



CONNECTIONS

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Fall 2004

E-marketing: What's My Web Address?

By Joe Lemire • Computer & Internet Consultant

Imagine the following scenario: You've invested thousands of dollars in a professional website. It flashes, glows and is chock full of valuable information about your company. It's an important part of your business. You meet a new client, discuss a few ideas and direct them to your website to view the demo. But you have to write your web address on the back of your business card *because it's not printed on the card!*

Sound familiar? What about the print advertisement you bought? Does it have your phone number, fax number and address, *but not your website address?* What about your letterhead, brochures and company literature?

Displaying your web address is critical in driving traffic to your business. A recent study by Jupiter Media Matrix shows that 50 percent of website visitors browse your website before visiting your store or office. Websites with online catalogs and a physical store receive increased traffic due to website visitors.

Localizing this research, we conducted a study to determine the need for E-marketing services in North Florida by contacting 250 North Florida businesses with advertisements in one of four

publications: *The Florida Times-Union*, *Jacksonville Business Journal*, *Waters Edge* magazine and *Jacksonville* magazine.

The businesses we contacted had two things in common:
• All placed an advertisement in one of the publications.
• Not one company's advertisement listed a web address.

The results were somewhat surprising. 50 percent of the businesses buying print advertising maintained a website but didn't include the web address in the

advertisement. The other half didn't have a website at all. Twenty-five percent of business owners said they had a website, but didn't know the address.

Since that study, we followed up by "spot-checking" some of the same companies' advertisements and noticed future advertisements included a web address; an obvious step in the right direction.

In today's competitive environment, you must give your business every edge

(Continued on page 7)

Con-nect-ions

1. The act of connecting, or the state of being connected.
2. That which joins or relates, a bond or link.
3. Group of associates, often considered influential in some way.
4. **Small Business Resource Network.**

Dear Readers,

As our country re-unites after the divisive election, I'm struck by one idea: Were the candidates' views and positions really that far apart? Diametrically opposed? Virtually identical, as some posit? Were they simply different means to the same end: protecting and building America for this and future generations?



Presidential candidates can be compared to two business owners having a disagreement about an issue in their business. Every businessperson has (or should have) a vision of their business and where their business will be in five or ten years (and how to get there).

Business owners know there's far more required for the future success of a business than merely to "make more money." Disputes that begin small have a way of growing, and, often festering. With its principals at war, a business is either in or approaching disaster—civil war. Every jointly-owned business must have previously agreed upon manners for making decisions regarding an issue: by general understanding, percentage of ownership and/or voting power.

Think of historically successful two-person businesses: Sears & Roebuck, Wells Fargo, Hewlett Packard and Bausch & Lomb. All had mechanisms for dispute resolution. Regardless of timing, attorneys, accountants, consultants and lenders, like those in SBRN, can provide guidance and assistance. Effective dispute resolution among leaders (business partners, spouses or governments) provide for a less disruptive means of addressing how to get where decision-makers are going.

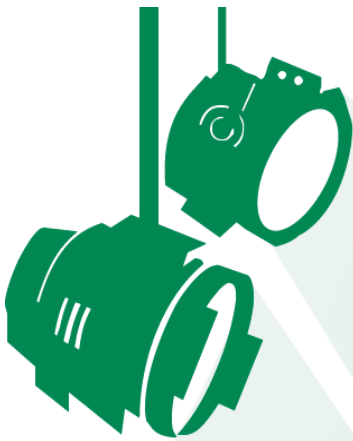
Unlike far too many nations today, Americans resolve our quadrennial dispute by peacefully going to the polls to select our leaders. May they be wise and have the common good primarily in mind.

Sincerely,

Howard Caplan, Esq.
2004 SBRN President



SBRN is a joint project of: UNF Small Business Development Center and the City of Jacksonville.



Spotlight on...

The Truth About 'Best Practices' in Human Resources

By Cindi Stone, PHR • Human Resource Consultant

What constitutes "best practices" in the human resources field is subjective, unique to each organization. What works for one company may not fit the culture of another organization. Best practices are not absolute actions, but rather a holistic approach to managing the human resource function, ultimately affecting every employee within the organization. However, some general factors constituting the uniform best practices in HR include:

Corporate Culture: The HR department should focus on corporate culture and how it shapes policies, procedures and behavior. It's essential to communicate the corporate philosophy to members of your workforce, stressing their role in supporting the company's goals and objectives.

Professional Ethics and Behavior: The best HR professionals recognize how personal and corporate ethics affect making decisions. They can resolve conflicts between personal ethical principles and corporate values while positively protecting the reputation and long-term interests of their company. True HR professionals set the best examples!

Communications: Effective communication with employees is an absolute on-going responsibility. The best HR department strives to maintain communications that are informative, broad in nature and involve extensive contact with all employees.

Continuous Improvement: The best HR departments are never satisfied... striving to work smarter, not harder. Feedback and evaluation from a variety of sources is welcomed and considered a basis for continuous improvement.

Leading organizations also offer educational opportunities to assist employees with personal development and career growth.

Employee Focus: The most effective HR departments provide

proactive rather than reactive solutions. They address employees' needs by cultivating trusting, personal relationships.

HR professionals should be accessible, approachable and available at all times. They should be viewed as a "resource" for employees to tap into.

Strategy and Commitment: Leading HR departments sustain a long-term commitment and a strategic plan that works; requiring constant dedication to analysis, review and change within the workplace.

The plan also requires specific direction and focus (rather than chasing the latest management fad or borrowing trends).

Top-performing organizations ensure that current HR practices are in alignment with overall long-term business strategies required to compete in the

marketplace and generate employee commitment and retention.

This process begins with scanning the organizational architecture. Gaining a collection of knowledge and diverse experiences becomes the organization's "glue" and the beginning of a top-notch HR department.

Cindi Stone, PHR is founder and president of HR Insight Consulting. She can be reached at (904)265-0759 or via the website at www.hriconsulting.com.

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Selecting a Qualified Business Appraiser

By Roger C. Birong, CBA, CMC • Business Consultant

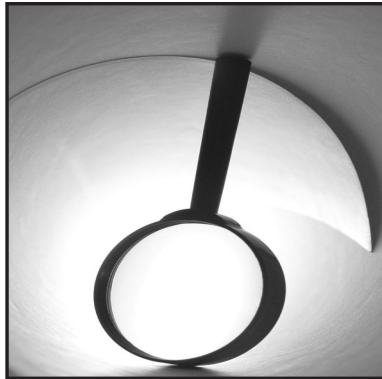
There are many purposes for which an owner of a small business may need an appraisal of his or her business. These might include estate, trust and tax planning, gifting a business interest, marital dissolution, sub chapter "S" elections, buy-sell agreements, the pursuit of venture capital or the acquisition or sale of the business.

In response to this need, numerous individuals stand ready and willing to provide an estimate of value for a fee, including business brokers, CPAs, CFPs, business consultants, real estate appraisers, bankers, lawyers, college professors and perhaps, your partner's brother-in-law, who reportedly once lived next door to a business appraiser.

Only some of these individuals are capable of providing a reliable estimate of value, depending on the appraisal's purpose and the size and complexity of the business. For example, experienced business brokers can be quite adept at preparing value estimates for their small "main street" clients, especially those who operate in a distinct industry. Therefore, it's reasonable to approach a business broker to assist in the development of an asking price or offer price if you're considering the sale or acquisition of a very small business. But can you rely on this same broker to provide an appraisal for estate tax planning? And what about larger companies with, say, more than \$1 million in gross revenues? Probably not a good idea.

First, if a valuation is needed for tax purposes, the Internal Revenue Service expects the appraisal to be performed in accordance with the Uniform Standards of Professional Appraisal Practice and Revenue Ruling 59-60. Although there can be no guarantee that the IRS will not challenge a value estimate, you run a higher risk of finding yourself in tax court if your appraiser is not well-versed in these standards. IRS officials currently estimate about 50

percent of all valuations submitted in conjunction with estate or gift tax returns are reviewed and those not performed properly will be challenged.



Further, if the purpose of your appraisal involves a third party such as a minority interest holder or partner, a qualified, independent appraisal may allow the parties to avoid costly litigation. If litigation is imminent (often the case in divorce proceedings), you'll want a highly qualified professional to provide expert witness testimony in addition to the initial valuation.

Finally, if your business's annual gross revenues exceed \$500,000, its growth trends, operations and capital structure probably preclude it from being reliably valued with typical methods used for small businesses. In fact, value estimates of large, complex businesses (derived solely from multiples or "rules of thumb") can easily be hundreds of thousands, or even millions of dollars in error. In short, a business owner must carefully consider the tradeoffs between cost, reliability of results, and the independence of the appraiser when selecting a professional to estimate the value of his or her business.

Individuals qualified to perform business appraisals usually attain a professional designation from a reputable institution in the business valuation industry that attests to the person's qualifications. There are four senior designations which are highly regarded in the business valuation industry. They include the CBA (Certified Business Appraiser, from the Institute of Business Appraisers), the ASA (Accredited Senior Appraiser for business valuation, from the American Society of Appraisers), the ABV (Accredited for Business Valuation, from the American Institute of Certified Public Accountants), and the CVA (Certified Valuation Analyst, from the National Association of Certified Valuation Analysts). A professional who holds any one of these designations has demonstrated his or her expertise in the field of business appraisal.

Numerous other designations exist as well, but none of the organizations providing them require the level of training, expertise and experience required by the institutions that confer these four. If you're in need of a valuation by an independent qualified appraiser, your best bet is an individual who has earned one of these designations.

Roger Birong is a Certified Business Appraiser, Certified Management Consultant and president of Birong Associates, LLC. He can be reached at (904) 246-9948 or via the firm's website at www.birongconsultants.com.

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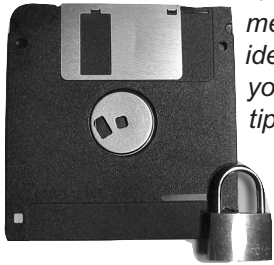
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WBO of the Year Award program
Tradeshow participation
WBO membership directory
WBO monthly newsletter



Call Kim Knapp, Membership Chair at 278-9270
Email: admin@jaxwbo.org

Defend Yourself from Identity Theft



Editor's note: A recent SBRN meeting discussed the rise in identity theft and ways to reduce your risk, including the following tips:

- Never provide personal information or passwords in response to an unsolicited request, either by Email, phone or by mail. If the request seems legitimate, initiate contact by calling the number on your account statements or logging onto the company's website from a typed-in address or a previously saved link. Don't be thrown by the "urgency" of the message.
- Never use links provided in suspicious Emails. They could direct you to a very realistic, but fraudulent website or contain a virus, thereby contaminating your computer.
- Review account statements often to ensure you're being correctly charged. If you notice a discrepancy, notify your financial institution immediately. Also alert the three major credit bureaus to place fraud alerts on your accounts.
 - Equifax, 1-800-525-6285
 - Experian, 1-888-397-3742
 - TransUnion, 1-800-680-7289
- To report suspicious activity (Emails or calls), notify the Federal Trade Commission at www.consumer.gov/idtheft or by calling 1-877-IDTHEFT. You can also inform the Internet Crime Complaint Center (a combined effort between the FBI and the National White Collar Crime Center) at www.iccfbi.gov. This protects future consumers from being scammed, as well.



Did you say *celebrate* taxes?

They came in all shapes and sizes... Coffee beans, green beans, and jellybeans paid the way into "bean counters" Patrick & Robinson, CPAs' Income Tax birthday open house, Oct. 1. Mark Patrick and Adam Robinson and their staff looked surprisingly comfortable in 1913 garb. With Uncle Sam making the rounds, the accounting duo mingled with clients and guests and admired a vintage 1913 automobile, completely restored and featuring four speeds, cruise control and a convertible top. Best of all, the food contributed for admission was donated to the City Rescue Mission.

VR

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The Importance of Personal Financial Statements

By Fred W. Bower • Lender

When you visit your lender to borrow money for your business or buy commercial real estate, one of the first documents the loan officer asks for is your personal financial statement (PFS). These statements come in a multitude of formats based on the need of the financial institution. The basic premise for each is to determine your assets (property owned) and liabilities (who and how much you owe).

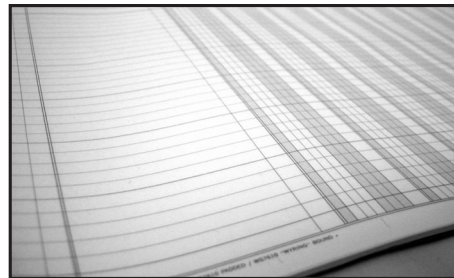
A prudent lender advises his or her customers to be accurate in the evaluation of assets and in the amount of liabilities. Most people preparing a financial statement want to show the maximum amount of assets owned and the least amount of liabilities. While this is not the proper thing to do, it can easily be the most natural. In this way, the customer will have a favorable net worth.

I suggest to my customers that they use good judgment when placing a value on assets. In most instances, the values can be supported with documentation, which can be attached to the PFS. Documentation of liabilities comes in a simple form: a recent statement from the creditor.

In regards to assets, many customers list face value of life insurance policies. I've never seen a PFS requiring this to be listed as an asset. The statement does, however, include a space for Cash Surrender Value of Life Insurance (CSVLI), or funds that can be used as collateral for a loan. A printout of this asset may be obtained from the insurer and should be

attached to the PFS. All cash items (checking and savings accounts, IRAs and CDs) can be confirmed with a recent bank statement. If there's any doubt about the value of real estate, attach the most recent Ad Valorem Tax Notice to the PFS. This notice from the appraiser's office may include a tax assessment value and a fair market value.

Accurate liability disclosure is critical to the overall value of the PFS. I urge each customer to attach a current statement from each creditor if there is any doubt as to the balances owed. One of the first transactions by the lender is to order a credit report on the customer. Once these reports are received, they're matched to the liabilities listed in the PFS. If a substantial variation exists in the balances shown, it raises concern.



The customer may not be a credible manager or is attempting to make a false statement. Those customers applying for a loan from the Small Business Administration (SBA) will prepare the SBA Form 413, PFS. Prior to the signature line, the customer acknowledges that if a false statement is made in an attempt

to obtain a loan, they can be prosecuted by the U.S. Attorney General and forfeit all benefits. Therefore, you must be as accurate as possible in your disclosure.


There are many reasons why a lender needs accurate financial information from a potential borrower. First, it helps the lender determine cash equity injection that as part of the overall finance plan. For example, if the borrower is required to inject cash in the amount of \$20,000 into a business venture, there must be evidence that these funds exist. Therefore, a recent bank statement should be attached to the PFS to verify the existence of the funds.

A second reason for accurate data is to verify financial depth. When a loan is made, it is amortized over a specific term. During this time, the lender is looking for assurance that the borrower will have sufficient cash reserves to carry the business through any difficult period; an extremely complicated item to measure.

Lenders and the SBA require that a borrower prepare a PFS annually, providing accurate and current information for personal estate and financial planning. PFS Form 413 forms may be found at www.sba.gov.

Fred W. Bower is vice president for Liberty National Bank. He can be reached at (904) 737-1776 or via Email at libjax@bellsouth.net or www.libertynationalbank.com.



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To Own or Lease... There is No Question!

By Kristen Tackett • Lender

With interest rates still at historic lows, now is a great time for small business owners to reap the rewards of owning rather than leasing commercial real estate.

Through the Small Business Administration (SBA), the U.S. Government has made the 504 loan program available to North Florida businesses. The low down payment and below-market interest rates of 504 loans offer small- to mid-size businesses the advantages of owning instead of paying rent. Businesses in every Florida county have taken advantage of these loans. Use of the program in Florida (and nationally) is at record levels.

504 loans enable owners to preserve more capital for other uses and gain the highest cash-on-cash return for that capital. In addition, longer loan amortizations mean smaller monthly

payments which lessens the impact on cash flow. Some new buyers realize a 40 percent overall reduction in real estate expenses.

Because of 504 loans' below-market rates, low down payments and favorable terms, they're often better suited to small businesses than conventional bank loans. 504 loans can be used to purchase real estate, build new facilities, modernize or renovate existing facilities, or purchase machinery or equipment. The program offers additional benefits for women-, veteran- and minority-owned companies, export-related companies and businesses in rural communities.



Typical loans range from \$125,000 to \$5 million. To qualify, a company must be a for-profit small business in Florida with a start-up or expansion project. Most types of projects and companies are eligible, with the exception of pure refinance.

Kristen Tackett is the Northeast Florida loan officer with Florida First

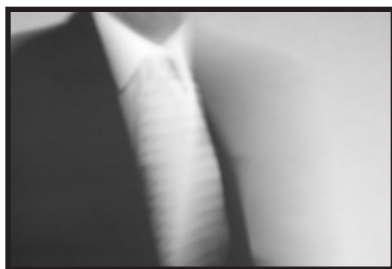
Capital Finance Corp. and can be reached at (904) 334-0651 or (904) 861-2270. Kristen can also be Emailed at kristen@ffccf.com.

Today's Economy: Company Loyalty For Sale

By Mary W. Jarrett • Attorney at Law

Company loyalty is a sparse commodity these days. With the up-and-down economy, it seems people switch jobs more often than they do cars. As small business owners, staff turnover and training constantly affects our day-to-day business. We expect our employees to be loyal and hardworking, helping grow our businesses the same way we would.

Loyalty is often a tangible thing. Do our employees purchase our products? Do they network and tout our services to friends and family? We expect (and need) our employees to be our best salespeople. Our success often depends on it. How would it look if I sold (and constantly touted the benefits of) Ford automobiles while driving a Buick?



But you should be aware that terminating an employee for purchasing a competitor's product instead of the employer's violates Florida law.

Not many businesses know that Florida Statute Section 448.03 states (in part) that "Any person or persons, firm, joint stock company, association or corporation . . . having persons in their service as employees, who shall discharge any employee or threaten to discharge any employee in their service for trading or dealing, or for not trading or dealing as a customer or patron with any particular merchant . . . shall be guilty of a misdemeanor of the first degree."

Based on this statute, a Florida appellate court recently held that terminating an employee for purchasing a competitor's product

violates a consumer protection law and gives the terminated employee the right to sue for unfair and deceptive trade practices. In this case (Smith v. 2001 South Dixie Highway, Inc.), the employee, whose employer sold cars, purchased a car from a competitor's car lot and her employer fired her for doing so.

Business owners should take note: you can't take adverse employment action against employees who, while acting as typical consumers, do business with a competitor. That's the beauty of living in a free society. Like all Americans, employees are free to buy from and sell to whomever they please.

Mary W. Jarrett is an attorney with Coffman, Coleman, Andrews and Grogan, P.A. and can be reached at (904) 389-5161 or via Email at mjarrett@ccaglaborlaw.com.

E-marketing: Publicize Your Address

(Continued from page 1)

possible. The following is a checklist of "must-do's" for web-based marketing.

- Your web address is as important as your physical address. Make sure it's listed on every outgoing item in your office (i.e. boxes, letters, invitations, letterhead, business cards, brochures, envelopes, mailing labels, magnets, etc...).
- If you purchase advertising, list your web address prominently in print and mention it at the beginning and end of radio or TV ads.
- If you purchase banner advertising linking to your website, check the link regularly. Servers often fail and get refreshed, potentially compromising your link.
- Post your web address near all phones in your office, ensuring if a customer calls and asks for it, all employees can provide the answer.
- Make your website part of your new employee orientation.
- Register your website with all major search engines annually. If you register on search engines too much, it's viewed as "abuse" and you may be kicked out forever!
- Take advantage of any free web listing service or directory.
- If you write news releases, include your web address.
- Add your web address to the "signature" at the bottom of your outgoing Emails.



- Use an Email address that reflects your domain name. For example, instead of ABCcompany@AOL.com, use Sales@abccompany.com.

If you're in the business of web development, advertising, marketing or printing, advise your customers on the basics of web marketing. If you're printing their business cards or other company literature and don't see a web address listed, ask them if they have one and include it in the design.

E-marketing can be very simple. Like almost everything else in life, it's all about paying attention to the details.

Joe Lemire is Chief Innovator at elyk innovation. He can be reached at (904) 998-1935 or via the company's website at www.elykinnovation.com.

Small Business Incubator Hatches into the Future

Beaver Street Enterprise Center's small business incubator is experiencing monumental growth. With 16 new businesses, four applicants nearing acceptance into the program and several more in final stages of the application process, the incubator is truly "hatching" onto the small business scene.

The center was built with support from the city of Jacksonville and the U.S. Department of Commerce. It's located in the Jacksonville Economic Empowerment Zone to restore and strengthen the economic foundation of an area struggling to thrive.

The brainchild of FreshMinistries, a non-profit organization dedicated to community growth, and modeled after a successful program in Philadelphia, the incubator is the result of a comprehensive study of the needs and assets of the core city. Beaver

Street Enterprise Center is the only inner-city, full-service business incubator in Florida.

Program coordinator, Jackie Perry, was recently promoted to manager of the 25,000 sq. ft. business incubator center.



Perry joined the incubator staff in 2003 to coordinate and direct training programs, workshops and other services for business participants.

"Businesses remain here for two to three years and then are assisted in finding permanent locations,"

Perry said. "The programs, the mentoring and the revolving loan fund here have created a strong system, giving our participants a good foundation for success."

Many of the incubator's participating businesses are women- and minority-owned. The campus has created more than 60 jobs in the urban core since opening in June 2003.

"Jackie has been a tremendous asset to our community and we're glad she agreed to take over the reins of the incubator," said The Rev. Dr. Bruce Grob, chief operating officer of FreshMinistries. "We know this program is in very good hands."

For more information on Beaver Street Enterprise Center or the small business incubator, call (904) 265-4702 or visit www.bsecenter.com.

SBRN Members**Nominated for Award**

Congratulations to SBRN members Adam Robinson, CPA of Patrick & Robinson, CPAs, LLC and Sandra Brooks of INCOMM International Inc., who were nominated by their respective area councils for the Jacksonville Regional Chamber of Commerce Small Business Leader of the Year. Well done!

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