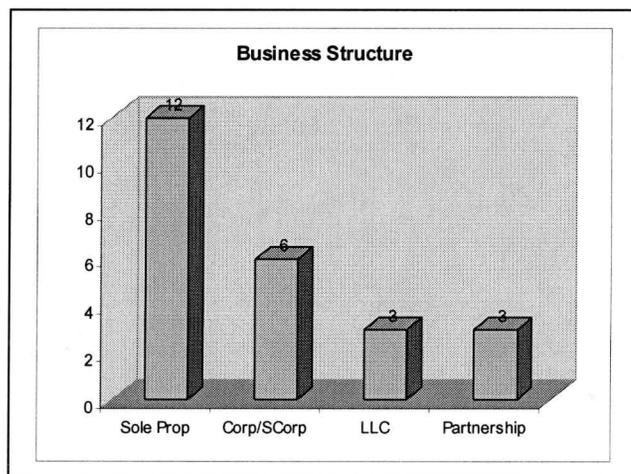
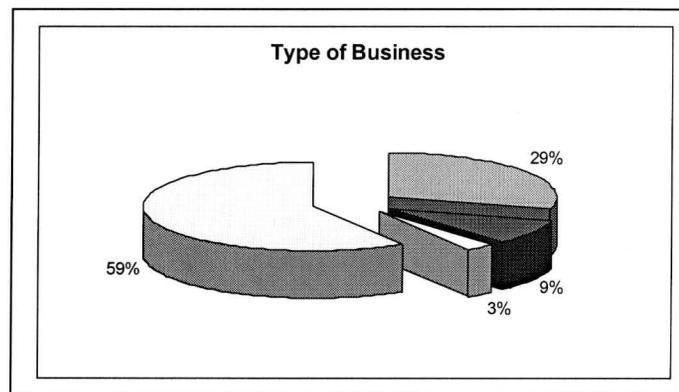
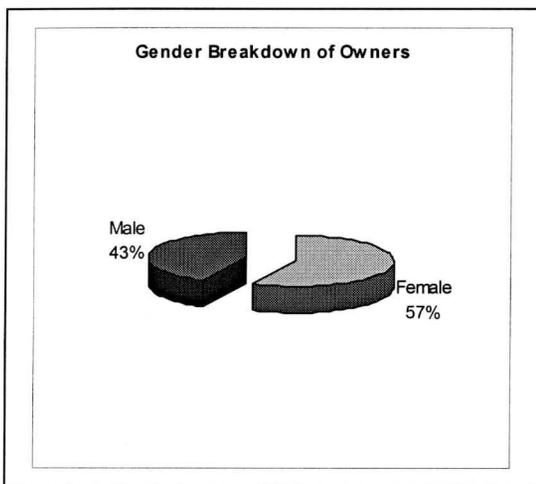
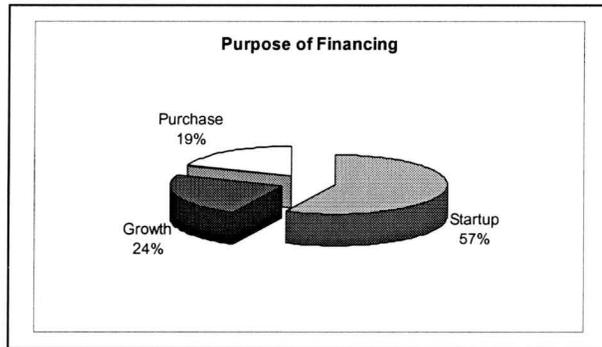


APPENDIX A

Graphs Illustrating Characteristics of Target Community



APPENDIX B

APPENDIX C

2002 INTERVIEW GUIDE

Date of Interview: _____

Business Name: _____ **Respondent Name(s):** _____

Business Location:

Principals' Gender _____ **# of males** _____ **# of females**

Business Registration Type:

_____ Sole Proprietorship _____ Partnership _____ LLC _____ Scorp _____ Corp

Family Run Business? _____ **Yes** _____ **No**

Number of Years/Months in Business

_____ Years/ _____ Months

Date of Loan Disbursement

Loans Received (thru 12/31/02)

Any Modifications to Note (type, date)?

Financial Indicators

Adjusted gross income from 2001 Tax Return

Adjusted gross income from 2002 Tax Return

Sales as of 12/31/01:

Sales as of 12/31/02:

Value of assets as of 12/31/01:

Value of assets as of 12/31/02:

5. What steps do you think you need to take this year to make sure things go well?

6. In what way, if at all, do you think the “recession” has affected your business, if at all?

Assessment of CVRLF Services

7. What CVRLF assistance (financial or technical), if any, did you access last year? If yes, skip to #11.

8. If you did not access technical or financial assistance, are you aware of the kind of assistance we provide?

9. If so, what kept you from accessing the assistance?

10. What kind of assistance do you think the CVRLF should provide?

11. How did the assistance affect you and/or your business?

a. Can you attribute any positive changes in you or your business to the technical assistance?

b. What were some of the most useful things you got from the technical assistance?

c. If you could two things about the technical assistance you received, what would those two things be?

Role of Entrepreneur

12. How much time do you spend per week at your business (on average)?

13. On a scale of 1 to 5 - where 1 is not enough and 5 is more than enough – to what degree do you feel your take home enough pay from your business to meet your household needs?

14. Do you have basic healthcare coverage?

15. What additional support, if any, do you feel you need in order to successfully operate your business?

Job Creation/Retention

16. How many people (PT and/or FT), excluding yourself, did you employ in 2001? Is this more or less than what you expected? Why?

_____ Less than P/T (avg. hours per person _____) _____ P/T (20 hrs) _____ F/T (40hrs)

17. If you have employees, how many employees received the following wage rates?

< \$5.75	_____	\$13.01 - \$15.00	_____
\$5.76 - \$7.00	_____	\$15.01 - \$17.00	_____
\$7.01 - \$9.00	_____	\$17.01 - \$19.00	_____
\$9.01 - \$11.00	_____	\$19.01 <	_____
\$11.01 - \$13.00	_____		

18. Are you able to offer employees benefits? If yes, what kind?

Small Business Focus Groups

The CVRLF is hosting a series of four Focus Group Discussions on February 19th and 20th at the Central Vermont Chamber of Commerce. We hope that you will join other businesses in providing the CVRLF with input on existing and new loan products and services.

APPENDIX D

Post-Loan Technical Assistance (PLTA) Roundtable

Outputs and Recommendations for Future Action

May 13, 2002
CVCAC Board Room
Berlin, VT

Participants:	<i>TA Providers</i>	Carol Flint, cflint@cvcac.org Margaret Ferguson, mferguson@cvcac.org Don Padgett, dpadgett@cvcac.org Pat Travers, ptravers@vtsbdc.org Brian Norder, bnorder@sover.net Bill MacDonald, bmacdwrv@pop.k12.vt.us Bill Deforge, deforge@trans-video.net Don Rowan, aymara54@hotmail.com Charles Rubner, Crubner@cs.com Claudia Clark, moosewoodhollow@aol.com
	<i>Loan Committee</i>	Peter Hood, phood@nwjinsurance.com Robin Chase, robinani@together.net Milly Badger, bmilyb@aol.com Bertil Agell, agell@together.net

Outputs:

Participants discussed the successes, shortcomings, and potential of the CVRLF's Post-Loan Technical Assistance Program. The following represents a distillation of that discussion, the bulk of which is in the form of recommendations and observations:

- Provide a mechanism or way for "current receivers" of PLTA to offer testimony to other borrowers; this could be done through the existing "Borrower Connections" newsletter;
- Offer "carrots" to borrowers that will motivate them to access PLTA on a regular basis (e.g. retractable 1% interest rate reduction, principal rebate or payout of cash to those who participate, etc.); "carrots", and the mechanism for offering them, will be discussed further by the CVRLF Loan Committee;
- Require borrowers to participate in a financial management training developed in partnership with and conducted by the SBDC or MBDP for example;

- Identify ways to unify the pre-loan and post-loan technical assistance phases, e.g. each borrower could have a business generalist who could serve as a “coach.” This coach could usher the borrower from the application phase to the loan closing to the business start-up and then refer them to industry-specific assistance. One potential difficulty in doing this is that pre-loan technical assistance resources are not currently set up to operate this way;
- Require borrowers to access pre-loan (between approval and loan closing), industry-specific mentoring and shadowing;
- Develop a list of ready-to-go and available industry-specific resources to enable the CVRLF to offer just-in-time assistance to borrowers;
- Identify potential technical assistance resources through the connections of board members;
- Create a friendly and open community of borrowers that will encourage borrowers to participate in PLTA activities;
- Take steps to foster networks among borrowers (reminiscent of the Small Business Network of central Vermont);
- Look into co-sponsoring small business conference or fair for central Vermont entrepreneurs; and,
- Recognize that most people do not know what they do not know; given this, tools need to be identified that can help diagnose the borrowers needs as soon as possible; for example, the CVRLF can require the borrower to complete a self-administered needs assessment questionnaire.

Follow Up:

The group indicated interest in continuing to dialogue on issues related to pre- and post-loan technical assistance. The following are three ways that this can be accomplished:

- Post-Loan Technical Assistance Advisory Committee – the CVRLF has two Loan Committee members and two borrowers who have volunteered to meet on a quarterly basis to help develop and monitor the PLTA Program and to serve as a feedback loop for borrowers and other stakeholders. Two volunteers from the technical assistance provider pool are needed.
- Maintain an email list serve of technical assistance providers to address specific technical assistance issues.

- Convene the group again in six months to review progress; the Technical Assistance Providers Association Conference in November might be an appropriate venue for such a meeting.

APPENDIX E

Continuum of Services & Provision of PLTA

Session Leader Tasks and Sequence for the Session:

- Solicit a volunteer/have the group choose a recorder to write down ideas from your table's discussion on paper that will be provided.
- Introduce everyone - go around and tell us your name, organizational affiliation, and your where you would place yourself on the continuum of technical assistance (pre- to post-loan).
- Frame the topic for your table session (up to 5-10 minutes max.)
 1. Over the past two years, the Central VT Revolving Loan Fund has been piloting a program for post-loan technical assistance. The post-loan program provides the CVRLF with funds to subsidize one-on-one industry specific assistance for the borrower, cover 50% of the cost for a borrower to attend a business-related training or event, and cover the costs associated with various borrower-related networking and learning events. To implement this program, CVRLF has coordinated with SBDC, MBDP, SCORE and with private (mostly industry-specific) consultants.

Service Accessed	2000	2001	2002
One-on-One PLTA # of Participants/ # of Hours	4 participants 10.6 hours	13 participants 203.25 hours	10 participants 304 hours
Borrower Reimbursement # of Participants/ # of Dollars		1 participant \$260	1 participant \$110
Networking/Learning Events # of Participants		4 participants	9 participants

2. In implementing this program, we have looked at the various factors that contribute to a business's success or failure and have attempted to determine whether post-loan technical assistance does indeed increase a business's chance for survival. The results have been mixed.
3. Implementation has been difficult for a few reasons:
 - a. a safe space/relationship needs to be created between the borrower and the loan fund in order to have an honest discussion about the entrepreneur's weaknesses and what resources are needed to shore up those weaknesses.

- b. New entrepreneurs often do not know what they do not know, and therefore relying on the borrower to self-assess without the assistance of a business counselor is difficult. Without an assessment, we are not able to effectively meet their needs.
 - c. Borrowers are interested in industry-specific, one-on-one technical assistance (on-site, intensive assistance); it is difficult to identify and retain a pool of such resources that can meet the majority of borrowers' needs
 - d. The Loan Fund may not be the best facilitator for post-loan technical assistance due to the natural tension between a borrower and their loan fund officer; we have been considering ways to involve
 - e. Some borrowers come to the Loan Fund with specific skills deficits that must be addressed immediately - and in some cases should have been addressed before the loan was approved. Lack of financial management skills, lack of an articulated and specific marketing plan.
4. These obstacles to program implementation require a broader, more strategic view of what can be done across the continuum of technical assistance to better prepare new entrepreneurs specifically for business start-up and to better equip them with a sense of what their weaknesses are.
5. The Loan Fund has been working with various TA Partners to develop a better process for the provision of TA along the continuum.
- a. Develop a self-administered questionnaire that enables an entrepreneur to conduct a SWOT analysis on their business idea and their own capacity - as part of the business plan development process.
 - b. Work on a Post-Loan TA Plan as part of their business plan with the idea that the TA provider will help create the safe space a new entrepreneur needs to identify various weaknesses.
 - c. Require business plans to include an implementation plan (Gantt chart) which lays out a course for the first six months of implementation.
 - d. Working with TA partners to offer a basic financial management course so that entrepreneurs are capable of understanding what the numbers are telling them.

Introduce focus questions as needed to stimulate/guide the discussion. E.g. for Successful Evaluation of Business Startup Programs, "How have you evaluated programs? What has worked, what hasn't?"

See Technical Assistance Continuum

- **Manage the discussion/process.** This may involve sitting back, or it may require reminding the group to share airtime, or having a go-around on a question, if one or two people are dominating the discussion or having a dialogue that excludes much of the group, etc.

- **15 minutes before the end of the session:**
 1. Ask the group to note ideas about how they could work together in new ways
 - what innovative networking ideas have emerged?
 2. Have the group come up with a headline/news flash to share with the large group.

APPENDIX F

PRESENTATION & ROUNDTABLE DISCUSSION

TOPIC: Pre & Post-Start Technical Assistance, A Continuum
Emily Kaminsky, CVRLF

TAPA MEETING – December 12, 2002

Setting the Context

Business success is a function of many things: skills, planning, determination, etc. We also know that the needs of businesses and their owners change as they grow from the seed of an idea, to start-up, to adolescence and on to maturity. To what extent do you disagree or agree with this statement?

Question At Hand

If our purpose as service providers is to help create sustainable and healthy micro and small businesses that improve the lives of our clients and better our communities, what can we be doing to better support them as they evolve? Is this a worthwhile question?

Perspectives From the Field

To get us warmed up, here are some perspectives from the field of small business management and development.

“Poor, disadvantaged Americans almost by definition are rarely the ones possessing college degrees, marketable technical skills, or significant personal net worth. Yet these are the traits most often associated with successful small business creation.” Servon, Lisa J.; Bates, Timothy. “Microenterprise as an Exit Route from Poverty: Recommendations for Programs and Policy Makers.” *Journal of Urban Affairs*. V. 20 no 4 (1998) p. 419-41.

After conducting interviews with approximately 100 failed retailers in the midwest, researchers identified several factors influencing small business failure. The first pointed to *“inadequate knowledge of pricing strategies, failure to generate a long-term business plan, ineffective advertising and promotional strategy, and poor use of outside advisors”*. Researchers indicated that the sample group exhibited serious voids in training and skill level and over 60% of the entrepreneurs had no previous experience with small business ownership. A primary recommendation of the study was that small business support programs should *“focus on equipping entrepreneurs with the managerial skills necessary for effective small business operation.”* They also raised the question of whether the sample group would have been better off had they *“effectively utilized existing outside support systems.”* Gaskill, LuAnn Ricketts; Van Auken, Howard E.; Manning, Ronald A. “A Factor Analytic Study of the Perceived Causes of Small Business Failure.” *Journal of Small Business Management*. October 1993.

The small business management field talks often about “resource-based theory,” which by definition, contends that businesses that are *“organized to exploit valuable, rare, and imperfectly imitable assets can develop sustainable competitive advantages.”* A leading

small business management scholar and researcher contracted by the SBDC, James Chrisman, utilizes this theory to contend that *“outsider assistance is a special resource that entrepreneurs might use to develop a sustainable competitive advantage”*. Chrisman, James J., McMullen, W. Ed. “A Preliminary Assessment of Outsider Assistance as a Knowledge Resource: The Longer-Term Impact of New Venture Counseling.” *Entrepreneurship: Theory and Practice*. Spring 2000, v24, i3, p37.

“If entrepreneurs are better able to anticipate the possible problems that might be encountered at the start-up and later stage, they should stand a better chance of dealing effectively with those problems and guiding their firms through difficult early stages.” Terpstra, David E.; Olson, Philip D. “Entrepreneurial Start-up and Growth: A Classification of Problems.” *Entrepreneurship: Theory and Practice*. Spring 1993, v17, n3, p5(16).

CVRLF Study on Technical Assistance

Problem Statement

Entrepreneurs who borrow capital from the Central Vermont Revolving Loan Fund (CVRLF) often lack the adequate experience, resources, and support they need to successfully start or grow their business. Without these necessary ingredients, a significant number of CVRLF borrowers face a high risk of business failure which has negative consequences not only for the borrower, but for their family, employees, and community. Moreover, the CVRLF – an organization that is capable of commanding resources and providing support – lacks the information and systems needed to effectively develop and deliver services that are appropriate and relevant to borrowers.

Research Questions

- To what extent can access to support networks and external advisors contribute to an entrepreneur’s success?
- To what extent does an entrepreneur’s capacity to *effectively utilize* those support networks and external advisors contribute to their success?
- What kinds of support and assistance are useful to entrepreneurs in the start-up versus the growth phase?
- What method of service delivery is most effective when it comes to providing support and assistance to new and growing business ventures?

Project Activities

1. Identify and organize around the unique and common factors that cause the success and failure of CVRLF borrowers and other small businesses like them.
2. Design and deliver – with the participation of stakeholders - an array of quality and appropriate post-loan technical assistance services that meet the ongoing unique and common needs of at least 50% of all active CVRLF borrowers.
3. Build a foundation for a small business network that will involve a wider group of entrepreneurs in Central Vermont so that entrepreneurs have access to a greater network of resources and support.

4. Monitor the delivery of post-loan services and evaluate their impact on borrowers' business performance.

Some Initial Findings

An entrepreneur's "inability to effectively utilize outside support systems" – as referenced in the study of the 100 failed retailers - does indeed appear to be a major factor contributing to a business's success or failure. There appear to be at least five reasons as to why an entrepreneur could not effectively utilize outside support systems:

- The entrepreneur is *not aware* of the resources or services
- They are aware, but do not perceive the resources to be *accessible*
- They are aware and find the resources to be accessible, but do not find the resources *appropriate*
- they are aware of the resources, find them accessible and possibly appropriate, but do not access the resources because they do not know where to start because they "do not know what they do not know"
- the entrepreneur does not or cannot understand the value of business counseling or support unless they have experienced its benefits already (catch 22!)

From my work with CVRLF borrowers, the ones that are able to most effectively utilize outside support systems and the CVRLF's post-loan technical assistance program are those who:

- have a clear understanding of what their weaknesses are; this presumes that they have some sense of what they do not know
- have identified what they need to do and who they need in order to shore up those weaknesses
- have participated in and, more appropriately, directed the process of finding resources (outside advisors)
- have taken the appropriate steps to plan how they are going to use these resources

For Discussion

Here are some ways that TA Providers and Lenders can work together to better support entrepreneurs in the pre-start up phase so that they are better equipped to effectively utilize networks and resources to build their "competitive advantage" and succeed:

1. work with entrepreneurs during pre-start to probe, discover, and uncover – and "test" if possible - what the entrepreneur does know and does not know
2. have healthy discussions with entrepreneurs about what they do not know and what they should know; require that they identify up front the appropriate resources and networks they will need to succeed
3. formally integrate a first-year workplan or implementation plan into the business planning template so that the entrepreneur is encouraged to think through how they will roll out their business strategy and what resources they will need to do this successfully.
4. if appropriate resources and networks do not exist, work to develop them and ensure their sustainability.

5. consider supporting the development of a small business network run by and for business owners to encourage peer learning and problem solving (this could be jumpstarted through a small business fair)

RESULTS OF MEETING

Post-Meeting Write-up

Attendance at the meeting was high. In addition to myself there were eighteen participants at the TAPA meeting. Participants included:

VT Women's Business Center Director
VT Women's Business Center Project Assistant
SBA – Brenda Plastridge
SBA – Tom Schroeder
Four VISTA Volunteers
Two people from BROCC/Community Action in Southwestern Vermont
VT SBDC Counselor
Director of MicroBusiness Development Program
Olivia Gay, Business Basics trainer
Judith Kaufman, Consultant
Women's Agricultural Network director, Mary Peabody
Deb Heleba, LandLink w/UVM Extension
Ken Yearman, Job Start

After giving my presentation, the group held a discussion for about 45 minutes. Outcomes of the discussion were as follows:

- ❑ discussion of how one defines success and failure was important; some entrepreneurs are not interested in profit or growth – I explained that an evaluation tool used by the CVRLF allows the entrepreneur to explain what success was to them...
- ❑ there was a discussion about what role the TA Provider has in supporting an entrepreneur in developing his/her business; Mary Peabody of WAGN indicated that it is often hard for a TA Provider to tell an entrepreneur that perhaps they should consider doing business another way; that's why it is so important for them to have relationships with their peers; she liked the idea of the borrower open house
- ❑ it was brought up that one of the causes of success and failure is time management
- ❑ Mary Peabody of WAGN mentioned the need for a program where interest rates can be bought down if the borrower continues to undergo professional development
- ❑ There was consensus that the lenders should start requiring an implementation plan as part of the business plan – the participants thought it a great way to make people think about how they are actually going to implement
- ❑ Pat Travers of VT SBDC indicated that business plans don't even include where the entrepreneur wants to be in a year

- Discussion ensued about how hard it is to follow up with entrepreneurs once they've gotten a loan; MBDP is developing a follow-up system to check in with folks on a quarterly basis
- Carol Flint of MBDP referenced the Detroit Entrepreneurship Institute's study on post-loan technical assistance and how it apparently did not work well at all; the issue appeared to be a lack of trust and appropriate assessment
- Judith Kaufman made the point that entrepreneurs do indeed need different kinds of assistance at different times
- Someone mentioned the interest rate rebate on Vermont Student Assistance Corporation loans that would be a good idea to motivate entrepreneurs to submit their financial statements to their TA Provider or the lender
- We talked about how setting expectations up front with borrowers that there is a continuum of services would help them feel like they could come back and utilize the services
- TAPA participants considered the idea of doing a Public Service Announcement that would let the public know that there are a wealth of free technical assistance resources available
- Participants talked a lot about how entrepreneurs need another place to go after they go through the trainings; SBA mentioned the roundtable/networking events that used to be so fantastic and why couldn't you do that with a whole bunch of people; someone referenced the small business fair idea
- The Rutland Regional Chamber business fair was mentioned as a model for a small business fair; it became clear that people were interested in organizing such an event – statewide or regionally; Olivia Gay mentioned it was important to try and start regionally
- I called for volunteers to sit on a Steering Committee for the CV Small Business Fair. I got the following volunteers:
 1. Linda Ingold, Director of VWBC
 2. Carol Flint, Director of MicroBusiness Development Program/CVCAC
 3. Ken Yearman, Job Start/VEDA
 4. Jeannette Widli, MBDP/BROC Technical Assistant
 5. Brenda Plastridge, SBA
 6. Olivia Gay, Business Basics Trainer/CVCAC
 7. Emily Kaminsky, CVRLF Fund Manager

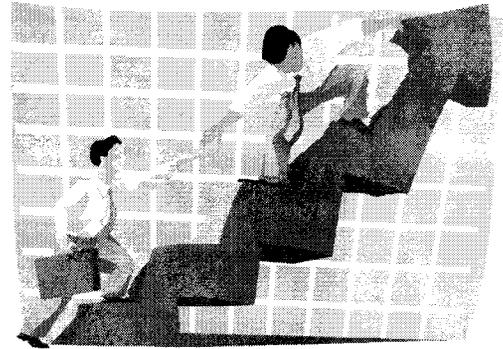
APPENDIX G

Central VT Revolving Loan Fund Business Support Program

If your CVRLF loan request is approved, you will have full access to our unique post-loan business support program. Support services are tailored to fit your specific start-up and growth needs throughout the term of your loan. We designed this program with your success in mind—it's just another way we can support you in achieving your business goals!

Industry Experts

CVRLF staff will work with you to identify a local consultant in your field who can provide the guidance and support you need to tackle your specific start-up and growth needs. You will have access to the consultant for up to 10 hours per month—and at no cost to you!



Partial Tuition Assistance

There are a wide variety of practical, business-related workshops, seminars, events, and courses (online and otherwise) available in the central Vermont area.

Unfortunately, with time and money in short supply, few business owners are able to enhance their business knowledge. To help you take advantage of these educational opportunities, we will pay up to 50% of the tuition or registration fee. This assistance is not a loan, it's a grant!



Networking Opportunities

As an entrepreneur, you don't have the time to seek out the company of other business owners. Networking with peers, however, is a great way to socialize while learning ways to improve your business. You'll be able to accomplish both by attending regular CVRLF networking events which often include a guest speaker and dinner!



REQUEST FOR TECHNICAL ASSISTANCE

(Submit this form to Emily Kaminsky at 195 US Route 302-Berlin, Barre, VT 05641)

_____ **I would like to attend a Business-Related Workshop:**

(Please attach Registration Form and other materials regarding the workshop)

Date: _____

Name of Event: _____

Sponsoring Organization: _____

Tuition Per Person: _____

Other Associated Costs: _____

(CVRLF can reimburse for 50% of travel & lodging costs for special situations where out-of-state travel is required; certain restrictions exist)

Number of People Attending: _____

(CVRLF will only cover 50% of the tuition cost for the business owner(s) and not employees)

_____ **I would like to receive one-on-one assistance from a consultant in one of the following areas:**

Check one of the areas below and describe specifically the nature of your need:

Marketing: _____

Human Resources: _____

Technical (computer): _____

Pricing/Merchandising: _____

Financial Management: _____

Planning/Growth: _____

Other: _____

If you have a consultant in mind that you would like to work with, please put their name and contact information here. Otherwise, see attached list of consultants:

APPENDIX H

Technical Assistance Plan [Borrower Name]

This Technical Assistance Plan for [Borrower Name] (referred to as “the Plan”) was created through the cooperation of the Central Vermont Revolving Loan Fund (referred to as “CVRLF”), [Borrower Name] (referred to as “Borrower”), and other integral advisors and partners listed below.

The purpose of the Plan is to set a course for implementing the business plan and providing technical assistance to the Borrower over the term of the loan, and more specifically the first year of operation. See attached **Goals & Objectives** and **Technical Assistance Schedule**. To assist in the implementation of this Plan, the CVRLF and Borrower will work collaboratively to identify appropriate human resources. The Borrower has already identified the following resources:

[Sample Resources}

- Pat Travers, Vermont Small Business Development Center
- Norm McElvany, Marketing & Planning Consultant, Johnson State College
- Valley, Accountant, Fothergill, Segale & Valley
- Wendelyn Duquette, Quickbooks consulting, Quickstart LLC
- Robert Fairbanks, Legal Counsel

TECHNICAL ASSISTANCE PLAN

As stated in the Letter of Commitment, re-executed on [date] serve as the Loan Agreement, the Borrower is required to access at least one hour per quarter of post-loan technical assistance based on this Plan. The Borrower is also eligible for up to 10 hours per month of subsidized private consulting hours as well as 50% tuition reimbursement assistance for business-related workshops and events. All parties acknowledge that this Plan is a living document and can be modified in writing as needed and as determined by the CVRLF in consultation with the Borrower and other identified consultants.

[Borrower Name]

By: _____
[Borrower}

Date

Central Vermont Revolving Loan Fund

By: _____
Emily Kaminsky, Fund Manager

Date

The following detailed Technical Assistance Plan is meant to be a guide for the roll-out of the business plan as well as the provision of technical assistance over the next year.

Technical Assistance Goal 1: Successfully Transition Ownership

Objective 1A. Prepare the Store for Transition

Activities

1. Complete Technical Assistance Plan
2. Complete obligations to lenders
3. Set up store insurance needs
4. 50% off all merchandise to clear out excess inventory.

Objective 1B. Close the Store for Transition

Activities

1. Order Quickbooks Pro
2. Install Quickboosk Pro accounting system (advisor, Wendelyn Duquette)
3. Inventory, accounts receivable, gift certificates, prepaid orders, gifts and supplies
4. Clean store
5. Buy new stock to restock store for opening day
6. Make appointment with guidance councilor at local high school to discuss job training opportunity for 2 part-time student assistants
7. Set up technical assistance advisor meetings to discuss and review progress

Objective 1C. Prepare the Community for Reopening

Activities

1. Create a marketing plan
2. make a new advertising budget
3. get the word out. The company will communicate its plans to reopen to the community in a way that creates buzz, excitement, and anticipation (advisors, Norm McElvany and Pat Travers)

Technical Assistance Goal 2: Successfully Open Store & Develop Employer/Employee Relationship

Objective 2A. To create excitement amongst the new Team

Activities

1. Eve of opening day, dinner meeting to discuss ideas, schedules, policies, benefit ideas and excitement, etc.

Technical Assistance Goal 3: Ensure Competitive and Sustainable Profitability

Objective 3A. To take charge of the business

Activities

1. Attend workshop (Listening To Your Business), January 22, 2003, Sponsored by the VT SBDC
2. Attend Quickbooks workshop.
3. Attend CVRLF Business Owner's dinner meetings
4. Schedule regular Technical Assistance meetings

Technical Assistance Goal 4: Build Customer Base

Objective 4A. Get the word out!

Activities

1. Identify and capitalize upon no-cost opportunities to increase company's presence in the community
2. Identify strategies to recapture and retain customer base
3. Utilize company's reputation for quality service and loyalty to introduce new products as described in the business plan.

Technical Assistance Goal 5: Maintain Financial Progress Plan

Objective 5A. Take control of the business!

Activities

1. Add new products
2. Monitor and evaluate performance and progress (create and utilize advisory board)
3. Identify resources/consultants to sit on advisory board.
4. Advisory board to meet quarterly for at least the first year to review progress and help owner to identify problems and possible solutions (scope of discussion could include internal controls, financial management, merchandising, competition, marketing, human resources, etc. (Patrick Travers, Norm McElvany)
5. Meet with subgroup or special committee of advisory board at least once per month during the first six months to review financial statements and other indicators of progress (Patrick Travers)

Objective 5B. Build owner capacity to understand and evaluate performance and progress.

Activities

1. Owner will attend Quickbooks workshop to gain an understanding of financial statements
2. Review monthly financial statements with SBDC advisor as needed and submit on monthly basis to CVRLF (Patrick Travers, Sheila Valley)
3. Owner will take advantage of other learning opportunities with the assistance of the CVRLF's partial tuition assistance program (as mentioned in the Plan).

TECHNICAL ASSISTANCE SCHEDULE

The following schedule lists the sales and profit margin goals projected by the Borrowers in their business plan for the first twelve months of operation. General activities related to technical assistance provision and financial reporting to the CVRLF are listed as well and are meant to serve as a roadmap for Plan implementation.

Month	Gross Sales	Technical Assistance and Financial Reporting Activities
December 2002		<ul style="list-style-type: none"> • Meet conditions of lenders
January 2003		<ul style="list-style-type: none"> • Close loan
February 2003		<ul style="list-style-type: none"> • Technical assistance team meets to review progress to date • On February 15th, submit P&L for FY 2002 and January 2003 • Also submit year-end Balance Sheet (as of 12/31/02) and January 2003 balance sheet
March 2003		<ul style="list-style-type: none"> • On March 15th, submit P&L and Balance Sheet to CVRLF • Advisory Committee meets to review progress
April 2003		<ul style="list-style-type: none"> • On April 15th, submit P&L and Balance Sheet to CVRLF • Borrower's chosen Advisory Committee meets to review quarterly financial progress (January – March)
May 2003		<ul style="list-style-type: none"> • On May 15th, submit P&L and Balance Sheet to CVRLF • Advisory Committee meets to review financials
June 2003		<ul style="list-style-type: none"> • On June 15th, submit P&L and Balance Sheet to CVRLF • Advisory Committee meets to review financials
July 2003		<ul style="list-style-type: none"> • On July 15th, submit P&L and Balance Sheet to CVRLF • Advisory Committee meets to review financials to review quarterly financial progress (April – June)

Month	Gross Sales Profit Margin	Technical Assistance and Financial Reporting Activities
August 2003		<ul style="list-style-type: none"> • On August 15th, submit P&L and Balance Sheet to CVRLF • Advisory Committee meets to review financials • Submit 2002 Corporate and Personal Tax Returns to CVRLF
September 2003		<ul style="list-style-type: none"> • On September 15th, submit P&L and Balance Sheet to CVRLF • Advisory Committee meets to review financials
October 2003		<ul style="list-style-type: none"> • On October 15th, submit P&L and Balance Sheet to CVRLF • Advisory Committee meets to review quarterly financial progress (July – September)
November 2003		<ul style="list-style-type: none"> • On November 15th, submit P&L and Balance Sheet to CVRLF
December 2003		<ul style="list-style-type: none"> • On December 15th, submit P&L and Balance Sheet to CVRLF • Make necessary adjustments to business plan goals for Year Two • Create Year Two Technical Assistance Plan with providers and Fund Manager if necessary
TOTAL		

APPENDIX I

VINE Steering Committee
March 25, 2003
3:00 pm – 5:30 pm @ Woodbury College

In Attendance

Linda Ingold, VWBC
Brenda Plastridge, SBA
Ken Yearman, Job Start/VEDA
Olivia Gay, MBDP/CVCAC
Cecile Johnston, MBDP/CVCAC
Mike Oliver, Time For You Clock Shop
Emily Kaminsky, CVRLF/CVCAC

Notes From meeting

The Committee members brainstormed for a long time about a potential name, a date, a location, event format, etc. In the interest of time, space, etc, the following represents the “options” that the Committee came up with.

NAME: Vermont Information & Networking for Entrepreneurs (VINE)

DATE: June 2, 2003 or June 9, 2003

LOCATION: Woodbury College

TIME: 5:30 – 8:00 pm

WHO: Are we expecting 50 to 75? What’s the standing capacity of the Woodbury cafeteria versus the training room? The Committee wanted to be sure that the vast majority of the participants are entrepreneurs and that it is not over-run by providers (limited provider attendance to Steering Committee members? Or, by invitation only?)

CONTENT: 5:30 pm – 6:30 pm registration, eating, mingling
6:30 pm – 7:30 pm Panel or Keynote
7:30 pm – 8:00 pm Door Prizes/Closing Remarks

It was suggested that the following also be included:

- Paper on walls with hanging pens/pencils to allow participants to write their thoughts up about what they want to get out of a networking group
- Have limited space available for service providers to have their materials on display (one table or a rack of information)
- Invite leaders/members of other networking organizations who can have their materials also available

PURPOSE:

Although the Committee did not decide on specific purposes, the note taker (Emily) has taken the liberty of trying to sum up the “purposes” of the proposed Event. Committee members are welcome to modify, add, change:

- To facilitate networking opportunities among area entrepreneurs
- To promote the benefits of networking
- To link participants with existing informal and formal networks
- To create a core group of entrepreneurs committed to organizing VINE events

To set the stage for follow-up VINE networking events. It was suggested that the Committee decide on a second event date (in September 2003) so that participating entrepreneurs can “save the date” and be confident that the VINE events will continue forward.

It was also reiterated that participants should leave the event with a list of participants in hand. The Steering Committee should be sure to create a mailing list and database of people who received the mailed invitation as well as people that registered their interest – who will coordinate this database?

Pre-Registration

The Pre-Registration form should include:

- Communicate “for whom/why”
- List the Name of the Event (Date, Location, Time)
- Bring Your Business Cards
- Address “what’s in it for me” question
- Deadline for mailback (May 16th)
- Limited seating – first come, first serve??
- \$5 registration fee, scholarships available upon request.
- Have a link to a website (Yahoo Groups?) so that participants can start networking immediately and/or can register their interest in a network even if they cannot go to the event.

The Committee considered a folded-card as a registration form; participants could tear off part of the card and send it in with their registration fee.

There was a question about how much information to collect from entrepreneurs through the pre-registration form. The Committee decided that they would brainstorm. It was also suggested that when they come to the event, that each participant fill out something about themselves.

Distribute the Pre-registration form through existing networks and partners (estimate about 1,000 would need to be printed).

Marketing

- Distribute press releases to media prior to sending out the pre-registration card.
- Market through existing events and partners
- Get the assistance of a marketing consultant (Emily)
- Develop a consistent image (VINE idea)

OUTSTANDING QUESTIONS

- Which entity will be the “presenter” of the event? Having co-sponsoring organizations might bring politics into an event that doesn’t need the politics! Nonetheless, in order for the event to have credibility, organizations should be listed:

E.G. **VINE Networking Event**

Presented By: XXXXXX

Thanks To or Organized By: (list participating organizations)

Special Thanks To: name entrepreneurs on Steering Committee

Underwritten By: Bank Name or other funder

Emily will talk with Community Action folks to see if there are any political issues with having CVRLF as the presenter and listing CVCAC as one of the organizing entities.

- Which entity will receive registration funds? What are the logistical and legal implications of receiving funds? CVCAC or CVRLF can receive?

TASKS

- Timeline – Emily/Brenda??? See Yahoo Groups set up for a calendar and task list.
- Organize door prizes – Janice Parkington? Solicit from businesses?
- Evaluation Form
- Research networking groups to invite to the event – Olivia, Emily
- Marketing/Outreach – Ken, Brenda, Cecile (Emily will contact marketing consultant to get assistance with consistency of image)
- Pre-registration form – Linda
- Budget – Emily
- Food – need someone to coordinate? SBA? Look for one Caterer or a few different entrepreneurs to cater

NEXT MEETING

April 7th

11:30 pm

Bring your own lunch

SBA? Brenda will let the group know.

APPENDIX J

CVRLF Borrowers
Quantitative Information
2002 and 2003

INFORMATION	#1	#2	#3	#4	#5	#6	#7	#8	#9
Gender	F	FM	F	F	F	MM	M	FM	FF
Registration Type	SP	Partnership	SP	SP	SP	Corp	S Corp	SP	Partnership
Date of First Loan	1/22/98	4/30/98	3/16/00	8/24/2001	12/15/98	9/26/00	7/8/1999	2/8/01	4/30/1998
Amount of Loan Rcvd (<12/31/01)	\$15,000	\$6,000	\$10,000	\$50,000	\$3,000	\$25,000	\$45,000	\$10,000	\$10,000.00
Modifications to Note?	Refinance 3/27/00	Refinance 12/29/99	No	No	No	Refinance 1/7/02	Refinance 9/26/01	Ref (\$, allonge)	No
Add'l Financing Rcvd?	\$5,137.36	\$26,895	-	-	-	\$10,000	\$11,580.56	5/25/01 \$5K	No
								11/15/02 \$17,116.76	
Adj. Gross Income 99 tax return Prin 1	\$7,266.00	(\$2,492)	\$21,638	\$39,868.00	\$873	\$912.00	\$18,902.00	\$1,385.79	don't have
Adj. Gross Income 99 tax return Prin 2						\$21,140.00			\$40,167.00
Adj. Gross Income 00 tax return Prin 1	\$5,219.00	-\$1,476.00	Need	\$40,906.00	\$4,194.00	\$702.00	\$28,718.00	don't have	don't have
Adj. Gross Income 00 tax return Prin 2						\$12,142.00			don't have
Adj. Gross Income 01 tax return Prin 1	\$7,401.00	Need	\$23,613.00	Need	Need	\$7,457.00	Need	-\$27,779.00	don't have
Adj. Gross Income 01 tax return Prin 2						Need			don't have
Adj. Gross Income 02 tax return Prin 1	Need	Need	Need	Need	don't have	Need	Need	don't have	don't have
Adj. Gross Income 02 tax return Prin 2						Need			don't have
Sales 2000	74,814.00	\$29,916.00	\$117,664	NA	\$14,132	\$87,558	\$413,550	none	\$54,404.85
Projected for 2000	53,558.51	\$193,800.00	\$105,500	NA	none	\$152,216	\$401,713	none	none
Sales as % of Projected for 2000	140%	15%	112%	NA	none	58%	103%	none	none
Sales 2001	\$109,062	\$18,119.00	\$196,117	247814.82	\$27,266	\$58,924	\$415,515	\$160,770.00	\$18,564.82
Projected for 2001	\$66,948	\$223,900.00	\$122,100	215000	none	\$273,000	\$437,539	256150	none
Sales as % of Projected for 2001	163%	8%	161%	115%	none	22%	95%	63%	none
		no draw				no draw		no draw	
Sales 2002	\$134,587	\$18,000.00	\$177,824	394322.36		\$44,116	\$401,775	\$56,795.30	none
Projected for 2002	\$80,338	\$257,550.00	\$134,310	282000		\$102,800	\$468,167	\$105,150.00	none
Sales as % of Projected for 2002	168%	7%	132%	140%		43%	86%	54%	none
2001 Owners draw	\$10,758	\$0.00	\$25,615	salary		Salary/Commission	\$38,600	none officially	none
2002 Owners draw	\$10,602	\$0.00	\$36,774	salary		Salary/Commission	\$38,000	none officially	none

**CVRLF Borrowers
Quantitative Information
2002 and 2003**

INFORMATION	#10	#11	#12	#13	#14	#15
Gender	FM	F	FF	F	FM	FM
Registration Type	LLC	SP	LLC	SP	SP	LLC
Date of First Loan	1/31/2002	1/15/2003	12/4/2001	10/15/2001	12/13/2001	7/23/2001
Amount of Loan Rcvd (<12/31/01)	\$50,000	\$25,000	\$25,000	\$40,000	\$50,000	\$30,000
Modifications to Note?	No	No	Yes	No	No	Yes allonge
Add'l Financing Rcvd?	No	No	No	No	Yes	No
					\$1,208.75 ins	
Adj. Gross Income 99 tax return Prin 1	-\$151,756.00	don't have	0	don't have	18,529.00	19397
Adj. Gross Income 99 tax return Prin 2	\$23,813.00		0			
Adj. Gross Income 00 tax return Prin 1	-\$212,803.00	don't have	\$4,956.69	\$30,396.00	25,983.00	\$8,517.00
Adj. Gross Income 00 tax return Prin 2	\$8,561.00		\$0.00			
Adj. Gross Income 01 tax return Prin 1	Need	\$329.00	\$6,310.52	\$12,401.00	17,924.00	Need
Adj. Gross Income 01 tax return Prin 2	Need		\$0.00			
Adj. Gross Income 02 tax return Prin 1	Need	Need	Need	Need	Need	Need
Adj. Gross Income 02 tax return Prin 2	Need		Need			
Sales 2000	\$31,985.00	76851	0	\$28,334.00	0	0
Projected for 2000	none	none	0	none	none	none
Sales as % of Projected for 2000	none	none	0	none	none	none
Sales 2001	19077	don't have	0	\$15,407.00	0	2184.8
Projected for 2001	none	none	0	none	none	142704
Sales as % of Projected for 2001	none	none	0	none	none	2%
						no draw
Sales 2002	\$95,545.80	\$54,909.43	\$25,728.00	\$30,579.18	unknown	unknown
Projected for 2002	\$122,485.00	\$85,950.00	\$201,108.00	\$41,292.00	\$75,073.00	\$76,750.00
Sales as % of Projected for 2002	46%	64%	13%	74%	NA	NA
2001 Owners draw	0	0	0	0	unknown	unknown
2002 Owners draw	merchandise	0	\$9,000	0	unknown	unknown

INFORMATION	#1	#2	#3	#4	#5	#6
Question #1: Achievements of 2001	46% increase in sales; added new employees (3 and then 2)	new clients; learned how to operate new tools, graduated from Homeownership Center; wife started her career; quicker to respond to clients.	Increase in sales, cut advertising budget, new products (wings, etc)	Incentive plan for employees, hit larger part of the local market; all you can eat pizza; good staff.	Got more wholesale accounts; got 2 New England reps plus New York Rep to introduce her products – they make cold calls instead of herself.	Shift to electronic marketing campaign – less costly; new staff member for sales, creating new domestic market with Image Relay, establish new clients; A/Rs collected.
Question #1: Achievements of 2002	CVSWMD grant; redecorated store; created new brochures; planned solid ad campaign; increased gross sales 23%; took some time off; new people per month 100 now 60	more clientele (word-of-mouth); keeping loan current; finished Reach-Up and got paid bonuses as a result of finishing (got \$200 tool/each); a relative paid \$1,500 for labor to paint a frame on a 4 wheeler	consistency in product, increased profitability; maintained 33% COGS; moved raw ingredients down back stairs to increase storage - better workspace in the back; rearranged things to improve efficiency	purchased equipment, freezers, POS system, paid off VCLF loan		building Image Relay; Stowe Area Association, since Sept '02, \$150 base fee + \$2K to do processing and uploading; December '02 heard back from State of VT, 2 yrs thru ACCD; they have archive, edit the archive, consult for \$650/month base fee.
Question #2: Factors 2001	More selective about quality of clothing; w/employees more priced, more sold, store cleaned up	More practice; word of mouth marketing, learned about buying house, hard work/business supported wife going into her own career.	Advertising more efficient, donations to community; reputation brings more people; quality of service, size of portions.	Family atmosphere, have fun, advertise weekly specials; core lunch crowd.	Focus energies and finally getting returns, takes time to get feelers out there, persistence; realize that she can't do everything; has weaknesses and needs someone to compensate.	Connections to VT Ski Association, timing with Jason leaving and ability to get Jason on.
Question #2: Factors 2002	technical assistance (C. Rubner); confidence in employees; more employees; Norma volunteered last year, now she gets paid; student paid by state, ran out, now paid by CKII	word of mouth; march-April-May are the biggest months and August highest	Joe here to work in the business; good reputation amongst employees, can retain them	necessity		state contract fees prevented the above from happening before
Question #3: Lease Positive Events of 2001	Sales dropped 9-11; \$100 stolen from cash register;	Sales dropped, break-in and sign destroyed, location poor; difficulty meeting distributors minimum sale requirements.	Product didn't work as planned (chili) so he discontinued, space is limiting still	Delivery business started didn't work as smoothly at first; space is a problem; hard time negotiating with landlord; problem with uniform vendor (legal issue now)	Bounced checks (COD) – now doesn't do anymore, couldn't fill all holiday order in time	Delay in catalogue getting out, cash flow crunch, Image Relay website more expensive.
Question #3: Lease Positive Events of 2002	Natalie left last January (was her Saturday); lost Saturday help and therefore had to work 6 days	lost \$1,000 in bad debt; had less inventory; inability to buy machines to fix up	didn't spend enough time @ home; Mexicali Pizza; make salsa fresh, couldn't because it took longer; employee run-in; bounced check, someone threatened to sue; spent \$ to collect \$10	stopped delivering in late January - flopped due to lack of drivers; staff turnover - lack of good part time help		yankee image, sales flat
Question #4: Factors 2001	Lax security; 9-11	Weather delayed; poor location; lack of scale; economy sluggish	Product flavor was foreign	Hadn't trained people properly; vendors changing staff – having hard time getting prices; problem with uniform vendor.	Didn't know that she would have a problem with COD, lack of experience, not having enough labor time	Didn't do a pre-release campaign for catalogue; not methodical in sales follow up due to lack of staff, tight marketing budget
Question #4: Factors 2002	Natalie went to Nursing School	loan too high, not enough cash, poor credit	business can't gross enough in this space to gross the amount needed to pay another person - manager.	lack of good part time help		don't have the images, don't have the cash flow to market, don't have \$ to get the images, have to 50% back to the photographers in commissions, business model was flawed, 9-11 exacerbated it.
Question #5: Steps for 2001	Store cleanliness; security cameras, add another cash register for busy times;	Find different location; advertising, refinance loan to reduce payments; Internet (explore that option)	Find a manager, drop food cost, raise prices.	Point of sale system, new location or improve existing, improve/test delivery	Stowe and Valley farmers markets; look for growth opportunities (space, labor).	Develop scanning business, bring more business from ski resorts through personal connections, develop Image Relay
Question #5: Steps for 2002	redecorate the downstairs; take additional time off so don't get burned out	refinance; E-bay with Bill DeForge; wants part-time help, have to move out looking at E. Montpelier	watch food costs and portions; may want to move in the next two years - needs to prepare; looking at East Montpelier closer to Subaru; using VT cheese instead of Wisconsin, it's cheaper and will help him keep food costs down.	more advertising, more dining space (was looking at moving recently!), beer and wine license (applying)		hope to clinch the contract with the State in the next two weeks; Middlebury College - set up a demo account before and now needs to follow up, modest outward sales for Image Relay, restructure Yankee Image, pursue Burton
Question #6: 9-11	sales in September dropped; bled into October	No	No	just that week only	had some cancellations but 3 weeks before Xmas put them back in.	Internationally connected business so effect was very big – advertising industry going under.
No Comparison Question	No	No	No	No	No	No

INFORMATION	#7	#8	#10	#11	#12	#13
Question #1: Achievements of 2001	.5% increase in sales even tho' closed one day of the week; bookkeeper trained internally, incentives for manager to keep COGS down, state taxes taken care of, payroll down, improved efficiency	grand opening, price increases, fact that they are still in operation.				
Question #1: Achievements of 2002	gaining on net income; put in walk-in cooler finally (\$9K); last few months, has had a good group of employees who are efficient, better functional space as a result of the cooler; tripled storage space capacity; took first vacation		increase sales 300% over 2001; paid employees; credit card sales gut feeling that they increased; farmers market increased sales, loan of course!	Bought the store; Complete reorganization and cleaning of the business; Started carrying retail line (greater profit margin than giving store credit to shoppers); Positive feedback from customers about new owner; Changed the name of the store - stopped working with the franchise	none	adding the puppies to the store; getting the loan; getting stock built up; getting more people in; high sales in months when traditionally slow (summer); town office is now giving out her number now that they remember she is there
Question #2: Factors 2001	Running more efficiently, maintain quality; started charging for delivery; labor market improved.	Asking for help was a big factor to staying afloat, family support.				
Question #2: Factors 2002	had cash flow to do it this year; previous year cash flow was going to A/P		commitment of principles, great employees, loan financing, word-of-mouth for year before, good business plan, better advertising, consistency of hours; Bob Holden and Bill MacDonald helped with targets and benchmarks; good at looking at markups	I am clean and organized	none	
Question #3: Lease Positive Events of 2001	Payroll person took \$10,000 of his money destined for IRS and pocketed it.; delivery is a constant pain; did not get new lease signed.	Getting in the hole, not knowing whether they were going to survive				
Question #3: Lease Positive Events of 2002	another \$6,000 put to Rick Foley (the accountant); put a mortgage on his house for 4 years at 12% but is 4th in line; had a little flood, made a claim, got kicked off insurance because of too many claims, now with NWJ.		outside sign was not a priority of the Rootswork board; shipping difficulties; dealy in getting permanent sign, damaged windows that won't be fixed for awhile	Business suffered financially due to personal issues; lost customers and lost employees	business failed	hard time convincing breeders to sell their dogs to her; run-in with the State representative about her birds (he wasn't prepared in proper gear and wanted to go and see the breeders - Emma got mad at him - he left and said he would be back to shut her down, this was october 2002)
Question #4: Factors 2001	Trusted his payroll guy, didn't find out what happened until too late	Undercapitalized, orders came in all the same day never had the cash, needed to have at least 3 months of cash reserves, utilities were very high, tried to meet needs of customers but couldn't.				
Question #4: Factors 2002	same as before		see above	Personal issues that kept the business from staying on track	didn't have enough information in the business planning phase; should have gotten more than one technical assistance providers advice; shouldn't have rushed the process; jumped into the business too quickly; should have done R&D first.	pet shops have a bad rep
Question #5: Steps for 2001	May try to sell business to manager, wants to get the business to a saleable stage.	Work on growing the deli, delivery to the state, watch budget closer, change banks				
Question #5: Steps for 2002	will take some time off this year - wants to work with a marketing consultant- Charels Rubner		use other shippers, big thing will be improving signage, will get the Dept of Tourism sign; April issue of Gourment - cheese	Increase days open to 7 and number of hours open increase; Will sell women's clothing (small section - not just maternity); Carry new retail toys - greater profit margin; Partner (not being paid) is committed to being at the store if there is a personal problem	None - keep paying off the loan, as quickly as possible.	fish club so club members get 10% off; do like Cheap Kids II, let people put cards in a fishbowl and if theirs is picked they get a discount; keep ads in Times Argus, World, Trading Post. BFP, will need some sort of credit card soon; may consider not carrying lizards they don't sell well and they take up electricity and room.
Question #6: 9-11	No	Just that day				
No Comparison Question	No	No				

INFORMATION	#1	#2	#3	#4	#5	#6
Question #7: Recession	not much effect, people are looking to stretch their dollar more; but people aren't spending as much.	Yes, sales down.	No.	No affect, lack of snow has affected sales	Product appears recession proof.	Advertising takes a big hit, layoffs
Question #8: Recession	recession has affected sales; people who didn't shop before are shopping for used clothes; middle income folk who look for party dresses buy fewer (instead of \$100, spend \$30)	people do not have any money	yes, but not more than 5%; recession - people have higher oil costs, gas costs; freezing outside.	less people vacationing, #'s are down from last year		contract freezes
Question #8: Did you access TA in 2001?	SBDC to talk about setting up employees	Met with MBDP but assistance hasn't helped him get where he needs to be; limited.	Worked with SBDC about quarterly tax estimates.	May have talked with SBDC.	Yes, workshop with Norb Johnston was great!	Financial
Question #7: Did you access TA in 2002?	yes, Charles Rubner marketing consultant and two roundtables and open house	April Roundtable - Janice stole the show, he couldn't get a word in edgewise	February roundtable was somewhat useful; was happy he could contribute.	yes, kitchen design possibility from Brian Norder		\$10,000 financial
Question #9: If not, were you aware that existed?	NA	NA	time has been an issue for him.	Yes		
Question #8: If not, were you aware that existed?	NA	yes	by 7 pm he is able to attend an event, but depends upon the night.	Yes		yes
Question #10: If so, why not?	Courses, events offered weren't specifically relevant	Can't learn well in group situations - better in one-on-one situations		haven't had issues that can't be fixed by lawyer, don't need much assistance		
Question #9: If so, why not?	NA	NA	no time	not enough time to follow through with the process		not useful
Question #11: What Should CVRLF Provide?	facilitate group insurance; help with marketing	needs one-on-one assistance	Bookkeeping, growth strategy	kitchen consultant, management course, energy efficiency (VEAP)	needs to do more reflection, business mentor	Consultant to develop market for Image Relay - resource development in particular.
Question #10: What Should CVRLF Provide?	roundtable discussions - set the expectation that people are supposed to attend; facilitators with expertise; Norb Johnston was really good; that is the kind of speaker every one likes; general topics for roundtables and facilitator would be good	doing something with products/inventory; small business conference to sell products	access to accountant on tax issues	no formal answer, although we talked about a HR consultant.		KPMG consultant; need form for Borrowers to fill out about consultants
No Comparison Question	NA	NA	NA	NA	NA	NA
Question #11a: Can you attribute any positive changes as a result?	"Charles had a tremendous impact on my business." It was his idea to spruce the store up before the ad campaign as opposed to waiting for the cash to come in from sales. "Having him here at least tripled the amount of the grant I got from the CVSWMD". I got a better brochure - two for different audiences instead of one. I really made it a retail store as a result. Charles was good for her ego, got acknowledgement that she WAS smart.	None	NA	No		NO
No Comparison Question	NA	NA	NA	NA	NA	
Question #11b: What were some of the useful things you obtained from TA?	see above	None	NA	None		None
No Comparison Question	NA	NA	NA	NA	NA	NA

INFORMATION	#7	#8	#10	#11	#12	#13
Question #7: Recession	No	Lot of people in area laid off, spending less in general.				
Question #8: Recession	1st time he hasn't posted a net income; January 03 was horrible.		Hard to know because nothing to compare it to, think some people are coming to Vermont driving instead of going elsewhere	Winter was worse than usual; This is the kind of business that people will shop more at because of a recession	NA	doesn't know; December and November were way down. But January was higher than normal.
Question #8: Did you access TA in 2001?	Norb Johnston and SBDC	Financial and post-loan				
Question #7: Did you access TA in 2002?	November 2002 open house		Financial and technical	Yes - Don Padgett and Margaret Ferguson (doesn't consider her work with Margaret technical assistance)	Yes	worked with Claudia in the pre-loan phase; working with Marcia now on bookkeeping
Question #9: If not, were you aware that existed?	Somewhat					
Question #8 If not, were you aware that existed?	Yes		NA	Yes	NA	NA
Question #10: If so, why not?						
Question #9: If so, why not?	not applicable to what he is doing; bookkeeping under control		NA		NA	NA
Question #11: What Should CVRLF Provide?	Will meet with SBDC to develop postcards, database, target market market, selective marketing.	Needed help setting up books, TA ahead of the opening would have been useful, help making the first order and decisions.				
Question #10: What Should CVRLF Provide?	one-on-one functional marketing plan assistance		may be have the Loan Commitment come to do a site visit before they make a loan and come back and visit to see how they are doing. Make sure that the borrower knows what to expect write from the beginning, between approval and disbursement	Legal, CPA, Quickbooks, Marketing	technical assistance that knows what they are talking about before the loan is approved; challenge applicants more; small business counselor (generalist) plus a specialist (like a wholesaler/importer) in the pre-loan phase.	NA
No Comparison Question	NA					
Question #11a: Can you attribute any positive changes as a result?	NA		can run Z reports off of the register, can track sales and better understand business; can measure against benchmarks	No	No - the experience with the two TA providers in the post-loan phase was not positive; the first one was not able to transfer any knowledge to them; he just talked about his business; he couldn't give concrete feedback.	without Claudia, she would not have stuck with the business application; Claudia provided emotional support; Marcia put everything through the checkbook and set up a petty cash. All income accounted for - she used to take money out of the drawer before it went into the bank, so it was never recorded. Without Marcia she used to leave doing financials to the end; used to do manual inventory, now she uses the POS; has less anxiety, she scans items when they come in and sell; much easier to keep track of inventory.
No Comparison Question	NA					
Question #11b: What were some of the useful things you obtained from TA?	NA		knowing Valiye Pizzeria doing the same thing		None	see above
No Comparison Question	NA					

INFORMATION	#1	#2	#3	#4	#5	#6
Question #11c: Feedback, 2 things you would change	the process worked well (i.e. linking her up with Charles); would have liked to see more participation at the roundtables; she enjoyed getting feedback from the roundtables that she wasn't the only one facing crisis; there is a lot we can learn from one another	None	NA	Be more prepared to learn from the consultant (there's too much going on)		None
Question #12: # of hours spent on business per week	60 hrs/week	60 hrs/week in summer and 25 hrs/week in winter	70 hrs/week (used to be 80 hours in beginning)	60 to 115 hours	80 hours/week	NA
Question #12: # of hours spent on business per week	60 hrs/week (6 days a week and 10 hours at home); hopes to cut back to 50-55 hours; is no longer doing sewing machine repairs.	march through november does 50 pwer week fall/winter	70 hours	55		before, 50-60 hours in Yuankee Image now 20 hours on Y1 and IR, with more time spent on IR
Question #13: Degree to which take home pay is enough	2	1	4	4	2.5 or 3	NA - didn't answer
Question #13: Degree to which take home pay is enough	1 (\$10,602 this year); she does get clothes at the store which reduces her monthly expenses; and she has a significant other that helps with the mortgage now.	no cash out of business; dipping into reserve to pay loan - 1	4 in the summer; 3 in the winter	5 - wouldn't do it otherwise		1
Question #14: Have Healthcare?	None	Medicaid, Dr. Dinosaur, wife's insurance soon	Have VHAP	None	VHAP	None
Question #14: Have Healthcare?	no - may be eligible for VHAP this coming year since she no longer gets other income from child support;	Medicaid, Johnelle has choice to go to Penny's insurance but they didn't understand the information when they got in the mail so they threw it away.	VHAP	yes - finally, BCBS - started in late 2002		None
Question #15: What additional support?	NA	gets \$400 from child support; needs more money	learn more about bookkeeping, growth down the road, how to deal	talked about kitchen consultant		
Question #15: What additional support?	see above; she is concerned about having to pay a liveable wage or a higher wage because it will put her out of business; she joined NFIB which is lobbying against that. May look to Wells River to borrow money in the future.	None	Robert Pace - hook him up.	talked about HR consultant		flexibility on payments, thankful that they could go on non-ACH, KPMG
Question #18: Give them benefits?	No benefits, first dibs on clothing; some holiday bonuses	NA	Free lunch, soda, flexible scheduling	Top 2 get vacation and sick/personal time.	NA	Commission
Question #18: Give them benefits?	no benefits - they do get 1st dibs still although Janice does most of the laundry since it turns out to be tax free (quote-unquote) income	NA	free meal per shift, 20% discount on food when they come in and 1/2 price drinks when they are working	vacation, health, holidays, massage		no

INFORMATION	#7	#8	#10	#11	#12	#13
Question #11: Feedback, 2 things you would change	NA		meet with Bill MacDonald earlier; join the Alliance of Independent Country stores		Confidentiality - knew that the consultant was paid by CVRLF and that the consultant was reporting back to CVRLF. Didn't like that especially when they were in a vulnerable spot.	the arrangement with Claudia worked well; but if Claudia had stayed on to work with her she doesn't think she would be calling her now, doesn't know how Claudia would be useful.; to know what's needed a head of time; basic BP instead of 3-page summary.
Question #12: # of hours spent on business per week	40-50 hours/week before, now 30 hrs/wk	Each person spends at least 80 hrs/wk				
Question #12: # of hours spent on business per week	About 30 hours; picked up more hours to alleviate payroll in Jan.		60 hours for Linda, 10 hours for Bruce plus more	Tuesday through Sunday, 8 hours – 50 hours on average	NA	80 hours
Question #13: Degree to which take home pay is enough	4	1 (but live in house attached to business and eat food)				
Question #13: Degree to which take home pay is enough	4 close to \$38,000 this year		1 - breakeven next year	1	NA	She's now taking \$250 out of the business each week (\$1,000/month) and putting it in savings
Question #14: Have Healthcare?	None	Medicare, VHAP				
Question #14: Have Healthcare?	mutual of omaha catastrophe policy and accidental injury		VHAP Linda and Larry; Bruce not on anything	Primary Plus/ Medicaid	NA	Dr. Dinosaur for kids; VHAP for Emma & Paul; she has asthma and has to pay \$140/month for it because its not covered... there is no generic.
Question #15: What additional support?						
Question #15: What additional support?	marketing plan assistance		continue technical assistnace with Bill - website		NA	None
Question #18: Give them benefits?	Nothing, wants to offer insurance to employees, most of them have VHAP.	No.				
Question #18: Give them benefits?	free meals and drinks		housing, food, and help with homework	No	NA	No - sometimes daughter helps a bit.

APPENDIX K

Attachment A Scope of Services

Charles Rubner will provide on-site and phone technical assistance to the following Borrower of the Central Vermont Revolving Loan Fund: Cheap Kids II, Barre, VT. The principal of the business and main point of contact is Janice Parkington.

Technical assistance will be provided according to the following objectives:

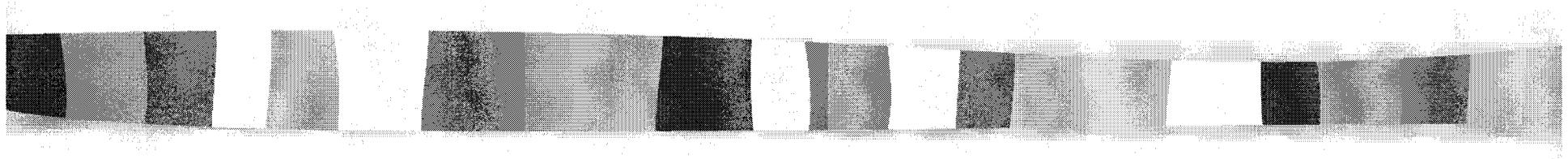
1. Advertising—assistance with the development and drafting of both print and radio advertising copy.
2. Publicity—assistance in getting editorial coverage in area papers with regard to the business.
3. Brochure—assistance with copy development and layout suggestions for a new business brochure, to help attract customers to store.
4. Slogan—help brainstorm various ideas/concepts to come up with a slogan or "tagline" for the business that can be used in advertising, printed materials, etc.
5. Sales Promotion—assist in developing several promotion ideas that can be executed by Cheap Kids II over the next 6-to-9 months that will help attract customers to the store; help raise awareness of Cheap Kids II; and help foster a positive image of the store and the quality of merchandise sold.
6. Merchandising--Help Cheap Kids II maximize the store "experience" for both current shoppers as well as first-time customers, giving all customers the best possible environment in which to shop; and working with Janice on window displays to make certain they are as inviting as possible to prospective customers.

The consultant is expected to spend on average 10 hours per month for the term of the Agreement. Hours are expected to be spent as follows:

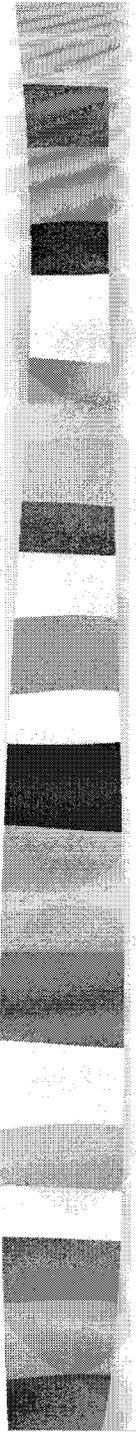
- Approximately nine (9) hours of phone communication or on-site assistance to the Borrower;
- One (1) hour for communication with and preparation and submittal of reports to the CVRLF Fund Manager, Emily Kaminsky.

A report detailing the assistance provided and recommendations is to be submitted to the CVRLF Fund Manager, Emily Kaminsky, and within ten (10) days of the end of the month. A sample report is attached.

Post-Loan Technical Assistance



Supporting Sustainable and
Healthy Small Businesses in
Central Vermont

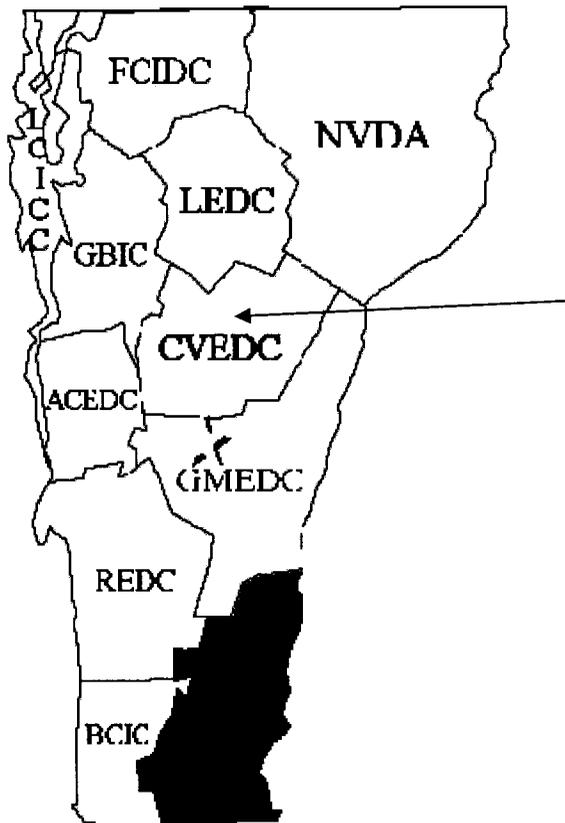


Project Abstract

Address the challenges that Central Vermont Revolving Loan Fund (CVRLF) Borrowers face in starting and growing their businesses.

- **Improve the access** of Borrowers to outside resources and support that meets their needs.
- **Increase their opportunities** to develop healthy and sustainable enterprises.

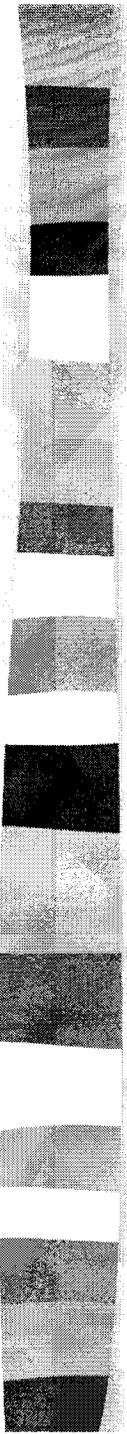
Where is Central Vermont?



**Central Vermont is located
in the heart of Vermont.**

Population = 62,000

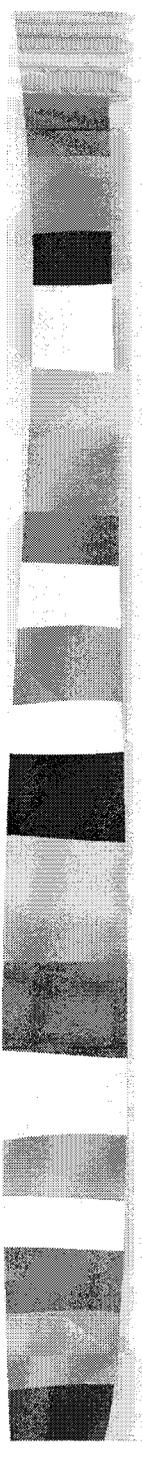
**Industries: tourism,
granite, manufacturing,
agriculture**



What is the CVRLF?

Mission

Contribute to a strong Central Vermont community by helping small businesses prosper through the provision of flexible financing and ongoing technical assistance.

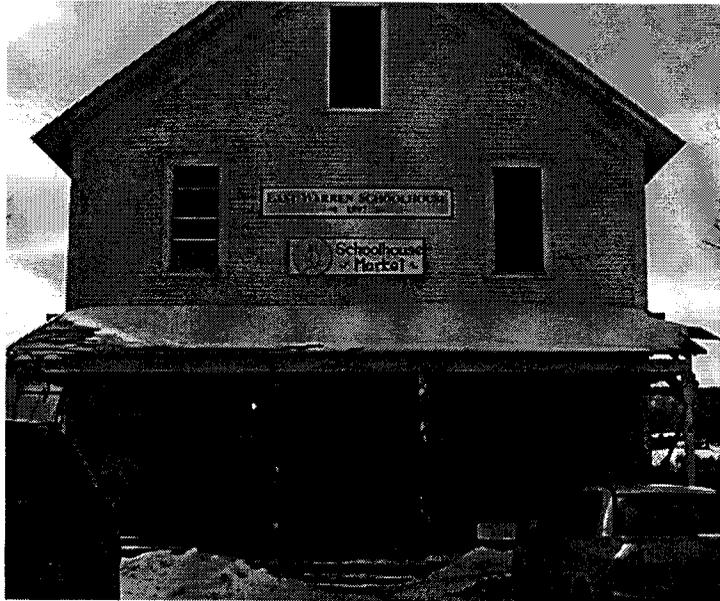


Project Target Community

Included 24 businesses (37 individuals) who share the following characteristics:

- Female-Owned
- Low-to-Moderate Income
- Poor or No Credit History
- Scarce Personal Resources
- Limited Prior Experience
- Start-Up
- Low Profit Margin

CVRLF Borrowers



**East Warren Schoolhouse Market
Warren, VT**

**Montpelier Village Pizza
Montpelier, VT**



CVRLF Borrowers



**Cheap Kids II
Barre VT**

**Ornamental Soaps
Warren VT**

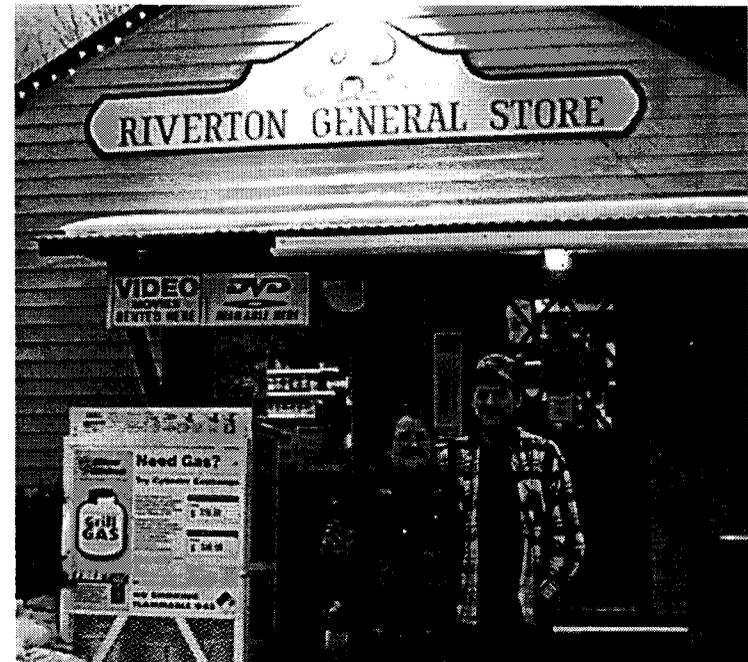


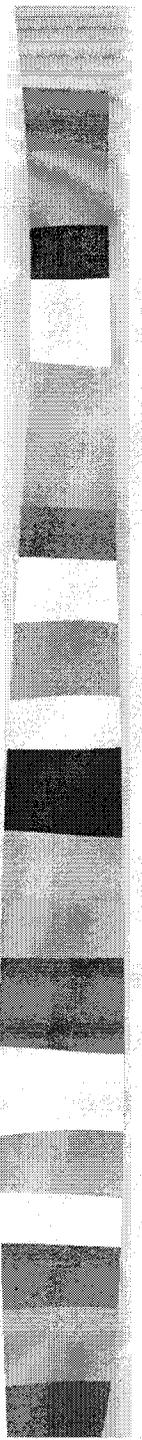
CVRLF Borrowers



**Flower Depot
Waterbury VT**

**J&D's General Store
Berlin VT**

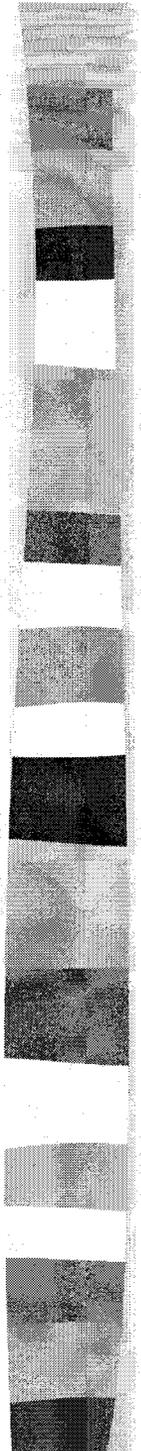




Description of Problem

Poor Borrower Performance

- **Sales Less Than Expected:** In 2001, 62% of Borrowers grossly under-performed.
- **Delinquencies and Defaults:** 70% had difficulty making payments at one time during their loan; 40% of all Borrowers since 1997 have shut their doors due to insolvency.
- **No Access to Assistance:** Borrowers lack the financial wherewithal and connections to outside assistance and support networks to help them overcome challenges.



Description of Problem (cont.)

Inadequacy of CVRLF's Post-Loan Technical Assistance (PLTA) Program:

- Only made referrals to “generic” business advisors as opposed to industry or sector-specific experts.
- CVRLF staff and service providers lack understanding of the causes of Borrowers' success or failure.
- No participatory mechanisms were in place to involve Borrowers in identifying business development needs.

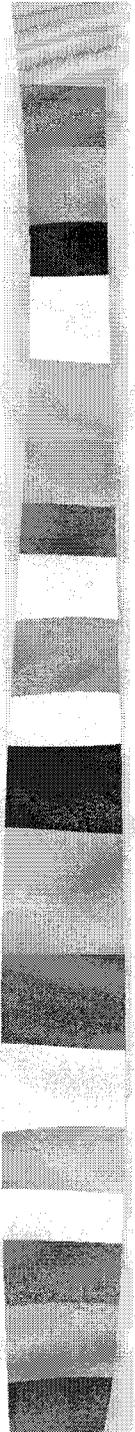


Problem Statement

Without access to appropriate resources and support networks, Borrowers will have fewer opportunities to succeed in business.

If nothing is done to improve access...

- Borrower delinquency and default rates will stay the same or increase.
- Business failure will have negative effects on the entrepreneur, family, community
- Defaults deplete CVRLF assets to re-lend.



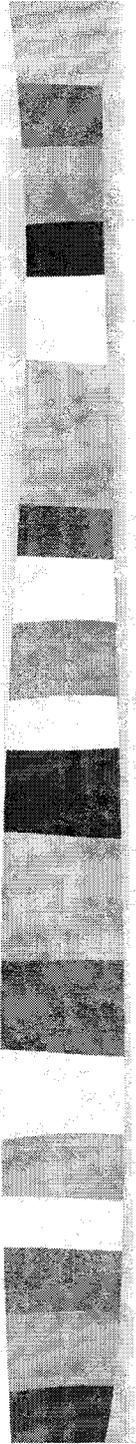
Project Hypothesis

Entrepreneurs with access to intensive, one-on-one specialized assistance, learning opportunities, and peer networks have better chances for success.



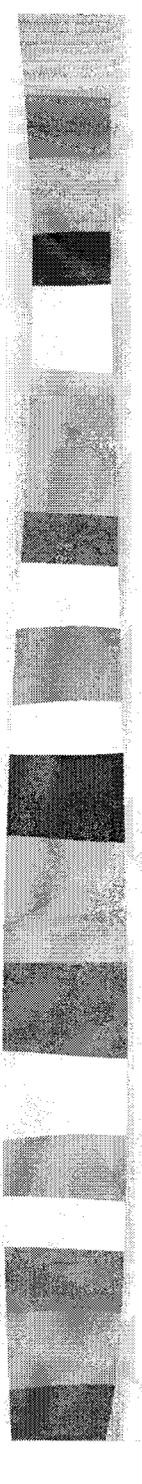
Goal Statement

Improve the access of CVRLF Borrowers to the outside resources and ongoing support they need in order to enhance their opportunities to create and sustain healthy businesses.



Project Objective #1

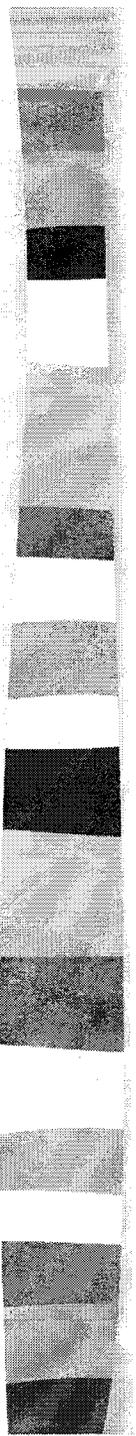
1. ***Raise awareness*** among stakeholders of the post-startup needs of disadvantaged entrepreneurs
 - Develop an interactive Borrower Interview Guide
 - Conduct 1-on-1 Borrower interviews
 - Conduct Literature Review
 - Roundtables for Borrowers, Technical Assistance Providers, and CVRLF Board
 - Outreach to sector and industry-specific consultants



Project Objective #2

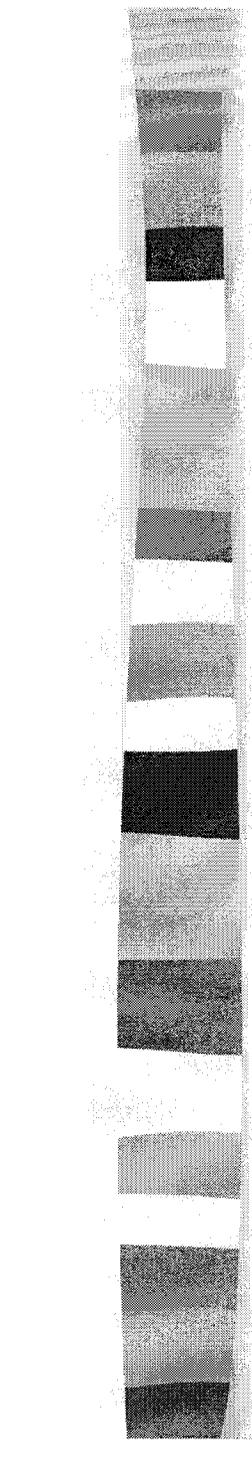
2. ***Design and deliver*** appropriate technical assistance to transfer needed skills and knowledge to at least 75% of all active Borrowers

- Facilitate meetings between Borrowers and industry and sector-specific consultants
- Support Borrowers in planning for Post-Loan Technical Assistance
- Organize and host Borrower roundtables
- Distribute “Borrower Connections” newsletter
- Create a Community Advisory Committee



Project Objective #3

3. ***Create sustainable forums*** through which CVRLF Borrowers can gain access to learning and networking opportunities with their peers
- Focus groups to gauge interest of other entrepreneurs in a small business network
 - Create a Steering Committee for a small business event
 - Host a small business event that focuses on increasing networking opportunities
 - Take necessary steps to cultivate, incubate, and launch a small business network



Project Objective #4

4. *Monitor and evaluate* to gauge the impact and effectiveness of the Project

- Conduct baseline and follow-up interviews with Borrowers.
- Identify monitoring and evaluation indicators.
- Design PLTA Plans and consultant contracts that aid in monitoring and evaluating impact.
- Collect and analyze financial reports from Borrowers.

Results – Raised Awareness

- Stakeholders are aware of and understand the factors that influence business performance.
 - 13 Borrowers participated in interactive 1-on-1 interviews
 - 11 entrepreneurs participated in roundtables.



Results – Raised Awareness

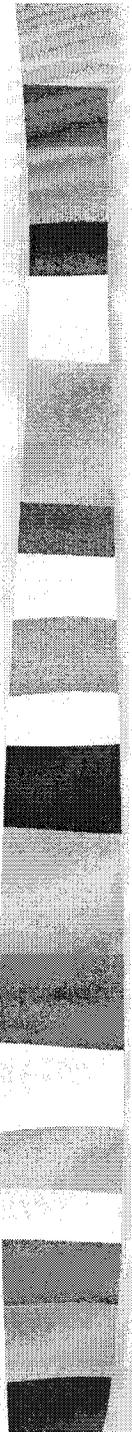
- 26 Technical Assistance Providers, 1 lender, and 4 CVRLF Board members participated in 3 roundtables



Results – Raised Awareness

- 18 sector-specific private and publicly-funded consultants are supportive of PLTA Project

Consultants	2001	2003
General	3	3
Marketing	0	4
Human Resources	0	1
Quickbooks	0	1
Financial Mgmt	0	4
Food Production	0	1
Manufacturing	0	1
Wholesale/Import	0	1
General Store	2	2
TOTAL	5	18



Results – Design & Deliver

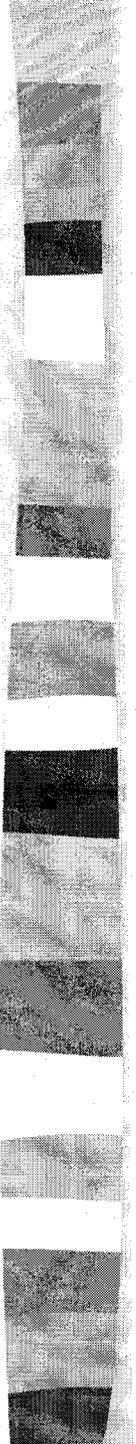
- Borrowers are engaged in a technical assistance program that meets their needs
 - 100% of Borrowers have used PLTA as of 2003 as opposed to 65% in 2001.
 - Increased access: average of 27 hours of technical assistance; median hours = 5.
 - Post-Loan Technical Assistance Plans: 25% of Borrowers have PLTA plans in place.

Results – Design & Deliver

- 3 Borrower roundtables planned; 2 held



“I enjoyed getting feedback from other businesses at the roundtables I attended. I was happy to know that I wasn’t the only one facing a crisis!” - retailer



Results – Design & Deliver

- 14 1-on-1 initial PLTA meetings facilitated between Borrowers and consultants/advisors.
- 9 (38%) Borrowers did not utilize outside resources to their advantage.
- 4 issues of “Borrower Connections” newsletters published and distributed.

Borrower Newsletter #1

Central VT
Revolving
Loan Fund

Borrower Connections

Volume 1, Issue 1
March 15, 2002

INSIDE THIS ISSUE:

Marketing Seminar Highlights	2
VT Environmental Partnership	2
MESA-Cooperative	3
Marketing Connections	3
VT Technical DeLuge	3
MESA—Continued	3
Technical Assistance Advisory Committee	4

SUBMISSIONS FOR MAY ISSUE!

This is your newsletter to help you stay connected! If you have something to share with fellow borrowers as part of the May issue of Borrower Connections, contact Emily @ 479-1053.

Borrower Interview Results:

- 9 borrowers were interviewed out of 16
- Respondents employed 35 people in 2001
- Businesses generated \$1,215,000 in sales
- 4 owners have NO health coverage, 3 have HMO, and 2 have Medicare.

February—Borrower Roundtable

On February 28, 2002, CVRLF Borrowers came together for good company, good food, networking and learning at the Central VT Chamber of Commerce in Berlin.

A total of seven businesses were represented. The group was very diverse with businesses from the food industry, woodworking, auto service, quality crafts, children's clothing, and flowers.

The featured speaker for the event was SCORE volunteer and entrepreneur, Claudia Clark. Claudia spoke about Guerrilla Marketing Tech-

niques. More on Claudia's presentation can be found inside this newsletter on Page 2.

Following the presentation, Borrowers gathered together for an intimate discussion about marketing techniques, successes, and obstacles. Borrowers were able to make connections, referrals, and some even found opportunities for collaboration and co-marketing!

Those who were unable to make the roundtable, will receive materials from the marketing presentation shortly. Join us for the next roundtable!



There was a wealth of experience to draw from at the roundtable. Borrowers shared lessons learned and discussed opportunities for co-marketing, image development, and client relations.

Bi-Monthly Borrower Roundtables

Sharing experiences, laughing at and learning from mistakes, making new contacts, and exploring co-marketing opportunities with other business owners are all invaluable experiences. The February roundtable was an excellent forum for doing this!

Following the roundtable, borrowers felt the need to continue dialoging with one another and requested that CVRLF sponsor additional roundtables focusing on information exchange and peer learning.

To answer that request, beginning April 2002, the CVRLF will sponsor a Borrower roundtable every other month at the Central VT Chamber of Commerce.

I suggest we pick the 4th Wednesday of each month for our roundtables. The next meeting would be April 24th.

If you want to help organize this event, please call Emily at 479-1053 or email her at ekamirsky@cvrcac.org.

Borrower Newsletter #2

Central VT
Revolving
Loan Fund

Borrower Connections

Volume 1, Issue 2
June 15, 2002

INSIDE THIS ISSUE:

Selling Power—Seminar	2
Future Borrower Events	2
In The News—Flavor Report	3
Virtual Investor Project	3
Loan Administrator Memo!	4

SUBMISSIONS FOR SEPTEMBER ISSUE!

This is your newsletter to help you stay connected! If you have something to share with fellow borrowers, contact Emily, 479-1053.

FINANCIAL RE- PORTS DUE!

If you owe monthly reports, they are due on the 10th of each month.

If you owe quarterly reports, 1st Quarter was due April 30th.

All Borrowers owe

Next Borrower Event—August 6th Cheap Kids II Open House

On Tuesday, August 6, 2002, from 6 to 8 pm, you and your family (that means kids!!) are invited to an exclusive Open House for Cheap Kids II at 185 North Main Street in Downtown Barre. Food and refreshments will be provided.

What's the occasion?

Janice Parkington, owner of Cheap Kids II and CVRLF Borrower, has been working on a new and improved image for her children's used clothing store on Main Street in Barre. For the past month, she has been renovating her store, designing a new slogan, developing new print and radio ads, and planning for growth!

How is she able to do all this?

To find out the answer, you'll have to come hear for yourself. Just a few hints—Janice tapped into some grant funds for recycle and reuse thanks to Central VT Solid Waste Management. She also has had assistance

from Post-Loan Technical Assistance Consultant, Charles Rubner. Charles will join us at the Open House to answer any questions you may have about marketing strategies. Read more about Charles below.

Call Emily at 479-1053 to RSVP!



BEFORE RENOVATIONS! Here's Janice in her shop prior to the renovations! Come see the difference!

Need Help? Check out these Consultants!

The CVRLF's list of specialized technical assistance consultants is growing. If you see someone you would like to work with, call Emily at 479-1053.

Marketing—Charles Rubner, a resident of Calais, marketing guru, and former McDonald's marketing exec is an excellent resource if you need assistance in designing and implementing a marketing strategy. Just ask Janice!

Selling on Internet! E-Bay—Bill DeForge, a resident of Berlin and long-time savvy business owner and consultant, could be the savviest E-Bay aficionado you can find in central Vermont! Bill also has expertise in the food industry, having owned and consulted for area convenience stores.

Financial Planning & Management—We're currently checking out a new consultant who has built a long and successful career in financial planning for small businesses. She's currently teaching managerial accounting at Vermont College in Montpelier and may be available for one-on-one consultations as well as group trainings on financial planning. More info on her later!

Food-Related Consultants—Claudia Clark, SCORE volunteer, and Brian Norder, director of the Vermont Food Ventures Center, are excellent resources when it comes to food businesses. Claudia's specialty is in marketing while Brian is a wiz at production and management.

All Borrowers can access up to 10 hours of specialized post-loan TA per month.

Borrower Newsletter #3

Central VT
Revolving
Loan Fund

Borrower Connections

Volume 2, Issue 1

January 1, 2003

INSIDE THIS ISSUE:

Learning Guidebooks Pre-February 5th	2
Central VT Small Business Fair	2
Cheap Hide II Open House	3
CVRLF Annual Inter- views—Feb 2003	3
Health Insurance For Small Businesses	4

SUBMISSIONS FOR MARCH ISSUE

This is your newsletter to help you stay connected! If you have something to share with fellow borrowers, contact Emily, 479-1053.

FINANCIAL REPORTS DUE!

Monthly reports are due on the 10th of each month.

Quarterly reports for July-September were due October 31st. Reports for October-December are due January 31st.

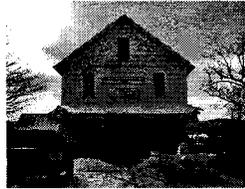
Next Borrower Event—January 2003 Schoolhouse Market Open House

On Thursday, January 23, 2002, from 6 to 8 pm, you are invited to an exclusive Open House hosted by the East Warren Schoolhouse Market located at 42 Roxbury Mountain Road in East Warren. Food and refreshments will be provided.

What's the Occasion?

Linda Failace and Bruce Fowler, owners of East Warren Schoolhouse Market and CVRLF Borrowers, just completed their first full year of operation. Although open for several years, the store was not fully operational due to limited funds and ongoing repairs. Now one year into their Business Plan, they are on target with projections and plan to grow in Year 2003.

Being Resourceful Gets You Ahead Success is hard to achieve on your own. How have the folks at East Warren Schoolhouse been able to achieve what



SCHOOLHOUSE MARKET: A DESTINATION Despite being located outside of Warren Village, the Market does fantastic business, primarily during the ski season, summer, and foliage.

they have so far? You'll have to come hear for yourself. Just a few hints—the owners have tapped into some wonderful resources, including family, friends, the community, the town, local nonprofits, and a CVRLF consultant who will be our Special Guest for the evening.

Special Guest

Consultant and Small Business Owner Bill MacDonald has worked with East Warren Schoolhouse Markets on everything from financial management to store layout. Bill is the owner of the Waits River General Store and has years of experience in the food industry. He is a VT Grocers Association board member and a founder of the VT Independent Alliance of Country Stores.

Linda Failace will be sending you an invitation shortly. Don't miss this event! Call Emily at 479-1053 to RSVP!



BEHIND THE SCENES TEAM Bruce Fowler, Linda Failace, and Larry Failace pose behind the counter at the Market.

Borrower Newsletter #4

Central VT
Revolving
Loan Fund

Borrower Connections

Volume 2, Issue 1

April 1, 2003

INSIDE THIS ISSUE:

Workshop on Taxes for Small Business	2
Workshop on Under- standing Financials	2
VTSL Conference— collaborative	3
Networking for Small Businesses: VISE	3
Results of Small Biz Survey, Focus Groups	4

SUBMISSIONS FOR June Issue

This is your newsletter to help you stay connected! If you have something to share with fellow borrowers, contact Emily, 479-1053.

FINANCIAL REPORTS DUE!

Monthly reports are due by the 20th of each month.

Quarterly reports for January-March 2003 and 2002 Corporate/Personal Tax Returns are due April 30th.

NEW BORROWERS NEW MISSION STATEMENT

New Businesses Join CVRLF Borrower Group

Congratulations and a big welcome to businesses that have joined the CVRLF Borrower group in the past six months:

- **Janice DeGoosh** purchased The Pink Shutter Flower Shop in Montpelier with support from the CVRLF and BankNorth.
- **Tip Ruggles** of Somers Hardware received support to re-open his long-standing and much loved Montpelier hardware store.
- **Emma Grant**, owner of Birds R Us Plus in East Montpelier, received a loan to grow her in-home pet shop.
- **The Terechin Family** of Taste of Russia in Waterbury received a loan to grow their specialty foods business.
- **Raina Launderville** and **Shane Farrell** received a loan to open a new shoe store in Montpelier.
- **Amy and Jay Ribera**, received a loan to purchase Curves for Women—Berlin.
- **Christopher and Clare McAfee**, of Wiggodds.com in North Montpelier received a loan to grow their retail and wholesale wig business.

CVRLF Mission Statement & Guiding Principles

"To contribute to a strong Central Vermont community by helping small businesses prosper through the provision of flexible financing and ongoing technical assistance."

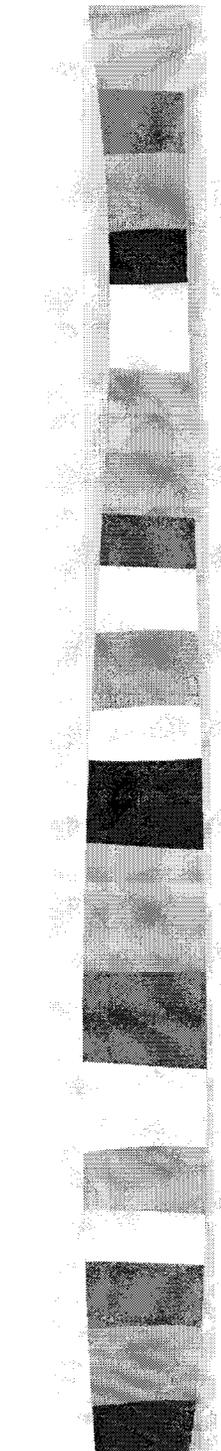
The following principles guide the Loan Fund Board and Staff in achieving its mission:

- We are dedicated to **improving the access** of local entrepreneurs and small business owners to flexible and affordable financing to support start-up and growth;
- We hold it to be true that every entrepreneur and small business owner can enjoy greater opportunities for success if they have **access to appropriate resources and ongoing support**;
- We strive to **promote economic opportunity and financial security** for Central Vermonters by targeting resources to those businesses that are owned by or employ low or moderate income individuals in our community;
- We are committed to **building and sustaining community resources** that will provide long-lasting support to local businesses now and into the future.

Results – Sustainable Forums

- Community participated in planning networking event through a Steering Committee:
 - 13 people representing 6 organizations and 4 businesses participate in Steering Committee



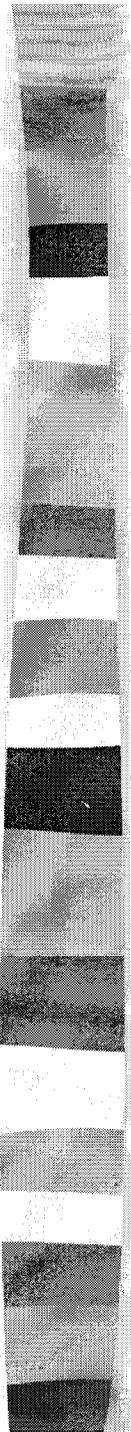


Results – Sustainable Forums

- 6 planning meetings held to date
- Networking event planned for June 9th

Tasks Remaining

- Sponsorship
- Marketing
- Speakers
- Actual event



Results – Monitor & Evaluate

- Appropriate monitoring and evaluation systems are in place.
 - Borrower Interviews
 - Small business focus groups
 - Advisory Committee – not yet
 - Borrower Focus Groups – not yet

- PLTA services are monitored and evaluated
 - Post-Loan Technical Assistance Plans
 - Borrower Financial Statements
 - Consultant Scopes of Work, monthly reports

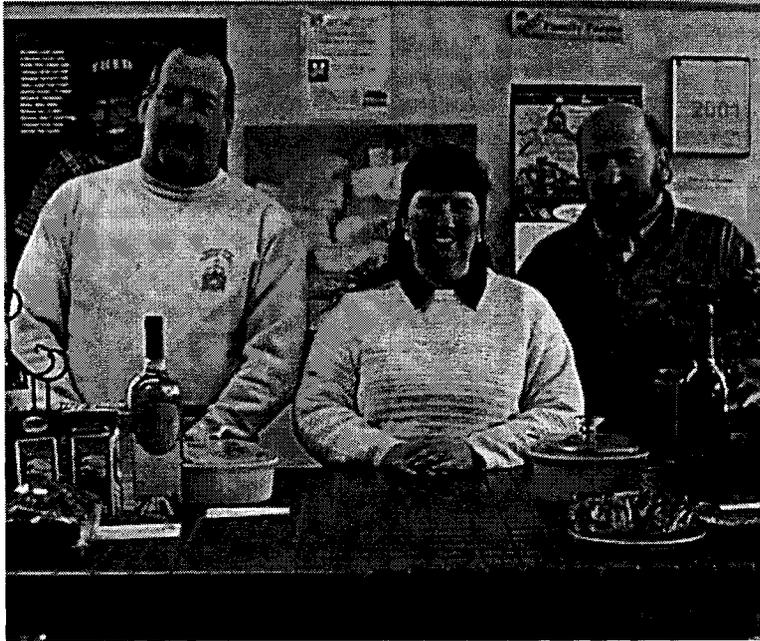
Project Impact on Borrowers

Three Borrowers referenced PLTA as contributing to the success of their business.

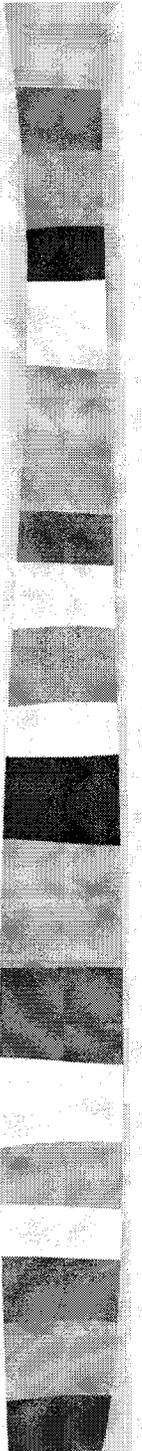


Increased market share, self-esteem, and confidence: *“Charles had a tremendous impact on my business. He helped me create new brochures and a solid ad campaign. He helped me turn this into a real retail store. He validated me as a business owner; he believed in me.”*
- Janice Parkington, Cheap Kids II

Project Impact on Borrowers



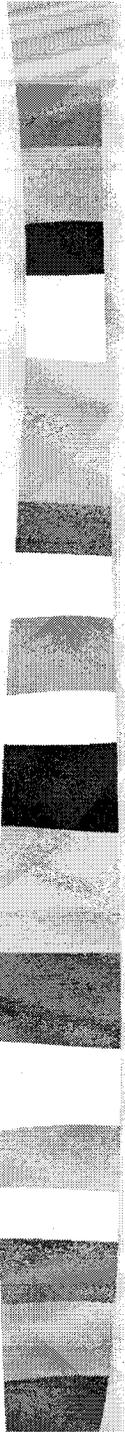
Enhanced capacity to take the “pulse” of the business: *“I learned how to run Z reports off of the register. Now I can measure our progress against benchmarks. Bill helped us make sure our markup on our products was sufficient. I would have liked to have met with Bill earlier, even before we got the loan.”* – Linda Faillace, Schoolhouse Market



Project Impact on Borrowers

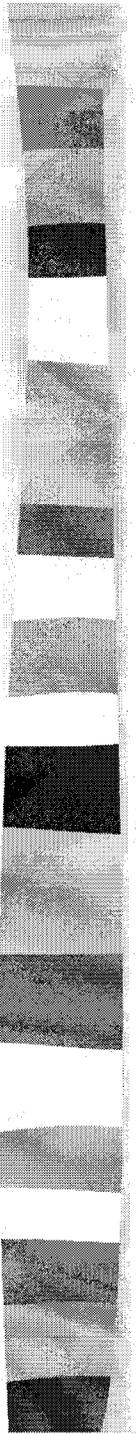
Difficult To Measure Short-Term Impacts

- ❑ Over a period of time, access to networks and resources will most likely have a positive impact on sales and net income.
- ❑ 3 Borrowers exceeded their projections in 2002 as compared to 2 borrowers in 2001; not a direct effect of PLTA.
- ❑ Access to resources immediately affects Borrower confidence.



Conclusions

- ❑ **Capacity:** Target Community and CVRLF did not have sufficient capacity to effectively utilize existing resources to their advantage.
- ❑ **Criteria:** A set of criteria needs to be in place for selecting consultants and matching them to Borrowers' needs.
- ❑ **Community:** The success of group learning and networking events is limited without a sense of community and a critical mass of participants.



Conclusions

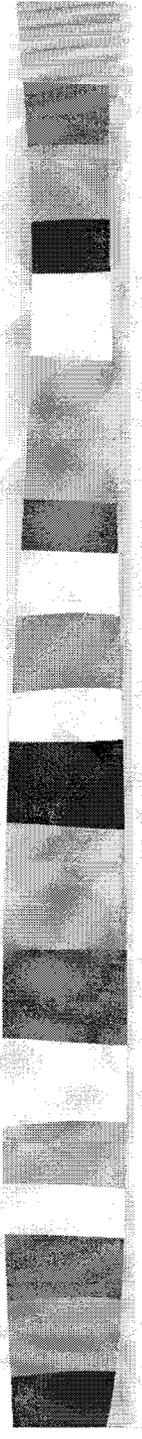
- **Collaboration:** Project activities cannot be implemented without the support and participation of a wide variety of stakeholders and partners.
- **Continuum:** PLTA is most effective when it is delivered as part of a continuum of services that include pre-loan support and post-loan approval guidance.
- **Personal Learnings:**
 - You cannot want it more than they do.
 - Be cognizant of your role (perception of the community)
 - Personality, ethics, and approach are important



Conclusions

CED-Ness of Project:

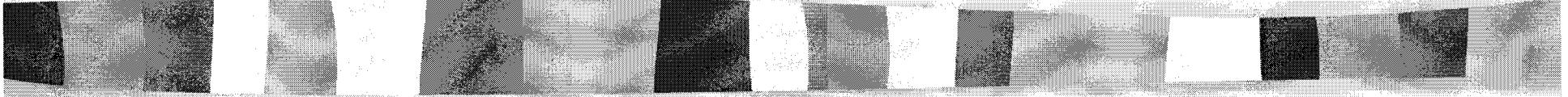
- ❑ **Participation:** Target Community was involved in designing their own PLTA Plans; participation engenders commitment to success.
- ❑ **Equality:** Access to resources helps to level the playing field for inexperienced entrepreneurs who have limited resources
- ❑ **Sustainability:** Project activities sought to create sustainability of impact (knowledge transfer) as well as relationships through group activities and networks.



Recommendations

- ❑ **Develop Capacity** – of borrowers and organization
- ❑ **Formalize Program Parameters** – ensure consistency and standards
- ❑ **Increase Impact Through Partnerships** – leverage existing resources to their fullest
- ❑ **Link Target Community to Wider Networks** – there is no substitution for peer support
- ❑ **Widen Spectrum of Services** – entrepreneurs should have access to sector and industry-specific resources in the prestart phase.
- ❑ **Plan for Sustainability** – phase in a fee-for-service model that reduces the expense of providing PLTA to the organization.

The End...



Questions?