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Major Field: Consumer Studies

Scope and Method of Study: During the fall of 1988, an internship experience focusing on promotional marketing, advertising and publicity took place at the Oklahoma Small Business Development Center in Tulsa, Oklahoma. The role of small business in the United States including programs of the Small Business Administration were discussed. The University of Tulsa's Enterprise Development Center and the Oklahoma Small Business Development Center in Tulsa were described. An explanation of internship activities and results as well as an analysis of the experience were presented. Some of the activities were creating a brochure and newsletter for the Enterprise Development Center; developing publication guides and fact sheets on topics related to the internship focus for clients; counseling clients; writing a business case; and writing summary/critiques of small business seminars attended during the internship.

Findings and Conclusions: It was found that intuition is a tool for making business decisions; effort is required for establishing good business communication lines; delegating is an effective management tool; a fine line between what is considered an ethical and unethical business practice often exists; documenting communication and networking through people are business practices that are most useful when employed strategically; and flexibility is a key attribute of successful businesspersons. Furthermore, entrepreneurs need training in the areas of target marketing, resource management, business financing, and coping with environmental and societal changes.

GRADUATE INTERNSHIP EXPERIENCE
OKLAHOMA SMALL BUSINESS
DEVELOPMENT CENTER

By

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GRADUATE INTERNSHIP EXPERIENCE
OKLAHOMA SMALL BUSINESS
DEVELOPMENT CENTER

Creative Component Approved:

Creative Component Advisor

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An expression of appreciation is well deserved of all persons who helped me during my internship.

I am grateful for my site supervisor, Dr. Robert D. Hisrich, acting on his intuitive thoughts about having me as an intern. Both The University of Tulsa as an employer, and I as an intern, profited from the University's decision after a nationwide search to hire Dr. Hisrich to fill the business college's first fully endowed chair named after Tulsa's long time business leader, Davis O. Bovaird. Dr. Hisrich holds the Bovaird Chair of Entrepreneurial Studies and Private Enterprise at The University of Tulsa. His vast experience in consulting for Fortune 500 companies along with an extensive record of academic research, provided me with a balanced opportunity for learning about entrepreneurship that could not be replaced by any other. Dr. Hisrich, who also holds the positions of Director of the Enterprise Development Center and Oklahoma Small Business Development Center in Tulsa, was more than qualified to provide me with an internship experience that appropriately matched my professional goals. Other staff members, Jan Reynolds and Dr. Lyle Trueblood, gave me many types of support for which I am thankful. All of these individuals have qualities that

I aspire to emulate.

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Special thanks go to my family and friends. Although far away, my parents, Thomas and Catherine Anderson, and my aunt, Ann Hall, encouraged and supported me through telephone calls, letters and prayers. A special friend whose relationship I cherish, Tom Burns, gave me the daily encouragement and support I needed to keep me going.

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CHAPTER I

INTRODUCTION

Overview of Report

The framework for this report, which is the final product of an internship experience of the author at the Oklahoma Small Business Development Center (OSBDC) of The University of Tulsa, is illustrated in Figure 1. Chapter I sets the stage for the report with a general discussion of the role of small business in the United States. A brief description of the programs of the Small Business Administration (SBA) is provided in Chapter II. Chapter III gives a detailed description of the programs of the Enterprise Development Center. The internship setting is described in Chapter IV. An explanation of the internship plan of activities and an analysis of the experience is presented in Chapter V. Chapter VI contains conclusions and recommendations.

Small Business in the U.S.

The American economy is still the miracle of the world. No other nation can compare to the success of our economic system, nor the opportunity it provides to individuals and families. This is particularly true when it comes to small business--the backbone of the

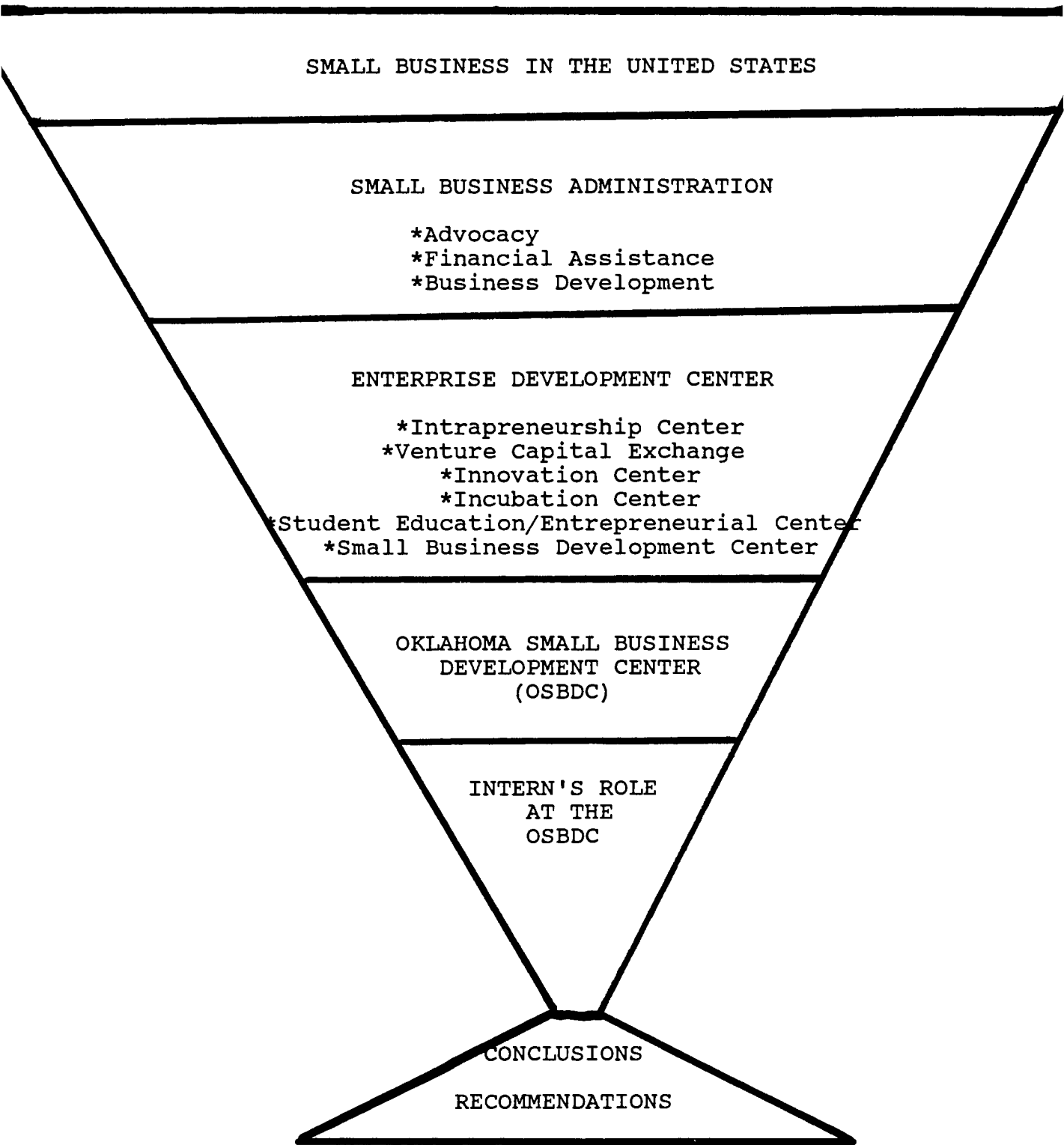


Figure 1. Framework for the Graduate Internship Experience Report

American economy. (U.S. Small Business Administration in cooperation with Pacific Directory [US SBA & PD], 1987, p. 3)

Although small business is the traditional backbone of our economy, large corporations were considered to be the driving force behind America in the decades immediately preceding the 1980s (Hisrich, 1988-a). Big was thought to be better until it was discovered that small business was more capable of responding to particular needs that were created when the economy shifted away from being capital intensive to more human intensive (US SBA & PD, 1987, p.4). Currently, small business plays an important role in one of the nation's longest periods of economic expansion since the end of WWII.

In 1984, President Reagan signed into law a bill establishing the 1986 White House Conference On Small Business (WHCSB). The national conference, held in August of 1986, was the culmination of an eighteen month process consisting of small business conferences in each of the states plus the District of Columbia and Puerto Rico. The President convened the conference because of the expanding role and growing importance of small business in the American economy. The state meetings were held to identify and discuss issues of concern to small business, to propose a small business agenda for federal action, and to elect delegates to the national conference. Conference staff condensed the 2,232 recommendations from the states into 371 items for the national conference agenda. A final sixty detailed policy recommendations, formulated by 1,813

delegates, were presented at the national conference. "The final recommendations of small business owners or principals constituted an impressive agency for the future of the U.S. economy" (US SBA & PD, 1987. p. 11).

The government defines small business according to its primary industry type with the basic size varying from one to five hundred employees. More than 99 percent of all businesses in the United States can be classified as a small business (US SBA & PD, 1987, p. 3). And, nearly 80 percent of all businesses, excluding farms, employ fewer than ten people (Small Business and Private Enterprise Committee [SBPEC], 1987). The most recent comprehensive count of the small business population, provided annually by the U.S. Internal Revenue Service in the Statistics of Income, indicates that there were 15.2 million nonfarm businesses in the United States (US SBA & PD, 1987). Between 1982 and 1984, six million new jobs were created, but during that same period, jobs in Fortune 500 companies declined by 1.5 million (SBPEC, 1987).

Most small businesses are in the retail and service business (Figure 2). More than seven of every ten jobs are in industries that provide services. Service-producing industries are projected to account for about nine out of ten new jobs between now and 1995.

Despite the fact that one-half of all new businesses fail in their first four years of business, entrepreneurship has become part of the American dream (Hisrich & Peters, in press). An increasing number of courses on small business

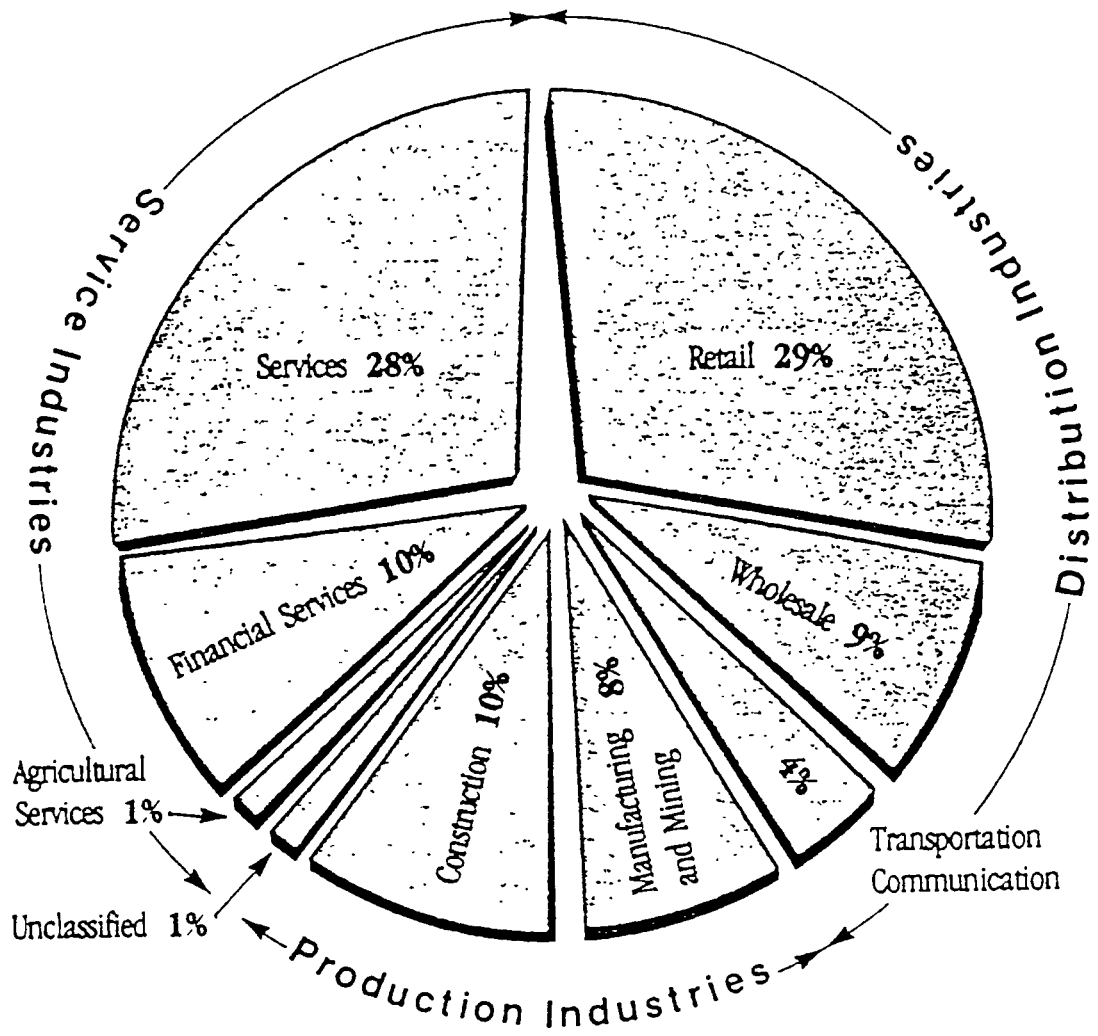


Figure 2. Small Business by Industry

From "Small Business is Big Business" by Small Business and Private Enterprise Committee, University of Notre Dame, 1987.

and entrepreneurship are being offered by colleges and universities. A recent survey reveals that 52% of college students polled plan to start their own businesses within the next ten years and that the majority of persons who start new businesses are in the 25-40 years old range (SBPEC, 1987).

CHAPTER II

SMALL BUSINESS ADMINISTRATION

Introduction

The U.S. Small Business Administration (SBA), created by Congress in 1953, is an independent Federal agency whose purpose is to help small businesses grow and prosper. According to the SBA (1987), its mission is to "help people get into business and stay in business". The SBA accomplishes its mission by acting as a spokesperson for small business; it advocates programs and policies that benefit small business. The advocacy role requires the SBA to coordinate "with other Federal agencies, with Congress and with financial, educational, professional and trade institutions and associations" (US SBA, 1987). More than 100 offices and 3,700 employees, throughout the United States and territories, comprise the SBA (US SBA, 1987).

Programs

Numerous programs offered by the SBA fall under the direction of three main arms of assistance which include advocacy, financial assistance, and business development.

Advocacy

Congress created the Office of Advocacy in 1976 to "represent small business interests before other Federal agencies and to ensure that small business would continue to be the cornerstone of our free enterprise system" (US SBA, 1987). More specifically, Public Law 94-305 dictates that the Office of Advocacy "researches the effect of Federal laws, programs, regulations and taxation on small business and makes recommendations to Federal agencies for appropriate adjustments to meet the needs of small business" (US SBA, 1987). In addition, the Office of Advocacy evaluates and analyzes the impact of legislative proposals on small business. It evaluates future opportunities, problems and needs of small business people as well as assists them in the areas of Federal law, regulation and assistance programs. The Office of Advocacy, made up of four branches, is governed by the Chief Counsel for Advocacy who is appointed by the President and confirmed by the Senate.

The Central Office is located in Washington, D. C. Regional offices are located in ten major cities around the country -- Boston, New York, Philadelphia, Atlanta, Chicago, Dallas, Kansas City, Denver, San Francisco and Seattle. Regional administrators appointed by the SBA Administrator are in charge of these offices. Each region encompasses several states and directs a number of district offices within the region. District directors, who are appointed by

the regional administrators, have a staff of experts that are responsible for considering loan applications; offering individual management assistance; and coordinating other small business services.

In October 1982, the Small Business Answer Desk was created to answer callers' questions, such as how to start a business, where to get financing, etc. The Answer Desk can be reached at (800) 368-5855.

Financial Assistance

The SBA offers a variety of loan programs to small businesses which cannot borrow on reasonable terms from conventional lenders without government assistance. Most SBA business loans are made by private lenders and then guaranteed up to 90 percent by the Agency. The maximum amount of SBA guaranteed business loans is \$500,000 and the maturity may be up to 25 years. The average size of this type of loan is \$175,000 and the average maturity is about eight years. Locally, two commercial banks, one in Stillwater and one in Tulsa, are approved to offer SBA guaranteed business loans.

The SBA offers other types of special loans:

- (1) Local Development Company Loans to groups of local citizens whose aim is to improve the economy in their area.
- (2) Small General Contractor Loans to assist small construction firms with short-term financing.
- (3) Seasonal Line of Credit Guarantees to provide short-term financing for small firms having a seasonal loan requirement due to seasonal increase in business activity.

- (4) Energy Loans to firms engaged in manufacturing, selling, installing, servicing or developing specific energy measures.
- (5) Handicapped Assistance Loans to physically-handicapped small business owners and private non-profit organizations which employ handicapped persons and operate in their interest.
(US SBA, 1987)

The SBA offers financial assistance to businesses that have suffered hardship from natural disasters, such as hurricanes, floods, tornados, etc. When the President or the Administrator of the SBA declares a specific area to be a disaster area, two types of loans are offered by the SBA: physical disaster loans and economic injury disaster loans.

Likewise, the SBA assists small businesses needing pollution control facilities or equipment. Long-term, fixed interest financing for planning, design and installation of facilities and equipment is offered by the SBA. The SBA cooperates with state and local regulatory agencies and financial institutions to offer up to \$5,000,000 per small business with a 100 percent SBA guarantee.

The SBA makes bonding accessible to small and emerging contractors who would not ordinarily have bonding available to them. "The Agency is authorized to guarantee to a qualified surety up to 80 percent of losses incurred under bid, payment or performance bonds issued to contractors on contracts valued up to \$1.25 million" (US SBA, 1987).

A growing number of banks are participating in the SBA's "Certified Lending Program" or "Preferred Lenders Program" whereby banks handle much or all of the loan paperwork and processing. The result is less required

processing time, greater efficiency and greater private sector involvement in SBA activities - a desired goal of the SBA.

Small Business Investment Companies (SBICs) make venture or risk investments by supplying equity capital and extending unsecured loans and loans not fully collateralized to small enterprises. The SBA licenses, regulates and provides financial assistance to SBICs, privately owned and operated for profit.

Women, minorities and veterans have traditionally experienced difficulty in entering the mainstream of America's economy. Therefore, helping these groups is a special goal of the SBA. Workshops, training seminars and other types of assistance have been designed to help these groups become successful entrepreneurs. The Office of Minority Small Business and Capital Ownership Development is a network of district and regional offices in addition to a central office that houses programs designed to meet this SBA goal.

The SBA helps small businesses obtain a fair share of the billions of dollars in goods and services for which the federal government enters into contract with private companies every year. The primary vehicle for doing this is the Office of Procurement and Technical Assistance's Procurement Automated Source System (PASS). PASS maintains capability profiles of small businesses interested in federal government procurement opportunities. This system is used by federal agencies and major prime contractors to

identify small businesses with the capabilities that they need. Small businesses that are part of the PASS system are eligible for being awarded contracts or subcontracts (U.S. Small Business Administration, Office of Innovation, Research and Technology [US SBA, OIRT], 1988, p. 4).

Representatives provide procurement assistance in SBA offices to small business owners. Specifically, representatives can help an owner to: prepare bids, obtain contracts, get on bidders' lists, draw specifications, and determine which government offices need what supplies. The SBA has developed agreements with over 1,200 prime contractors who cooperate by offering opportunities to small firms for securing subcontracts (US SBA, 1987).

Business Development

Numerous statistical studies (US SBA; US SBA, 1987; US SBA in cooperation with Coopers & Lybrand; US SBA & PD, 1987) have shown that most small business failures are due to poor management. For this reason, the SBA emphasizes improvement of the management ability of small business owners and managers. Business development assistance offered by the SBA is extensive and diversified. The SBA seeks to counsel and train entrepreneurs through a variety of channels. Private sector organizations and institutions are recruited to take part in the management assistance programs. The SBA tries to match the specific need of a business with the appropriate expertise needed to fulfill that need.

In addition to the SBA staff and numerous professional associations, over 12,000 members of the Service Corps of Retired Executives (SCORE) and Active Corps of Executives (ACE) in 400 chapters provide one-on-one management counseling to small business owners (U.S. Small Business Administration in cooperation with Apple Computer, Inc.). SCORE, a nonprofit national association, has offered more than 23 years of free business counseling (National SCORE Office, 1987).

Almost 500 university and college campuses host Small Business Institutes (SBIs), another type of program designed to help small businesses. Senior and graduate schools provide on site management counseling. Students are supervised by faculty and receive academic credit for their work.

Small Business Development Centers (SBDCs) also provide counseling and training in management and technical areas for small business owners. These centers are located in 50 states, the District of Columbia, Puerto Rico and the Virgin Islands. Resources are pooled from the public sector (local, state and federal), private sector and university sector.

Business courses, conferences, seminars, clinics workshops and publications on a diverse range of topics in management, marketing, finance and international trade, are part of the SBA's business development operation. SBA publications are offered through the SBA or the Government Printing Office either free of charge or for nominal fees.

"In 1986, the SBA distributed over 6.2 million business publications to entrepreneurs. . ." (U.S. SBA, 1988, p. 1). Both the small business sessions and publications are designed to meet the needs of prospective as well as established small business owners and managers.

The Small Business Innovations Research (SBIR) Program began with the enactment of the Small Business Innovation Development Act in 1982. On October 6, 1986, the President signed legislation which reauthorized the program through September 30, 1993. The Act required that federal agencies with research and research and development (R & R & D) budgets in excess of \$100 million establish SBIR programs. The SBIR program follows a solicitation process whereby small businesses can propose innovative ideas that meet specific research needs of the federal government while potentially opening the door to future commercialization. Each year a master schedule of SBIR solicitations listing each agency's release date and closing date for accepting proposals is published. Presently, there are eleven federal agencies participating in the SBIR program. During fiscal year 1987, the federal agencies participating in the SBIR program awarded approximately \$350 million in SBIR funding agreements (US SBA, OIRT, 1988, p. 2).

CHAPTER III

ENTERPRISE DEVELOPMENT CENTER

Introduction

The Enterprise Development Center (EDC) in Tulsa is an organized effort designed to facilitate entrepreneurs in forming new businesses as well as improving and expanding established companies. While there are many programs whose purpose is to serve entrepreneurs in this capacity, the Enterprise Development Center is the only one of its kind in existence to date. A unique blend of services is what makes the Center a successful operation. The Enterprise Development Center, established at the University of Tulsa, coordinates aspects of the public sector (federal, state, and city governments); the university sector (engineering and business schools); and the private sector (businesses, venture capital firms, financial institutions, potential inventors, and entrepreneurs) in order to assist entrepreneurs.

Programs

Six programs comprise the Enterprise Development Center, each is an entity itself yet all are interrelated under the Center umbrella and coordinated by the Center

director (Figure 3). Each program has its own budget, director and staff. An explanation of the programs follows; Intrapreneurship Center, Venture Capital Exchange, Innovation Center, Incubation Center, Student Education/Entrepreneurial Development Center, and Small Business Development Center.

Intrapreneurship Center

The Intrapreneurship Center helps established companies create an intrapreneurial spirit -- an environment that facilitates the creation of new products and services. While established companies have the financial capability, marketing expertise, established distribution system, and other assets needed to facilitate new ideas, their bureaucracy, organizational structure, mission statement, and reporting often stifle the intrapreneurial process (Hisrich, in press-b). The Intrapreneurship Center has assisted two medium-sized companies and a division of a larger company in modifying their present activities to create an intrapreneurial environment.

The first step in helping companies to create an intrapreneurial environment is to meet with top management to obtain their commitment to the program for three years and their willingness to endorse specified activities throughout the organization. Next, seminars are delivered to managers in the organization. These seminars are designed to introduce the concept and importance of intrapreneurship, the characteristics of the intrapreneur

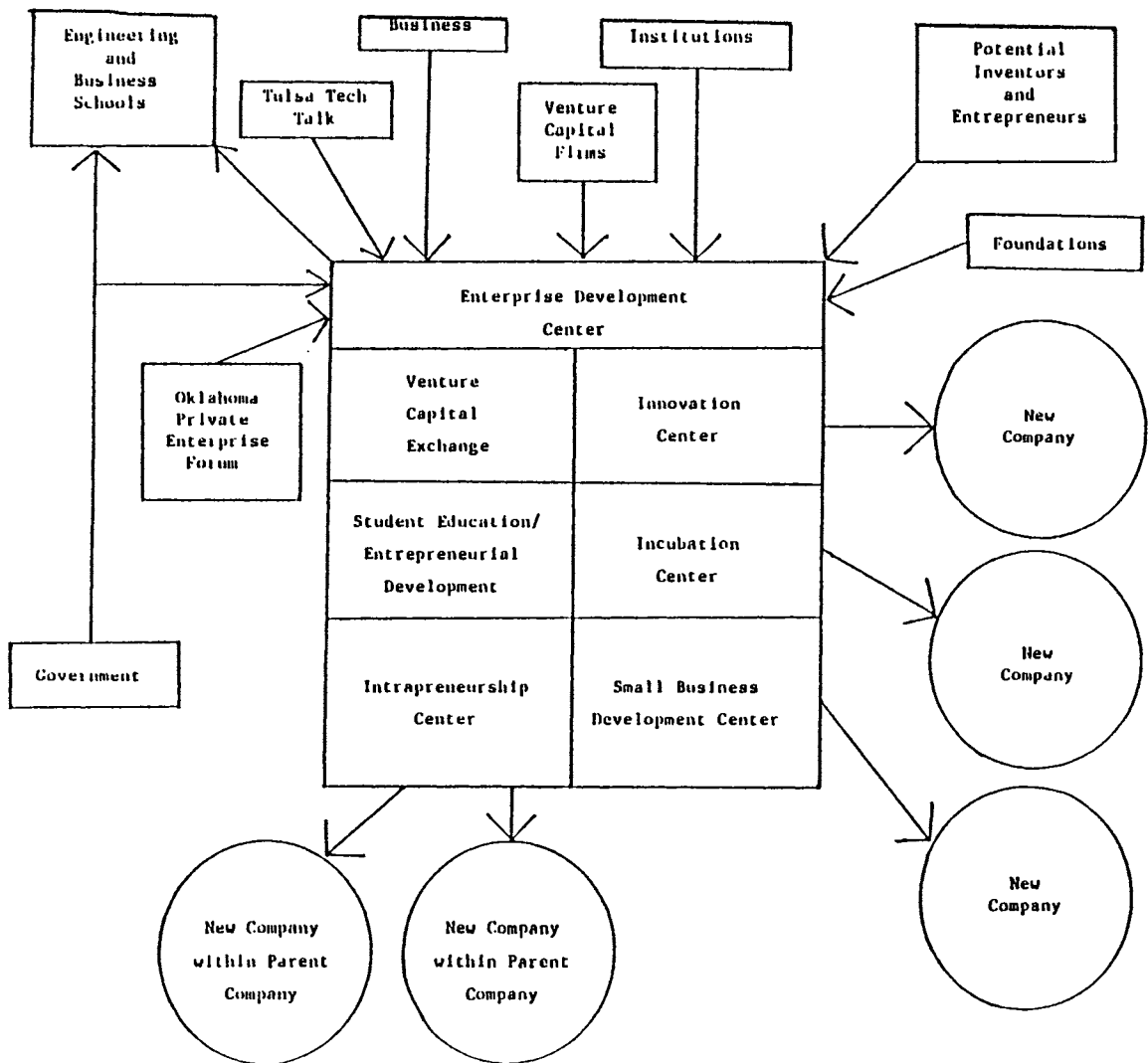


Figure 3. Enterprise Development Center

From "New business formation through the enterprise development center: A model for new venture creation" by R.D. Hisrich (in press) IEEE Transactions on Engineering Management.

and the intrapreneurial environment; the product planning and development process; and the process for implementing new venture creation. Finally, information dissemination teams are formed and the process is initiated.

Venture Capital Exchange

The Venture Capital Exchange (VCE) is a national computerized information service that matches entrepreneurs seeking capital and investors willing to offer risk capital according to similarities in the profiles and interests of both parties. The project, which started in 1986 by Dr. Robert D. Hisrich, is funded by Tulsa's Grace and Franklin Bersen Foundation; the late Bersen was one of Tulsa's investors (Everly-Douze, 1987). The Venture Capital Exchange is based on a similar data base Hisrich helped establish while at the Massachusetts Institute of Technology, where the only other project like it exists. The Venture Capital Exchange concept was pioneered in 1984 by Professor Bill Wetzel, a member of the business faculty at the University of New Hampshire (Burke, 1986, p. 36).

The largest and best source of seed capital or first stage financing for entrepreneurs is the informal investor, often referred to as "venture capitalist" or "angel". Venture capitalists are willing to invest their expertise as well as their capital in risky, but potentially profitable, new ventures. They usually find out about new venture investment opportunities haphazardly through informal contacts with friends, lawyers, accountants, and bankers

(Hisrich, in press-b). How the Venture Capital Exchange, a "computerized dating service" as dubbed by The Wall Street Journal, helps to connect investors with entrepreneurs is explained by Hisrich (in press-b):

Entrepreneurs and investors (angels) register on the system by filling out multiple-choice questionnaires (Appendix A), supplying basic information about themselves and what they seek in a mate, and paying the \$100 registration fee for being on the system for one year. All of the information supplied is on a strictly confidential basis.

Both profiles are entered into an IBM PC. Once the computer program matches the two profiles, the Venture Capital Exchange sends the investor the entrepreneur's outline of his idea, personal background, 8-10 page mini business plan, and financial information without indicating the entrepreneur's or company name unless so desired. The process up to this point is completely confidential as there is nothing in the material specifically identifying the entrepreneur or his company. The names of both the entrepreneurs and investors on the system are of course never released.

If after reading the information the investor wants to proceed further, then the Venture Capital Exchange provides both the entrepreneur and the investor with each other's names and how contact can be easily made so that the two can decide if they want to do business together.

Interest in the Venture Capital Exchange has been significant. At present registration on the system is about 56 informal investors and 100 entrepreneurs from cities all over the country. In its three years of existence, a total of 246 entrepreneurs have registered on the system at one time or another. Entrepreneurs with all kinds of products and services, including dog food, hi-tech products, gold mines and truck stops, are registered on the Exchange. The

role of the Exchange is completed after the matches are made and investors are given requested contact information about entrepreneurs. About 35% of the entrepreneurs who have received matches, also get a chance to meet face-to-face with an investor. Neither investors nor entrepreneurs are required to divulge the outcome of meetings to the Venture Capital Exchange. Although many investors and entrepreneurs voluntarily inform Exchange staff of the outcome, not everyone does. It is estimated, however, that 6% of the meetings result in a business deal.

Most of the investors registered on the system prefer to invest a maximum of \$100,000-\$250,000. Seventy percent of the investors like to invest \$50,000-\$500,000, while the remainder prefer to invest more than \$500,000 in one venture. The business industry categories most preferred are: manufacturing industrial products, manufacturing consumer products, energy/natural resources, financial services, high technology, retail, and other services.

The amount of capital needed by the entrepreneurs on the system is \$25,000-\$50,000 and up to over \$1 million with the largest category being \$100,000-\$250,000. The most common category of entrepreneurial ventures are: manufacturing consumer products, other service, manufacturing industrial products, high technology, and communications/publishing. The category receiving more funding than any other is manufacturing consumer products (Hisrich, in press-b).

Innovation Center

The Tulsa Innovation Center, started in October 1987, is a privately owned for profit corporation which assists the creation of new companies by providing both expertise and seed capital for an equity position in the venture. It is one of four venture capital companies in Oklahoma, all of which are located in Tulsa. The assistance includes technological evaluation, entrepreneurial assessment, commercial feasibility studies, and product development and modification (Figure 4). "The Innovation Center is designed to study, understand, develop, and commercialize technology through a university-industry-government partnership" (Hisrich, in press-b). The Center is funded by a grant from the Tulsa Industrial Authority, a quasi-public entity. A board of directors manages a private venture capital fund of \$800,000 available to selected start-up companies. The Center's typical investment is between \$100,000 and \$250,000. The Center's goal is to fund companies that will have \$5 million in sales within three to five years and that will create substantial jobs in Tulsa (McUSIC, 1988). The Center has screened over 230 business proposals in various stages of development. It has become involved with four companies to date. Four Tulsa businesses, Nordam, Quick Trip Corp., Flint Industries and Tempo Enterprises, are contributors to the Center's fund. Among the well known investors is Arkansas billionaire Sam Walton who has \$200,000 invested in the Center (McUSIC, 1988).

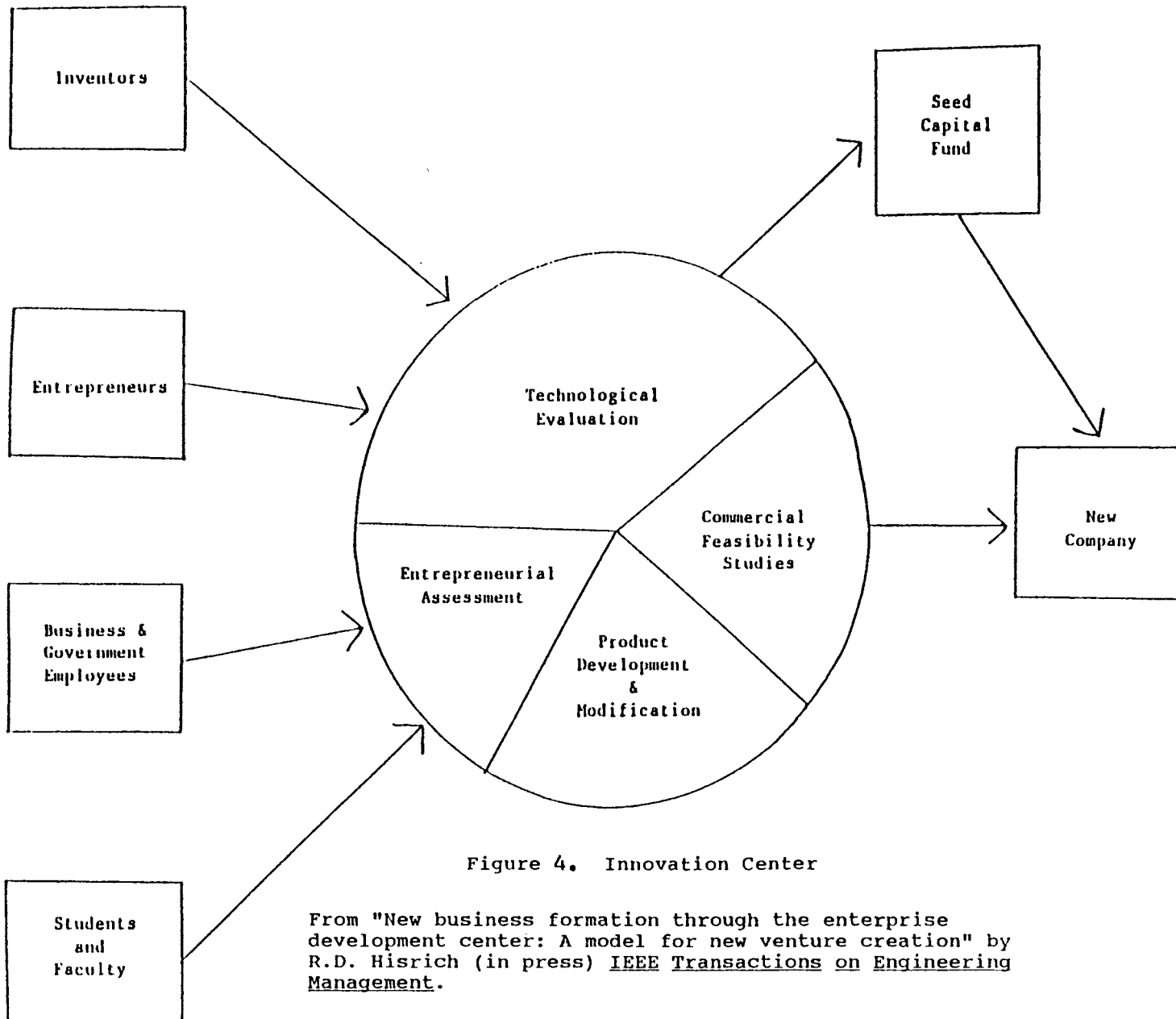


Figure 4. Innovation Center

From "New business formation through the enterprise development center: A model for new venture creation" by R.D. Hisrich (in press) IEEE Transactions on Engineering Management.

Incubation Center

Two incubators in the Tulsa area provide environments for a start-up company to survive and grow. Entrepreneurs are provided an environment consisting of four types of support systems: secretarial support; administrative assistance; facilities support; and business expertise in management, marketing, accounting and finance. Networking capabilities of the entrepreneur are extended with the private sector, universities, government and non-profit institutions. In terms of personal benefits, it is expected that the supportive environment of the incubator will nurture the growth of the entrepreneur allowing him to leave it to succeed on his own in the general business environment. In terms of societal benefits, it is expected that incubators can generate economic development, technology, diversification, job creation, profits, and successful products.

Of about 175 incubators in the U.S., most are directly or indirectly linked to a university (Hisrich, in press-b). While incubators vary according to their objectives and services offered, all incubators operate to assist entrepreneurs in developing their business skills and growing their company. Facility services offered are often in the form of low cost office, laboratory, warehouse, and/or manufacturing space. Secretarial services, such as, word processing, typing, photocopying, receptioning, and filing are typical. Administrative services that may be

provided are mailing, accounting, equipment rental, billing, and contract administration. Other common services are access to library and computer facilities; inexpensive graduate and undergraduate student assistance; and consulting services.

Student Education/Entrepreneurial

Development Center

The Student Education/Entrepreneurial Development (SEED) Center is a program whereby University of Tulsa students, who are monitored and assisted by faculty, start and operate businesses. It provides students with an opportunity to learn about the entrepreneurial process and earn income. A percentage of the profits of each business is used to finance growth of existing businesses; start up new businesses; and provide entrepreneurial university scholarships. A board of advisors is composed of four prominent entrepreneurs in the community, the President of the University, the Director of the Students Union where the businesses are located and the Bovaird Professor of Entrepreneurial Studies and Private Enterprise. The board meets twice a year to review company performance and approve new business proposals. Four businesses, a duplicating service, a laundry/drycleaning service, a word processing service, and an advertising service, have been successfully established.

Small Business Development Center

The purpose of the Small Business Development Center (SBDC) is to develop and implement programs of management assistance and training designed to improve the equity, profit, sales and expansion of potential and existing small businesses, thereby developing jobs in the private sector. Assistance is available to any small business in the area and is accomplished through indepth counseling; transfer of information; provision of learning opportunities; advocacy; and applied research.

CHAPTER IV

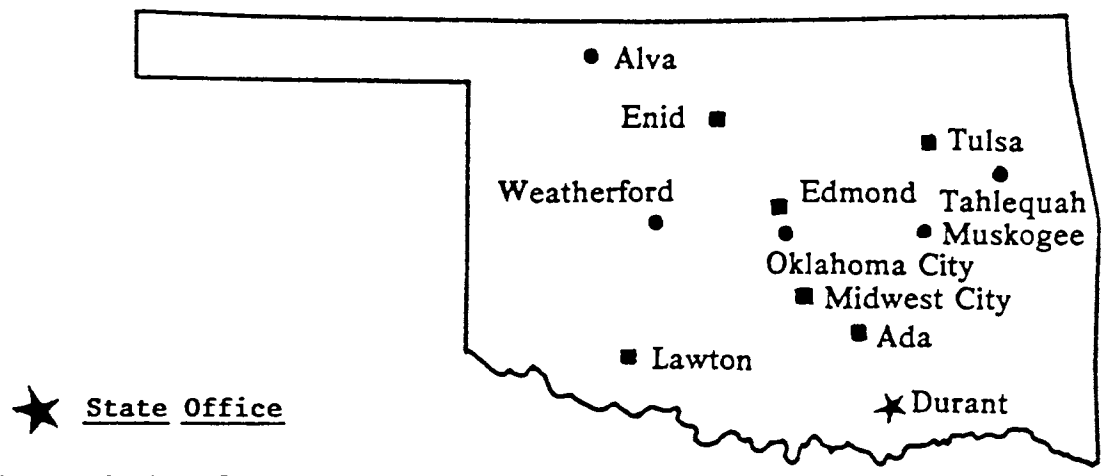
THE INTERNSHIP SETTING

Introduction

Chapter IV describes the setting of the internship experience at the Oklahoma Small Business Development Center (SBDC), which is one of the six programs of the Enterprise Development Center in Tulsa referred to earlier in Chapter III. A brief description of the entire Small Business Development Center network in Oklahoma precedes a detailed description of the Small Business Development Center in Tulsa. Chapter V presents a thorough explanation of the activities the intern planned and accomplished during the internship as well as an analysis of the experience. Also, the relationship of the internship experience to career goals, is presented. Chapter VI presents some conclusions about the internship experience and a brief summary of the report.

Small Business Development Center Network in Oklahoma

In 1985, a unique network of Small Business Development Centers was formed to serve small businesses in Oklahoma (Figure 5) (U.S. Small Business Administration, Office of



★ State Office

Southeastern Oklahoma State University
 Small Business Development Center
 517 West University Blvd.
 Durant, OK 74701, (405) 924-0277
 State Office WATS Number 1-800-522-6154
 Dr. Grady Pennington, State Director
 Mr. Herb Manning, Associate Director

● Regional Centers

Central State University
 Small Business Development Center
 100 North University Blvd.
 Edmond, OK 73034
 (405) 341-2980, Ext. 2836
 Ms. Sue Urbach, Regional Director

East Central University
 Small Business Development Center
 1036 East Tenth
 Ada, OK 74820, (405) 436-3190
 Mr. Tom Beebe, Regional Director

Northeastern State University
 Small Business Development Center
 Tahlequah, OK 74464, (918) 458-0802
 Dr. Constance VanScoy, Regional Director
 Ms. Sandra Parker, Field Representative

Northwestern State University
 Small Business Development Center
 Alva, OK 73717, (405) 327-5883
 Dr. Randall Kilbourne, Regional Director
 Mr. David Pecha, Field Representative

Southwestern State University
 Small Business Development Center
 100 Campus Drive
 Weatherford, OK 73096, (405) 744-1040
 Mr. Charles Felz, Regional Director
 Mr. Russell Clark, Field Representative

■ Subcenters

University of Tulsa
 Small Business Development Subcenter
 Enterprise Development Center
 600 South College Avenue
 Tulsa, OK 74104, (918) 592-2700
 Dr. Robert Hisrich, Director
 Dr. Lyle Trueblood, Assistant Director

Rose State College
 Procurement Specialty Subcenter
 Tom Steed Building
 6420 S.E. 15th
 Midwest City, OK 73110, (405) 733-739
 Ms. Judy Robbins, Director
 Mr. J. Michael Cure, Procurement
 Technical Specialist

Enid Subcenter at N.O.D.A.
 3201 Santa Fe Trail
 Enid, OK 73703, (405) 237-4810

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Figure 5. Small Business Development Center Network in Oklahoma

Advocacy, 1986, p. 180). Each of Oklahoma's six regional public universities host a regional Small Business Development Center. In addition, two private universities and three cities are the site of regional subcenters. The state office is located at Southeastern Oklahoma State University in Durant. The Center in Midwest City specializes in procurement assistance and the Center at the state office offers special technical assistance.

Small Business Development Center in Tulsa

Purpose and Objectives

One component of the Small Business Development Center network in Oklahoma, the Small Business Development Regional Subcenter of Tulsa, began in March 1986 at the University of Tulsa. The Subcenter's purpose is set forth by the SBA. The specific objectives of the Small Business Development Center in Tulsa are to:

- * Promote small business growth.
- * Contribute to the economic growth of the community.
- * Make available services to more small businesses than are now possible with present federal resources.
- * Create a broader based delivery system to the small business community.
- * Provide services to small businesses in the area of federal procurement.
- * Make available information concerning exporting opportunities for small businesses.
- * Provide management assistance in all business areas.
(Oklahoma Small Business Development Center)

Services

The expertise of faculty and students in the College of Engineering and Applied Science is combined with resources

from private and governmental sectors to offer a variety of counseling and training opportunities to entrepreneurs. Counseling on a short-term basis (less than 12 hours) and a long-term basis (12 hours or more) is available. Counseling is provided by Small Business Development Center personnel, SCORE members, or students involved with the Small Business Institute (SBI). Small Business Development Center personnel are funded by the state SBDC office in order to counsel entrepreneurs.

SCORE volunteers offer counseling services at the Small Business Development Center too. SCORE operates on the belief that most businesses fail because of the lack of management rather than technical "know-how". Thus, it is the mission of SCORE to provide management assistance to small business owners/managers. SCORE helps the client make his or her own decisions and solutions to problems. "SCORE is proud of the fact that wherever chapters have functioned broadly and effectively, the toll of small business failures has been reduced" (U.S. Small Business Administration [US SBA], p. 9). "SCORE counselors have diversified experience in business, industry, and government--some in top management positions, some as owner-managers, and others in specialized areas such as law, marketing, production, and finance" (Klingenstein, 1988, p. 17). SCORE screens its applicants to ensure that its member executives are highly qualified for rendering needed service to the small business community (US SBA). Each SCORE chapter has a chairman, a vice-chairman, a secretary, a treasurer and committees with

specific functions. SCORE is organized into district, regional and national levels (National SCORE Office, 1986, p. 58).

The Small Business Institute (SBI), a SBA funded program, is a component of the Small Business Development Center that allows undergraduate students to become involved in counseling entrepreneurs. Students enroll in management, marketing, or accounting practicum courses or take internships whereby they form teams to conduct semester-long indepth counseling. SCORE counselors are assigned to each team except in cases involving accounting where a Certified Public Accountant is assigned instead. Small Business Institute cases develop from lists of SBA loan borrowers obtained by local SBA loan lenders.

In addition to counseling services, the Small Business Development Center sponsors and co-sponsors an average of three training seminars per month on a variety of topics. Figure 6 is a complete list of all of the seminars that have been sponsored by the Center since it opened in 1986. The frequency with which each seminar is offered depends upon public demand for that seminar. The seminars, which are open to the public, are either free or cost a nominal amount of \$20 in order to help cover the costs of materials, facilities, and promotion.

Funding

The Small Business Development Center at the University of Tulsa receives 50% of its funding from the SBA. The

Advertising and Promotion Strategies

Business Plan

Developing Intercultural Awareness for International Businesspersons

Financing Your Business

Getting Maximum Dollars From Your Invention

Identifying New Markets

Increasing Profits Through Exports

Licensing and Franchising

Managing Your Firm Profitably

Managing Your Firm's Cash Flow

Marketing Strategies

Obtaining Venture Capital and Impacting Economic Development

Quality Assurance

Quality: Beyond Customer Satisfaction

Running the Hurdles of Entrepreneurship

Figure 6. Seminars Sponsored Periodically by the Small Business Development Center in Tulsa

state of Oklahoma and the University of Tulsa each fund 25% of the Center's operation. Unlike the SBA and State of Oklahoma, the University of Tulsa's contribution to funding is in the form of in-kind services, such as, space and utilities.

Facilities

The Small Business Development Center occupies a suite of rooms in the Business Administration Hall at the University of Tulsa. There is a reception area, a large conference room, and the director's office. In addition, there is one room each for the Venture Capital Exchange and SCORE counselors.

Personnel

A brief description of the personnel currently working at the Small Business Development Center follows.

Director. Dr. Robert D. Hisrich oversees the operations of the Small Business Development Center and is also Director of the Enterprise Development Center. He holds the title of Bovaird Chair of Private Enterprise and Entrepreneurial Studies and is professor of marketing at The University of Tulsa.

Assistant Director. Dr. Lyle R. Trueblood assists the Enterprise Development Center/Small Business Development Center director and handles most of the responsibilities of complying with state and federal recordkeeping and reporting

of the Small Business Development Center. In addition, he is project coordinator of the Small Business Institute program and professor emeritus of management at The University of Tulsa.

Assistant Faculty. Thomas M. Box assists the Enterprise Development Center/Small Business Development Center director on specific projects and counsels Small Business Development Center clients. He is assistant professor of management at The University of Tulsa.

Secretary. Jan Reynolds is responsible for providing clerical support to the Enterprise Development Center/Small Business Development Center administrative personnel and faculty. Furthermore, she helps prepare Small Business Development Center reports in compliance with state and federal regulations. She is receptionist for the Enterprise Development Center/Small Business Development Center, handling all incoming calls. She takes care of the preparation for the Small Business Development Center seminars.

Graduate Assistants. Jan Jones is responsible for operating the Venture Capital Exchange. Vicki Collins assists Small Business Development Center clients with accounting and industry research.

Work Study Assistants. Three undergraduate students provide clerical assistance to the secretary and administrative personnel.

CHAPTER V

THE INTERNSHIP EXPERIENCE

Introduction

Part of the student's reason for enrolling in a Master's degree program was to pursue study of home based business and become qualified for college level teaching. Having completed several library research projects and terms papers on home based business subjects in her coursework, the student wanted to obtain some work experience in this area as indicated in the internship proposal (Appendix B). This work experience would help the student achieve goals of teaching small business courses and starting a small business of her own. Various internship opportunities that related to the student's professional goals were explored. The Oklahoma Small Business Development Center in Tulsa was an excellent match for the goals of the internship. Dr. Robert D. Hisrich provided expert supervision enabling the student to learn, and assist others in learning, about many aspects of entrepreneurship. The internship provided opportunities for preparing learning materials and counseling, which are skills useful to know for teaching. Also, information absorbed during the internship will help in the start-up of a business, another career goal.

Dr. Hisrich was contacted in July, 1988 about the possibility of providing the student with an internship experience at the Small Business Development Center in Tulsa during the fall semester. An explanation of the internship activities and analysis of the experience is presented in the following section by individual objectives in the same order as they appear in Figure 7. The internship was an excellent learning experience because it provided opportunities for designing and implementing projects from beginning to end. In the process, freedom for making decisions was exercised. Other opportunities provided for were creative writing, library research, and interaction with professionals and entrepreneurs.

Explanation of Activities and Analysis of Experience

- I. Assist EDC in promoting their services.
 - A. Create EDC brochure (Appendix C).

The Enterprise Development Center needed a brochure for the purpose of publicizing its services. The steps in developing the brochure were:

1. Formulating a skeletal outline of the content.
2. Identifying resources to collect information for the content.
3. Composing a rough draft copy of the text.
4. Creating a model of the brochure representing placement of the text and figures.
5. Securing approval of the text and model by the site supervisor and the Dean of the College of Business.
6. Working with a publications editor and graphic artist of the University Relations Department to edit, typeset and design a logo for the brochure. (The logo will be used on materials developed subsequently for the Center.)
7. Selecting colors, paper stock and quantity for printing.

FOCUS: Advertising and publicity strategies for small businesses.

- I. Assist EDC in promoting their services.
 - A. Create EDC brochure.
 - B. Create advertising/publicity brochure(s).
 - C. Develop newsletter.

- II. Assist EDC in developing learning materials for clients and forum participants.
 - A. Compile list of resources available in area bookstores and libraries.
 - B. Write a home-based business case.

- III. Help clients learn how to promote their product or service.
 - A. Thoroughly research promotional strategies for small businesses.
 - B. Investigate advertising/printing resources available
 - C. Meet with clients and assist them in developing advertising materials, promotional strategies, etc.

- IV. Attend weekly Tulsa Tech Talks and monthly Forums.
 - A. Observe and take notes during meetings.
 - B. Write a critique of each meeting.

- V. Observe counseling of client on writing a business plan.

- VI. Write an article pertaining to advertising/promotional strategies for home-based/small business owners (or a case study) and submit it for publication.

Figure 7. Internship Plan of Activities

8. Collecting and analyzing printing bids from vendors.

One thousand brochures were printed and will be distributed at various professional meetings and seminars by the Director of the Enterprise Development Center and his staff.

B. Create advertising/publicity brochure(s) (Appendix D).

It was determined that the Center's clientele would benefit from knowing more about advertising and publicizing their businesses. The Center's clientele prefer practical information that they can immediately apply to their own business situation. Consequently, two fact sheets on topics related to the internship focus were developed in this style. One was entitled "Publicity for Small Business" and the other, "How to Plan and Write a Press Release". Fact sheets were used as opposed to brochures because the format seemed to be more suitable for the nature and amount of material to be presented. One particular source was found to be outstanding for this project. The Publicity Manual by Kelly (1983) was written in a thorough, practical and straight-forward manner. Key ideas from Kelly's book were rewritten in a manner that was appropriate for the Center's clients in both style and content. Proper credit was given to the original author. The fact sheets were printed and illustrated with some graphics. Copies of the fact sheets were distributed to directors and counselors of the Center and several copies were placed in the resource room. Counselors can use the fact sheets during counseling

sessions and clients can have a copy of their own if they desire. The fact sheet originals are kept by the Center's secretary so that additional copies can be made in the future. The next series of fact sheets that clients could have used would have been on advertising.

C. Develop newsletter (Appendix E).

Another need of the Center was a newsletter to communicate useful information to entrepreneurs on the Center's mailing list, the general public as well as university administration and faculty. The intern was editor of the first newsletter that was a low budget production item; that is, a four-page semi-annual publication. The format was developed and the first newsletter was written. The purpose and description of each section follows:

From the Editor. This section allows the editor to give personal input.

The first issue introduced the readers to the purpose and content of the newsletter.

Spotlight. This article is a feature story on an entrepreneur, a client of the Center, and his/her business.

Ron Holt, a client of the Center, was interviewed and an article featuring his business was written.

Staff Profile. A member of the staff is profiled in this section for the purpose of introducing, one-by-one, the Center's personnel to the readers. Past work experience and professional accomplishments of the staff member as well as his or her role and duties at the Center are described in

the article.

The intern was the first staff member profiled. Enterprise Development Center News. This section contains announcements of programs, events and research projects going on at the Enterprise Development Center. Outstanding awards and accomplishments of the staff are also announced.

The Small Business Development Center seminars were chosen as the topic for this section because they are such a fundamental and popular service offered at the Center. In addition, two announcements were made about new textbooks published by staff members.

Pearls of Wisdom. An expert in some area of entrepreneurship is invited to write this article. The objective is to provide valuable ideas and advice to entrepreneurs in various aspects of entrepreneurship and community economic growth.

The first article was written by Dr. Hisrich on venture capital financing for entrepreneurs.

This project provided the intern with these type of experiences: developing a format, writing articles, laying and pasting copy, and analyzing print costs. Most of the 550 copies of the newsletter were sent to persons on the Center's mailing list and extra copies were distributed by staff at other meetings.

Developing a professional-looking newsletter from beginning to end was a time consuming and laboring job. The following recommendations were made: a desktop publishing computer software package or a professional typesetter be

used to print the next issue; a two or three column format for the text be considered for a neater looking copy; and a brighter choice of colors be selected.

II. Assist EDC in developing learning materials for clients and forum participants.

A. Compile list of resources available in area bookstores and libraries (Appendix F).

The purpose of this objective was two-fold: (1) to let Small Business Development Center clients know that books are a resource that is readily available to them; and (2) to make it easier for clients to identify and obtain books that might help them in their entrepreneurial efforts. First, the intern conducted an investigation of relevant books available at local bookstores (B. Dalton, Walden, Yorktown) and at the The University of Tulsa Library and the Tulsa City/County Library.

When investigating the bookstores, it was discovered that they did not have the capability of producing a list of books the store carried on a particular subject. Consequently, the intern visited six bookstores with paper and pen in hand and handwrote information (title, author, publisher, copyright and price) on each book in stock that might be of help to a small businessperson. Next, a list of available books, categorized by subject, was developed. An introductory section that explained how to use the list and what other resources were available for identifying more publications was written. Thus, the bookstore list became more of a guide than merely a list, so it was called "A

Guide to Small Business Publications available at Bookstores in Tulsa".

A procedure similar to the one used to develop the bookstore guide was used to develop "A Guide to Small Business Publications available at Tulsa University Library and Tulsa City/County Library". The major difference was the way the information on the books was collected. At The University of Tulsa Library, it was possible to secure a printed list of publication holdings by accessing the library's computerized catalog system. At the Tulsa City/County Library, a printed list of publication holdings was obtained by copying microfiche slides containing the library's catalog. Many of the publications were available at both libraries so the lists were combined into one and a simplified system was devised for indicating the library. Again, an introductory section was written so the list became a guide. Copies of the book guides were distributed to the Center's staff and placed in the Small Business Development Center resource room for clients to use. By having a copy of their own to refer to, staff can provide clients with publication information on specific subjects. Also, clients can have a copy of their own if they wish. The Center's secretary kept the originals in order to make more copies as needed.

There are several ways that this project could have been improved and expanded. A laser printer could have been used for a sharper and more readable print. The guides could have been made more user-oriented by: listing the

books in both guides by alphabetical order; including publisher information in the bookstore guide; and including call numbers for the books in the library guide. In addition, it would have been useful for entrepreneurs to have developed separate lists of each category of books corresponding to Small Business Development Center seminars. For example, the books listed in the category of franchising could have been printed on a separate piece of paper in a fact sheet or brochure format and placed in the folders that are distributed to participants at the Small Business Development Center seminar on franchising. Likewise, each category of books relating to a particular seminar could have been distributed in the same manner.

C. Write a home-based business case (Appendix G).

An owner of a small retail gourmet cookie store was contacted about the project. After the owner agreed to participate in the project, the intern conducted and recorded an hour-long interview. The owner provided much information about the business including promotional materials and financial information. Industry data was collected from the Tulsa City/County Library's Economic Development Information Center. An entrepreneurship textbook being published by the site supervisor provided valuable insight for writing a business case. The case will be submitted to a clearinghouse for publication and used by the site supervisor in a future textbook. In conducting this project, the intern learned how to: contact and propose this type of project to an entrepreneur; interview and

obtain pertinent information from an entrepreneur; ensure confidentiality; collect industry data; write a business case; formulate study questions; and obtain written approval for publication from the entrepreneur.

III. Help clients learn how to promote their product or service.

A. Thoroughly research promotional strategies for small businesses (Appendix H).

Studying literature on small business promotional marketing, advertising, and publicity strategies was an objective of the intern. The Oklahoma State University Library, The University of Tulsa Library, the Tulsa City/County Library as well as the personal collections of faculty were searched and publications on the subjects of marketing, advertising and publicity for small business were obtained. The relevant material was duplicated and organized into three ring binders and read by the intern. While some of the same information appeared in many of the publications, all of the publications had at least a few unique and helpful ideas. This objective served as a device for learning more about these subjects and for preparing to counsel clients in these areas.

B. Investigate advertising/printing resources available.

Out of practicality, this objective was changed. The original idea was to provide entrepreneurs with comparison information about printing services and costs of local printers. The original plan was to collect the information

by surveying a number of printers. The information would be presented in grid format, showing the services and prices of each printer, to make comparison easy for entrepreneurs.

This project idea was based upon a faulty assumption. It was assumed that printers had preset and constant prices for each type of service they offered. After investigating the process, it was learned that printers give price quotations, or bids, on a per job basis, which varies according to current workload of the printer; future anticipated business of the printer; patronage of the customer; and printing specifications. In essence, part of the original objective was accomplished by learning about how the process works.

An opportunity to learn the process first-hand was experienced when the printing bids were collected for the Enterprise Development Center brochure. The objective of providing entrepreneurs with comparative information was abandoned because it would not have generated useful information for entrepreneurs. A fact sheet explaining to entrepreneurs how the process works would be a worthwhile project.

- C. Meet with clients and assist them in developing advertising materials, promotional strategies, etc.

This objective was broadened to counseling clients on small business matters in general. The internship provided an opportunity to observe and participate in a SCORE counseling session and to individually counsel another entrepreneur team. The counseling process used in both

sessions was similar to a six step managerial decision making process developed by Griffen (1984, p. 205):

1. Recognizing and defining the situation.
2. Developing alternatives.
3. Evaluating alternatives.
4. Selecting the best alternative.
5. Implementing the chosen alternative.
6. Follow-up and evaluation.

In this context, the counselor helps the entrepreneur work through these steps thereby helping the client to solve the business problem.

In the SCORE counseling session, the counselor, who was president of the Tulsa chapter of SCORE, assisted a University of Tulsa student planning to start a computer tutoring service for students. The SCORE counselor established rapport with the entrepreneur by asking the client questions about the business idea. Through this dialog, the counselor identified and affirmed three business concerns of the entrepreneur: 1) finding a location for the business 2) complying with income tax regulations 3) advertising the service. The remaining steps of the decision making process were worked through for each separate concern.

In regard to finding a low cost location for the business, the intern suggested some alternatives such as investigating the possibilities of locating in one of the University's buildings (i.e. library, student union, religious centers, computer science department). In

evaluating the alternatives, the intern initiated a discussion about the importance of selecting an approach for presenting the idea to university administrators. Selecting the best alternatives was then left to the client.

A discussion of two alternatives for complying with income tax regulations was led by the SCORE counselor. The SCORE counselor discussed the advantages and disadvantages of treating the company's tutors as employees or as contract workers. It was clear by the end of this discussion that a contractual arrangement would be the best choice and the choice of the client.

The intern led a discussion on advertising the service. Alternatives of advertising via the Tulsa World, the campus newspaper, campus posters, and announcements at student organizational meetings, were evaluated. The intern suggested that all of the alternatives discussed except advertising in the Tulsa World would most effectively reach the target market. The reasoning for this was explained. Additionally, several ideas for future expansion of the line of services was discussed. After all of the concerns were discussed, the entrepreneur was invited to call the Center again if further help was needed.

On a separate occasion, two women, sisters-in-law to each other, were counseled by the intern. In asking the clients to describe their business, they explained that they were planning to start a service business whereby they would help businesses or individual customers on site with holiday related chores. For example, a local bank was interested in

hiring them to put up and take down Christmas decorations. Also, some of their friends, who were working mothers, wanted them to write and address their Christmas cards for them. Out of the initial inquiry, three business concerns, all related to legal issues, were defined:

1. Bonding - Do we need it and where should we get it?
2. Liability insurance - Do we need it, what kind should we get, and where should we get it?
3. Taxes - How should we report the business income?

The clients were told that it was the policy of the Small Business Development Center to not provide clients with legal advice or referral information and that they needed to consult the telephone book or friends for the names of specific professionals. However, the intern sought to assist the clients in general ways.

There were two alternatives to the bonding question: become bonded or do not become bonded. The alternatives were evaluated in terms of the benefits, costs, and risks. The clients appeared to decide that becoming bonded would be the best decision.

Next, the alternatives of buying liability insurance or handling liability issues through a written contract were evaluated. The clients decided that they would do some more investigating in this area before they would make a decision.

In regard to the tax question, the alternatives of reporting the business income on a personal income tax schedule or on a business profit/loss schedule were evaluated. Again, the clients did not indicate a final

decision.

In both counseling sessions, the clients were rendered full responsibility for implementing the best alternative. Sometimes the clients indicated their decision to the counselor and other times they did not. Also, in accordance with the Center's operating procedures, follow-up on clients was not practiced. Follow-up evaluation then, will only occur if the client recontacts the Center.

While Griffen's decision making model closely assimilated the counseling process used in these two counseling sessions, an adaptation of the model might provide a more accurate description of the process. Collecting information, a prerequisite for defining the situation (or problem), was the actual first step during the sessions. Also, during the third step, evaluating alternatives, the counselor might use opportunities to bring the clients attention to other possible concerns like that which occurred during the first session. While the final step, follow-up and evaluation, was not practiced by the Center's counselors, it might be useful as a means of providing further assistance to clients and of evaluating the counseling effectiveness of the program.

IV. Attend weekly Tulsa Tech Talks and monthly Forums.

A. Observe and take notes during meetings.

Attending weekly Tulsa Tech Talks and monthly Forums was translated to attending Small Business Development Center seminars and special conferences. Three Small Business Development Center seminars on the topics of

venture capital, marketing, and business plans, were attended. In addition, the Second Annual Women's Entrepreneurship Conference in Tulsa was attended. The purpose of this objective was to take advantage of the in-service education available at the Center in order to gain more information about small business subjects. Networking was also another purpose of this objective. During each of these meetings notes were taken so that summary/critiques could be written later.

B. Write a critique of each meeting (Appendix I).

A summary/critique of each of the seminars and one session of the conference was written. In addition to learning new subject matter, the intern learned how to set up seminars of that type and what makes an effective presentation.

V. Observe counseling of client on writing a business plan.

This objective was changed to attending and writing a summary/critique of the Small Business Development Center Business Plan seminar, which was accomplished in objective IV.B. The new objective allowed two objectives to be accomplished at once. The purpose of the original objective, gaining exposure to the process and elements involved in developing a business plan, was preserved. Attending the Business Plan seminar and writing a summary/critique of it served this purpose adequately.

VI. Write an article pertaining to advertising/promotional strategies for home-based/small business owners (or a

case study) and submit it for publication (Appendix J).

Transforming the business case into a feature article and submitting it for publication was the plan for this objective. However, the strategy for submitting the article for publication was changed so that the article was not actually written first, rather various angles from which the article could be written to fit the needs of the readers were proposed as recommended by an editor.

Several issues of several professional business periodicals (Business Age, Inc., Venture, etc.) and some home based business periodicals (Alliance and National Home Business Report) were consulted to become more familiar with the type of articles appearing in each one. The assistant editor of Inc. was contacted to find out if Inc. would be interested in publishing a feature article on "a dynamic self-made entrepreneur and her rapidly growing small business". Inc. did not often use freelance writers. As the editor suggested, however, a letter describing the basic story and the angles that might be used to write it was sent. A similar letter and brief story description was sent to the editor of National Home Business Report. Although similar, the letters and description varied slightly in order that the appeal be specific to the thrust and readership of each periodical. If a positive response is received from either editor, a feature article will be written and submitted for publication.

Relationship Between Internship and Career Goals

The internship was excellent preparation for the career path the student plans to pursue. The primary career goal of the student is to teach at the college and adult levels. The secondary career goal of the student is to start a small business. In addition, the student endeavors to actively assist entrepreneurs in some capacity.

The internship facilitated expansion of the student's knowledge base of, and ability to teach, various business subjects. Although a limited amount of information about many small business subjects was obtained, more indepth knowledge pertaining to the focus areas of the internship (promotional marketing, advertising and publicity) was gained. Studying the literature, in particular, helped the student to learn more about these subjects. In addition, a great deal of learning took place during the seminars. Past coursework and teaching experience combined with this internship experience has provided the student with the training necessary to teach various courses in home economics, consumer studies, and small business courses in the areas of: marketing, start-up, business plans, communication, and promotion (advertising and publicity). Obtaining a teaching position at a community, junior or other small college or business school will be immediately pursued after graduation. Teaching at least one course per semester in adult or continuing education is also a goal of

the student.

After a teaching career has been established, the student plans to start a home-based business in addition to teaching. While in the process of establishing a teaching career, the student will use spare time to decide what type of business to start, research the market, and do other types of planning for the business. The student likes to write and the internship provided much opportunity for writing so her business is likely to involve writing, for example, newsletter or promotional materials for businesses. Of course, the business will start out small and depending upon how fast and large it grows, how much satisfaction is derived from it, and other factors, the primary career might remain teaching or change to entrepreneuring. All of the internship activities were related to helping people learn about entrepreneurial processes. In turn, the student obtained excellent training for pursuing an entrepreneurial venture.

Whether teaching or running a business, the intern plans to remain active in assisting small business owners in some way. The student might assist entrepreneurs by becoming a part-time counselor with a local Small Business Development Center (SBDC), Active Corps of Executives (ACE), or Women's Network for Entrepreneurial Training (WINET). Writing a business advise column for a newspaper or magazine or researching and publishing articles on small business topics are other ideas.

It is clear to see that the internship closely related

to the student's career goals. Furthermore, the experience broadened the student's knowledge, and interest, from home-based business to small business in general. It helped the student to specifically define career goals and advance closer to achieving them. The internship also provided stimulus to keep the student working toward professional career goals.

CHAPTER VI

CONCLUSIONS AND RECOMMENDATIONS

Many things were learned from the activities performed during the internship. Much of what was accomplished was described in the Explanation of Activities and Analysis of Experience section of this report. Not only were things ascertained by doing, but also by observing the entire staff, especially the site supervisor. Much was discovered about the business and general work environments. Some of what was learned was new to the intern and some of what was learned reinforced as well as contradicted what the intern had been taught in school. Lastly, the intern learned some things and confirmed some ideas about herself.

One new thing that was discovered was that intuition is not necessarily an irrational way of thinking, rather it can be a valuable tool used by businesspersons in effective decision-making. In addition, the intern had been taught in school that well constructed communication lines were essential for workers to effectively perform their jobs. It was learned that although achieving a good communication system is essential, it requires constant hard work and concerted effort to achieve. The importance of focusing on large important matters instead of small details in getting

things accomplished was learned.

A notion that was reinforced was that government jobs involve a tremendous amount of paperwork and reporting to the federal agencies. Two other ideas that were reinforced were that delegating is an effective management tool and that there is often a fine line between what is considered an ethical and unethical business practice.

School taught the intern that documenting communication is a very necessary important part of business. It was asserted during the internship, however, that it is best to reserve documenting for a few select situations because it can take up time that could be used to get more important things accomplished. In another point, it was discovered that networking, which is acclaimed to have advantages for businesspersons, has its disadvantages too. Networking can sometimes result in wasting precious time of several people if it is done frivolously. While the total benefits of networking probably outweigh the disadvantages in most cases, it was determined that careful and selective networking yields the most amount of satisfaction.

While these are just a few things that were learned through observation, really much more was learned. Probably the most important type of learning that took place was that which the intern learned about herself. A great number of things were accomplished during the internship and the intern believes this occurred because she was partially in control in structuring the experience. It provided motivation for accomplishing what was proposed. Notions that were

confirmed were that the intern prefers work that has variety and opportunities for assuming responsibility, functioning independently, and being creative.

From this internship experience, recommendations for areas of future study, which address some particular needs of entrepreneurs, has evolved. A key idea that needs to be emphasized to entrepreneurs is the importance of targeting a specific market, or segment of consumers, in every stage of business development from marketing research to product planning to advertising and distribution. Also, entrepreneurs need to be constantly encouraged to take advantage of help available to them through numerous resources, such as libraries, SBA programs, vo-tech business assistance programs, private investment companies, banks, economic development corporations, Better Business Bureaus, and Chambers of Commerce. Entrepreneurs would benefit from assistance in developing strategies for keeping abreast of fast paced societal changes regarding economic and business trends, technology, population demographics and consumer preferences. Entrepreneurs need to become better informed about various opportunities for financing a venture.

In final reflection, it is recommended that any student interested in the study of small business consider a Small Business Development Center as a possible internship site.

CHAPTER VII

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- U.S. Small Business Administration in cooperation with Pacific Directory. (1987). A tribute to small business. Washington, DC: U.S. Government Printing Office.
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APPENDICES

APPENDIX A
VCE QUESTIONNAIRES

ENTREPRENEUR APPLICATION PROFILE

A Questionnaire for Entrepreneurs Seeking Venture Capital

This questionnaire is designed to capture the principal characteristics of your venture. Please note that an Executive Summary of your Business Plan must be submitted with this questionnaire. The information you provide will be held on VCE's data base for twelve months and compared regularly with investment interest profiles submitted by investors.

When a potential match of your venture and an investor's interests is determined, a computerized output of your answers to the 11 questions on this questionnaire along with a copy of the 8 page Executive Summary of your Business Plan (see question 12 and the instructions for preparation of the Executive Summary)—without any reference to your firm's identity if you desire—will be sent to the investor.

NAME _____ TITLE _____

FIRM NAME _____

ADDRESS _____

CITY _____ STATE _____ ZIP CODE _____

TELEPHONE () _____ SIGNATURE _____

Profile Number: _____
(office use only)

HOW TO COMPLETE THIS QUESTIONNAIRE

PLEASE TYPE YOUR ANSWERS! XEROXED COPIES OF THE ANSWERS TO QUESTION 12 WILL BE SUBMITTED TO POTENTIAL INVESTORS, AND THE ANSWERS TO THE FIRST 11 QUESTIONS WILL BE COMPUTERIZED ON AN IBM PC XT.

Prepare an Executive Summary of your Business Plan in accordance with the enclosed instructions. Do not submit the Business Plan itself.

If you desire, you can omit any reference to the name and address of your firm, the names and addresses of individuals affiliated with your firm, and any other proprietary information.

Refold the questionnaire to conceal its contents.

Enclose your check for \$100 made payable to Venture Capital Exchange/The University of Tulsa.

Insert the questionnaire and your check in the return address envelope.

Mail the envelope to VCE using first class mail to ensure prompt delivery.

Venture Capital Exchange will maintain your application in its data base for a period of twelve months. At the end of that time, VCE will contact you to determine whether you would like to maintain or revise your entry. All entries in the data base are subject to a renewal fee every twelve months.

Your answers to your questions are specifically used for the computer matching process. Please give a careful and thoughtful response to each question.



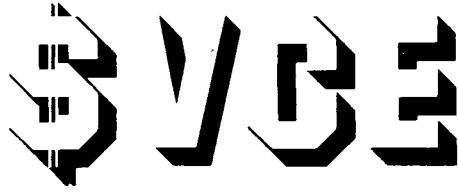
VENTURE CAPITAL EXCHANGE

A not-for-profit corporation
organized by

The Bovaird Chair of Entrepreneurial Studies and Private Enterprise
at The University of Tulsa

in cooperation with

The Grace and Franklin Bernsen Foundation



VENTURE CAPITAL EXCHANGE

INVESTMENT INTEREST PROFILE

A Questionnaire for Investors Seeking Opportunities

The following questions are designed to capture the characteristics of risk capital investment opportunities that you consider of interest. The data will be used to screen investment proposals presented to VCE. Accordingly, the more specific you can be with respect to your responses, the more accurately referrals can be matched to your interests. For those proposals which appear to match your interests, VCE will send you a copy of the Entrepreneur application and the Executive Summary of the applicant's Business Plan that was prepared by the applicant. Should you desire to learn still more about the investment opportunity, you will be advised of the name and address of the applicant. Concurrently, your name and address **as it appears below** will be provided to the applicant. Further exchanges and any arrangements will be entirely at your mutual discretion. Otherwise, the data you provide, including your name and address, will not be published, released, or publicly distributed. An application fee of \$100 entitles you to one year of activity in the VCE data base.

NAME _____

HOME ADDRESS _____

CITY _____ STATE _____ ZIP CODE _____

HOME TELEPHONE () _____

BUSINESS NAME _____

BUSINESS ADDRESS _____

CITY _____ STATE _____ ZIP CODE _____

BUSINESS TELEPHONE () _____

WHICH ADDRESS WOULD YOU PREFER TO USE FOR VCE MAILINGS?

_____ HOME _____ BUSINESS

NAME OF PERSON
COMPLETING THIS QUESTIONNAIRE (PRINT) _____

SIGNATURE _____

Profile Number: _____
(office use only)

VENTURE CAPITAL EXCHANGE

A not-for-profit corporation organized by
The Bovaird Chair of Entrepreneurial Studies
and Private Enterprise
at The University of Tulsa
in cooperation with
the Grace and Franklin Bernsen Foundation

APPENDIX B
INTERNSHIP PROPOSAL

Creative Component Proposal

Professional Goals:

- 1) Employment with a large corporation as a facilities manager
- 2) Educate others about facilities management

Creative Component Objectives:

- 1) Complete the internship experience at a site where I can gain facilities management experience.
- 2) Enhance and gain knowledge about specific areas of interest including lighting, computer aided design and management
- 3) Provide valuable contacts and benefit for future employment

Activities to be performed during internship:

- 1) Conduct lighting studies
- 2) Gain exposure to various "craftsmen": electricians
plumbers
carpenters
HVAC specialists
- 3) Gain familiarity in furniture management within a large-corporation
- 4) Obtain practical experience using computer aided design
- 5) Complete one large project or several smaller projects related to space planning
- 6) Gain knowledge about leasing procedures within a corporation
- 7) Gain experience dealing with inventories

PROPOSAL FOR PLAN III:

Graduate Internship Option

Karen L. Anderson

Fall 1988

Oklahoma Small Business Development Center
Site Supervisor: Dr. Robert Hisrich

Oklahoma State University
Advisory Committee:

Dr. Dottie Goss
Dr. Margaret Weber
Dr. Marilyn Burns

CONTENTS

GOALS 1
 Academic
 Professional
 Personal

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DESCRIPTION OF RELATIONSHIP BETWEEN
 INTERNSHIP EXPERIENCE AND FIELD OF STUDY 4

APPENDIX
 Diagram of the Enterprise Development Center (EDC)

GOALS

Academic

- I. Complete Master's Degree program. (Fall 1988)
 - A. Complete internship experience as planned.
 - B. Complete and submit final report and take oral exams.

Professional

- I. Secure faculty position at college/adult education program or a promotional marketing position at a firm, organization or institution. (Spring 1989)
- II. Enhance job-related skills and employability through continued education (i.e. build skills in teaching various home economics and business courses). (1989-1990+)
- III. Identify marketable adult education courses in home economics, consumer and business fields. (1989+)
 - A. Research subject matter; obtain further training in subject.
 - B. Develop curriculum in subject.
 - C. Market and teach subject.
- IV. Identify marketable home-based or small businesses: (1990+)
 - Tom (computer programming contracting)
 - Karen (freelance writer/promotional consultant - feature articles, resumes, newsletters, promotional advertising, etc.)
 - A. Research and plan businesses.
 - B. Start-up businesses.

Personal

- I. Build a family.
 - A. Marry Tom. (Spring 1989)
 - B. Buy home. (Spring 1994)
 - C. Have kids? (1997+?)
 - D. Stay married. (1989 through lifetime)
- II. Maintain physical and mental fitness.
 - A. Continue regular jogging and weightlifting routines.
 - B. Continue stress relieving techniques.
- III. Become an active participant in church and community affairs.
- IV. Travel.
- V. Support parents as they grow older.
- VI. Enhance communication skills and network of associates.

PLAN OF ACTIVITIES

FOCUS: Advertising and publicity strategies for small businesses.

- I. Assist EDC* in promoting their services.
 - A. Create EDC brochure.
 - B. Create advertising/publicity brochure(s).
 - C. Develop newsletter.

- II. Assist EDC in developing learning materials for clients and forum participants.
 - A. Compile list of resources available in area bookstores and libraries.
 - B. Write a home-based business case.

- III. Help clients learn how to promote their product or service.
 - A. Thoroughly research promotional strategies for small businesses.
 - B. Investigate advertising/printing resources available.
 - C. Meet with clients and assist them in developing advertising materials, promotional strategies, etc.

- IV. Attend weekly Tulsa Tech Talks and monthly Forums.
 - A. Observe and take notes during meetings.
 - B. Write a critique of each meeting.

- V. Observe counseling of client on writing a business plan.

- VI. Write an article pertaining to advertising/promotional strategies for home-based/small business owners (or a case study) and submit it for publication.

*See Appendix.

Internship Proposal

Karen L. Anderson

TERMS

Place: Oklahoma Small Business Development Center
Business Administration Hall, Room 309
University of Tulsa
Tulsa, OK 74104-3189
918-631-2684

Director: Dr. Robert Hisrich
Asst. Director: Dr. Lyle Trueblood

Supervisor: Dr. Robert D. Hisrich, Ph.D.
Bovaird Chair of Entrepreneurial Studies and
Private Enterprise
Professor of Marketing

Dates: August 22, 1988 - October 28, 1988

Hours: Monday - Friday 7:30 AM - 5:00 PM* 1/2 hr. lunch

*When I attend evening meetings, I will take-off work
accordingly.

10 wks x 45 hrs/wk = 450 hours - 9 hrs. holiday = 441 hrs

Days off: Labor Day, Monday, September 5, 1988

Stipend: None

Insurance provisions: None

Course: HIDCS 5360 - Creative Component

No. of graduate credit hours: 6

DESCRIPTION OF THE RELATIONSHIP BETWEEN
INTERNSHIP EXPERIENCE AND FIELD OF STUDY

The field of consumer economics is concerned with the study of optimizing consumer satisfaction given limited resources. The Oklahoma Small Business Development Center (SBDC) and its parent, the Enterprise Development Center (EDC)*, help a specific segment of consumers, small business entrepreneurs, achieve this end. The entrepreneur's primary goal is to optimize his own satisfaction by maximizing his business profits. However, a competitive marketplace combined with consumer demand necessitates that the entrepreneur simultaneously strive to provide the consumer with products or services that aim to optimally satisfy his needs and wants. The process of optimally satisfying both consumers and entrepreneurs involves conducting research and then disseminating the resulting information.

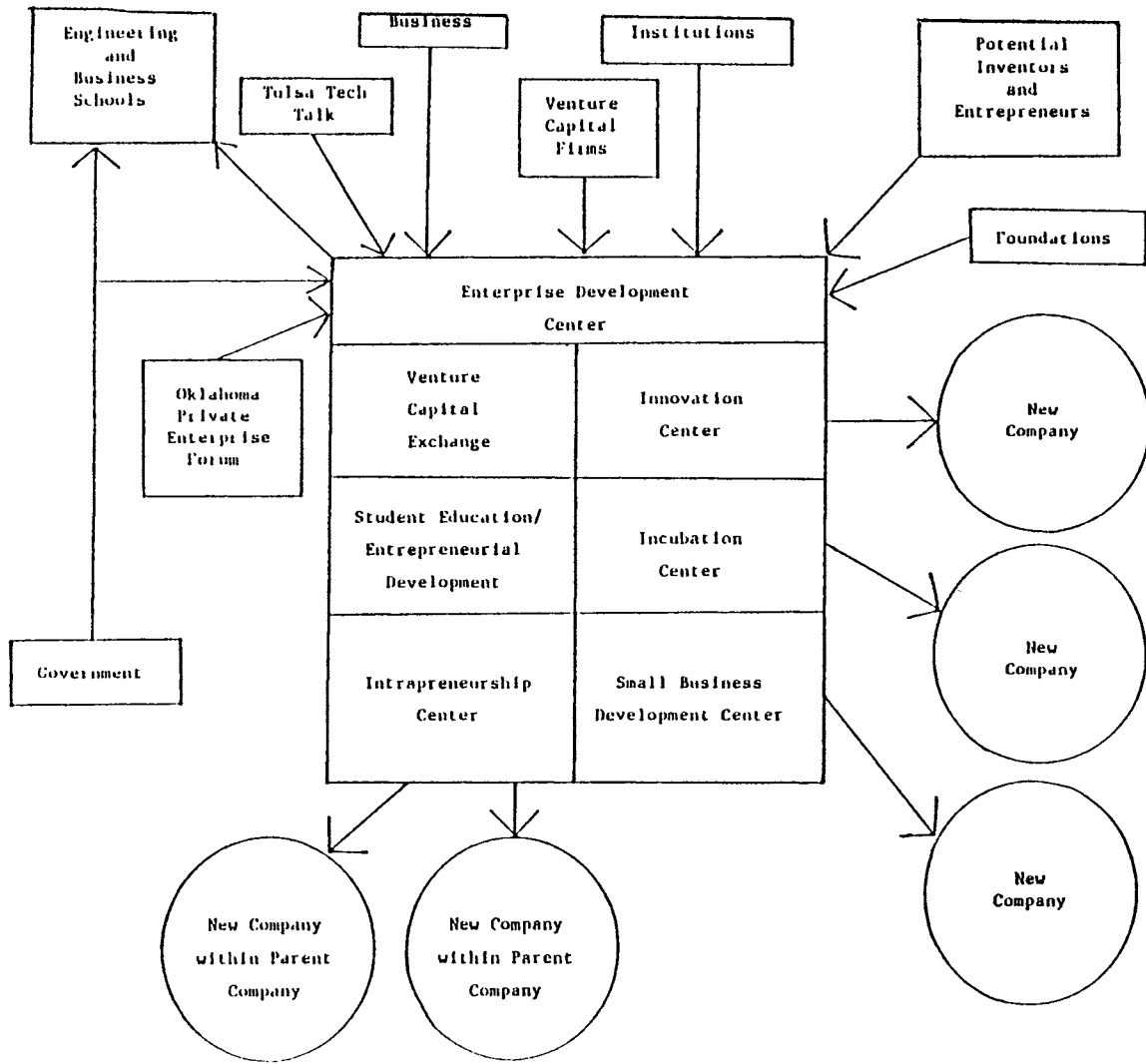
My internship plan includes researching what entrepreneurs want and need to know about developing advertising and publicity strategies in order to not only reach the consumer but also to satisfy his needs and wants. I will study the literature, attend seminars and collect data from the field. The exposure I had to research design and methods in coursework and assistantship responsibilities will help me to accomplish this goal.

Selecting, organizing and transforming research into information that entrepreneurs can use is the second phase. I plan to develop brochures, newsletters and other written materials in

*See Appendix.

DESCRIPTION con't.

order to accomplish this goal. The written materials will then be distributed through the SBDC's resource room, seminars and client counseling sessions. An article will be submitted to a journal for publication and distribution. Writing experience gained from doing written class assignments such as research proposals, critiques and case study reports has helped me prepare for accomplishing this goal.

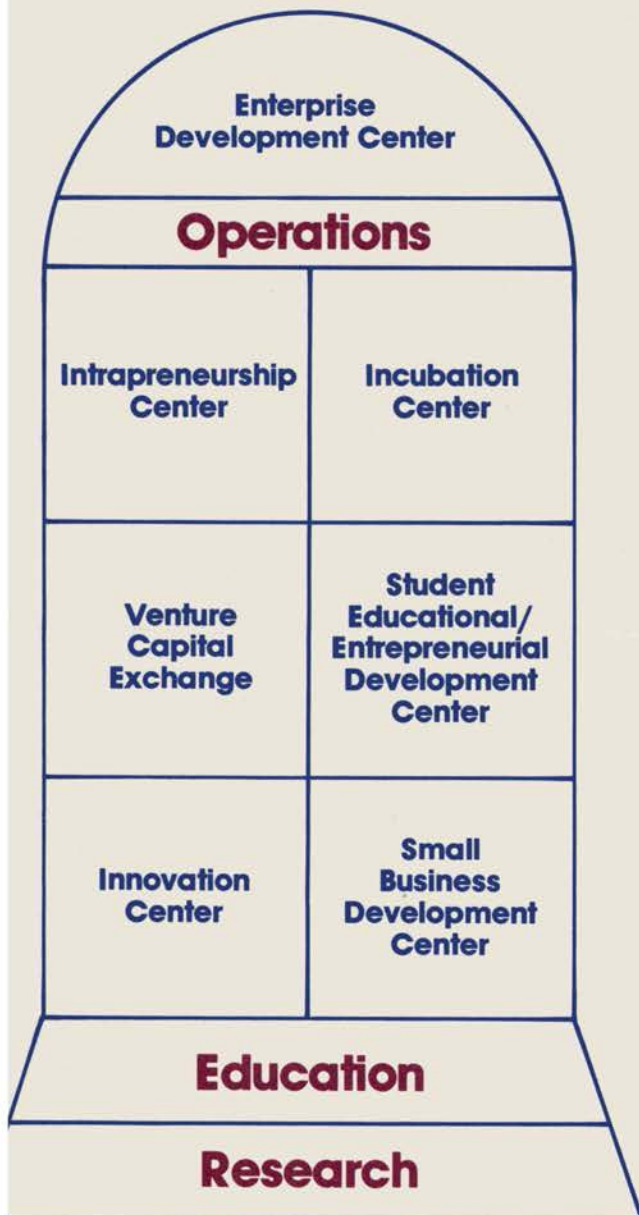


Enterprise Development Center

From "New business formation through the enterprise development center: A model for new venture creation" by R.D. Hisrich (in press) IEEE Transactions on Engineering Management.

APPENDIX C
BROCHURE

ENTREPRENEURSHIP DEVELOPMENT CENTER



PERSONNEL

Director

Robert D. Hisrich is the Bovaird Professor of Private Enterprise and Entrepreneurial Studies, director of the Regional Subcenter of the Oklahoma Small Business Development, and professor of marketing at The University of Tulsa. He has previously served on the faculties of Boston College, Massachusetts Institute of Technology, National Institute for Higher Education (Ireland), and the University of Puerto Rico. He has authored six books and published more than fifty articles on marketing, small business, and entrepreneurship. Hisrich has founded and operated several successful businesses, and has consulted for numerous corporations.

Staff

An administrative support staff consists of faculty and SCORE counselors as well as graduate and secretarial assistants. Faculty members include:

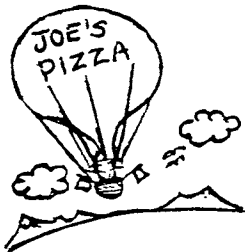
Lyle R. Trueblood is professor emeritus of management at The University of Tulsa, assistant director of the Regional Subcenter of the Oklahoma Small Business Development Center, and project coordinator of the Small Business Institute program. He has previously served on the faculties of the Universities of Missouri at Columbia, Oregon, and Oklahoma. Trueblood has coauthored five books, and has written more than twenty cases on business policies, small business, and entrepreneurship.

Thomas M. Box is assistant professor of management at The University of Tulsa. He has published articles and case studies on operations and strategic management. Box has served as a member of the Academy of Management, International Council for Small Business, the Institute of Management Science, and the Tulsa Economic Development Forum.

Enterprise Development Center
 Business Administration Hall, Room 309A
 The University of Tulsa
 Tulsa, Oklahoma 74104-3189
 Enterprise Development Center
 (918) 631-2684
 Small Business Development Center
 (918) 631-3219
 Venture Capital Exchange
 (918) 631-3222

APPENDIX D
FACT SHEETS

PUBLICITY FOR SMALL BUSINESS



"Visibility means business," writes author Kate Kelly in The Publicity Manual, a thorough yet easy to understand, do-it-yourself guide on how to create publicity for your business.

What is publicity?

Publicity differs from advertising in that it is free and promotes goodwill of the company in general.

Publicity may take the form of a story on the evening television news, a interview on the radio, a mention community calendar of the local newspaper, a article in a newspaper, or other.

Why is publicity important to small business?



Not only is publicity free advertising, but it is often more effective (promotion devise) than advertising because a source deemed as "unbiased" says that you are "noteworthy," "important," or "good."

"Good publicity about a business, product or service increases the public's knowledge of it, helps create a desire for it and adds to the public confidence in it."

What does publicity do?

Publicity: * attracts attention
 * builds an image
 * provides you with an edge over competition
 * establishes you as an authority or leader in your field



In particular, publicity is more effective than advertising for personal service businesses.

Publicity provides the media with news they need to stay in operation. Publicity breeds publicity because the media monitor other media for publicity stories.

How can I help create publicity for my business?

You can use some tools of the trade proven useful for creating publicity:

Press release - a concise written communication with a particular format designed to provide the media with factual information about you, your business or related specific event.

Tip sheet - a shorter version of the press release usually used to announce a specific event.

Biography press release (bio) - a press release telling the life story or the background of a particular person. There is a short form bio and a longer form bio (called feature bio).

Cover letters - a letter accompanying your press material enticing the media to take notice of it.

Press kit - a neat way of packaging all of the material about you and your business which might be of interest to the press. They are given to a member of the press who is going to do a story on you or to press people who are attending a special event. A press kit might include press releases, tip sheet, bio, photos, copies of previously receive publicity, company brochure, business card, etc.

A good book that provides further information is: Kate Kelly, The Publicity Manual (New York: Visibility Enterprises, 1983). This book gives examples of different kinds of press releases for various businesses and explains how to write a tip sheet, bio, cover letter and how to assemble a press kit.

The information in this fact sheet has been adapted from this book.

Oklahoma Small Business Development Center
Business Administration Hall, Room 309
University of Tulsa
Tulsa, OK 74104-3189
(918) 631-2684

Prepared by Karen L. Anderson, Graduate Intern

HOW TO PLAN & WRITE A PRESS RELEASE

Press release (prĕs rĕ-lĕs) n. - a specified format for providing the media with factual information about you, your business or a related specific event.

PLANNING A PRESS RELEASE



1. Determine WHO you want to reach through publicity.

Consider: Past, present and potential customers
Competitors
Professional peers
Opinion makers (civic or industry leaders)

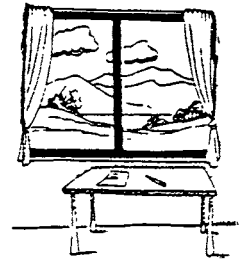
2. Determine WHAT media they follow.

You can find out by asking them questions. Also, take time to learn about different media available.

3. Determine WHAT you want them to know.

"What" you want them to know will fall into one of two categories for which different kinds of press releases are used:

- * you/your business in general, use background press release.
- * related specific event, use specific event press release.



Background Press Release

Determine what makes you or your business unique.

Is your business the first of its type in the community?
 Do you offer more complete service than your competitor?
 Are you one of few women in your business (in the community)?
 Why should customers come to you rather than go to your competitors?

Ask other people who know about your business to help you identify your unique position.

Specific Event Press Release

A variety of specific events that can be publicized are:

- * new product or service or expansion of service
- * new ways to use an existing product
- * special planned activities (festival, well-known speaker, celebrity, sponsoring a charity event, ceremony, open house, workshop, clinic, contest, community service, etc.)
- * company news (award, staff promotion, anniversary, new employee, participation in community, etc.)
- * business observations of trends (e.g. toys selling well for Christmas; increase in number of tourists going to Africa)
- * timely news (Heart Assoc. sponsors event during heart month-February; Hospital gives advise to mothers for care of babies during National Baby week in April)



Other ideas:

Linking your product or service to an upcoming holiday or a current event may give you a competitive edge for news coverage.

Provide a professional photograph of a product or employee.

WRITING A PRESS RELEASE

Presentation and appearance are very important because news editors are required to read voluminous material daily in order to meet deadlines.

Use the standard form of writing a press release shown on the next page. A description of each component follows.



SOURCE

Contact: Name
Company
Address
Phone number

RELEASE
DATE

FOR IMMEDIATE RELEASE

HEADLINE

SUMMARY HEADLINE

DATELINE

BODY OF
RELEASE

→ City--Information is presented in precise, short,
straightforward paragraphs in the inverted
pyramid style. . .

. . .

. . .

. . .

. . .

. . .

. . .

(MORE)

Company name--page 2

. . .

. . .

. . .

. END

COMPONENTS OF A PRESS RELEASE

Source

Using attractive company letterhead is a good idea, but still include the source information as shown on the previous page because an editor expects it.

Make sure the telephone number listed is answered during business hours because an editor won't call more than once or twice.

Release Date

The release date should always say "For Immediate Release" except in rare occasions, for example, when award winners will not be announced until a specified date.

If an editor has to hold your press release for a specified time, he might lose it or forget it or just not want the hassle.

Also, "For Immediate Release" means the press release has a better chance of being printed since the editor can use it immediately or at the earliest convenient time.

Headline

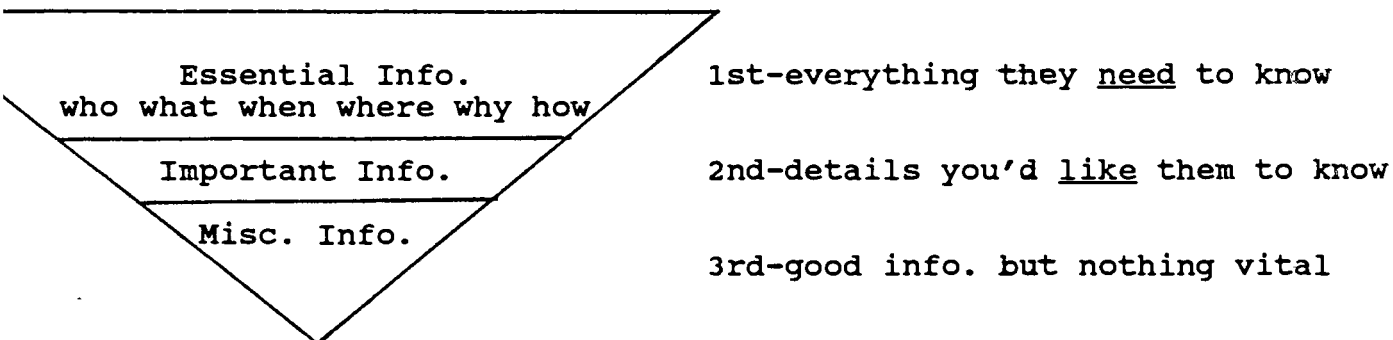
The headline is a summary of the main content of the release. Write it with the readers interest in mind, for example: "Free workshop on insulation for home owners" instead of "Wilson Heating Co. to hold workshop on..."

Dateline

The dateline is the city in which your press release originates.

Body

Use the inverted pyramid style in order to present the most important information first and then the less important information.



The reason for writing a press release using this structure is because space limitations may not always permit the entire content of the release to be used. Writing the most important information first allows the editor to easily read, edit, and insert your release into the medium.

Other Guidelines

- * Keep your sentences and paragraphs short and your wording simple.
- * Avoid glorifying your story and be able to substantiate any claims you make. Editors want to print objective, not self-serving information.
- * If you have statistics or facts that help tell the story, use them.
- * You can use quotes from your customers or yourself.
- * If the release is more than one page long, type (MORE) at the bottom of the first page. Always type END at the end of the release.
- * End the release with what you want the reader, listener, or viewer to do as a result of reading or hearing your story, e.g. call 555-5555 for reservations.
- * Neatly type, using DS, and proofread your release. Staple pages together.
- * Send the release in a business sized envelop addressed to a specific person at the publication or broadcast station.
- * Send a thank-you note for publicity received.

A good book that provides further information is: Kate Kelly, The Publicity Manual (New York: Visibility Enterprises, 1983). This book gives examples of different kinds of press releases for various businesses and explains how to write a tip sheet, bio, cover letter, and assemble a press kit.

The information in this fact sheet has been adapted from her book.

Oklahoma Small Business Development Center
Business Administration Hall, Room 309
University of Tulsa
Tulsa, OK 74104-3189
(918) 631-2684

Prepared by Karen L. Anderson, Graduate Intern

APPENDIX E
NEWSLETTER

APPENDIX F
PUBLICATION GUIDES

Oklahoma Small Business Development Center

A GUIDE TO

S M A L L B U S I N E S S

P U B L I C A T I O N S

available at

B O O K S T O R E S

in Tulsa

Prepared by Karen L. Anderson, Graduate Intern

HOW DO I USE THIS GUIDE?

The publications listed in this guide were in stock at Tulsa bookstores August, 1988. If a particular publication is not on the shelf when you look for it, the bookstore staff will be glad to check to see if another location has it in stock or they can order it for you at your request.

Below is an explanation of each part of the citations listed in this guide.

The Cents Manual. White, Richard M. 1977. Chilton. \$21.50 (WAL)

Title	Author	Copyright date	Publisher	Price	Bookstore
-------	--------	----------------	-----------	-------	-----------

The publications listed in this guide are located at 1 or more of 3 bookstores which have 12 locations in Tulsa. Consult the telephone directory to determine the store closest to you.

BD = B. Dalton
 WAL = Walden
 Y = Yorktown

Each publication in this guide is classified into 1 of the following 8 categories:

- * Small Business
- * Small Business - Ideas
- * Small Business - Specialized
- * Small Business - Plans
- * Retail Business
- * Consulting Business
- * Mail Order Business
- * Franchise



WHERE ELSE CAN I LOOK FOR PUBLICATIONS?

Bibliography: Consult the bibliography of any small business publication of your interest.

Library: Books, periodicals, journals, newspapers and government documents are some other mediums of small business information.

Books In Print: This resource is the most comprehensive listing of published books on all subjects according to author, title or subject. It is available at most libraries.

Small Business Development Center: SBDCs often have publications available for your use. Consult your telephone directory for their number.

Small Business Administration: For a complete listing of SBA publications that you can order, write to the SBA at the following address and ask for:
SBA-115A Business Development Pamphlets
SBA-115B Business Development Booklets

Small Business Administration
P.O. Box 15434
Fort Worth, TX 76119

Consumer Information Catalog: A catalog of selected federal publications, including some on small business topics can be obtained by writing to:

S. James
Consumer Information Center-G
P.O. Box 100
Pueblo, CO 81002

U.S. Government Printing Office: Small business publications are featured in a catalog of U.S. Government books.

Request yours by writing to:
Superintendent of Documents
U.S. Government Printing Office
Washington, D.C. 20402



SMALL BUSINESS

- The Small Business Handbook. Burstiner, Irving. 1986. Prentice Hall. \$15.95 (BD)
- Entrepreneuring: Ten Commandments for Building a Growth Company. Brandt, Steven C. 1982. Mentor. \$4.50 (BD)
- Growing a Business. Hawken, Paul. 1987. Simon & Schuster. \$16.95 (BD, WAL)
- The Small Business Survival Guide. Coleman, Bob. 1984. Norton. \$8.00 (Y)
- The Entrepreneur and Small Business Problem Solver. Cohen, William A. 1983. John Wiley. \$24.95 (BD)
- The Start-up Entrepreneur. Cook, James R. 1986. Harper & Rowe. \$8.95 (BD, WAL)
- How to Succeed as an Entrepreneur: Going for it! Kiam, Victor. 1986. Signet. \$4.95 (BD, WAL)
- Starting Right In Your New Business. Tetreaut, Wildred F. & Clements, Robert. 1987. Addison-Wesley. \$10.95 (WAL)
- Small-Time Operator. (Accounting) Kamoroff, Bernard. 1988. Bell Spring. \$10.95 (WAL)
- The Cents Manual. White, Richard M. 1977. Chilton. \$21.50 (WAL)
- How to Start, Finance & Manage Your Own Business. Revised. 1986. Prentice-Hall. \$12.95 (WAL)
- How to Start, Finance & Operate Your Own Business. Silvester, James L. 1984. Lyle Stuart. \$20.00 (WAL)
- How to Start, Run & Stay in Business. Kishel, Gregory F. & Patricia G. 1981. John Wiley. \$9.95 (WAL)
- So You've Got a Great Idea. Fiffer, Steve. 1986. Addison Wesley. \$8.95 (WAL)
- Entrepreneurs. Fucini, Joseph J. & Suzy. 1985. G. K. Hall. \$8.95. (WAL)
- How to Start & Manage Your Own Business. Greene, Gardiner G. 1987. Mentor. \$4.95 (WAL)
- Take a Chance to be First. Avis, Warren. 1986. McGraw Hill. \$6.95 (WAL)
- How to Run a Small Business. J. K. Lasser Tax Institute. 1982. McGraw-Hill. \$23.50 (WAL)

Oklahoma Business Kit for Starting and Existing Businesses.
Barrientos, Lawless J. 1983. Simon & Schuster. \$14.95 (WAL)

How to Become Financially Successful by Owning Your Own Business.
Lowry, Albert J. 1981. Simon & Schuster. \$19.95. (WAL)



SMALL BUSINESS - IDEAS

184 Businesses Anyone Can Start & Make A lot of Money. Revel,
Chase. 1981. Bantam Books. \$9.95 (BD, WAL)

101 Best Businesses to Start. Kahn, Sharon & Group, Philip L.
1988. Doubleday. \$10.95 (WAL)



SMALL BUSINESS - SPECIALIZED

Start and Run a Profitable Video Store. Loh, Stan. 1983.
International Self Counsel Press - Canada. \$10.95 (WAL)

Start and Run a Profitable Restaurant. Coltman, Michael M.
1983. International Self Counsel Press - Canada. \$10.95
(WAL)



SMALL BUSINESS - PLAN

How to Write a Business Plan. Mancuso, Joseph R. 1985. Prentice-
Hall. \$12.95 (Y)

Business Plans that Win. Rich, Stanley R. & Gumpert, David E.
1985. Harper & Rowe. \$8.95 (Y)

How to Write a Successful Business Plan. Brooks, Julie K. &
Stevens, Barry A. 1987. AMACOM. \$17.95 (WAL)

Develop Your Own Business Plan. Leza, Richard L. & Placencia,
Joseph F. 1987. Oasis Press. \$17.95 (WAL)



RETAIL BUSINESS

Run Your Own Store. (Retail) Burstiner, Irving. 1986. Prentice-
Hall. \$9.95 (BD)

Opening Your Own Retail Store. Taetzsch, Lyn. 1987. Contemporary Books. \$14.95 (WAL)

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CONSULTING BUSINESS

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A GUIDE TO

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Prepared by Karen L. Anderson, Graduate Intern

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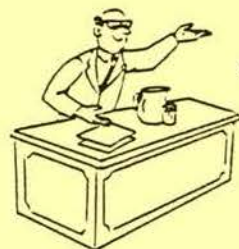
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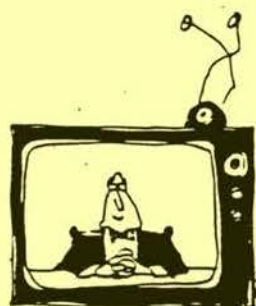




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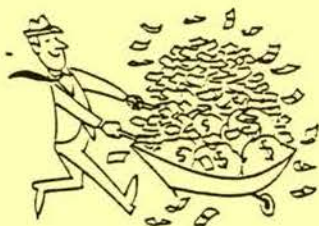
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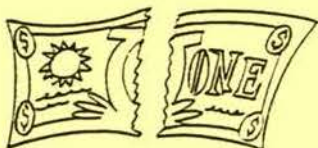
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APPENDIX G
BUSINESS CASE

BUSINESS CASE

[REDACTED]

A love for baking and \$300 was all it took to get [REDACTED] in business. "I filled decorative gift baskets with my home-baked cookies and sold them out of my home, earning about \$50 per week." That was three years ago. Today, [REDACTED] has franchise investors knocking on her door.

Background

[REDACTED] runs [REDACTED], a retail cookie store, in [REDACTED], Oklahoma. She has a degree in Psychology, but is a self-made entrepreneur in the purest sense. "I knew nothing about business, but the good part was that I realized I was naive, so I did something about it -- I educated myself. Before, I didn't know what cost analysis meant, and now I do a thorough cost analysis for every product I sell." At one time, she sold a loaf of extra moist apple spice cake for \$3.95 that should have been sold for \$15.95! [REDACTED] says she listened to other people in business, sought help from a CPA and SCORE counselors, and read about business and entrepreneurship. Now, [REDACTED] gives business advice to others and speaks at conferences. She has also written a newspaper column. Admittedly, she is a fast learner and confesses that she has learned the hard way and made some mistakes, but never the same one twice.

INDUSTRY INFORMATION

Industry Structure

In a concentrated cookie/cracker industry, three companies serve an estimated 61 percent of the market in May, 1988. RJR

Nabisco led at 37 percent, followed by Keebler at 17 percent and Sunshine at 7%.

Per Capital Consumption and Shipments

Among the principal categories of baked products, only cookies/crackers gain more than 1 percent per capital consumption in 1987 (Table 1). Aggregate shipments of cookies/crackers advanced 3.9 percent, or less than half the annual increase during the period 1982-86 (Table 2). Cookies had the larger increase (4.5 percent), whereas crackers registered a 3.2 percent gain. Like per capital consumption, the rate of increase in cookie/cracker shipments slowed in 1987.

Prices

In the bakery products industry, producer prices of breads generally remained level for 1987. Cookies and crackers, however, experienced a 3.1 gain in producer prices. Retail prices reflected shifts in producer prices. Consumer prices for all baked items increased 3.5 percent (Table 3). Cakes, cookies, and cupcakes rose 4.7 percent following the field leader, frozen and refrigerated goods, rising 5 percent. It is estimated that 1988 sales of retail bakeries will have increased 5.7 percent from 1987.

Current and Future Trends

One current trend is the growing number of bakeries being installed in grocery store chains. Nationwide, 17,860 in-store bakeries were in operation in 1987 compared to 13,800 in 1982. "How to add an upscale image? Offer franchise cookies," is an article headline appearing in a recent edition of Supermarket News, a trade journal for large grocery stores. Even discount-

type grocery stores are cashing in on the idea. Giant Food had 93 in-store bakeries in 1987 and Lucky Stores had 100 in 1988, for example.

"Gourmet" is becoming more than a type of luxury food for the rich or a buzz word in the foods industry. Gourmet food is desired by all kinds of consumers. The premium baked goods market is expected to reach \$3 billion in 1988 versus \$2.74 billion in 1987. Gourmet cookies, in particular, are becoming a favorite food among customers of in-store bakeries, according to Supermarket News.

Consumers want convenience too. They want the convenience of eating ready-made cookies without giving up the quality of homemade cookies. The success of the cookies of Mrs. Fields Cookies of California and David's Cookies of New York, are good examples. Even fast food restaurant chains, such as Arby's and Wendy's, have caught on to this trend and added cookies to their menu lines. Bakery chains specializing in similar products are prospering: T.J. Cinnamons, Cinnabon and All My Muffins. Almost half of consumers polled in 1986 visited bakeries more than 16 other specialty concepts.

While evidence mounts in favor of an optimistic future outlook for the cookie industry, not everyone thinks so. The 1988 U.S. Industrial Outlook predicts that through 1992, "per capita consumption of cookies will diminish as the population of youngsters and teenagers inches up only 0.4 percent annually". It might be appropriate to ask, who's eating bakery cookies, though? Between 1987 and 1992, it is expected that the cookie/cracker industry will experience yearly real growth of 1.6

percent.

History of Business

Business was booming in June, 1986, one year after [REDACTED] started baking and selling cookies out of her home. Special occasions brought an over abundance of orders, which were accepted on a first-come basis; many had to be declined. It was not long before an inspector from the health department knocked on her door. "He came in and went through everything; nothing was sacred." The inspector ordered nothing short of a major renovation of the kitchen. Compliance with the orders required that a wall be knocked out, carpet be ripped up, and seven sinks be installed. "And, that's when [REDACTED] really started because I don't accept the words 'you can't' very well."

Relocation

The business took over her home and then even started to outgrow it, so [REDACTED] looked for a storefront location downtown. She wanted this location in order to be readily accessible to her customers who were townspeople and college students from a large nearby university. The only available location was an old gutted house for which she bargained with the landlord to rent at a particular sum and help renovate. They didn't go for the deal at first, but [REDACTED] stuck it out and surprisingly they presented her with a counter offer better than the original deal. [REDACTED] helped the landlord renovate the building.

New Product Development

It started with cookies, brownies and dessert breads -- things that could be put into baskets and delivered. The business was strictly a delivery service while [REDACTED] worked out

of her home. The store allowed the product line to grow from gift baskets to cookie bouquets (cookies on long stems), cookie pops, cookie pizzas, dough cones, jumbo cookies, muffins, cakes, and party trays. [REDACTED] developed and patented cookies fries, which are long crunchy cookies served in a french fry pouch. Soon after the store opened, "people walked in expecting to be served lunch, so I got into the kitchen, developed some recipes and gave it to them!" The resulting cafe menu, featuring deli sandwiches, soups, beverages, and of course, baked goodies, is in the process of being expanded and copyrighted (Figure A). Cafe tables and chairs were placed in the store for those who wanted to dine in. Delivery service expanded into catering and mailing services. Drive-up window service is being considered as another potential service. The latest product added to the line, decorative helium balloons, also grew from customer request. The balloons are arranged into balloon bouquets or attached to gift baskets.

Product Position

[REDACTED] products are gourmet quality and the advertising reflects this (Figure B). She ensures top quality by using fine natural ingredients, such as whole eggs, unbleached flour, real chocolate, butter and vanilla. Recipes are rarely more than doubled and all of the mixing is done by hand. Everything is baked to order and made fresh within 24 hours. [REDACTED] admits that she has been tempted to take shortcuts such as ordering dough from a distributor to make more money. "But, my product is special and I refuse to lower its quality." [REDACTED] samples her goods on an impromptu basis and does not hesitate to throw out

anything if it doesn't live up to her quality standard. The other main position of her product line involves the gift aspect, which is also emphasized in her advertising. This idea was the basis for her business when it first began.

Competition

Competitors are local grocery store bakeries and one local independent baker. [REDACTED] does not consider these bakeries as strict competitors because of the uniqueness and high quality of her products.

Marketing and Promotion

While the business was in her home, [REDACTED] advertising was limited to word-of-mouth except for a few flyers she mailed out to customers around holidays. In contrast, advertising "is a whole new ballpark in a storefront." Radio and newspaper has worked best for the business. [REDACTED] hired a college student with some experience in commercial art to illustrate her newspaper ads (Figure B) and other forms of printed advertising, such as business cards, gift enclosures, handbills (Figure C), flyers (Figure D) and a monthly newsletter (Figure E). We got away from sending out flyers for a while and we felt it, so I'm back to doing that again as well." When [REDACTED] experiments with a new publication, she puts a 10 percent coded coupon on it and tries to assess the medium's effectiveness based upon the return rate.

Personnel and Management

Obviously, [REDACTED] started as a one-woman operation. As her business started to grow in her home, she enlisted the help of her husband. Now, four part-time employees work in the store baking, preparing lunches, waiting on customers, running the cash

register, cleaning, etc. Recently, [REDACTED] hired a full-time manager to run the store while she took a job at the nearby university. It is the responsibility of the store manager to train the workers who work on probation for one month before they become official employees. [REDACTED] seeks motivated, self-sufficient and conscientious workers who are committed to quality. When they are hired, they are required to sign a written oath of secrecy regarding the recipes. In addition, [REDACTED] employs a free-lance commercial artist, lawyer and accountant.

Financial

[REDACTED] started her home-based cookie business on \$300 from her personal savings. The initial investment carried her through until she moved to the store, at which time she applied for a \$5,000 loan from the local bank. "The loan officer was shocked and proceeded to inform me that \$30,000-\$50,000 was the average amount of a small business loan." The loan money was obtained and used for renovating the old home into a store. The day [REDACTED] opened the store, she had a balance of \$7.31 in the business account. Recently, another small amount was borrowed to replace old equipment. [REDACTED] confesses that she has been very conservative in borrowing money and taking risk. Other than her initial investment, she has not used any of her personal savings for the business. "I'm not willing to put up everything that my husband and I have because there is always risk. I don't want our family to be in debt the rest of our lives."

A profit/loss statement for the business during its first three years of operation is shown in Table 4. While many start-

up businesses typically do not earn a profit in the beginning, [REDACTED] made gross profits, \$1,061 in 1985 and \$5,944 in 1986, the first two years in operation. Most of the profits were reinvested in the business. As the business sophisticated, so did itemization of business deductions for tax purposes, allowing a net loss to be reported every year.

Future Potential

[REDACTED] registered on the Venture Capital Exchange at The University of Tulsa's Enterprise Development Center. The Venture Capital Exchange is a computerized database that matches entrepreneurs seeking capital with informal investors (venture capitalists) according to similar interests. An interested investor met with [REDACTED], liked the business idea and offered her an opportunity to franchise her operation. If [REDACTED] accepted, the venture capitalist would provide the needed capital and assume a major equity position in the operation. A week later I called the 'angel' and turned down the offer. I just wasn't ready to give up my business. I wanted to learn more about it first." Friends and employees have also approached her with franchising interests.

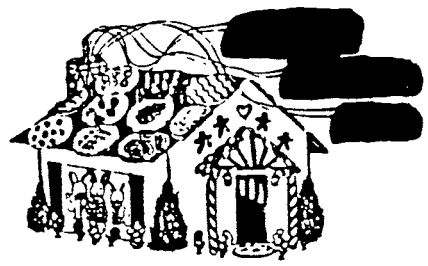
In the meantime, [REDACTED] keeps learning. The main reason she recently hired a store manager was to gain experience running the business without being "right there" as she had always been in the past. She is preparing herself to get ready for possibly taking advantage of a big opportunity. She still does the book work every night to keep up on what's going on. "I have found that I am a much better manager by not being in the store. I went in a thousand directions when I was in the store and nothing

ever came to fruition. Now, I delegate, and much more gets done and that's a good sign of being able to handle future stores."

Questions for Study

1. Analyze the growth that the company has achieved to date and make suggestions for improvement.
2. What are the advantages and disadvantages of borrowing money for the business in small amounts?
3. Analyze the financial statements and indicate the financial strengths and weaknesses of the company.
4. What should [REDACTED] do now? Should she grow the business? If so, what are some financing options available to her and which one would be the best choice?

FIGURE A



Cafe Menu

Delicious Deli Sandwiches

- Turkey Breast \$2.75 ● Tropical Chicken Salad \$2.75
- Turkey & Avocado \$3.15 ● Terrific Tuna Salad \$2.75
- o Cucumber & Cream Cheese \$2.75
- Cathy's Cafe Special: Cucumber & Cream Cheese with lettuce, tomato, ripe olives, jack cheese & avocado \$3.25

1/2 Sandwich with 1/2 order of soup or green salad - \$2.99

1/2 Sandwich - \$1.99

Served fresh on whole wheat bread with mayo or mustard, lettuce, tomato & a cookie.

Dress Ups

- Cheese .40
- Avocado .40
- Potato Chips .40

Gourmet Cookies

.28 each & up
Varieties vary

Market Salads & Soups

- Green Salad \$1.50 \$1.99
- Lo-Cal Garden Salad \$1.99 \$2.99
- Chicken Salad \$3.35
- Tuna Salad \$3.35
- Pasta Salad Ask
- Soup Ask

Giant Muffins

- Varieties vary daily
- Blueberry Bran
- Lemon Apricot
- Banana-Choc Chip
- Oatmeal Raisin Peach
- Nutmeg Spice
- 1.49

Other Homemade Delicacies

- Homemade Pie (Varies)
- Luscious Lemon Squares .85
- Pecan Pie Bites .50
- Cheesecake (varies)

Beverages

- Soft Drinks .35 / .55 / .75
- Fresh Brewed
- Iced Tea .35 / .55 / .75
- Milk .55 / .75 / .95
- Hot Tea
- Herbal Tea .70/cup
- Bigelow Constant Comment .65/cup
- Gourmet Coffee .55 / .75
- Refills .25 / .45

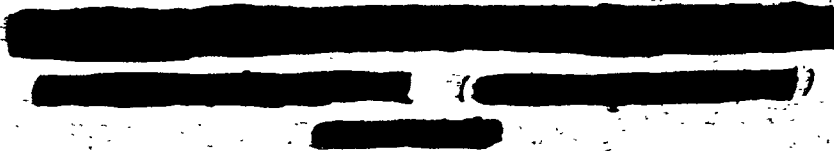
Beautiful Brownies & Breads

- (Varieties vary)
- Raspberry Brownies
- Pecan Brownies
- German Chocolate Brownies
- Choc. Chip Brownies

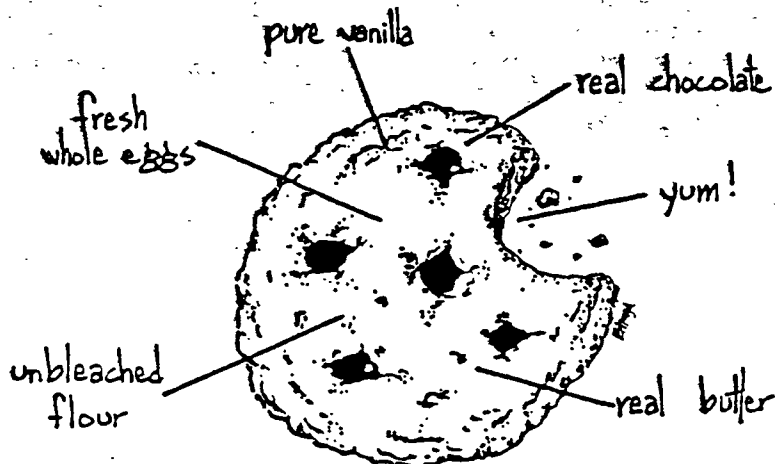
Our Specialties

- Cookie Bouquets
- Long-Stemmed Cookies
- Cookie Pizzas Cookie Pops
- Cakes for all occasions
- Gift Baskets Mail Services
- Party Trays

FIGURE B



Dynamics of a great cookie.



LUSCIOUS COOKIES - Buy one or buy dozens!

COOKIE BOUQUETS GOURMET GIFT BASKETS

LONG STEM COOKIES

COOKIE PIZZAS

JUMBO COOKIES

TERRIFIC LUNCHES

- CHIPPER BASKET
- YUM-YUM BASKET
- TEA-TIME BASKET
- MONEYMOON BASKET
- BRIDAL SHOWER BASKET
- TEA & COFFEE BASKET
- LOVE BASKET
- CUSTOM DESIGNED BASKETS
- CHOCOHOLIC RHAPSODY
- BRUNCH BASKET

Delivery • We Mail Worldwide




A Creative Bakery & Deli

- Cookie Bouquets
- Long Stem Cookies
- Cookie Pops
- Cookie Pizzas
- Large Decorated Cookies
- Gourmet Gift Baskets & Unique Gifts

- Sandwiches
- Turkey Avocado
- Cucumber-Cream Cheese
- Tarric Tuna
- Tropical Chicken Salad

[Redacted]

We Mail Worldwide VISAMC We Deliver



A Creative Bakery

We Deliver!

RENT A PICNIC BASKET

Take a favorite friend on a picnic! Call us and we will get a picnic lunch ready for you today!



COOKIE BOUQUETS

Let us deliver a Birthday Bouquet today!!



CREATING YOUR CAKE

- Begin with past remembrances of cakes you have seen
- Clip photos from magazines
- How do you imagine your cake? Do you visualize it as round or square? Do you visualize it as heart shaped or a combination of several shapes? Is it tiered or stacked?
- What is the decor of your wedding? What are you and your bridesmaids wearing?

THE BRIDAL CAKE

- Be creative! Your wedding cake is an extension of your wedding decor and an expression of yourself.
- Your cake should look as if it has been custom ordered. [REDACTED] will ask for swatches of material and will work directly with your florist.
- What is your favorite kind of cake? Your selection is unlimited! [REDACTED] has made varied flavors for bridal cakes: Chocolate Almond, Checkerboard Almond, Cherry Chip, Vanilla Pecan, Carrot, Nutmeg Spice and more.
- Accent your cake with silk flowers, fresh flowers, greenery, baby's breath, Queen Anne's Lace, satin ribbons and/or satin bows.

THE GROOM'S CAKE

- Be dramatic! A Chocolate Almond Cake or a Chocolate Fruitcake can be served in sheet cake form, or tiered and designed.
- Tie in the groom's cake with the bride's cake. This can be done with a single element such as a design, an ingredient or a color.
- The groom's cake is every bit as important as the bride's cake. Allow the groom's cake to compliment the wedding decor and table setting.
- Accent creatively with greenery and/or deep colored ribbons.

EDIBLE ACCENTS

- Heart shaped mints in wedding colors ●Peppermint Cookies
- Heart shaped cookies ●Tea size cookies ●Mixed Nuts ●Canapes



[REDACTED] enjoys making cakes because it becomes an extension of our creativity, leading to an ultimate masterpiece. We take great pride in designing cakes that are delectable inside & out. Call us to schedule your bridal consultation. We'd love to design a cake for you!

A NEWSLETTER OF GOOD TASTE

September 1988

'S A CELEBRATION!!

is celebrating its one year birthday! Thanks to you, we've had a terrific year. Our first year has seen growth beyond imagination.

Remember our quaint beginnings in the small, two-rack store, one cabinet, four table sheets, and one stovetop. We've come a long way!! So we have true appreciation for our new facilities. We do know that we're here because of our customers. Thank you for your patronage!

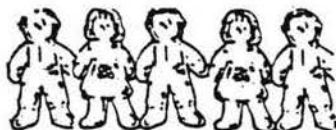
we strive for quality. This is how we began, and it continues to be our philosophy today. We work very hard to produce unique & creative products. We still take time to personalize each order. Thank you for all your encouraging words of support and complimentary letters. You're terrific!



HAPPY BIRTHDAY TO US!!

We'll be celebrating our first birthday from September 12-16. That's one whole week of fun and yum!! Just look at how we're celebrating--and come join us!

- 20% off certain merchandise
- Drawing for a \$50.00 gift certificate
- Free samples of our favorite goodies.
- Free balloons for kids



KITCHEN GRAFFITI

We bake a variety of giant muffins daily, and they're wonderful! Some favorites are: Blueberry, Lemon, Banana, Banana-Chocolate Chip, Bran, Spice, Gingerbread, Oatmeal and Pineapple Spice. They melt in your mouth!

Need a cake? Let us bake a fresh cake for you for any occasion. Some of our luscious flavors include vanilla, chocolate, cherry chip, vanilla pecan and chocolate almond. Yum!

A TISKET..A TASKET..BASKETS!

Our featured baskets this month are, of course, originals! Send one to a friend for a birthday, get well, friendship, anniversary, or just because

All baskets are decorated with bright tissue and a doily. Bright ribbons and bows add the perfect accents to make your selection a perfect one!

1. Country Basket \$15.50
2. Yum-Yum Basket \$17.95
3. Gingerbear Basket \$8.50

CAFE CORNER

Join us for lunch! If you haven't tried us, you're missing a super treat.

Featured this month:

Cafe Special:
Cucumber and Cream Cheese sandwich with lettuce, tomato, ripe olives, jack cheese, & avocado. Served on our own home baked whole wheat bread with chips and a Luncheon cookie. \$3.25



HIND THE SCENES

Manager of [redacted]
 [redacted] has been
 [redacted] for over a year.
 [redacted] is a wonderful
 person with an intense
 desire to serve each
 customer individually.
 [redacted] keeps the cookie
 shop in great running
 order and is a terrific
 person to know. Please
 stop by to meet her!

[redacted] was named the 1988
 Business Associate of
 the Year by the American
 Business Women's Assoc.
 [redacted] received a plaque for
 her accomplishments during
 her ABWA Business Associate
 night at the [redacted]
 Country Club in August.

[redacted] has degrees in
 Psychology and Economics
 from Oklahoma State
 University. Her
 professional affiliations
 include the Data
 Processing Management
 Association & the American
 Marketing Association.

COOKIE CRUMBLES

- As of this past August, [redacted] carries balloons! Let us know if you need a balloon bouquet delivered to someone special. We can also attach balloons to our fun and festive gift baskets!
- Cakes! We make cakes for all occasions--birthdays to weddings. Give us a call today!
- Catering--We offer a full line of catering services that we are very proud of! We have catered (by request) weddings in Tulsa, Oklahoma City and other smaller communities around the State.
- We Mail Worldwide--Let us know if you need a package mailed to a favorite someone. We mail worldwide!
- We deliver--For a [redacted] order, we will be glad to arrange delivery for you.

THANK YOU, TOO!!

We've received several kind letters and words of support over the two years we were working out of [redacted] home. We're still receiving kind letters of encouragement as we celebrate our first birthday in our storefront location! Thank you for your kind comments--it makes all the wee hours in the morning worth it!

"I know I will continue to use your services. You have helped me tremendously and those that I have given your baskets to become completely elated. You certainly hit a good marketing idea! Much success in '88 and always!"

Written home from a young man in the U.S. Army (he thinks his mother made the cookies):
 "All my pals thank you from the bottom of their stomachs for those delicious cookies. I will never take your cooking for granted again. All the guys said they were the best cookies they ever had!"



BULK RATE
 U.S. POSTAGE
 PAID
 [redacted]

TABLE 1

Per Capita U.S. Consumption of Cookies and Crackers, 1982-87

(pounds per person)

Item	1982	1983	1984	1985	1986	1987 ¹
Total	17.48	17.34	17.92	17.93	18.50	18.76
Cookies	9.57	9.48	10.05	10.17	10.64	10.90
Sandwich	2.57	2.54	2.69	2.72	2.85	2.93
Marshmallow	0.37	0.37	0.39	0.40	0.41	0.43
Wafers for ice cream						
sandwiches	0.24	0.24	0.25	0.26	0.27	0.27
All other	6.39	6.33	6.72	6.79	7.11	7.27
Crackers	7.91	7.86	7.87	7.76	7.86	7.86
Graham	0.78	0.77	0.77	0.76	0.77	0.79
Saltines	2.55	2.55	2.54	2.50	2.54	2.61
Cracker sandwiches	0.50	0.49	0.50	0.49	0.50	0.51
Cracker meal & crumbs	0.17	0.17	0.17	0.17	0.17	0.16
Pretzels	0.80	0.80	0.79	0.78	0.77	0.75
Other crackers	3.11	3.08	3.10	3.06	3.11	3.04

¹Estimated by the International Trade Administration (ITA).
SOURCE: Biscuit and Cracker Manufacturers Association; U.S. Department of Commerce, *Estimates of the Total Population of the United States, 1977 to 2000 and Projections of the Population of the United States, 1983 to 2060*.

TABLE 2

Value of Product Shipments of Cookies and Crackers, 1982-87

(in billions of dollars)

Industry	1982	1983	1984	1985	1986 ¹	1987
Cookies and related items	2,480.8	2,592.2	2,881.9	3,287.8	3,619.8	3,781.1
Crackers and similar products	1,827.8	2,031.2	2,389.3	2,742.3	2,899.5	2,993.3
Unspecified cookies and crackers	127.2	135.0	172.1	206.5	218.5	227.7
Total	4,435.8	4,759.4	5,443.3	6,236.6	6,737.8	7,005.3

¹Estimated by the International Trade Administration (ITA).
²Cookies provided 9.36 percent of the total and toaster pastries the remainder.

SOURCE: U.S. Department of Commerce, Bureau of the Census, 1982 Census of Manufacturers and 1985 Annual Survey of Manufactures.

TABLE 3

Retail Prices of Selected Baked Goods, 1982-87

(dollars per pound)

Product	1982	1983	1984	1985	1986	1987 ¹
White pan bread	0.532	0.540	0.540	0.550	0.560	0.540
French bread	0.900	0.940	1.002	1.022	1.046	1.071
Whole wheat bread	0.816	0.843	0.876	0.859	0.868	0.888
Chocolate chip cookies	1.772	1.818	1.674	1.939	1.991	1.971
Salted soda crackers	0.682	0.939	0.964	1.020	0.993	1.010

¹Estimated by International Trade Administration (ITA).
SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

Table 4

████████████████████
 Profit and Loss Statement (1985-87)

	<u>1985</u>	<u>1986</u>	<u>1987</u>
Sales	\$ 3,245	\$11,129	\$36,380
Less returns and allowances	<u> -</u>	<u> 56</u>	<u> 93</u>
Net sales	3,245	11,073	36,287
Cost of goods sold and operations	<u>2,184</u>	<u>5,129</u>	<u>15,495</u>
Gross profit	1,061	5,944	20,792
Expenses			
Advertising	22	1,128	1,382
Bank service charges	9	38	150
Depreciation	191	1,472	866
Dues and publications		45	390
Insurance		491	520
Interest			308
Legal/professional service	25		275
Office expense	115	296	432
Rent			813
Repairs		133	316
Taxes	156	588	2,478
Utilities		558	2,985
Wages	453	721	8,952
Misc.	<u>389</u>	<u>624</u>	<u>2,858</u>
TOTAL	1,360	6,094	22,725
Loss	<u><u>-299</u></u>	<u><u>-150</u></u>	<u><u>-1,933</u></u>

APPENDIX H
MARKETING, ADVERTISING AND PUBLICITY REFERENCES

Useful Marketing, Advertising and Publicity References

- Brabec, B. (1986). Homemade Money. Whitehall, VA: Betterway Publications.
 Chpt. 8 Direct response advertising (pp. 167-188)
 Chpt. 9 The publicity game (pp. 189-212)
- Cohen, W. A. (1981). Successful marketing for small business. New York: AMACOM.
 Chpt. 8 Developing a low-cost promotion strategy (pp. 145-174)
- Day, W. H. (1978). Maximizing small business profits with precision management. New Jersey: Prentice-Hall.
 Chpt. 17 Using advertising, promotion, and publicity effectively (pp. 277-293)
- Fallek, M. (1987). How to set up your own small business. Minneapolis, MN: American Institute of Small Business.
 Chpt. 8 Spread the word through advertising (pp. 8-1 to 8-32)
 Chpt. 9 Publicity and public relations (pp. 9-1 to 9-32)
- Holtz, H. (1980). Profit from your money-making ideas. New York: AMACOM.
 Chpt. 12 Marketing and sales promotion (pp. 125-156)
 Chpt. 13 How to write sales copy (pp. 157-204)
- Holtz, H. (1982). The secrets of practical marketing for small business. New Jersey: Prentice-Hall.
 Chpt. 9 Keying advertising to the market (pp. 120-136)
 Chpt. 10 How to write advertising and sales copy (pp. 137-154)
 Chpt. 11 How to get free advertising (pp. 155-165)
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 Chpt. 21 How to get free publicity and promotion (pp. 208-220)

- Macfarlane, W. N. (1977). Principles of small business management. New York: McGraw Hill.
Chpt. 19 Effective sales promotion and advertising
(pp.428-460)
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Chpt. 6 Spreading the word (pp.44-57)
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APPENDIX I
SUMMARY/CRITIQUES OF SBDC SEMINARS AND CONFERENCE

Summary and Critique of SBDC Seminar

Title: Obtaining Venture Capital and Impacting Economic Development
Speaker: Joe Tippens
Place: 219 Business Administration Hall, The University of Tulsa
Time: 10:00-10:55 AM
Date: September 14, 1988

SUMMARY

As seminar attendees filed into the room, Dr. Trueblood and two graduate assistants registered them for this free seminar. Information from the registration records will be used to complete the required SBA reports and to build the SBDC's mailing list.

Dr. Hisrich introduced Joe Tippens as a substitute speaker for Stanley Golder, the speaker originally scheduled to speak. Mr. Golder had to cancel his speaking engagement because of a death in his family. Dr. Hisrich affirmed Tippens qualifications for speaking.

Joe Tippens introduced himself as a graduate of OSU in agriculture economics. Formerly, he worked at Arthur Andersen as a manager partner, then took a vice president position with Western Venture Capital to later become president of the firm. Recently, Tippens started his own venture capital firm that has invested in three companies to date. In addition, Tippens has been put in charge of managing the newly founded Merrill Lynch venture capital fund in Oklahoma.

Tippens presented the following brief description of the history of the Merrill Lynch fund in Oklahoma. In 1986, a law was passed in the Oklahoma state legislature which provided for a 20% tax credit for a qualified venture capital fund. In 1987, the venture capital fund allotment was increased, but not substantially. Last Friday, a bill passed which allotted for the \$25-\$35 million needed to run an adequate venture capital fund of this nature. However, the bill was not passed easily. It had previously been tacked onto a variety of bills that were vetoed by the governor. Finally, last Friday, this bill, which will have a significant impact on Oklahoma's economy, was passed.

Tippens described the history Merrill Lynch in the venture capital business. Merrill Lynch has been in the venture capital business since 1970, although it was a fragmented and unorganized effort during the 1970s. In 1981, Merrill Lynch venture capital efforts were organized. The first public offering of venture capital funds occurred in 1982

having raised \$60 million. In 1984, another \$60 million was raised. Last, year, \$120 million was added to the fund. Merrill Lynch is the only company allowed to offer public venture capital funds.

Oklahoma is the very first state to have a state specific public venture capital fund; and therefore, Oklahoma will be the prototype for other states to follow. "Oklahoma has the most attractive venture capital program in the U.S. at this time because they wrote the bill," said Tippens. One stipulation of the program is that is committed to investing 55% of the total funds in the state of Oklahoma.

Next, Tippens described the results of a study of 2,000 venture capitalists that was conducted at the New York University MBA program. Some of the most important things to know about venture capital and investors are:

1. Venture capitalists use both systematic and artistic (gut feeling) approaches for selecting companies to invest in. It took Tippens 4-5 deals before he developed gut feelings for deals.
2. Successful venture capitalists have all been in on bad deals and if one boasts that he has had only good deals then he has missed out on vital experiences.
3. Entrepreneurs should know the strategic investment plan of a venture capital firm. Typically the investment plan is a diversified one.
4. Entrepreneurs should find out the size of fund in which the venture capitalist or firm usually deals.
5. It is important to know the flow of work that a venture capitalist has every week and realize the importance of appearance when proposing a deal. The initial screening process of each business plan is 1/2-2 hours and at that time 95% of the plans are eliminated from further consideration. Tippens has been required at times to review 60-70 business plans per week. Appearance of the plan is important.
6. Expect venture capitalists to participate in the business - as an investor they have a right to do so. Also, starting off on good terms with the investor is important.
7. It is advantageous to get the key hurdles of a potential deal taken care of first (i.e. structure, pricing, questions concerning management).

After the key hurdles are taken care of, then a thorough investigation of the people, product, technology and market comes next.

After the investigation is complete, the venture capitalist must get approval of the Board of Directors or Investment Committee, whatever is the case.

Lastly, the legal documents are drawn up and signed to close the deal.

Tippens explained that the New York University study found 30 to 40 attributes that signal to a venture capitalist that investment in a particular venture is a "good" deal. Tippens said that his own experience jibes with the top 10 characteristics listed in the study and described as follows.

People

- * The management team of the company has thorough knowledge of marketing and a marketing expert should be on the team.
- * The management team has high honesty and integrity.
- * The management team should have strong financial commitment of their own to the deal.
- * The team should be capable of sustained intense commitment over time with resiliency. An 8 to 5 job attitude is not sufficient.
- * The team should demonstrate leadership abilities.
- * The team should have a good track record.
- * The team should attend to detail.
- * The team should be able to articulate their venture very well because everything involves marketing when it comes right down to it.
- * The team's goals must be consistent with the investor's goals.

Product

- * The product must have a competitive advantage.
- * The target market must have critical mass to it although gross profit margins are important too.
- * Growth potential has to exist.
- * Product acceptance must be demonstrated (beta testing).

Finances

- * The 10 multiple of investment on 5-7 years is a good

guideline as is 30-40% rate of return on each investment (as investment increases, so must the rate of return).

* Equity is important because the average investment life in a deal is 10 years at the end of which the investor wants to be able to easily liquidate.

* Most deals require a follow-on investment which means the deal needs additional funds 3-5 years after the initial investment. Although many entrepreneurs don't know it, there is usually a reserve fund available for follow-on investments if the business has earned the privilege of having it by doing well initially.

* Investors typically secure a 20-49% share in the company; however, Tippens has seen anywhere from 5-100% shares obtained.

* Management should be able to retire off of a deal or it is not worth it.

Tippens made some other comments.

The evaluative process a venture capitalist uses is very subjective and although there are some parts that are scientific, the bottom line is his gut feeling.

The structure of investment is usually convertible preferred stock, but it can vary.

After the deal is completed, venture capitalists usually holds a seat on the Board of Directors because they have expertise in marketing, forecasting, etc.

Tippens address the fact that horror stories of venture capitalists are rumored. He said that bad things only happen with a deal that was destined to go sour anyway. He said that venture capitalists, like most people, make provisions to try to protect their investment in the beginning. Tippens said that he has never heard anything bad said about venture capitalists when the deal goes good.

In addition, Tippens said that the venture capitalists that roll up their sleeves and dig in and help with the work when needed instead of sitting in a chair are the best kind. He related a story of a company that technically should have died about 5 times, but because of an excellent management team that kept working at it and a venture capitalist that dug in the work, the company looks now like it might be one of the hottest firms in Oklahoma.

Tippens said that the venture capital market is still fragmented because thousands of investors work in a variety of venture organizations in private, institution, public sectors. Furthermore, most big corporations have their own

internal venture capital funds for ventures within the company. Also, family, friends, local and individual investors are a critical part of the scene.

Tippens stressed that Oklahoma has a critical need for start-up or first-stage or seed capital funding while the state has sufficient later stage funding. He also pointed out the peculiar mentality of Oklahoma investors who "plop" down investment money for an oil well and if it goes dry they shake it off. On the other hand, these same people will not invest money in other types of business ventures.

Tippens explained that the Oklahoma state legislature was a hard sell on the venture capital idea because in their view, they saw big city New Yorkers trying to come in and take money away from the state by encouraging business investment in out-of-state businesses -- which is not the case.

As a result of the Merrill Lynch venture capital fund, it is estimated that \$70 million will be invested in Oklahoma over the next 5 years. Using this figure to project the financial benefit to the state produced some astounding figures - \$40-\$50 million worth of annual tax (income, business, sales, etc.) income.

CRITIQUE

It was obvious that Joe Tippens is an expert in the field of venture capital. His knowledge and experience made for a very informative and interesting seminar. The way Tippens used the New York University study findings to support the ideas he has formulated through his own experience and visa versa added to the credibility of his speech.

I believe that the information Tippens presented in regard to the recently passed bill providing for a Merrill Lynch public venture capital fund made the audience feel as though they were learning cutting edge information about economic development in Oklahoma. The speech also served to stir up some pride and hope for the state's economy, which has suffered economic hardships in recent years.

In addition, I think Tippens' speech served partly to ease the fears of the unknown regarding venture capitalists and their business. The speaker accomplished this by not only providing the audience with information about how venture capitalists operate, but also, by directly addressing the issue of venture capital "horror stories".

Tippens stressed the idea that venture capitalists rely heavily on "artistic" or gut feelings when making a decision about investment deals. I realize that this idea is not merely a whimsical notion, rather it is supported by research, as I have read some of Dr. Hisrich's research and papers supporting the theory that intuition appears to be a

powerful mechanism in decision making of venture capitalists.

Information I have gathered coincides with Tippens' statement that successful venture capitalists are the ones that have experienced bad deals as well as good ones. The idea is that they have learned valuable lessons from their mistakes. Based upon my own life experiences I can vouch for the truth in that idea.

I was impressed with the fact that the speaker stressed the necessity of hard work when starting and growing a business venture. Through my training in the area of business start-up, I have been taught repeatedly that this is true. I think that the hard work requirement is not stressed enough sometimes.

There were about 30 attendees of the seminar, which is not as many as hoped would be there according to Dr. Trueblood. Tippens talked too fast in my opinion although the content and language of the speech were appropriate. In addition, the speaker's thoughts and presentation were delivered in an organized manner.

The speaker was introduced properly and a question/answer period at the end of his speech was offered. The physical arrangements and conditions of the seminar room were accomodating.

Summary and Critique of SBDC Seminar

Title: Marketing the Small Business
Speaker: Dr. Robert D. Hisrich
Place: 213 Business Administration Hall, The University
of Tulsa
Time: 6:15-9:15 PM
Date: September 14, 1988

SUMMARY

Dr. Trueblood, Assistant Director of the SBDC, registered seminar attendees and distributed folders containing seminar materials to them as they arrived for the seminar which cost \$20 per person. Information from the registration records will be used to complete required SBA reports and to build the SBDC's mailing list.

Dr. Trueblood started the seminar by welcoming the people. He briefly explained the purpose and content of the materials in the folders, which consisted of two brochures, one on the SBDC and one on the venture capital exchange; and handouts containing marketing information to be used during the seminar. Next, Dr. Trueblood introduced the speaker, Dr. Hisrich, Director of the SBDC.

Dr. Hisrich began his presentation by stressing the importance of marketing in every small business. He recited a definition of marketing, presented on the first handout in the folder, and stressed the importance of objectives in a small business. Hisrich said that an organization's objectives must be quantifiable in very specific terms, obtainable or realistic, and flexible. He explained that a business's target market is not every person who lives in a specified geographic region, but rather, it is a certain segment of people in a geographic area. He said that everyone does not need or want your product or service in emphasizing the importance of target marketing. Hisrich said that whatever share you determine your market to be, it is realistic to reduce your market share estimate by 30%, or by 60% if your estimate is a real optimistic. In addition, he related a story about a company who made pallets in order illustrate the importance of having flexible objectives. He emphasized that there is no profit for producing a good or service that is ahead of its time. In other words, a product may be an excellent idea, but if the market is not ready to accept it, the company will fail if it tries to force it.

Next, Dr. Hisrich focused on part of the marketing definition stating that satisfying target markets is essential. He said that this requires understanding the market and being customer oriented. There are many products

without a market. Every business owner should be able to write a profile of their typical customer in five minutes. In addition, a company should do at least one customer satisfaction survey per year. He recommended never listening to what your friends say about your business ideas because they "massage your ego" instead of giving you sound, objective advice. Hisrich told the audience that he had created five companies and so he knows that creating and running a business takes a lot of gumption out of you. Furthermore, the results of a national survey revealed that 89% of the U.S. population 21 years and older indicated that they wanted to start a company, but many of them do not end up doing it partly because of the amount of energy required to do so.

Next, Hisrich addressed the "controllable activities" part of the marketing definition. Each product has its own mix of product price, promotion and distribution that must be manipulated into the right combination for that business's product. He related a story about a bark mulch company to illustrate the importance of the promotional mix and the idea that people buy a total package and not just one aspect of a product.

Next, Hisrich addressed the two benefits listed below the marketing definition on the first handout. He said that "improved satisfaction of the target market" is equivalent to customer loyalty and brand loyalty. Second, "improved efficiency in marketing activities" means determining how to allocate dollars most effectively. In order to achieve these benefits, Hisrich said that 8 requirements, listed on the first and second handouts, must be met. Commenting about the requirements, Hisrich said that you cannot be all things to all people because there is not enough consistency in the market to do so. In addition, he said that 80% of your sales will come from 20% of your customers, which stresses the importance of effectively targeting this group of customers.

Hisrich discussed market segmentation referring to the third handout. The handout featured a grid that listed six qualitative ways for dividing the market vertically on the left hand side, and three types of markets horizontally across the top of the grid. Hisrich said that a plethora of published data is available on any combination of criteria and market type. One source is the Sales and Marketing Management Magazine, which publishes an annual survey of the aggregate buying power for most cities, counties, states, SMSAs, and the U.S. for each year according to age groups. For instance, you could find out how many people age 35 and older ride a bicycle x-number of times per year in Tulsa. Other information sources are journals, trade journals, census, etc. It is imperative to look at published data to determine the size of your market.

Next, Hisrich explained that every product in existence has a Standard Industrial Classification (SIC) code assigned to it by the federal government. The 8-digit code for any product, which can be found in the SIC code manual, is the key to gathering consumer and industrial product information by regions of the U.S. Hisrich said that international data is more difficult to obtain, especially as the sophistication of a country decreases. The Department of Commerce can help you obtain international data and employs Ambassadors to help you. Another kind of information available is the number of employees working in firms of different sizes in various fields in various parts of the U.S. Hisrich recommended that all business owners ask their trade association to provide them with market information.

Hisrich described the two most powerful motives influencing people today are emotional motives and economical motives. He said that the primary driving emotional motive operating in the U.S. today is the want of belonging motive. He related his experience on a consulting project for a Jamaican hotel in order to illustrate the powerful influence of motive on consumer purchases and the related implications for marketing. Hisrich said that marketing survey results almost always show that price is the most important influence regarding consumer purchasing decisions. However, this is misleading because people pay any price within reason if they really want something. Therefore, it is the second and third most frequent variables in a customer survey that a surveyor should focus attention on. Hisrich told a story about his experience working for Bausch & Lomb in order to stress the importance of concentrating on a product that gives you the highest return.

After a short break in the seminar, Hisrich reiterated the 3 steps to controlling market activities: (1) find out what people want (2) produce what they want (3) design the right marketing mix to give it to them. He discussed the new promotional strategies used by Toro, a lawnmower manufacturer, based upon the results of a customer survey.

Next, Hisrich stressed the importance of credibility for small businesses. He told them about a satisfaction guarantee or money back strategy used by a health club during which time its sales increased 50%. When a business employs such a technique, it must honor its word, however it has a right to find out why the customer was not satisfied in exchange for the refund.

After credibility, Hisrich said that service then quality are the next important product attributes. Quality can actually be too good, which was the finding of one color/graphics company in a particular case described by Hisrich.

Hisrich said that in the business world, everyone likes to

say "no" so a good strategy to use, for example, when you are trying to sell your product to a retail store is to plan to give the buyer a chance to say "no" initially to something relatively unimportant to you and then it will be more likely that he says yes to what you want him to say yes to later. Hisrich said that people like to say "no" because it gives them a sense of having power.

Next, Hisrich talked about pricing products. He said that the cost of producing is the floor and then you need to take into account your profit goals and the competition's prices. He said that you need to be between the lowest and highest end of the competition's prices. He talked about the concept of discreditable difference of discriminate value regarding pricing. An example of the concept in operation is if only when you raise your price to \$300 do your sales drop but not until that point, then you should charge \$299. He said that if you can raise your price by 10% and still keep the same volume of sales, then you are priced too low. Lastly, it is always easier to reduce price than to raise it.

Distribution mix and promotion mix were discussed briefly before an open question and answer period concluded Hisrich's presentation.

Dr. Trueblood concluded the seminar by thanking the audience; instructing them how to fill out an SBA seminar evaluation form; and announcing upcoming SBDC seminars.

CRITIQUE

The basic concepts and ideas presented by Dr. Hisrich were those that are taught in a college level introductory marketing course. It was a nice review for those who have learned the basic concepts from classroom instruction or real world experience.

Undoubtedly, much of the learning that took place from Hisrich's presentation was a result of the illustrative elaboration and explanation of the basic concepts by the speaker. Hisrich's vast amount of work and research in marketing, especially related to small business, has afforded him the experience and expertise enabling him to teach it so well. After presenting each basic marketing concept, Hisrich further explained the concept by describing related specific examples and business cases he knew of from his own experience. He used examples from his formal training and research, consultancy with many businesses, and personal experience from starting and operating five businesses. Hisrich was a dynamic speaker who spoke with authority and used humorous anecdotes and techniques for interacting with the audience. Hisrich blended delivery of the information from academia as well as real world business perspectives in kind of a practical, "how-to" way.

Furthermore, his presentation appeared to be logically organized.

The audience appeared to vary greatly in their knowledge of marketing judging by their responses, comments and questions. There were some who did not seem to know much about marketing while others seemed to have a good deal of working knowledge of it, yet everyone took notes at least some time during the seminar. Given this, I believe Hisrich chose the most appropriate level of teaching by covering marketing basics and supplementing it with information more sophisticated in nature.

Neat handouts summarizing the most important information presented by Dr. Hisrich were included in the folders supplied to each participant. Hisrich referred the participants to the appropriate handout of the first four handouts in the folder as he covered each major idea. The information presented in the remaining five handouts was not explicitly discussed nor were these handouts called attention to by the speaker. I believe it would have been beneficial to the audience for the speaker to have explained the purpose and use for the information on the last five handouts.

Hisrich made every effort to answer all of the questions to the best of his knowledge which were addressed to him during the seminar.

The room and environment were appropriate for the seminar and everything was handled in a professional manner.

Overall, the seminar appeared to be successful in accomplishing its goal of teaching entrepreneurs how to more effectively market their small businesses.

◦ Marketing:

- The analysis, planning, staffing, implementation, and control of programs composed of various controllable activities to bring about exchanges with target markets in order to satisfy these target markets and accomplish the objectives of the organization.

◦ Benefits:

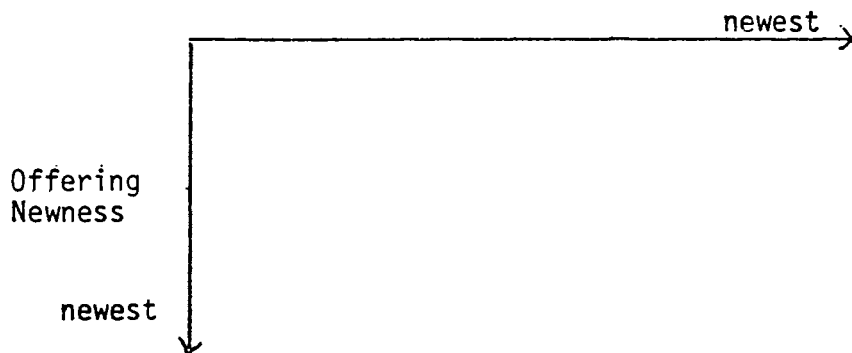
- Improved satisfaction of the target market.
- Improved efficiency in marketing activities.

◦ Requirements:

- Belief and attitude on the part of administrators and employers that their job is to understand and satisfy target market needs.
- Knowledge of how various marketing variables perform separately and together in influencing the market.
- Clearly defined organizational purpose and objectives.
- Knowledge of the strengths and weaknesses of the organization.
- Understanding concept of newness.

◦ Newness to organization

Market
Newness



- Newness to consumers.

radical change
in life style

little change
in life style



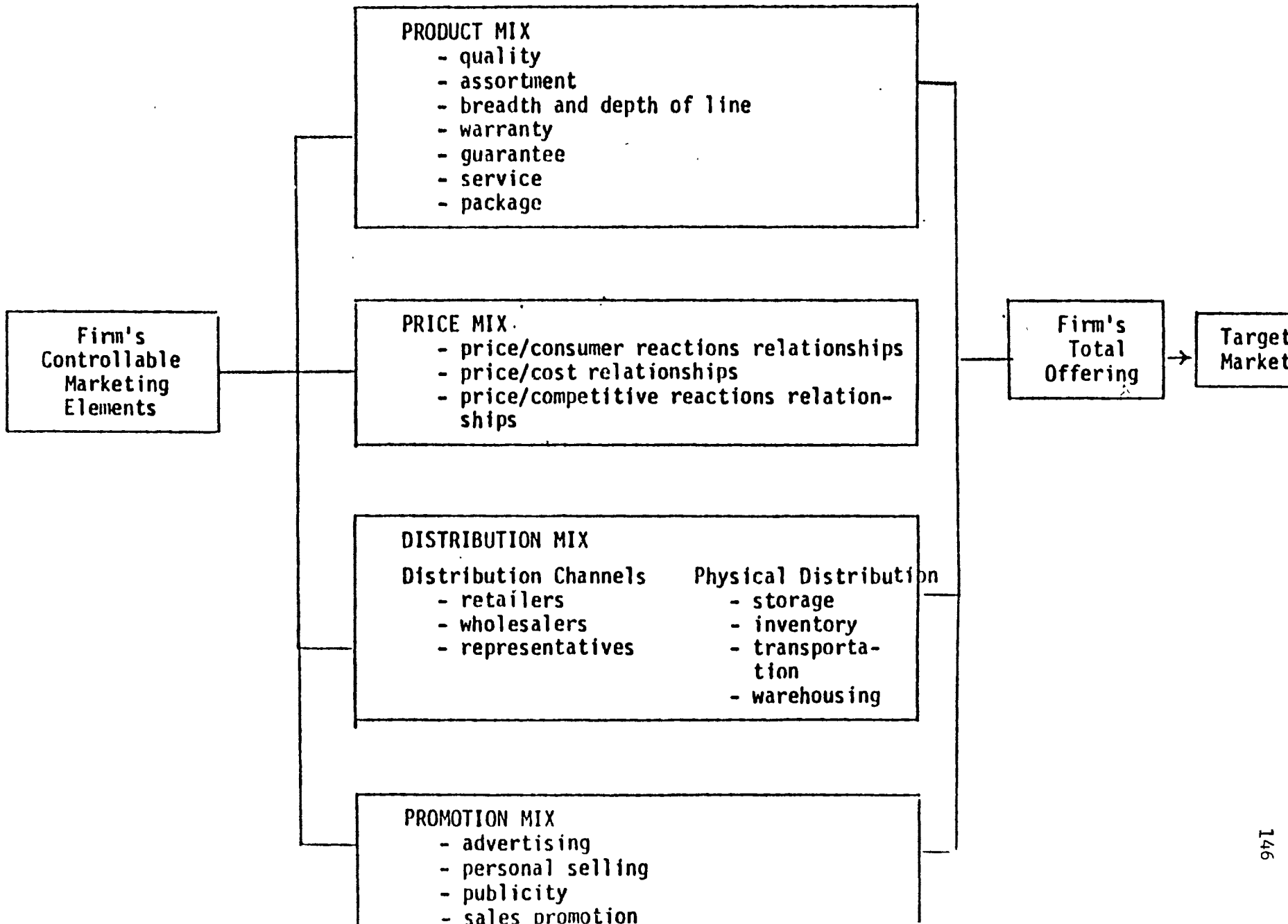
discontinuous
innovation

continuous
innovation

- Newness to distribution.
- Understanding the market.
 - Identify offering/market matrix.
 - Criteria for effective segmentation.
- Understanding market structure and demand situation.
- Knowledge of trends, growth rates, and stage in product life cycle.
- Knowledge of competition and consumer.

MARKET SEGMENTATION BY TYPE OF MARKET

SEGMENTATION CRITERIA	BASIS FOR TYPE OF MARKET		
	CONSUMER	INDUSTRIAL	GOVERNMENT
DEMOGRAPHIC	age, family size, education level, family life cycle, income, nationality, occupation, race, religion, residence, sex, social class	number of employees, size of sales, size of profit, type of product line	type of agency, size of budget, amount of autonomy
GEOGRAPHIC	region of country, city size, market density, climate	region of country	Federal, state, local
PSYCHOLOGICAL	personality traits, motives, life style	degree of industrial leadership	degree of forward thinking
BENEFITS	durability, dependability, economy, esteem enhancement, status from ownership, handiness	dependability, reliability of seller and support service, efficiency in operation or use, enhancement of firm's earnings, durability	dependability, reliability of seller and support services
VOLUME OF USE	heavy, medium, light	heavy, medium, light	heavy, medium, light
CONTROLLABLE MARKET-ELEMENTS	sales promotion, price, advertising, guarantee, warranty, retail store purchased service, product attributes, reputation of seller	price, service, warranty, reputation of seller	price, reputation of seller



PROMOTING AND ADVERTISING YOUR FIRM

ASSUMPTIONS ABOUT ADVERTISING/PROMOTION

- Advertising is communication
- Advertising should be persuasive
- Basis of effective advertising is knowledge
- Effects of advertising may be "lagged"
- Advertising effect is cumulative
- Advertising effect is based on content and repetition
- The advertiser works with imperfect knowledge

IS THERE AN OPPORTUNITY FOR ME TO ADVERTISE?

- Product factors
 - * Unique, want-satisfying attributes
 - * Contains hidden qualities
- Market factors
 - * Rising demand for product class
 - * Good market potential
 - * Favorable economic conditions
 - * Favorable competitive environment
- Financial factors
 - * Financial ability
 - * Marketing expertise

THE FOUR MOST RECURRING PROBLEMS/QUESTIONS RELATED TO ADVERTISING

1. WHAT CAN I EXPECT ADVERTISING TO DO FOR ME -- WHAT SHOULD MY OBJECTIVES BE?

2. HOW MUCH SHOULD I SPEND FOR ADVERTISING?

- Traditional/theoretical approaches
- "A" procedure
 - * Review/define objectives
 - * Determine alternatives
 - * Determine expenditures
 - * Analyze budget as a percentage of sales
 - * Compare with trade practices
 - * Analyze budget in terms of firm's policies
 - * Provide for flexibility
 - * Justify high or low allocations
 - * Finalize the budget appropriation

3. WHAT SHOULD I SAY IN MY ADVERTISING?

- Fits strategy
- Fits target market
- Would you say this to your prospect in person?
- Appropriate to total marketing communication mix
- Simplicity
- Specificity
- Mass communication potential
- Durability
- Are you proud enough of the ad to show it to someone close to you?

4. WHAT MEDIA DO I USE?

- Advantages of selected media

- * Radio
- * Television
- * Newspaper
- * Magazines
- * Direct mail

- Factors to consider in selection of media types/vehicles

- * Objective factors

- Match to target market
- Match to stated objectives
- Relative efficiencies of various media
- Influence of competition

- * Subjective factors

- Perceived characteristics of media
- Creative strategy to be used
- Media environment

SOME FINAL THOUGHTS

ASPECTS OF A MARKETING PROJECT

- I. ESTABLISH RESEARCH OBJECTIVE AND BUDGET
- II. DATA AVAILABILITY
 - A. SECONDARY SOURCES
 - 1) INTERNAL
 - 2) EXTERNAL
 - B. PRIMARY SOURCES
- III. PRIMARY RESEARCH
 - A. SAMPLE DESIGN
 - 1) PROBABILITY SAMPLING
 - 2) NON-PROBABILITY SAMPLING
 - B. RESEARCH DESIGN
 - 1) DESIGN SELECTION
 - A) EXPERIMENTAL DESIGN
 - B) QUASI-EXPERIMENTAL DESIGN
 - C) NON-EXPERIMENTAL DESIGN
 - 2) DATA COLLECTION
 - A) PERSONAL INTERVIEWS
 - B) MAIL QUESTIONNAIRES
 - C) TELEPHONE SURVEY
 - D) MOTIVATION RESEARCH
 - E) RETAIL STORE AUDITS
 - F) CONSUMER PANELS
 - G) FOCUS GROUPS
 - C. QUESTIONNAIRE DESIGN
 - 1) QUESTIONS DETERMINED
 - 2) PRE TEST
- IV. DATA ANALYSIS
 - A. ESTABLISHING HYPOTHESIS
 - B. NON-PARAMETRIC TESTS
 - C. PARAMETRIC TESTS
- V. CONCLUSIONS AND RECOMMENDATIONS

TABLE 7

BUSINESS STRENGTH FACTORS

Product _____	Market _____	
	Business Strength	
	Present	2 Years Ahead
<u>Operating Factors</u>		
<u>Range of MARKET</u>		
<u>Range</u>		
<u>Breadth of Product Line</u>		
<u>Product Differentiation</u>		
<u>Product Quality</u>		
<u>Financing</u>		
<u>Customer Service/Effectiveness</u>		
<u>Distribution</u>		
<u>Advertising/Promotion (Exposure & Effectiveness)</u>		
<u>Company Image/Reputation</u>		
<u>Customer Satisfaction</u>		
<u>Technical Factors</u>		
<u>Technical Service</u>		
<u>Plant Position</u>		
<u>Technology Position</u>		
<u>Production Factors</u>		
<u>Flexibility</u>		
<u>Cost/Efficiency</u>		
<u>AVAILABILITY</u>		
<u>Available Capacity</u>		
<u>Financial/Economic Factors</u>		
<u>Vertical Integration</u>		
<u>Investment Intensity</u>		
<u>Material Security</u>		
<u>Ability to Protect Economics as Business Matures</u>		
<u>Overall Business Strength</u>		

GENERAL DIMENSIONS OF CONSUMER BEHAVIOR

- ECONOMIC DIMENSION

- INCOME
- CREDIT
- WEALTH

- PSYCHOLOGICAL DIMENSION

- NEEDS
- WANTS
- MOTIVES
- SELF CONCEPT

- SOCIOLOGICAL DIMENSION

- CULTURE
- FAMILY
- SOCIAL CLASS
- REFERENCE GROUP
- LIFE STYLE

- DEMOGRAPHIC DIMENSION

- AGE
- INCOME
- OCCUPATION
- EDUCATION
- RELIGION
- RACE
- ETHNIC

Summary and Critique of SBDC Seminar

Title: Business Plan Seminar
Speaker: Marc L. Goldberg
Place: 213 Business Administration Hall, The University
of Tulsa
Time: 6:15-9:15 PM
Date: September 28, 1988

SUMMARY

Dr. Trueblood registered seminar participants and collected the \$20 per person seminar fee. He began the seminar by discussing the contents of the folders handed out to each participant. Trueblood briefly described some of the services available at the SBDC. He introduced the speaker, Marc L. Goldberg, as President of Marketech, a marketing services and management consulting firm specializing in small and medium sized organization. Goldberg has over 20 years of management experience in companies ranging from small to Fortune 500 size. Also, he is involved in venture capital groups.

Goldberg began his presentation by previewing his presentation and encouraging audience participation. He said that copies of most of the overhead transparencies that he will use tonight have been placed in each folder.

Goldberg said that most companies are reactive in the business climate and that business planning allows a company to be proactive. He related three success stories of local people that have participated in this seminar in the past.

"Where am I today, where do I want to be tomorrow?" is a question that entrepreneurs need to ask. Goldberg described three approaches for gaining a competitive advantage. He defines competitive advantage as that which makes you so unique that in the eyes of the beholder, there is no suitable substitute.

1. Think and act strategically.
2. Plan completely.
3. Implement aggressively.

In order to plan completely, Goldberg said that everything must be thoroughly written down so as to make you accountable.

He said that besides competition and money, barriers to entry are technology, investment, differentiation, experience, personnel, and reputation.

Goldberg gave some interesting facts. One in 500 industrial products make it to market. One in 1,000 consumer products

make it to market. What makes that one make it to market? It satisfies a customer need.

In addition, an entrepreneur seeking venture capital has 3 chances in 10 of getting it. Entrepreneurs need to look at the business plan objectively and unemotionally because within the first 5 minutes of reading a business plan, a venture capitalist makes the decision to "can it" or keep reading it. Entrepreneurs need to look at planning from the reader's (banker, investor) point of view, not their own. Also, the business plan should be written in terms of what the entrepreneur is trying to accomplish.

Goldberg said that a plan can only be a roadmap or guide due to the fast pace of a changing environment. One needs to take it out periodically to determine if he is on track. He referred to the first handout which listed things that a plan can do for you. It can provide a road map and management control; brief investors, management, and employees; help you to see opportunities and threats.

Next, the speaker discussed six steps to business planning, which were listed on a handout. The steps are: 1) know your business; 2) analyze your markets and how they behave; 3) analyze your competition; 4) understand all the critical elements of success; 5) get organized; 6) act. In terms of knowing your business, Goldberg suggested that knowing the following is important: how many competitors you will face; trends of the business; what motivates people to buy your product; who is who in the market; what makes competitors successful. When analyzing your market, find out what will make it go up or down, and identify trends through published material. When analyzing your competition, find out everything you can about them.

Goldberg presented an overhead transparency listing reasons for product failures in order of frequency:

- * Inadequate market analysis (32%)
- * Product defects (23%)
- * Higher costs than expected (14%)
- * Poor timing (10%)

Source: Buzzel & Nourse - National Conference Board

The speaker said that the number one way to combat these failures is to know your customers; know what customers want; get customer feedback.

According to Peter Johnson, a noted strategist, the number one reason why businesses get into trouble is shifts and changes in the marketplace that are not recognized.

At this point, Goldberg held up a neatly organized and attractive business plan and said that although it looks neat, it is a prime example of a business not recognizing marketplace shifts. They went bust and lost much money

as a result.

Five things that make a good business plan is that it is short, specific, flexible, formal (written), and constantly reviewed. The first writing of a business plan should include tons of facts as well as emotional ideas. During the second writing, the writer should explode the major point that he thinks will make him "mega bucks". The third writing should involve a lawyer to get it cleaned up.

Goldberg said that after 20 years working in business, he concluded that there are four major problems businesses have with planning:

1. Done for wrong reasons.
2. Done by wrong persons.
3. Takes too much time.
4. Emphasis on detail, not action.

In elaborating on these problems, Goldberg said that the reason most people plan is because someone told them to do it, not because the company actually believes it is a good way to formalize thought. It ends up sitting on the shelf. He recommended that everyone in the company be involved in the process - every function should be represented in the plan. He offered to send anyone in the audience who sends him a business card, a copy of a structure for writing a business plan in two days.

Goldberg said that the definition of business was to create and keep customers (profit will follow).

Next, the speaker instructed the audience to divide and form groups of 3 or 4 and collectively choose several companies that you admire and discuss why. After a short time, the speaker called on each group to answer the question. Discussion took place about a number of companies. After the group discussion, Goldberg listed Peter Drucker's findings of what makes a company excellent. According to Drucker, an excellent company is good at basics; has a bias for action, is customer oriented; has autonomy and entrepreneurship; is people oriented; is value driven; is organized simply; has a lean staff; has hands-on management; has loose-tight controls.

A short break in the seminar was provided.

Next, the speaker listed reasons why companies succeed, the top five of which were convenience, quality consistence, name awareness, price and pleasant to do business with. He said that the #1 most admired company for 1988 named by Fortune magazine was Merc, who had most of these attributes.

Measurements of success were listed: cash flow; annual revenue; quality of service; profit; product satisfaction; market identity; industrial position/market share; product

performance; customer satisfaction; and image.

In terms of writing a plan, Goldberg recommended that the writer first gather all of the information needed and then sit down and write it without allowing any interruptions. A handout describes some of what to include in a business plan:

- * Define the opportunity (in a sentence or two).
- * Why is this an opportunity?
- * Describe the market.
- * Who is the competition?
- * Marketing strategies.
- * Status of the product development.
- * Milestones (6 mos., 1 yr., 2 yrs., 3 years.)
- * Structure for the venture
- * Proforma budgets.

The role of a business plan is to attract capital, while the role of a strategic plan is to evaluate alternative courses of action, explained Goldberg. The role of a plan is twofold: it can be used as an educational tool and an organizational exercise. The business planning process provides focus and direction.

The purpose of a business plan is to document what you are going to do and to demonstrate with what credibility you have for accomplishing what you say you are going to do.

A business plan writer must prove 3 things. First, it must be proved that there are viable opportunities with attractive markets. In other words, there must be no suitable substitute for that product in the customer's mind. He must show a target market or niche exists. A "hard copy advantage," such as cost, packaging, location, approach, etc. must be your "handle" or strategy that competitors can't attack.

Second, he must show a plan of attack explaining how he is going to accomplish the plan. There are five parts to the position of a business that is starting from scratch: 1) idea; 2) test feasibility; 3) verification; 4) demonstration; 5) commercialization. A business should develop milestones for each phase and determine what are "go" and "no go" signs.

Finally, and most importantly, he must develop a management team. Goldberg said that most investors agree that it is better to have a class A management team with a class B product than the other way around. People are what convert business concepts into business realities. If investors trust your judgment and are sold on you, they'll help you make the product.

Goldberg referred to a handout which listed three things an entrepreneur should do in a business plan: 1) prove there

is a market; 2) explain how you can get there; 3) explain how the investment will pay out. Writing the business plan in the viewpoints of the market, investors and producer is essential.

Another handout outlines what an investor is looking for. Goldberg stressed that uniqueness, management, projections and an exit are four important points to an investor.

Next, the speaker went over a handout that presented two outlines for writing a business plan. In addition, he stressed the importance of organization and logical order. In the beginning, there should be a succinct summary no more than two pages long describing the business opportunity, and uniqueness and how much money is needed.

Goldberg discussed what to focus on when writing about the industry and market in a business plan, which was outlined on a handout. He suggested that a grid be developed whereby the business and its competitors are listed down the left hand side and three columns across the top be labeled key strengths, strategies, and characteristics. Filling in this type of information for each company, including his own, will enable the entrepreneur and the investor to easily make comparisons.

Operations and implementation schedule were two other aspects on a handout discussed by the speaker. He said that talking to other people in the business will help in writing these sections. He recommended that a schedule time-line starting from the point to when the business plan was written to the point where funding is secured is a useful thing to include in the plan.

Goldberg recommended that when writing about the management of the business, including detailed evaluations of the strengths and weaknesses of each person on the team is superior to just inserting resumes. Usually the venture capitalist likes to play the role of a member of the Board of Directors or advisor. Also, tell who you chose as the accountant, lawyer and ad agency for the firm and why you chose them. Developing a human resource plan whereby the capabilities of each person involved with the business is important. Contracting workers for specific jobs might be a viable alternative to hiring extra employees depending the nature of the job. In regard to the financial plan, outlined on the same handout, Goldberg said that all statements are straight proforma.

The last handout discussed had information about packaging the business plan so that it is attractive to investors. On the side line, Goldberg said that he personally believes that a plan printed by a dot matrix printer is o.k., although many people believe it should be typed. He said to make the plan attractive, but not too jazzy; a spiral or

looseleaf binder is fine.

Dr. Trueblood instructed the seminar participants to complete and turn in the evaluation form provided in each folder.

A question and answer session ended the seminar.

CRITIQUE

Overall, I was very impressed with the seminar. The speaker was professional and he demonstrated that he was an expert on the subject matter. Goldberg used many examples from his experience which facilitated understanding of the information he presented. In addition, he interacted with the audience which helped stimulate their interest and keep their attention. Goldberg directed specific questions to individuals and then built their responses into a discussion on the particular topic. The small group discussion was a good technique too. It provoked individual thought and it fit well into the discussion.

Another impressive technique used by Goldberg was that he allowed for participants to make good use of time allotted to the break and immediately after the seminar. At both times, Goldberg made available materials, such as business plans and outlines and venture capital resources, for participants to look over. At the same time, he made himself available to talk with participants.

Providing copies of his overhead transparencies was a smart idea on Goldberg's part because it freed participants from having to take notes while he was presenting information to them. Unfortunately, the order of the handouts, which were stapled together and not numbered, did not coincide with the order of the speaker's presentation. As a result, every time Goldberg showed a transparency and announced that it was in the folder, the participants shuffled through 15 pages of handouts searching for the appropriate one thus wasting valuable listening time.

The room and environment were conducive to the seminar. In addition, the seminar was logically organized and appropriate introductions were made.

In conclusion, I give an excellent rating to the seminar exclusive of one minor criticism.

WHAT A PLAN CAN DO FOR YOU

- **A ROAD MAP**

MANAGEMENT CONTROL

- **BRIEF INVESTORS
EMPLOYEES**

* **BRIEF MANAGEMENT**

* **SEE OPPORTUNITIES
&
THREATS**

WHAT CONSTITUTES A GOOD PLAN?

BRIEF

CLEAR

COHESIVE

WELL ORGANIZED

FREE OF SLOGANS

PLATITUDES

GENERALITIES

**WHAT YOU ARE AFTER
IS
COMPETITIVE
ADVANTAGE**

SIX STEPS TO BUSINESS PLANNING

KNOW YOUR BUSINESS

**ANALYZE YOUR MARKETS AND
HOW THEY BEHAVE**

ANALYZE YOUR COMPETITION

**UNDERSTAND ALL THE CRITICAL
ELEMENTS OF SUCCESS**

GET ORGANIZED

ACT

BUSINESS PLAN

DEFINE THE OPPORTUNITY?

WHY IS THIS AN OPPORTUNITY?

DESCRIBE THE MARKET

WHO IS THE COMPETITION

MARKETING STRATEGIES

STATUS OF THE PRODUCT DEVELOPMENT

MILESTONES - 6MOS, 1 YR, 2, YRS, 3 YRS.

STRUCTURE FOR THE VENTURE

PROFORMA BUDGETS

**WHAT IS THE INVESTOR LOOKING
FOR?**

UNIQUENESS

MANAGEMENT

PROJECTIONS

EXIT

THE MARKET

MARKET DRIVEN vs TECHNOLOGY DRIVEN

USER BENEFITS

MARKET INTEREST

DOCUMENT CLAIMS

ADDRESS INVESTOR NEEDS

**KNOW WHO YOUR AUDIENCE WILL BE
THEY WANT TO KNOW HOW TO GET IN
&
HOW TO GET OUT**

SOUND PROJECTIONS

PROVE THERE IS A MARKET

HOW YOU CAN GET THERE

HOW THE INVESTMENT WILL PAY OUT

VIEWPOINTS

THE MARKET

THE INVESTORS

THE PRODUCER

BUSINESS PLAN OUTLINE

**COVER SHEET
EXECUTIVE SUMMARY
MARKETING PLAN
FINANCIAL PLAN
ORGANIZATIONAL PLAN
SUPPORTING DOCUMENT**

OR

**COVER SHEET
EXECUTIVE SUMMARY
INDUSTRY
PRODUCT
MARKET- COMPETITION
MARKETING STRATEGIES
OPERATIONS
IMPLEMENTATION SCHEDULE
FINANCIAL PLAN
SUPPORTING SCHEDULE**

PLUS:

**R&D (FOR TECH PRODUCTS AND SERVICES)
RISK FACTORS**

INDUSTRY

PRODUCT OR SERVICE

1. FULLY DESCRIBE THE
PRODUCT OR SERVICE
 2. PRODUCT DEVELOPMENT
 3. COMPETITIVE PRODUCTS
AVAILABLE
-

THE MARKET

1. CUSTOMERS
2. MARKET CHARACTERISTICS
3. COMPETITION
4. MARKETING STRATEGIES

MANAGEMENT

- 1. DISCUSS ORGANIZATIONAL STRUCTURE**
 - 2. KEY MANAGEMENT PERSONNEL/ BACKGROUNDS**
 - 3. OTHER PERSONNEL NEEDS**
 - 4. OUTSIDERS' ROLES**
-

FINANCIAL PLAN

- 1. USE HISTORICAL STATEMENTS**
- 2. PRESENT FINANCIAL PROJECTIONS**
- 3. COMPARE INFORMATION PRESENTED TO INDUSTRY RATIOS**
- 4. IDENTIFY FINANCING NEEDS**
- 5. PROJECT RETURN ON INVESTORS' CAPITAL**

OPERATIONS

1. DESCRIBE YOUR PRODUCTION PROCESS
 2. PERSONNEL REQUIREMENTS
 3. PHYSICAL PLANT AND EQUIPMENT
-

IMPLEMENTATION SCHEDULE

CONSTANT AND COORDINATED WITH
FINANCIAL PLAN

A TIME LINE SHOULD BE USED WITH
EXPECTED COMPLETION DATES

DECISION POINTS SHOULD BE CLEARLY
DEFINED FOR FUNDING

PACKAGING

LOOK GOOD

BE THE RIGHT LENGTH

**CLEARLY AND CONCISELY PRESENT ALL
ASPECTS OF THE BUSINESS**

CORRECT GRAMMAR AND ERROR FREE

ONE THAT ATTRACTS THE INVESTOR

**BRIEF ENOUGH TO COMPREHEND IN ONE
SITTING.**

PRESENTED CLEARLY

**COHESIVE AND WELL ORGANIZED WITHOUT
REDUNDANCY**

**FREE OF SLOGANS, PLATITUDES,
ABBREVIATIONS AND UNSUPPORTED
GENERALITIES**

Graduate Internship

Karen L. Anderson

Summary and Critique of a Session at the
Second Annual Women's Entrepreneurship Conference

Title: Effective Utilization of Media
Speaker: Lin Frieden (work 841-0247; home 722-3260)
Place: Marriott Hotel in Tulsa, Oklahoma
Time: 10:30 AM-12:00 Noon
Date: October 17, 1988

SUMMARY

Lin Frieden is senior account representative at KJYO (KJ103), a major radio station in Oklahoma City. This year Frieden was credited as having the second highest sales for Summit Communications which has 10 radio stations in 14 markets. She has worked in radio in about every position including general manager since 1972. After introducing herself, Frieden admitted her bias toward radio as opposed to other media. She said that many of her examples would stem from her experience in radio, but that many of the things she plans to discuss would be relevant to other types of media. Also, she is capable about discussing other media to certain degrees due to her involvement in the field.

Frieden provided each participant with a folder of handouts outlining and supplementing her presentation.

Frieden began her presentation by telling the audience that if they remember nothing else about her presentation, they should remember that "you can't take image to the bank". She warned not to let advertising salespersons sell you on an image that you are not. Coca Cola spend \$2 million a year in Oklahoma City on advertising and none of it is the image building type.

Next, she advised that the the first thing a business person needs to do for his advertising campaign is find out who his customer is in terms of demographics, characteristics, economic status, lifestyle, etc.

The shotgun approach to advertising ("spray and pray"), whereby the small business scatters its limited advertising budget among many types of media, is never effective. Rather, a business should allocate their budget to primarily one type of media that works best for them. In terms of how much money to spend, the nationwide average business spends 3-5% of its current or anticipated gross sales on advertising. Supermarkets use less than 1% which brings the average down, while sellers of luxury items (fancy cars, jewelry) use 10-20% of their gross sales on advertising.

Frieden emphasized the need for a unique selling proposition (USP) in the advertising campaign. The USP is the reason

customers should buy your product or service as opposed to your competitor's. She explained some possibilities:

- 1) convenience (e.g. Seven-Eleven stores and banks)
- 2) variety (e.g. inventory - you have every size to fit)
- 3) price (This prequalifies the client because he won't waste your time or his own if the price is not right; however, even though price is usually the first concern of the client, it is not necessarily a deterrent if clients like and get what they are paying for)
- 4) quality (cheap is not always the best because the sweetness of low price becomes very bitter when quality is poor)
- 5) service (if you don't have it, don't advertise it because it can cause unhappy customers to create bad word of mouth advertising)
- 6) hours (e.g. Kinkos; lawyer who made himself available during evenings and weekends received so much response that he couldn't handle his caseload)

In a geographic area with a population of 20,000-30,000, persons receive 1,000 selling messages per day based upon national averages. In a city the size of Tulsa, a person would get about 15,000 messages per day. Newspapers, alone, have 300-2,000 advertising messages cover to cover depending on its size.

A business needs to advertise constantly because in this day and age, no one is loyal to the same business like was the practice in our parents' day. Part of the reason is because we are a mobile society that moves an average of once every five years.

The most important guideline to follow in advertising is to be consistent such that a "franchise of the mind" occurs for your product. Examples are that people use the brand name Kleenex for tissue; Xerox for copy; and Coke for soft drink. Advertise consistently every other week or as often as your budget allows for the entire year - not just part of it.

The next most important guideline is frequency, which makes every media work. The findings of many studies have shown that smaller ads (e.g. 1/4 page) have a better chance of readership than larger ads (full page). Smaller ads cause an interruption in stories and are more likely to be heard on the radio or read in the newspaper if the stories are continued after 2 minutes of commercials or after several ads on the next page. Furthermore, readership of an ad is increased by 50% of newsprint appears on the top or side of a page of newspaper.

The best method of advertising is to combine consistency with frequency. Some even place 4 small ads in the same edition of the newspaper to achieve frequency. Consistency and frequency are the best methods for embedding an ad's message in consumers' minds.

Classified ads may work better than display ads when competition is stiff. A number of classified ads may be worked up and appear in the newspaper on a rotating basis.

When using television advertising, it is better to have 3 ads air in the same day than to have an ad air once a week for 3 weeks.

The key to determining whether a particular advertise salesman knows his business and can be of assistance to you is to ask him many questions. If the salesman is scared by the questions, he is no good. Ask him what type of audience does his medium reach. If you are using a direct mail advertiser, ask about target areas because he should know about people who live at every zip code in the area. Be wary of the advertiser who does not ask you many questions about your business and customers and only tells you how good he or his company is; he is only interested in getting your dollar and not really helping you.

Ask newspaper ad salesmen to provide you with the STARCH readership for your type of ad. This information lets you know if the size of your ad may be reduced and not lose readership depending upon the type of your business.

Follow-up on direct mail is critical. According to national averages, 78% of direct mail advertising goes into the trash unopened. Don't use bulk mail permits, rather use stamps and handwrite the addresses. This will increase the chance of direct mail being read by 60%. Also, don't put a return address on the outside. Frieden's personal opinion is that a direct mail campaign should be mailed once each week for three weeks. Another hint is to put something in the envelope like a nail file that will entice the customer to open it, yet not increase the postage.

Specialty advertising must be done on something that people use frequently, such as pencils, pens, keyrings, memo pads, phone stickers with emergency #s and your # on it. Buy quality specialty items, not cheap ones.

Coupons is a very effective advertising mechanism in today's society because everyone is trying to save money. This expense should be taken out of the advertising budget.

Cooperative advertising is different from co-op advertising, although both are useful forms of advertising. Cooperative advertising is where two entirely separate companies get together and share advertising space and expenses on the same spot. Usually a gimmick is involved. An example is that Nestea shared a 60-second commercial with a local car dealer who was willing to put up a car as a prize for a sweepstakes or contest Nestea was running. Nestea paid for the commercial, but got a \$10,000 prize to give away and the

car dealer got half (30 seconds) of advertising worth \$20,000 for free.

Co-op advertising, on the other hand, is a local or retail company taking advantage of money available for advertising from its parent company. Thousands of parent companies have money available for their retailers or outlets to use for advertising because it is allocated at the time the outlet is opened, but the parent company often does not volunteer the information because if it is not used, it is money in their pocket. Over \$100,000 of co-op money per day goes unspent in Oklahoma City and Tulsa together alone. Most co-op reimbursement arrangements are 50/50 where each party pays half, but some parent companies fully fund advertising. Ask the advertising salesman to investigate co-op opportunities for you. He can draft a simple letter on your letterhead to the appropriate company requesting the amount of co-op accruals for advertising to date and sign it as your advertising agent. Newspaper media have the best resources (directories) for doing this followed by radio and television media.

Frieden says that you should ask the advertising representative for his home phone number and if he doesn't give it to you, then they are afraid to be accountable to you because advertising is a 24 hour job. She said that she came over the conference in a limousine today after talking to a limousine service owner who called her on the telephone last night to tell her how please he was with the success of the advertising she did for him. He gave the service to her free in order to say thank you.

Frieden also suggests that your media representative should be able to provide you with information about your competition's advertising. If your competition is continually advertising, it must be working for him so learn from what he is doing.

Another recommendation is to check the references of the media firm. Ask them to provide you with 3-4 references and check them out. The only possible drawback to this is that the references might not give an honest recommendation to you if they think they want to try to monopolize a media firm.

It is also appropriate to ask the media firm to provide you with a list of all of their accounts in a certain area of business that they have worked for and the amount each of the businesses has spent.

Lastly, Frieden gave her work and home telephone numbers and encouraged everyone in the audience to feel free to call her anytime and ask her questions about anything dealing with advertising.

CRITIQUE

I respected the speaker for pointing out that she would sound bias toward radio during the session. Although many of Frieden's examples were based upon her long work history in radio, surprisingly she had some knowledge of the other types of media and shared that with the audience.

Frieden presented practical information. She knew the media business well and gave the audience with helpful tips that probably would not have been provided by a speaker who had been in academe for years.

Many concepts presented by the speaker were from the discipline of marketing. For example, the idea that a promotional campaign should emphasize a unique selling proposition (USP) was discussed by Dr. Hisrich in an SBDC seminar on marketing.

I think the most valuable type of information Frieden presented were her suggestions for selecting an advertising agent. Her remarks about how to determine whether or not an ad agent was, as she put it, "worth his salt or not" were sensible, direct and specific.

The folder of handouts she provided each participant was attractive and neat. The speaker's presentation closely followed an outline of the session provided in the folder.

Frieden demonstrated that she was dedicated to her profession and genuinely interested in satisfying customer needs, particularly by making herself available for answering questions from anyone at anytime now and in the future.

The meeting room was appropriate for the presentation.

FOR SALES SAKE!!

Advertising Decisions in Oklahoma

• **A Seminar**

with

Lin Frieden

**Former General Manager, KOMA - OKC
Current Senior Account Representative, KJYO - OKC**

I. REASON FOR ADVERTISING

- A. For Sales of Product or Services**
- B. For More Sales**
- C. For Still More Sales**

II. UNDERSTANDING ADVERTISING

A. Who is your customer?

- a) Age, sex, social habits, income levels, family size, education, customer demographic.
- b) Current levels of customer traffic, average sales upon closing per customer, average customer count who buy, daily traffic flow, best days, worst days.
- c) In-store preparation for customers or clients . . . awareness of advertising by employees.

B. Who are you reaching . . . a simple glossary to understand ad lingo.

- 1) Demographics - The audience profile of a radio or TV audience, newspaper readers, houses reached with direct mail.
- 2) Spot - A commercial message on radio or TV, usually 30 seconds to 60 seconds, may be 10 or 15 seconds.
- 3) Cost Per Point - Basically useless information . . . achieved by a mathematical formula for determining the cost of reaching a small percentage of the population one time.
- 4) Cost Per Thousand - A little more useful in determining how efficient your advertising dollars are being spent . . . the number of people hearing and/or seeing your ad divided by your ad or schedule cost.

- 5) Reach and Frequency - the number of people who will hear/see your ad schedule on an average of how many times.

Example:

Target - Women 18-34

Population - 2,343

Ad Schedule Reach - 35% or 820 Women 18-34

Frequency - 3.2

(Translation - 820 Women 18-34 heard or saw your ad an average of 3.2 times).

- 6) Target - The specific part of the population you want your advertising to reach . . . may be by age, sex, income level, zip code, etc. OR, The audience that a radio or TV station specifically programs their music or programs to reach . . . lifestyles for a magazine or specialty newspaper . . . billboards or direct mail in certain zip codes.

III. THROWING YOUR HAT INTO THE RING!!

A. Commercial bombardment per person is 1,000's daily.

B. The fight for your share . . . and why you need to join the fight.

- 1) Current customer base
- 2) New customer base
- 3) Unique product or service
- 4) Special events

C. How do you get your piece of the pie?

- 1) Decision to advertise
- 2) Budget to advertise
- 3) Gather information . . . ask questions!

- 4) Advertise to get business . . . not image
- 5) Don't shot-gun your money . . . aim, then shoot!
- 6) Pre-qualify the success you need . . . be realistic
- 7) Choose the media that will have the greatest potential on the investment
- 8) Consistency
- 9) Frequency
- 10) Comparison advertise . . . apples to apples to determine the effectiveness of each medium
- 11) Use the bicycle theory . . . there are no guarantees in advertising
- 12) Co-op advertising
- 13) Cooperative merchant advertising
 - a) Radio
 - b) Newspaper
 - c) Direct Mail
 - d) Specialty Ads
- 14) Deferring personal preferences
- 15) Promotional advertising

IV. YOUR MEDIA REPRESENTATIVE . . . ONE OF YOUR BEST FRIENDS.

- A. Competative information**
- B. Production**
- C. Research**
- D. Promotions**

V. SALES INVESTMENT

- A. Why many good businesses fail.**
- B. Know what you're buying . . . insist on signed contracts.**
- C. Quality vs. Quantity**

Use tough times to increase market share

JOHN R. GRAHAM

WELCOMES tough times, and difficult periods some business prosper.

Firms display an unusual vigor in seizing the opportunity to innovate, introduce new products and services, and capture a greater share of the market.

Here are 16 practical techniques for tough times to build a more profitable business:

1. Become marketing-driven. It's not your customers who are buying your business. A marketing company operates just one way: Effort—product, service, price, promotion—must be adapted to the needs and wants of customers.

2. Concentrate on the basics. Your company's most important job is to keep customers. The only way to do this is to help your customers solve their problems better than any-

one else can assume you have the answers. Find out what each customer means by a problem, then adapt your product or service so that it is perceived that way by the eyes of your customers and pro-

3. Become more aggressive. Adapt your marketing strategy to fit the technology of the times. Emphasize ways in which your products or services save time, cut costs, and

John R. Graham is president of John R. Graham Inc., a public relations and advertising firm in Quincy, Mass.

increase productivity.

If you take this route, you'll stand out in the marketplace because most of your competitors will pull back to a more defensive, protective position.

4. Work to retain present customers. Even if customers are spending less, don't let them be tempted to take their business elsewhere. Studies show it costs five times as much to gain a new customer as it does to keep an old one.

5. Increase sales to present customers. The customer relationship is always much more fragile than we like to think. Customer satisfaction depends on just one issue: meeting needs on time, every time. Work harder than ever to meet as many of those needs as you can.

6. Build your prospect list. Develop what we like to call a "druthers" list. If you had your druthers, what 200 or 300 firms would you like to do business with?

Now, make regular contact with these companies. Explain why you have a special interest in them. Show how dealing with you has special benefits for them. Make your goal clear: ask what you will have to do in order

to get their business.

7. Use value-added techniques to get an edge on your competitors. Separating your company from all the rest in the same business is more important than ever. Think like a customer to discover what you can do to dramatize your uniqueness.

It's never the value you want to add that makes the difference, however. It's the value the customer wants to receive that's important.

8. Polish your company image. Make sure your firm is perceived in the best possible light by customers, prospects, suppliers, and opinion leaders in your business and community.

Does your firm appear professional and capable? Is customer service your first priority? Publicize the special qualities that make you more professional than your competitors.

9. Keep a watchful eye on the competition. Don't assume your competitors are sleeping. They may be making moves that could cut into your customer base. More than ever it's important to scout the competition.

10. Increase your promotional efforts. A McGraw-Hill Research analysis of 600 industrial firms showed that companies maintaining or increasing advertising during the 1981-82 recession averaged higher sales during that period and for the following three years than companies that cut advertising.

11. Make your employees and sup-

pliers your firm's ambassadors. Tough times can cause anxiety. Don't let it show. Negative messages spread like wildfire and can hurt your image with employees, suppliers, and customers.

Emphasize good news through pay-envelope stuffers, bulletins, and newsletters. Don't ever fake it, but always accentuate the positive.

12. Practice niche marketing. Look for markets that best match your company's products and services—and come out swinging. Strive to become the big fish in a small pond.

Chances are competition is less intense in these markets and your strong position will fend off unwanted intruders. As you successfully serve new customers, you have a good chance to become the preferred supplier.

13. Maintain a strong financial position. Keep your bank informed about your business. Is your line of credit intact? Although you pay close attention to the accounts receivable, watch for "slow pay" trends and take action fast. And, of course, take advantage of every possible discount for prompt payment.

14. Concentrate on consulting. Remember, customers aren't looking for off-the-shelf solutions to their problems. Tailor your services to meet precise needs. This means taking more time to be helpful, understanding, and supportive of your customers.



John R. Graham

15. Demonstrate a "we can do it" attitude. You may have the best product or service, but that's not enough. Go the next step. Show enthusiasm for going out of your way to prove that you're service-oriented.

16. Use the magic word: "sure." Because we're all in the problem-solving business, respond to requests with a strong "sure." You may not have all the answers at the moment. That's not important. You can get them later. When you're talking to the customer, convey confidence and be 100% positive. It will get you more business.

In a nutshell, tough times don't last. Tough people do. When you get tough with yourself and your business, success is on the way. *JR*

Timing: A Major Selling Point

by Ed Papazian
Media Matters



The reason for radio's edge is simple. Most TV viewing occurs in the evenings; most listening occurs in the daytime and afternoons. Indeed, throughout a typical weekday (and weekends, too) radio reaches more adults than the tube until about 5:00 PM. Since most shopping occurs during the hours when radio is ascendant (largely because of its huge car listening audience), it's not surprising that surveys which track shopping habits find many consumers were exposed to radio just before making their store visits.

Proximity to buying is a major advantage for radio, but it represents only one facet of timing opportunities. Consider what might happen if a cold beverage (beer, soft drink, wine cooler, fruit juice, ice tea) tailored special radio commercials to run whenever the temperature was over 80 degrees, but not on much cooler days. The idea: catch thirsty consumers and maybe you can move more of your brand, or imprint its sales pitch with more relevance.

Or consider the merits of early morning radio spots—again with specific copy for the occasion—reminding guys who just got a lousy shave and are still feeling it, that another blade, foam, or gel would do a better job. And what about radio spots on Fridays and Saturday mornings, teasing unhappy car owners about the "clunkers" they are driving; wouldn't this spur some to visit a dealer's showroom that afternoon to consider a replacement?

There are an endless number of time-related or "relevance" options that a creative advertiser could utilize on radio. As a complement to TV and print campaigns, radio's ability to insinuate its messages upon the consumer's consciousness is a function of the medium's background or accompanying role. It gets its point across without being blocked by people who resist more intrusive advertising in other media. □

Ask any marketer whose product or service is used primarily at particular times—at breakfast, on a holiday, when it's warm or cold, when there's a flu bug about—if timing is an important campaign element. He'll probably look at you like you're kidding. Of course, timing is important. Yet few advertisers who might benefit from exposing their advertising to consumers when they are in the mood for the product, take advantage of the available media "package" opportunities.

Sometimes this is caused by a failure to exploit these angles in their creative strategies. In certain cases, the advertiser (orange juice marketers, for example) is trying to shed the old timing bond (breakfast) and develop new usage patterns. But a more common reason for overlooking timing is media prejudice. Many marketers who are eager for a timing-sell are rigidly committed to television as their primary medium. While TV time can be bought to accommodate many timing needs, as often as not, the audience isn't there exactly when you want it. This means, horror of horrors, that another medium might be a better fit. Indeed, in a surprising number of situations, radio is particularly adept at reaching shoppers for an advertising "reminder" just before the consumer visits a store.



This is demonstrated by a Spring 1986 Bruskin study conducted for RAB. (See chart on left page.) A sample of 1,280 persons aged 12+ were interviewed about their average weekday media exposure and purchase activities. Bruskin found that 63% of this sample bought some product within the 24-hour interval. Of these, half were exposed to radio within one hour of buying. TV ranked next highest with only 21%. Radio's edge held up in all demographic segments and was most pronounced in the younger age groups and the upscale income/occupation clusters.



Should companies increase, decrease or hold ad budgets the same in tight economic periods? Why?

Every company faces different challenges and different opportunities. Therefore, a simple answer is probably impossible.

Obviously, it is incumbent of every company to insure that the dollars they spend will return the most in the short term, while keeping long-term goals and objectives in sight. While this is true, regardless of the economic times, most companies tend to become lax in the basic disciplines during "good times." Broad, general campaigns to build the image of products or companies tend to replace targeted, specific ones that address shorter-term opportunities.

As a sales manager responsible for delivering sales of many products into many markets through the efforts of sales representatives, tight economic periods require me to focus the efforts of my sales force on the highest potential markets. It may, in fact, cost more to do this than what we had been doing previously. The same basic principle applies to advertising.

In the agricultural chemical industry, the "pull-through" approach to selling is generally practiced. This concept requires frequent and timely exposure of your basic selling message to the user. This is generally accomplished through a combination of meetings, plot tours, public relations, articles and advertising. Making certain these activities are coordinated both in terms of their timing as well as their message will improve their efficiency and effectiveness.

Companies should utilize the medium that allows maximum frequency in combination with a message that addresses local needs. Generally this says radio and print.

In tough economic times, farmers need every bushel they can cost-effectively get from every acre of land they own. To do less will return fewer dollars.

The same is true for basic manufacturers. Cutting back on advertising may, in fact, insure the declines that management is trying to avoid. Those companies that spend the most dollars *effectively* will probably weather the economic storms. Increasing market share will be the barometer of a company's higher rate of return in the future.

Should companies increase, decrease or hold ad budgets the same in tight economic periods? It depends. Companies should change what they have been doing to focus on specific market segments with frequent and timely messages that will address short-term opportunities. For most it will mean an increase in the amount of money they will spend on advertising. For others, spending may be the same or less. To arbitrarily reduce or increase dollars without first refocusing the basic approach is probably the most risky position any company can take.

am



Dale A. Miller
Director of Sales
Velsicol Chemical Corp.
Chicago

The following two quotes best reflect my philosophy regarding advertising strategies during tough economic periods:

"Tough times don't last... tough people do."

"If you don't promote, a terrible thing happens... nothing."

So, to take a position and answer the question directly — and I know there are always exceptions based on a bunch of legitimate factors — we at Funk Seeds have increased our advertising budget for all four of our major product lines for 1983.

Admittedly, the seed sector hasn't been hit as hard as other pieces of the agriculture industry, but we are facing a negative marketplace in 1983, based on depressed commodity prices, rising input costs, erratic crop performance because of weather and reduced feed grains acreage due to the government program.

The way we read this environment is that we are facing a reduced market for seed corn, which is our primary product line, and that more farmers than usual will be switching brands and delaying decisions.

With a reduced market and more brand switching in the outlook, there's only one way for us to reach our sales goals and that is at the direct expense of our competitors. This puts more pressure on all of the marketing components, and especially advertising, because it is probably the most efficient means of influencing new customers. In 1983, Funk is introducing a new family of improved hybrids — the New Breed — so we definitely have something significant and newsworthy to say — and we're going to say it bigger than ever so we get our fair share of those farmers who are looking for a new and better brand.

The level of advertising expenditures in tight economic periods depends on a lot of factors, but I truly believe that the aggressive companies will come out ahead in the long run. No matter how negative the marketplace, the appropriate advertising message can be a positive stimulus for your brand — it keeps your story in front of your target audience so that when they do decide to buy, you've had an influence. An after all, that's what it's all about — influencing your target. The alternative isn't very inviting — hold even or lose ground. I'd rather spend my money and take a chance of making something happen.

Which leads me, I guess, to my own personal quote, "tough people promote, especially when competitors don't — watch out!"



Kenneth W. Rinkenberger
Manager of Advertising & Public Relations
Funk Seeds International
Bloomington, Ill.

Our communications plans have changed greatly over the past few years, from what I consider "words and pictures" to straight talk and a "just the facts" approach.

We have kept our advertising budget in line with reality, but have not given up frequency or impact, according to research studies. We have gone from full-page, four-color ads in most leading farm publications to smaller, black-and-white ads in a few select magazines. The effect has been a drastic reduction in budget with about the same reach and frequency.

According to a recent University research study, 89.5% of the respondents noticed, read some or read most of our ad in the August issue of a leading farm magazine. We placed third in readership in the magazine, and our readership index was higher than any full-page, four-color bleed in our category.

What is really important to us is the comments we receive from our dealers. They say our new ads are working.

We use direct mail — but as is the case with our space advertising program — we make every dime work like a dollar. We do not have tightly planned schedules of mailers, a method which does not seem to fit this volatile machinery market. We do use direct mail where it fits. All I ask of our ad people is to be sure we deliver the: right message, to the right prospect, at the right time and to provide a real motivation for the prospect to *take action!*

Our ad people have spent years working with our dealers and customer file to build a highly selective list of prospects by basic machinery grouping. With any direct mail campaign, local dealer editing of the computer listing is critical.

A key to our communications program is good public relations — not only sending product press releases to every editor of every farm publication, but also making our own breaks by seeking real newsworthy stories, and providing editors with the opportunity to pick them up. I believe the research that indicates editorial is more credible than ads, and we try to provide *news*, no puffery or disguised ads.

All in all, our communications programs are as hard-working and lean as the rest of our organization. Sometimes it takes courage to break out of the pack — to try new, unpopular approaches, but for us the results have been great.

am



Cecil J. Stralow
Vice President & General Manager
Avco New Idea Farm Equipment
Coldwater, Ohio

My answer to this question could be a non-revealing response of, "it all depends."

For instance, we all know of companies with high debt and soft markets that are fighting for economic survival. Unless advertising is the first and only key element in the marketing of the companies' products or services, ad budgets certainly will have to be decreased in this situation. Cash flow concerns will pre-empt all other company programs.

An important aspect of decision in this area relates to the role of advertising in the marketing programs of the company. No sane manager advertises just because he likes to see the corporate name in print. The advertising program must have some key objectives to reach in support of the marketing process. The importance of those advertising objectives in the short term determines the answer to our question.

Consider these cases:

- If advertising is the primary source of leads for product sales, it can be argued that advertising should be increased during slow periods because more leads are needed as the sales closure rate drops.
- If an important new product with unique features is being introduced, this is the time to let your market know about it.
- If dealers are spending more for local advertising under sharing program with a manufacturer, this expenditure usually is healthy. After all, he's spending some of his own money, which typically indicates an identity with the product and a loyalty to the market which are very important in both the short and long terms.

I suggest that in these and in many other cases, the advertising budget should support the market objective.

In tight times, all budgets receive extra scrutiny which can be healthy for all functions of the business. In advertising consider these cases:

- The institutional-type advertising that glorifies the breadth of the company's product line and is run because the chairman likes it.
- The marginal trade show that the company religiously attends because it is held at an attractive resort each year.
- The premium mountain of pencils, calendars and key chains (yes, and even caps) that are distributed each year.

Surely, there can be economies achieved in every budget.

In summary, my answer is to coldly look at your budget, eliminate the marginally productive, but maintain or increase key selling and marketing programs.



William J. Jensen
Sr. Vice President, Ag Equipment Group
Butler Manufacturing Co.
Kansas City, Mo.



Edward A. McCabe

McCabe Calls Radio “A Creative Showcase”

Because of the freedom it affords, radio generates today’s most creative and experimental advertising, according to Edward A. McCabe, president and worldwide creative director, Scali, McCabe, Sloves, Inc.

“As a showcase for surprising, original, sometimes wonderful off-the-wall-work, no medium comes close to radio,” Mr. McCabe said at the 18th annual ANA/RAB Radio Workshop. “Of course, nobody in agencies and no clients pay enough attention to radio commercials anymore. And that’s why there’s so much fresh and original advertising than in other media.”

Beginning with the premise that freedom inspires creativity, the well-known copywriter argued that the financial and decision-making constraints in other media, particularly television, result in an artistic “sullen sameness.”

These restraints—“a generalized fear of the unproven” and “too many people involved in the decision-making and creative and production process”—also drive away truly creative talent. “People in creative departments who think they’re too good or important to work in less than exalted media can’t grasp this simple idea,” Mr. McCabe opined, “the world is a far better place as a result of Michaelangelo not having said, ‘I don’t do ceilings’.”

The opportunity for experimentation in radio, however, allows writers to take risks, venture into the unlikely and produce useful and unique work, Mr. McCabe noted. Widening these potential artistic avenues will only spur more creativity.

“Radio offers something unique in advertising in this day and age: the opportunity to stand up and be counted,” Mr. McCabe declared. “Which is why radio can be a scary medium for creative people who aren’t so sure of themselves. Radio separates the doers from the talkers.”

Defining “creative advertising” as “advertising that is abnormal,” the award-winning ad writer went on to outline “effectiveness,” “aesthetics,” and “morality” as the three dimensional ways he evaluates advertising. “Simply different advertising,” he explained, is not creative. “Work that’s merely different with no redeeming professional or public value cannot even be considered advertising, let alone creative,” Mr. McCabe asserted.

APPENDIX J
BUSINESS CASE ARTICLE

SMALL BUSINESS DEVELOPMENT CENTER

October 26, 1988

Elaine Cummings
Assistant to Editor
Inc. Magazine
38 Commercial Warf
Boston, MA 02110

Dear Ms. Cummings:

I am following-up on the suggestion you gave to me during our telephone conversation on October 18, 1988 regarding my submission of a story for your feature section, "Anatomy of a Start-Up". Attached is a brief description of the basic story of [REDACTED] and suggestions for angles I might use to write an article fitting for your readers. As an alternative, the story might make an interesting short article for your "Insider" column.

I interviewed [REDACTED] personally and wrote a case on her business, so if you need anymore information, feel free to contact me any weekday between 8 AM and 5 PM at the SBDC (918-631-2684). You can call me any other time at home (918-664-8014). Thank you for your consideration.

Sincerely,



Karen L. Anderson
Assistant to Director

Attachments (2)

DESCRIPTION OF STORY: [REDACTED]

[REDACTED] a GROWING retail gourmet cookie business, was started by [REDACTED] one year ago in [REDACTED], Oklahoma. [REDACTED], degreed in psychology with no prior business experience or training, grew the business right out of her home, increasing gross profits 2,000%. [REDACTED] educated herself in the business world and now advises other entrepreneurs by speaking at professional conferences and writing a newspaper column. She developed a product line that started with cookies and grew into a whole assortment of baked goods. Some of the unique creations, which include long stem cookies, dough cones and cookies fries, have been patented. In addition, [REDACTED] has responded to customer requests for a full line of services that include a deli cafe menu, which she copyrighted. Sensing profitable investment opportunities in the business, a venture capitalist has offered [REDACTED] the financial backing to open 20 stores nationwide . . . new competition might be on the horizon for Mrs. Fields Cookies.

ANGLES FOR WRITING STORY: [REDACTED]

I am willing to write an article on [REDACTED] based on any of the angles listed below or any others you might suggest. In addition, I envision Inc. reporters writing additional articles that relate to the angle and provide readers with more information on the topic. Suggestions of article topics relating to each angle are listed.

Venture Capital - (the largest source of seed capital for start-up businesses).

Take-up where [REDACTED] story ends and where she currently stands:

- What should she do regarding the offer?
- Who are venture capitalists and what do they do?
- What do they look for in a business deal?
- How to negotiate with them.

Home-based business - (a fast growing trend in recent years).

Every business is one once: Steven Jobs built the first Apple computer in his garage.

Milton Hershey mixed the first batches of carmel in his kitchen.

Hugh Hefner layed out the first issue of Playboy in his home.

- Why is the hbb so popular?
- What are advantages/disadvantages of working in the home?
- Describe the debate between the labor unions and hbb owners.

Developing Product Line

- How to know when to expand or keep the same product line.
- What environment facilitates product development?
- Who are the best product developers?
- How to pretest product.

SMALL BUSINESS DEVELOPMENT CENTER

October 28, 1988

Barbara Brabec, Editor
National Home Business Report
P.O. Box 2137
Naperville, IL 60565

Dear Ms. Brabec:

I am responding to your request in the Summer, 1988 issue of NHBR for material to print in the "Home Business Profiles" department.

As a graduate student at Oklahoma State University, I have conducted several research projects on the subject of home based business. Presently, I am completing a Master's degree program in consumer studies by doing a graduate internship experience at the Oklahoma Small Business Development Center (OSBDC) in Tulsa, Oklahoma. One of my internship projects is to write, and submit for publication, an article featuring a home based business owner and his/her business. In order to meet this project goal, I would like to write an article for your "Home Business Profile" department on [REDACTED], owner of [REDACTED].

My writing experience includes serving as the editor of a employee newsletter for a county government and an entrepreneur newsletter for the OSBDC. For both of these newsletters, I wrote profile articles similar to those appearing in the NHBR. I am qualified to write a profile on [REDACTED] because I have personally interviewed her and written a textbook case on her business.

Attached is a brief description of [REDACTED] story for your review. Please feel free to call me any weekday between 8 AM and 5 PM at the SBDC (918-631-2684) or anytime at home (918-664-8014). Thank you for your consideration and I look forward to hearing from you.

Sincerely,

Karen L. Anderson

Attachment

████████████████████ is a growing retail gourmet cookie business in ██████████, Oklahoma that was started by ██████████ three years ago. After two years of baking cookies, brownies and dessert bread and delivering them in decorative gift baskets to customers, ██████████ grew the business right out of her home. As a result, she renovated an old house on the edge of the town's business district and opened a retail cookie store. At this point, she expanded the product line by creating some unique goodies, such as long stem cookies, dough cones, and cookie fries, the last of which has been patented. ██████████ satisfied customer requests and expanded her service line by developing a deli lunch cafe menu that she copyrighted.

Recently, a venture capitalist offered ██████████ the financial backing to open 20 stores nationwide . . . competition might be on the horizon for Mrs. Field's Cookies . . . and it all began at home.

There are more things to tell: being visited by a health inspector while working at home; learning about product cost analysis and other business survival techniques; etc.

VITA

Karen L. Anderson
4960 S. 73rd E. Ave. #109
Tulsa, Oklahoma 74145
(918) 664-8014

EDUCATION

Master of Science Degree in Consumer Studies, Oklahoma State University, 1988.
Bachelor of Science Degree in Consumer Services, Illinois State University, 1986.

WORK EXPERIENCE

Graduate Intern, Oklahoma Small Business Development Center, University of Tulsa.
Instructor, Northern Oklahoma College.
Graduate Research Assistant, Oklahoma State University, Department of Housing, Interior Design & Consumer Studies.
Recorder, Courthouse, Administrator's McLean County, Illinois.
Civil Service, Psychological Services Center, Illinois State University.
Drug Evaluator, D.U.I. Countermeasures, Inc., Bloomington, Illinois.
Undergraduate Intern, Cooperative Extension Service, McLean County, Illinois.
Undergraduate Teaching Assistant, English Department, Illinois State University.
Lab Manager, Management and Marketing Department, Illinois State University.
Research Coder, Industry Research Department, State Farm Corporate Headquarters, Bloomington, Illinois.

HONORS

Oklahoma State University Foundation Fellowship, 1987-88
Oklahoma State University Home Economics Graduate Research Assistantship, 1987-88
Mid-American Consumer Conference Scholarship, 1988
Golden Key National Honor Society (Top 15% of Illinois State University upperclassmen), 1986
Illinois State University Honors Program, 1983
Kappa Omicron Phi (Home Economics Honor Society), 1985-86
Omicron Delta Kappa (Sophomore Honor Society), 1984-86
Northern Illinois University Honors Program, 1982

ACTIVITIES

American Council on Consumer Interests, Member, 1987-88
Oklahoma Council on Consumer Interests, President, 1987
Student Body Board of Directors, Affirmative Action Officer, 1986
Student Home Economics Association, Member, 1984-85
Bloomington Parks & Recreation Special Olympics & Recreation Program, Volunteer, 1984
Brokaw Hospital Service League, Volunteer (200 hours), 1983-84