

# DAKOTA BUSINESS

November 2008

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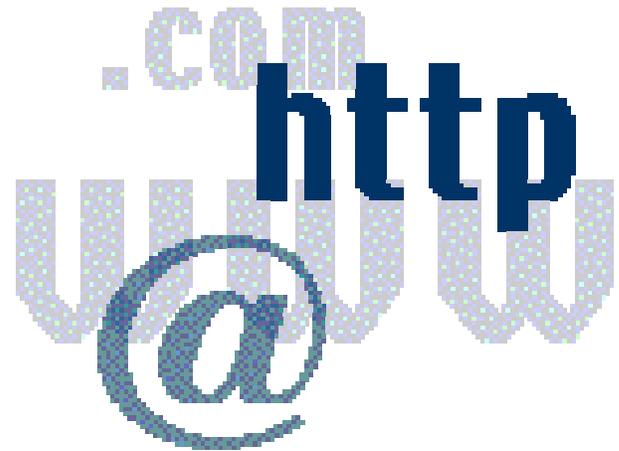
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## NORTH DAKOTA SMALL BUSINESSES, MEET THE INTERNET!

**By: Eric Giltner**  
Grand Forks Area Office

The economics of North Dakota's small businesses has been relatively isolated from the volatile changes facing the world's financial markets. The state has benefited from a strong agricultural industry supported by favorable growing conditions and higher commodity prices. The re-development of the western oil reserves and an emphasis in research supported by the growth in funding for the Red River Research Corridor provides North Dakota with a long-term economic stimulus. Add to all of this the practical and conservative business models employed by the state's banking community and it appears the small business community in North Dakota has so far weathered the "financial storm."

One way that North Dakota small businesses should not be isolated from the rest of the nation is in the use of the Internet as a viable business tool. The original design of business internet sites ranged from a simple, static, and passive "e-brochure" to the very complex and expensive "personalized" designs employed by companies such as Amazon.com. The personalized sites employed sophisticated software and hardware configurations to personally greet users to the site based on information gleaned from previous visits and were used by a few companies whose business model was the Inter-



net. Most businesses employed the e-brochure model. If your business still employs the e-brochure model or even worse, no Internet strategy at all, you may be missing out on a tremendous business opportunity.

In 2005 a new Internet configuration or model was described as "Web 2.0." This next generation web site was seen as a move from a static environment to a collaborative, creative, and interactive venue where customers exchanged information with businesses and other customers on a regular basis in a variety of formats. Web 2.0 employs the use of blogs, podcasts, video sharing, wikis, social networking, and web services to create this collaborative Internet experience for users.

- **Blog:** an online diary; a personal chronological log of thoughts published on a Web page.

- **Podcast:** a Web-based audio broadcast via an RSS (really simple syndication) feed.
- **Wiki:** a collaborative, informational Web site set up to allow user editing and adding of content.
- **Social Networking:** online communities of people who share interests and activities or want to learn more about the activities and interest of special interest groups.
- **Web Services:** describes a standardized way of integrating Web-based applications using open standards over an Internet protocol backbone. (In other words, Web Services represents applications allowing for communication between many different computer programs and platforms. It is analogous to the system used by the United Nations

Helping small businesses **start, grow** and **succeed**.



Your Small Business Resource

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*If you aren't considering some of the new, advanced Internet technologies, you may be missing out on a tremendous business opportunity.*

### **Business & The Internet November 28, 2008**

Link Building, 300 Cherry Street, Grand Forks

7:30am—9:00am

Contact: Eric Giltner, 701-746-5160 or [eric.giltner@sba.gov](mailto:eric.giltner@sba.gov)

Does your business have a “workable” website? More and more customers in today’s market are turning to the Internet to get information on the products and services they want to buy. SCORE, US Bank, and the Grand Forks Housing Authority have organized a series of three seminars designed to help small business owners learn about promoting their goods and services through a safe, secure, and customer-friendly website. This is the third and final session of the series.

## MEET THE INTERNET

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to translate speeches into many different languages so there can be continuous and immediate dialog on the issues at hand.)



Why is Web 2.0 so important for today’s small businesses?

It represents the opening of a “new” network of contacts for business owners. North Dakota small businesses have traditionally networked through local chamber of commerces; regional and national industry associations; and other social events such as the 7 am coffee group at the local diner. These traditional network contacts have been and continue to be a valuable source of information for small business owners to gauge customer likes and dislikes. Web 2.0 not only allows another way for your local contacts to communicate with you but also brings new voices and

information to your doorstep and definitely widens the awareness of your business. ♦

Eric Giltner has been a Business Development Specialist and the Grand Forks area manager for the U.S. Small Business Administration since 1998, having formerly been assistant to the dean of the UND College of Business and Public Administration. He can be reached at [eric.giltner@sba.gov](mailto:eric.giltner@sba.gov).

## EXPERTS AND EXPERTISE ARE AT YOUR FINGERTIPS

**By: Mike Gallagher**  
North Dakota District Office

SBA and its resource partners have embraced technology making both counseling and training available to you 24 hours a day, seven days a week. From your home or office you can have a conversation with an expert anywhere in the US. You can sit at home with a cup of tea wearing your slippers and learn about ways to improve your recordkeeping, develop a business plan or even export your product.

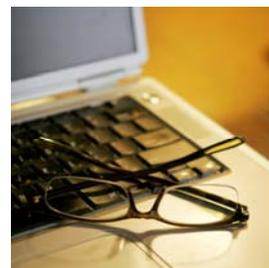
SBA has invested considerable resources into developing a menu of on-line training courses available at [www.sba.gov/services/training/onlinecourses/](http://www.sba.gov/services/training/onlinecourses/). These courses are no cost and available to you through your computer. The courses are user-friendly and provide helpful information on a variety of business issues.

The Service Corp of Retired Executives Association (SCORE) is a nationwide resource network of individuals who have an expertise in an area of business. Through the SCORE web site, individuals can search for experts and initiate a dialogue with the individual on any small business issue. A SCORE Counselors will respond to your questions through an email dialogue that allows you to address issues with those who have experience in the industry or in areas where you may have a specific question or business need.

By visiting the SCORE web site at [www.score.org](http://www.score.org) you can “Ask SCORE”. Search their database of counselors for a match to your need and then proceed with effective solu-

tions to your business issues. You can couple the computer experience with a face-to-face contact with one of the SCORE members in the four Chapters of North Dakota if you wish. Through the SCORE web site you can find contact information for the Chapter nearest you.

In addition to counseling and training, both the SCORE web site and the SBA web site offer valuable tools to help you start or manage your business. The SCORE “Business Tools” offers access to Pod casts on business issues



and templates to develop projections and forecasts. SBA’s web site offers a library of publications you can download and complete ac-

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## EXPERTS AND EXPERTISE

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cess to SBA regulations, forms and other helpful information.

As the challenges of our ever changing economic environment help to frame your approach to business start-up and growth you will be pleased to know that informa-

tion and guidance is free, accessible and available through the SBA and its resource partners. ♦

Mike Gallagher has been a Business Development Specialist for the U.S. Small Business Administration since 1984, and the Dep-

uty District Director since 2005. A graduate of the University of North Dakota, Mike is a Certified Public Accountant and a former business owner and educator. He can be reached at [michael.gallagher@sba.gov](mailto:michael.gallagher@sba.gov).

## ASK THE NORTH DAKOTA DISTRICT OFFICE

**Q.** I want to start a business selling products through the internet. Do I have to charge sales tax or have a permit?

**A.** If your business is located in North Dakota you would be required to charge sales tax,

file a sales tax report and remit sales tax to the state on any taxable sales to North Dakota residents. You would be required to secure a sales tax permit. For more information you may wish to visit the

North Dakota State Tax Commissioner's web site at [www.nd.gov/tax/salesanduse/](http://www.nd.gov/tax/salesanduse/).

## SBA USES TECHNOLOGY TO INCREASE RESPONSE AND EFFECTIVENESS OF 8A APPLICATION AND ANNUAL REVIEW PROCESS

**By: Tom Linnertz**  
North Dakota District Office

On October 1, 2008, the U.S. Small Business Administration (SBA) launched its new electronic 8a Application and Annual Review System known as the Business Development Management Information System or BDMIS.

For years small disadvantaged firms have had to submit a long and involved paper application to SBA for review and acceptance into the 8(a) program, a program intended to help small disadvantage firms through the development of their business and assistance with building sales through government contracting. Once accepted into the program, the firms had to report annually using another

manual (paper) process that generally required duplicate submission and entry of general information.

The BDMIS is designed to take the tedium of redundant entries out of the 8(a) application and annual review process. Once the appropriate application information is completed and submitted the business does not enter the information again unless or until they have changes in the business which requires an updated for the annual review.

Currently BDMIS only allows individual 8a firms to apply using the electronic application. Tribally owned firms and Alaskan Native Corporations (ANC's) must still apply by hard copy. Additionally fed-

eral law still requires "inked" signatures for applications and annual reviews, so signed hard copies must still be supplied. However to accomplish this, after the initial information has been entered, an 8(a) applicant or participant need only enter the BDMIS program, update information, and then print the forms. There is no need to refill the documents.



Tom Linnertz, Business Development Specialist with the North Dakota District Office (SBA) is one of six SBA field staff experts throughout the nation who has been trained to work through problems that arise with the BDMIS. To date there have been few serious

### Top Ten Tax Tips for Small & Growing Businesses

December 17, 2008

Online

10:00am—11:00am

Contact: Fay Behm, 701-328-5850 or [faybehm@btinent.net](mailto:faybehm@btinent.net)

Taxes are one of the most important issues facing small and growing businesses. Business owners need to be sure that they are meeting all of their responsibilities—and also seizing every opportunity to reduce their taxes.

This workshop is being offered in an online webinar format. To participate, you will need an Internet connection and separate phone connection. At the time of the webinar, dial 1-866-740-1260 and enter access code 3087502; then go to <http://sba.readytalk.com> and enter the same access code.

Webinars are education sessions presented by a live instructor over the phone and are supported by a visual presentation delivered over the Internet. It is a great way to learn valuable information without leaving your home or office.

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## 8A APPLICATION AND REVIEW PROCESS

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problems with most being remedied with a phone call while the customer is on the phone. The BDMIS, while still quite simple, is being heralded as a major step by SBA to make the 8(a) program much easier and less paper dependent.

You can find more information on the 8(a), the application process and federal contracting by going to the North Dakota District Office, SBA (NDDO) website at: [www.sba.gov/nd](http://www.sba.gov/nd) and clicking on "Opportunities" in the right hand column. ♦

Tom Linnertz has been a Loan Officer and Business Development Specialist for the U.S. Small Business Administration since 1989, and the 8(a) Program Manager for the North Dakota District Office since 2002. Tom can be reached at [thomas.linnertz@sba.gov](mailto:thomas.linnertz@sba.gov).

### Did You Know?

Sir Timothy John Berners-Lee, a British-born Computer Specialist, is credited with inventing the World Wide Web in December 1990. It is estimated that there are currently 1.5 billion people using the Internet. This is about 22% of the world's total population.

## SBA APPLICATIONS MOVED AT THE SPEED OF LIGHT

**By: Mike Gallagher**  
North Dakota District Office

Even in today's difficult economy SBA continues to process loans made through local lenders. As it has in the past, SBA continues to partner with lenders to provide the needed capital for the start-up and growth of small business. Although much has stayed the



same, many things have changed over the past few years. Using technology, SBA has increased the access and availability of information on SBA lending. Lenders have at their finger tips the forms, regulations and other information necessary to consider the eligibility of a loan for SBA and to work with the borrower to complete the forms. All SBA forms, regulations and guidance is available through SBA's web site at [www.sba.gov](http://www.sba.gov). Under the Tools button at the top of the page you will find a link to all the forms required for SBA loans. With a click of the mouse and a few key strokes, lenders have access to the needed documentation for SBA, IRS and others

needed to consider an SBA guarantee.

Once the forms are completed and the application is ready to be submitted to SBA for consideration, lenders can use an electronic process to submit that application. Known as E-Tran the SBA has developed a loan guaranty origination solution that leverages best-practice Internet technology to reduce the turnaround time on loan guaranty requests and provide the agency with high quality, timely data to support the management and oversight of its portfolio. E-Tran is one component of an overall strategy to provide increased efficiency and decreased costs in the loan guaranty origination process. This solution allows lenders to be more responsive to borrowers with a faster turnaround time while saving costs for the lender, borrower and the taxpayer. Application packages that had at one time traveled by snail mail now move at the speed of the internet.

The North Dakota District Office has used technology to train and communicate with lenders allowing them to better understand SBA loan programs and how these programs benefit and can be applied to the small business borrower. Updates to loan programs are transmitted to

individual lenders through email and through an electronic newsletter. Training is offered to individual lending institutions and groups of lenders using a Webinar format, decreasing the cost to the taxpayer and increasing the availability and accessibility to lenders. Literally hundreds of lenders in North Dakota have participated in training using the electronic format. Every month features new programs and updates needed for seasoned and new lenders. This helps lenders meet the needs of their small business customers.

From application to the servicing of small business loans, SBA has invested in the resources needed to increase the efficiency of its programs while assuring that small business owners have access to needed capital through an extensive network of community and national based financial institutions. ♦

Mike Gallagher has been a Business Development Specialist for the U.S. Small Business Administration since 1984, and the Deputy District Director since 2005. A graduate of the University of North Dakota, Mike is a Certified Public Accountant and a former business owner and educator. He can be reached at [michael.gallagher@sba.gov](mailto:michael.gallagher@sba.gov).

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