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Johnette Witcher & Shatterrica Gentry

Stephen Walker & Megan Whitehead

Cindy Y. Grimes

Joyce Scott & Clevon Young

Vergie Burton

Scott McDonald

Jackie Young

Sheila Pearson & Dr. Robin Sronce

Michael Jones & Kenyana Jones

Janell Reeves & Brother Micah Carter, Pastor

Michael Jackson & Annette Hughey

Artee Porter

Streaming Live from Monticello. Above are pictured conference participants from the Monticello, AR, site, which was simulcasted along with the Magnolia, AR, site.

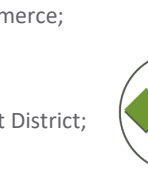
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 FORGE; &
 Arkansas Small Business and Technology Development Center

U.S. Small Business Administration

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 Bodcaw Bank;
 Calvary Baptist Church;
 City of Magnolia, AR;
 First Baptist Church of Monticello;
 Magnolia-Columbia County Chamber of Commerce;
 Simmons Bank;
 Southern Arkansas University;
 Southwest Arkansas Planning & Development District;
 Top Sarge Entertainment and Catering;
 Union Bank;
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 U.S. Small Business Administration Office of Advocacy;
 University of Arkansas Cooperative Extension Service; &
 University of Arkansas at Monticello



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AHDC

2023 Southwest Arkansas - Rural Business Development Conference

Breaking Barriers: Engaging Minds, Empowering Success

See the Resource Guide at www.DeltaTAGuide.com



CONFERENCE PROCEEDINGS NEWSLETTER • JUNE 9, 2023, EDITION • MAGNOLIA, AR

TOP SARGE SALUTES ASBTDC, SAU

Thanks to the work of staffers like Janell Reeves, Florence Nunn and Aimee Weaver, Arkansas Small Business and Technology Development Center (ASBTDC) gets great reviews for helping businesses. Services are free and include: business consulting, market research, technology and Training



Janell Reeves



Aimee Weaver



Florence Nunn



From Left: Clevon Young, Renee Dycus, Christian Pennington, Adriene Brown, Janell Reeves & LaTwan Cheatham



The Business Spotlight on: Top Sarge Entertainment LLC. From Left: Florence Nunn, Jody Mallory, Sheila Pearson & Janell Reeves

NEW SBA DISTRICT DIRECTOR CONNECTS, MAKES IT PERSONAL, RELEVANT

My father ... he was a dreamer," said new U.S. Small Business Administration (SBA) District Director, Arkansas District Office, Adriene Brown, "he always wanted to start a business."

She said, her father would have benefited from attending the 2023 Southwest Arkansas Rural Business Development Conference.

He never knew about the SBA or the many programs presented at the conference, such as the no-cost technical assistance and many financing options, she said. The procurement help alone can create generational wealth.

She joined SBA after a stellar career working in the nonprofit, private and government sectors. Her track record includes serving as Deputy Division Chief for Shared Services, and Outreach and Engagement Branch Chief for the Center for Development of Security Excellence for the Department of Defense.

Ms. Brown said she joined SBA because "I like to help people ... like to see people win and love connecting people."

The SBA connects people to resources and partners but also supports many of the resource providers through funding and loan guarantees.

So what else is the SBA doing? Ms. Brown said SBA has goals for increasing procurement among women-owned businesses and small economically disadvantaged businesses. The goals for them getting part of the \$560 billion in federal contracts is 5 percent for women-owned businesses and 12 percent for small disadvantaged businesses.

Ms. Brown's team does a great deal of online training. She encouraged participants to follow her Office through social media to learn about the training. For help, reach her Office at 501-404-7781.



Adriene Brown

She also encouraged conference attendees to take advantage of the many resources discussed at the conference. "It really is going to be up to you to reach out to them [the resource providers] whenever you need them, she said.

PROFESSOR SAYS SOCIAL MEDIA NOT JUST SOCIAL

Young people are embracing social media, but they think it's just social, said Southern Arkansas University's Sheila Pearson, Associate Professor of Information Systems, Marketing and Management.

Professor Pearson, who teaches social media, says it's a mistake not to recognize the business aspects of social media. That goes not only for young people but also for entrepreneurs. To emphasize the error, she shared the following thoughts from other leading thinkers:

1. "Social media for business is no longer optional." Stacey McLachlan
2. "Social technologies stand to unlock \$1.3 trillion in business value." McKinsey Global Institute Report
3. "Attention is the scarcest resource companies must compete for 24 hours a day seven days a week." Susan Chesley Fant, Univ. of Alabama



Sheila Pearson

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LENDERS PANEL ANSWERS BIG QUESTIONS ABOUT GETTING FINANCED

Everything you ever wanted to ask a banker but was afraid to ask would have been a good name for

the Lenders Panel at the 2023 Southwest Arkansas Rural Business Development Conference.

Panel moderator Christian Pennington, Lender Relations Specialist, U.S. Small Business Administration (SBA) came prepared with questions, and the five business lenders had answers. Here's the list of the institutions:

- ✓ **Arkansas Capital Corporation Group (ACCG)** is a 65 year-old nonprofit organization, which mission is to assist people in underserved communities.
- ✓ **Bodcaw Bank** is a traditional lender that makes loans ranging from car loans to houses to commercial loans.
- ✓ **FORGE** is a nonprofit lender that specializes in loans under \$50,000 to borrowers who aren't ready for traditional lenders because they may not have the collateral, credit or loan size that banks require.
- ✓ **Simmons Bank** is a one of the larger banks in Arkansas. It and ACCG are SBA preferred lenders, which means they can generally approve an SBA 7(a) guaranteed loan faster.
- ✓ **Union Bank and Trust** is a 130 year-old community bank which loans range from \$500 personal loans to \$6 million business loans.

Question #1: What is Collateral? **Bodcaw Bank Vice President, Lending Tom Sawyer** answered by saying that collateral is an asset that borrowers are asked to pledge so that the lender has some assurance that the borrower will pay.

Generally, the asset must be worth more than the loan amount, he said. That way, the lender has some assurance that it will recover what's owed if the borrower doesn't pay, and the asset must be sold to pay off the loan.



Christian Pennington

Question #2: How does the SBA 504 program help finance asset development?

ACCG Vice President, Lending LaTwan Cheatham responded that the 504 program is designed to finance fixed assets like real estate and heavy equipment. The 1st lender (usually a bank) lends 50 percent of the project; an SBA 504 lender, like ACCG, lends 40 percent; and the borrower usually injects 10.

The borrower makes one loan payment to the bank and another one to the 504 lender, which takes a second mortgage and provides fixed rate financing up to 25 years at below market interest rates.

Question #3: Please explain the difference between an SBA 7(a) loan and conventional financing.

Brian Hargis, Community President, Simmons, explained that the SBA 7(a) program guarantees business loans. The up to 85 percent SBA guarantee on loans up to \$5 million allows lenders to take more risk and improve terms, such as:

1. Conventional loans usually mature in three-to-five years, whereas 7(a) guaranteed loans often mature in 10-to-20 years.
2. Under conventional lending, borrowers generally must inject 15-to-20 percent, but that might be reduced if there is a 7(a) guarantee.

Mr. Pennington added that 7(a) doesn't allow balloon payments, meaning that 7(a) loan payments are generally level, and lenders can't schedule a large balance to come due at one time.

Mr. Hargis advised that businesses need: (1) a good idea, (2) a plan and (3) good data. He suggested that the Arkansas Small Business and Technology Development Center (ASBTDC) can help provide data and help entrepreneurs flesh out their plans.

Question #4: What is working capital?

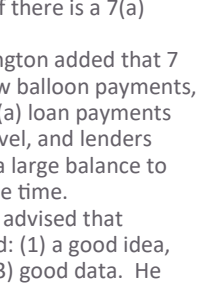
Megan Whitehead, South Arkansas Regional Director, FORGE, explained that working capital is cash-on-hand to make sure a business can pay its bills on time.



LaTwan Cheatham



Brian Hargis



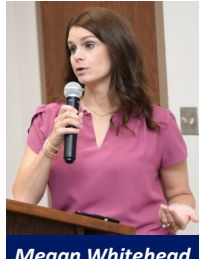
Tom Sawyer

Startups need enough working capital to cashflow until the business starts to generate positive cash, she said. Businesses are usually told they need three-to-six months of working capital.

In reality, the need varies by business, said Ms. Whitehead, and the ASBTDC can help figure out the best amount for a specific business.

Question #5: What do you consider when making a business loan?

Mark Tiner, Senior Vice President, Union Bank answered by listing several items he considers.



Megan Whitehead

1. He wants to see tax returns, a balance sheet and an income statement. His bank generally requires owners to inject up to 20 percent of the capital required. That can be cash or a pledge of another asset, he said.
2. Another critical item is cashflow, which he measures as a year-over-year increase in cash.
3. Mr. Tiner said that he prefers to see at least a 1.2 debt coverage ratio, which means that the business had 20 percent more cash than it needed to pay its expenses and service debt.



Mark Tiner

SBA OMBUDSMAN OFFICE, A VOICE FOR SMALL BUSINESS

Janea Jamison is a voice for small business in government. Her title is Regional Advocate for Region 6, Small Business Administration Office of Advocacy. Region 6 is one of 10 nationally. It includes Arkansas.

Congress created the Office of Advocacy (OA) in 1976 to be a watchdog agency and an independent voice for small business in government. Run by the Chief Counsel for Advocacy, the agency's three pronged approach includes a regulatory mission, research mission and legislative mission.

The research component emphasizes economic matters like business turnover and employment. Ms. Jamison reported, for example, that between 3-2020 and 3-2021, 8,644 businesses opened in Arkansas.

Overregulation can overburden and be costly to small businesses, so OA's advocacy in rulemaking is essential.

Speaking at the Rural Business Development Conference, she encouraged attendees to get involved by commenting on proposed rules. For guidance, contact Ms. Jamison at Janea.Jamison@sba.gov. Also sign up for regulatory alerts at <https://advocacy.sba.gov/>.



Janea Jamison

BUSINESS RESOURCE GUIDE. ALSO VISIT WWW.DELTATAGUIDE.COM		
LEGEND: Dir stands for Direct Lender/Loans; M is Microlender; Gaur is Guarantor; 2nd is Junior lien under SBA 504; Grant is Grant; & TA is Technical Assistance		
Simmons Bank Brian Hargis 870-460-7000	Dir	Direct lenders like these may be the best place to start looking for financing. They make a variety of loans and offer good advice.
Union Bank & Trust Mark Tiner (870) 460-6400	Dir	
Bodcaw Bank Tom Sawyer (870) 626-3400	Dir	
RMI, Inc. Mindy Murray 573-635-0136 or 800-234-4971	Dir 2nd Mort	These lenders provide a variety of investments but also SBA 504 loans for fixed assets. The 504 program lends up to 40% of a project but accepts a 2 nd mortgage. Borrowers only needs 10%-to-20% down.
Arkansas Capital Corporation Group LaTwan Cheatham 501-374-9247	Dir 2nd Mort	
USDA Business & Industry Loan Tim Smith 501-301-3280	80% Guar	These agencies guarantee loans to make it easier to borrow. The maximums guarantee are shown at left. Step 1 is to find a direct lender like the banks listed, ACCG or RMI, Inc.
SBA 7(a) Loan Program Christian Pennington 501-404-7795	85% Guar	
FORGE Megan Whitehead 479-738-1585	M, Dir & TA	These lenders make \$500 to \$50,000 microloans, which qualify borrowers for 25 hours of free technical assistance. With other funds, CU lends up to \$100,000. FORGE up to \$200,000.
Communities Unlimited Marnell Love 479-443-2700 Ext 242	M, Dir & TA	
Arkansas Small Business & Technology Development Center Janell Reeves 870-235-5033	TA	ASBTDCs provide free business consulting, training & market research. Occasionally, the ASBTDC charges a small training fee to recoup costs.
Arkansas APEX Accelerator Tierra Hutley 501-671-2393	TA	Arkansas PTAC provides free help with securing government contracts.

SWAPDD EXECUTIVE BUILDS SUCCESS THROUGH STRATEGIC PARTNERSHIPS

Executive Director Renee Dycus was making a point when she listed the services provided by her Southwest Arkansas Planning and Development District. Everything SWAPDD does requires partners.

"You can't plan or develop anything on your own," she said, "you have to have help."

Ms. Dycus's 34 year career at SWAPDD took her from being a bookkeeper sitting behind an adding machine to having to develop specific, high level partnerships to implement projects. Her accounting degree

didn't teach her that, she said. When she got started doing community and economic development work, there was a lot she didn't know. "You'll never know everything," she said, "but don't be afraid to ask."

Her advice was to develop relationships with people who have specific relevant knowledge. Other key points included:

1. Make acquaintances.
2. Be friendly.
3. Build trust over time.
4. Do what you say you will do.
5. Remember that a partnership is a two way street with give and take.



Renee Dycus

STRATEGIC PARTNERSHIPS REQUIRE TRUST, MUTUAL BENEFIT

Michael Jackson started his presentation with a story about faith to illustrate the need for trust and risk in strategic partnerships. Mr. Jackson is President & CEO of Delta Community Development and Law Center, Inc., a nonprofit that does community development.

He presented the following key points from what he called "better speakers" on the topic.

1. "Never, ever, never lie ... not even to the worst of enemies." This quote by Judge Olly Neal
2. "Seek commonality..." Judge Neal

3. Start with the end-goal of what "you" are trying to achieve. Mark O'Mell
4. Treat people right because today's acquaintances may be tomorrow's strategic partners. Clint Nelson
5. Partnerships are about building relationships. Building relationships take time. No one is ever finished building partnerships. Steve Mosher, USDA Rural Development

6. Figure out what partners can and can't do. Mr. O'Mell
7. Determine ahead of time what strengths "you" can offer partners. Mr. O'Mell

Social Isn't Just Social from Page 1

2. Lack of a formal strategy
3. Building a community of followers and influencers

Professor Pearson shared the following list by Statista of the eight most popular platforms and their number of active users in millions.

1. Facebook - 2,958
2. YouTube - 2,514
3. WhatsApp - 2,000
4. Instagram - 2,000
5. WeChat - 1,309
6. TikTok - 1,051
7. Facebook Messenger - 931
8. Snapchat - 635

She said, the most valuable are, in order: Facebook; LinkedIn; YouTube; Twitter; and Instagram. Professor Pearson not only teaches social media, she oversees class projects in which students help businesses with social media. An example is Top Sarge Entertainment LLC. Read all about it on Page 1.

Business Spotlight from Page 1

Conference, he let everyone to know about the help he received from Arkansas Small Business and Technology Development Center (ASBTDC) and the Southern Arkansas University (SAU) social media class led by Professor Sheila Pearson.

"If you use them, you will get the resources," said Sargent Mallory, as he applauded the ASBTDC's and SAU's work and encouraged entrepreneurs.

When he started his business, he only wanted to do entertainment; i.e., provide porta-potties, tables, fans, chairs, etc. for outdoor events. However, people recognized his cooking skills and convinced him to expand into catering. He has stayed in the entertainment business but has grown his catering operation from one day a month to four days a week.



SgtMaj Jody Mallory

Conference attendees experienced his skills firsthand since Top Sarge catered the conference.

Turns out, he is a good speaker too. Attendees heard the following key points from Sargent Mallory.

1. No one cares more about "your" business than "you."
2. Business is seven days a week, 24 hours a day.
3. Be disciplined.
4. Advertising works, and social media is essential.
5. Provide good service, and be open when "you" say you will be open.
6. "You have to ... put your all into your business. If you put your all into it, it [success] will come.
7. You first have to have a goal and a dream," and "you" should like what you do.

AR APEX COUNSELOR SAYS MARKETING = SELLING

Tierra Hutley is a procurement counselor for Arkansas APEX Accelerator (AAPEX) who radiates enthusiasm for helping Arkansas small businesses get government contracts. She and her agency are getting results.

From July 2021 to June 2022, AAPEX helped Arkansas businesses win 1,951 contracts valued at \$169,300,688. That work created or maintained 3,598 jobs.

All AAPEX services are free, and some key ones include:

- One-on-one consulting
- Bid matching
- Bid interpretation
- Proposal review
- Subcontracting assistance
- Free live and on-demand training

Marketing to the government generally means selling, says Ms. Hutley. Government buyers buy products not the process.

There are three types of

BUSINESS OPPORTUNITY ABOUNDS AT ADWS, CONFERENCE

Business opportunity abounded at the 2023 Southwest Arkansas Rural Business Development Conference.

Arkansas Division of Workforce Services (ADWS) Program Manager Ida Emerson and Division Manager Carla Morris described several opportunities that should interest businessowners.

First, the Arkansas Temporary Assistance for Needy Families (TANF) program contracts with businesses to provide services and goods that foster independence, responsibility and productive behavior among families. TANF procures things like clothing,

target markets - producers, influencers and end users - and entrepreneurs can be strategic about selling to government. She lists these tips:

1. Evaluate "your" products and services for the government market.
2. Learn about the tools that are available for marketing to the federal government.
3. Emphasize "your" benefits.
4. Request a debrief (it's your right) if you aren't successful.
5. Develop a capability statement, which is a business's resume.
6. Trade shows, agency events and pre-bid conferences are good ways to network.

Ms. Hutley says there is a 5 percent (%) federal procurement set-aside for women-owned businesses; 11% for small and disadvantaged businesses; 3% for service disabled veteran-owned businesses; and 3% for HUBZone businesses.

For no-cost, professional help, reach Ms. Hutley at 501-671-2393 or thutley@uada.edu.

transportation, education and employment skills development.

A second opportunity is the Individual Development Account (IDA) program. It matches savings by persons who want to go into business, rehabilitate their homes, buy a house or pay for post secondary education.

For each dollar saved by an eligible household, IDA provides three dollars, not to exceed \$2,000 per account holder or \$4,000 per household, said Ms. Emerson. She also described other programs designed to encourage employment, career development and work ethic.

Ms. Morris announced that TANF would become part of the Department of Human Services effective July 1, 2023. Contact Ms. Emerson at 501-683-1786 or ida.emerson@arkansas.gov.



Ida Emerson **Carla Morris**

Special Thanks to Southwest Arkansas Planning and Development District, and the University of Arkansas at Monticello for providing great conference space and a courteous, professional staff.