



Resources for Oklahoma's Women in Business

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Introduction

According to the U.S. Census Bureau, the number of women-owned businesses in the United States reached 6.4 million in 1992, representing one-third of all domestic firms and 40 percent of all retail and service firms. Women-owned businesses generated \$1.6 trillion in business revenues and employed 13.2 million people.

After the 1992 census information was published, the Secretary of Commerce Ronald H. Brown said, "These findings confirm that women-owned businesses are substantial and growing contributors to the nation's economy particularly in terms of job creation."

The 1997 U.S. Census showed the number of women-owned firms increased by 16 percent from the 1992 census, tripling the rate of increase of all firms. Their receipts increased 33 percent, compared with 24 percent increase for all firms.

According to the Center for Women's Business Research, there are an estimated 73,792 majority-owned, privately held women-owned firms in Oklahoma. This accounts for 26 percent of all privately held firms in the state. Women-owned firms in Oklahoma employ nearly 127,000 people and generate over \$14.3 billion in sales. The number of these firms grew by 41 percent from 1997 to 2002. This equals six times the growth rate of all employer firms in the state. Among the 50 states and Washington, D.C., Oklahoma ranks 29th in the number of women-owned firms in 2002.

All of these statistics show women-owned businesses are becoming a more dominant element in the business community. This fact sheet will dispel myths and give tips on starting your own woman-owned business.

Beware

A common myth is there is free money available from government agencies and private foundations for beginning businesses. Late-night infomercials and Internet sites claim they know where free grant money is available for small businesses. The fact is most grants are awarded to non-profit organizations. Some of the top non-profit organizations receiving grants are the arts, humanities, education, environment, health and human services. You can find more information about grants for non-profit organizations at www.fdncenter.org. There are government grants available for businesses involved in research and development of crucial government projects. An example of a program is called Small Business Innovative Research, which awards grants up to \$100,000 for promising research ideas to be developed successfully. This program was created to meet federal research and development needs and is

coordinated by the Small Business Administration. However, these grants are not available for people interested in opening a typical small business.

Securing a Loan

There are procedures in place for small business loans that are available for most start-up businesses. To obtain a small business loan, one of the most important factors is the borrowers' credit history and their ability to pay the loan back. Most financial lending institutions offer loans for small businesses. It is important to find out what your local bank's small business-lending program and interest rates are.

The Small Business Administration offers loans and information on filling out loan applications and writing business plans. You can obtain an SBA loan through a local bank. The 7(a) Loan Guaranty Program is one of the SBA's primary lending programs, according to Stillwater National Bank.

This loan provides money to small businesses unable to secure financing on reasonable term through normal lending channels. These loans are most often used for financing of business purposes, purchasing real estate, buildings, equipment and machinery, inventory, refinancing and working capital. The amount available for lending is up to \$2 million. Ninety-eight percent of companies that reach the eligibility standards of no more than 100 employees in wholesale and up to 1,500 employees in manufacturing are approved. To find out more about the eligibility standards, go to www.sba.gov. To offset the costs of the SBA's loan programs to the taxpayer, the SBA charges a guaranty fee. However, the Oklahoma legislature recently passed a bill allowing businesses to recover this SBA guaranty fee. Small businesses in Oklahoma can claim a state tax credit equal to the guaranty fee paid for the guaranteed loan. Interest rates and collateral are dependent on the lender.

The SBA 504 Loan Program is available through the Small Business Administration. It provides long-term and fixed-rate financing for investment in long-term assets. These loans are intended for small- and medium-sized businesses. They also provide micro-loans for start-up, newly established or growing business concerns. Through this program SBA makes funds available to non-profit organizations that in turn, make loans to eligible candidates.

A fourth type of SBA loan is an SBA Express Loan. This type of loan is guaranteed a response from the SBA within 36 hours of receipt of the completed application. This type of loan involves a revolving line of credit, providing you with working capital. Up to \$150,000 can

be lent over 13 months with the option to renew annually for up to seven years. Eligibility is based on the size of the business in terms of average number of employees or amount of receipts.

Associations for Women in Business

In Oklahoma the Women's Business Center is a private, non-profit organization that trains and counsels women of all races and backgrounds in business ownership. The Center's full range of business and personal development services include classes, individual assistance, counseling and mentoring. The Center specifically provides assistance and counseling on basic business accounting, preparing income statements and balance sheets, tax regulations, managing cash flows, preparing a loan package, securing business credit and other business financial necessities. These are all necessary skills when procuring start-up capital for small businesses. The Center also provides marketing assistance, government procurement, certification assistance, loan packaging, loan goals and Internet training.

Another center providing assistance to women in Oklahoma is the Rural Women's Business Center. This Center is responsible for assisting rural Oklahoma's enterprising women learn more about the opportunities involved in starting a business or expanding an existing business. The Center works one-on-one with entrepreneurs, coordinates training and workshops, and builds partnerships with other organizations to provide assistance to women-owned businesses. Programming is provided in 21 counties in southeastern Oklahoma to assist women owners with business, technical and financial needs.

Nationally, there are associations for women-owned businesses and women in business. In the United States the American Business Women International, National Association of Women Business Owners, National Foundation for Women Business Owners, American Business Women's Association and the Women Business Owners Corporation exist. These associations have been formed to provide mutual support, share information, create networks and to lobby and advocate with governments and the business community.

Tips for Women in Business

Information for these tips came from the Center for Women's Business Research. For more information view their Web site at www.womensbusinessresearch.org.

Tip 1: Increase your Visibility

- A large percentage of women's business enterprises found their relationships with purchasing agents and supplier diversity personnel to be key.
- Know networking events, search databases and sponsor your own matchmaking events. Matchmaking events allow buyers and vendors to pre-schedule meetings about projects and needs. The matches are made after completing on-line profiles.
- Join a women's business organization. Surveys show three-quarters of corporations have joined the organizations to network with women owners.
- Many buyers interested in new suppliers rely on internal databases and third-party certification organizations.

Tip 2: Expand Opportunities through Subcontracting

- Women's business enterprises should align with first-tier or prime contractors as a way of participating in the marketplace.

- Subcontracting also is a way of increasing your business enterprise. This can grant exposure to the market you are interested in entering.
- Form strategic alliances between two or more firms with complementary products. This would allow partners to bid on larger contracts and be more competitive in the market.

Tips 3: Certification

- Certification validates your firm is a majority woman-owned firm (at least 51 percent) and is a woman-operated company.
- According to the Center for Women's Business Research, a number of corporations surveyed are actively expanding the role of women-owned businesses as suppliers.
- Most corporations look at third-party certifications for assurance. The firms they are working with are majority-owned by women.
- According to the Center for Women's Business Research, almost half of the women's business enterprises surveyed said certification was somewhat or very helpful in getting business with corporations.
- Over half reported being certified made a positive difference in finalizing a contract.
- The process, cost and benefits of certification vary according to the organization – be sure to look around for the best deal for you. You also can be certified with more than one organization. Some organizations offering third-party certification are the Women's Business Enterprise National Council and National Women Business Owners Corporation.
- Certification involves general business information, owner eligibility, financial structuring, management information, personnel and legal structure.

Tip 4: Be patient, responsive, creative and cost-effective

- According to the Center for Women's Business Research, almost all women business owners (94 percent) said patience and perseverance were extremely important.
- More than half of women business owners state that accounting, administration and technology are critical.
- Purchasing corporations rate responsiveness and cost effectiveness as the most important quality in a supplier; the second most important qualities are creativity and professionalism.

For more information

These links can provide more information.

American Business Women's Association - www.abwa.org

Alliance of Business Women International - www.abwi.org

National Association of Women Business Owners - www.nawbo.org

National Foundation for Women Business Owners - www.nfwb.org

National Women Business Owners Corporation - www.nwbc.org

Center for Women's Business Research -

www.womensbusinessresearch.org

Small Business Administration: Online Women's Business Center -

www.onlinewbc.gov

Helping Oklahoma Women Succeed in Business -

www.oiooio.com/wbcinformationpage.htm

Rural Women's Business Center - www.rei-rwbc.com

Small Business Administration - www.sba.gov

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