviting, clean, and neat, saying ‘come on in, we want you to shop with us.’” In the back of her lovely store is a full-service hair salon (with 3 full-time stylists) and a private wig viewing room. The store is uncommonly anchored in hair care products normally purchased by African American and Latino customers, which are not in abundant supply in the local Des Moines market.

When asked what the greatest challenge is of starting your own business, Deborah said “Certainly funding, that’s right up there as a top concern. Of course, funds are limited as sales vary, but that’s to be expected. Next is developing a good marketing and advertising strategy and having the funding to really execute it.”

But Deborah feels it’s all been worth it. She loves her customers and finds they are probably one of the greatest rewards of small business ownership—meeting people and developing lasting customer relationships. “I love my customers and the independence of owning my own business – it allows me to use my creativity, ingenuity, and requires me to be flexible and decisive.”

Shortly after opening their business, Deborah and Murphy learned about the benefits of being a certified Targeted Small Business while attending a meeting of the African American Business Association. Being certified was worthwhile, required only \$25 and a little time. “The association recommended it and we felt it couldn’t hurt and it may help. Part of entrepreneurship is networking, putting your business on every list available and taking every opportunity you can to get your name out there.”

Does she have any regrets? How about advice? Deborah said “Starting our own business is the best thing we’ve ever done! I would just encourage people to learn all they can. Many services and free classes challenge you to think about WHY you want to own a business and help you with your business plan. The small business owner has to wear many hats so the more you know the better. Educate yourself to help prepare. If it’s your dream, don’t let the obstacles stop you – the rewards are worth it!”





## CASE STUDIES IN SUCCESS

# TACOS MARIANA'S

### *Financing a Growing Need*

Mariana Gomez loves to cook for people! In 2006, she realized that her small but growing Mexican Restaurant, Taco Mariana's, needed a larger facility; she began planning for a new and larger location. She successfully negotiated with a building owner for a location on a busy street in Des Moines' inner city.

The new location needed renovation, so Mariana began paying for her new building months before she even occupied it. The building needed extensive plumbing work (about \$22,000) and a new parking lot. Of course, she would need more equipment, increased supplies and new dining area seating. She worked with individuals and agencies to help raise the capital she would need for her relocation.

For example, ISED (Iowans for Social and Economic Development) encouraged her to use their Iowans Save program. Mariana saved \$2,000 and ISED matched her efforts 100 percent with another \$2,000. She also worked closely with the Immigrant Rights Network, for help securing permits, licensing, writing her business plan and completing the pile of forms required to move forward with her plans.

**Because of her experience, her well-prepared loan application and business plan, ... her TSB loan process went smoothly.**

Still more funding was needed to make her dream for expansion a reality. After being denied her loan requests by a few large local banks, she began to think, "Nobody would ever give me a loan." Then, she applied for a loan from the Targeted Small Business (TSB) Program of Iowa. Mariana was awarded a loan for \$32,000 from the State of Iowa. Because of her experience (she successfully managed her business for nine years), her well-prepared loan application and business plan and the homework she had done, her TSB loan process went smoothly.

On January 20, 2009, Mariana opened the doors of Taco Mariana's at its new location. The well-decorated dining area is bright, cheerful, and designed to look just like the restaurants Mariana knew in her hometown of San Sebastian Del Oeste in Jalisco, Mexico. Thanks to a loan from the Targeted Small Business Program of Iowa and mainly due to her incredible hard work and commitment, Mariana's new restaurant continues to grow and succeed!



## CASE STUDIES IN SUCCESS

# BUSINESS FURNISHINGS & DESIGN

### *Putting the "Pro" in Procurement*

Case in point is Business Furnishings & Design, which has been doing business with the State of Iowa for 20 years! "We have been doing business with the State of Iowa since 1989 and we utilize the 48-hour procurement Web site and appreciate having it available," says Lauri Weissenburger, owner and President.

With a workforce of two in a home office, Lauri proves that bigger isn't always better. Besides the state of Iowa, Business Furnishings and Design clients include Maytag and Principal Financial Group, among many others.

After 11 years in the office furniture and design business, Laurie decided to start her own business. Her decision to keep her business small is not due to economic highs and lows, but rather a conscious business strategy from which she and her clients benefit. "I keep my overhead low which gives me an advantage over my competitors and better pricing for my clients."

**When it comes to doing business with "big state government," small companies can compete and succeed!**

Lauri has the April 1989 letter from the Targeted Small Business Program when her company was first certified. A key advantage of having your small business certified with the state of Iowa is you have the opportunity to do business with over 30 state of Iowa agencies that are committed to using targeted small businesses for their supplier needs.

One of Lauri's regular state agency clients is the Iowa Department of Revenue (IDR). For clients like Bob Stalker, Purchasing Agent for IDR, consistent service and top-notch products keep him coming back to Business Furnishings & Design year after year. "I continue to use them because of the fast and friendly service that they provide, they are very easy to contact and if I ever have issues they are right there to help me solve them. It has been an excellent experience working with Business Furnishings," says Stalker.

Twenty years of doing business with the state of Iowa is no accident. Lauri has put the effort in to explore and continue to develop more opportunities and relationships with the state procurement officers, as she does with all of her clients. Her company's strong reputation has led to repeat business and referrals. Lauri says: "We personally call on many of the State agencies and the Board of Regents schools. But the main thing we do is ensure that we do such an outstanding job every time that our clients can't help but brag about us – that's worth more than any advertising campaign."



# DOING BUSINESS WITH THE STATE OF IOWA

The State of Iowa cannot operate without the goods and services of private businesses and the State is committed to doing business with Certified Iowa Targeted Small Businesses. Through your participation in an open competitive procurement process, the government and the taxpayer benefit from improved quality at lower prices.

The Iowa procurement code is designed to ensure fair and equitable treatment of all persons who deal with the State procurement process. We look forward to your continued interest and participation in doing business with the State of Iowa.

The State of Iowa does not discriminate on the basis of disability in the admission or access to, or treatment of employment in, its programs or activities pursuant to the Americans with Disabilities Act of 1990 (ADA) 42 USC § 12101.

## Not sure you have the goods or services a State agency would need?

Following is a list of some of the goods and services currently being purchased through Certified TSBs based on a March 2008 survey of State agency purchasing managers:

- ❖ Advertising/public relations
  - ❖ Cleaning/housekeeping supplies
  - ❖ Clothing/uniforms
  - ❖ Construction
  - ❖ Consulting
  - ❖ Copy paper
  - ❖ Court reporting
  - ❖ Deaf/translation services
  - ❖ Distribution
  - ❖ Food maintenance supplies and clothing
  - ❖ Food service & catering
  - ❖ Graphics & design
  - ❖ Health care and related services
  - ❖ Information technology
  - ❖ Manufacturing
  - ❖ Office furniture
  - ❖ Parts for equipment
  - ❖ Plumbing and electrical suppliers
  - ❖ Safety equipment
  - ❖ Printing/publishing
  - ❖ Theatre groups, musicians
- ❖ **Good or service needed was in top 10 items listed on the survey**

For more information on the TSB program:  
<http://www.iowalifechanging.com/business/tsb.html>  
or call: 800.532.1215



## FREQUENTLY ASKED QUESTIONS

- Q:** My wife and I own a service business. She has 51 percent ownership but does not actively participate in the management or services provided to the customers. Would our business qualify as a TSB?
- A:** No, the 51 percent ownership is only part of the requirement. She would also need to be active in the operations of the business and hold proven expertise in the field of operation.
- Q:** The 48-hour procurement has not offered any bid opportunities that fit the products or services my business provides — am I missing something?
- A:** You need to remain diligent in checking the Web site. Not all procurement meets the criteria where it must be let through the Department of Administrative Services. As a TSB, you need to also be active in building personal relationships with procurement officers of each agency. IDED TSB staff can assist you in identifying those contacts within each agency.
- Q:** I own and operate an existing small business that would qualify as a TSB. What benefit could I get from becoming a certified TSB at this point?
- A:** What are you waiting for? Certified TSBs are eligible for low-interest loans and equity grants and preferential treatment on bids for state-purchased goods and services; plus free professional consultation with business/technical experts to enhance their method of operation.





**IOWA**  
life | changing

## WOULD YOUR BUSINESS QUALIFY AS A CERTIFIED IOWA TSB?

### Requirements

- Business must be located in the state of Iowa
- Business must be operated for a profit
- Business must have a gross income of less than \$4 million computed as an average of the preceding three fiscal years
- Business must be owned (51 percent or more), operated and actively managed by a female, a minority group member, or a person with a disability

Qualify? Then look inside for the benefits and how to get started!

# ADDITIONAL RESOURCES

## CERTIFIED IOWA TSB APPLICATION: IOWA DEPARTMENT OF INSPECTION AND APPEALS

[www.dia.iowa.gov](http://www.dia.iowa.gov)

## OTHER RESOURCES:

### US SMALL BUSINESS ADMINISTRATION

Find your local SBA office at <http://www.sba.gov/localresources/index.html>

### ISED VENTURES HEADQUARTERS (IOWANS FOR SOCIAL & ECONOMIC DEVELOPMENT)

1111 Ninth Street, Suite 380 • Des Moines, IA 50314  
Phone: 515.283.0940 • Toll Free: 800.888.ISED (4733) • Fax: 515.283.0348

To find out more contact ISED direct or visit their Web site at [www.isedventures.org](http://www.isedventures.org)

### IOWA SMALL BUSINESS DEVELOPMENT CENTERS

Offering: Research, counsels, and trains business people in management, financing, and operating small businesses, and provides comprehensive information services and access to experts in a variety of fields. Each SBDC encourages unique local efforts, region to region, state to state, and community to community to meet small business needs in its area.

Find your local SBDC office at <http://www.iowasbdc.org/Home/tabid/1797/Default.aspx>

### TARGETED SMALL BUSINESS PROGRAM

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