We welcome 15SUES —our new Chair

SCORE, Chapter 15 Newsletter
Vol. 5, No. 1

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“Earthrise,” as seen from Apollo 8
Photo: NASA (Public Domain)
Recent Member Welcomed
We are pleased to announce the following recent members to the SCORE, Chapter 15, team:

- Fortuna Alcocer
  *Specialty:* She is a life and career coach, as well as a professional speaker. Fortuna is fluent in Spanish and English.

SCORE mentor certification is required of every volunteer. As of this date, nearly everyone in Chapter 15 has attained this important certification!

EXECUTIVE COMMITTEE
SCHEDULE OF MEETINGS:
November 11, 2015
December 9
January 13, 2016
February 10
March 9

Sue Melamud, Chapter Chair
Doni Rogers, Chapter Co-Chair and Recording Secretary
Dennis Newnham, Vice Chair, Community Outreach
Richard Berek, Vice Chair, College Outreach
Barry Marks, Marketing Chair
Peter Fleischmann, Chair, Seminar Program
Kenn Bosland, Spanish Outreach
Mitch Layne, IT Leader
Paul Dzera, Treasurer
David Cortese, Corresponding Secretary

SERVING THOSE WHO HAVE SERVED US
The SBA has been increasingly focusing on veterans and their desire to start businesses. For New Jersey, the SBA has dedicated Gene Spillane as the point person for veterans affairs. He is available to assist SCORE mentors and can be reached at 973-645-2427, or by e-mail, at eugene.spillane@sba.gov

GENERAL MEMBERSHIP
SCHEDULE OF MEETINGS:
November 18, 2015
January 27, 2016
March 23

Staring at 9:30 a.m., at our Newark headquarters

All members are strongly encouraged to attend.

If you are unable to attend a meeting, please arrange to participate via a phone conference.

Topics to be announced

QUOTES WORTH QUOTING
A person who never made a mistake never tried anything new.
*Albert Einstein*

Success is not the key to happiness. Happiness is the key to success. If you love what you are doing, you will be successful.
*Albert Schweitzer*
Sue Melamud
Takes the SCORE, Chapter 15, Helm

As of October 1, Sue Melamud took over as the Chair of SCORE, Chapter 15. Said David Cortese, Corresponding Secretary, “Please note the great things that have happened and are about to happen. We also want to send thanks to Mr. Dennis Newnham, who handed the reigns over to Ms. Sue, and will remain a Vice-Chair with the Chapter and lead our Community Outreach initiatives.” We interviewed Sue to learn more about what she is planning.

**15SUES** How will you apply your experience as Director of Marketing for the environmental consulting firm at which you worked?

**SUE** My experience in marketing taught me how to promote one’s organization through the use of written (brochures) and Internet (website) materials. I hope to help in our continuing effort to improve our Web site and write content for our social media pages as they are developed. I also recognize from my experience that a multimedia approach is the most effective in promoting our agenda for increased outreach and attraction of new clients.

**15SUES** Are there any experiences as a SCORE, Chapter 15, counselor that have affected your outlook for this chapter? If so, which ones, and why?

**SUE** I have found that working with a clientele that is largely disadvantage from a socioeconomic standpoint, and helping them overcome these disadvantages is far more rewarding than helping successful businesses become even more successful. In addition, I have learned that it is better to prevent a budding entrepreneur with limited knowledge of the business they wish to start and even more limited financial resources from making a mistake by jumping in too quickly, rather than encourage an unprepared client to take a leap of faith.

**15SUES** Back in May 2014, you gave an informative presentation on doing business with the government. Is this an area of entrepreneurship you wish to pursue among SCORE, Chapter 15, counselors?

**SUE** Yes, I have already counseled several clients on this topic, and I think that, with New Jersey’s set-asides for Minority-Owned and Women-Owned Business Enterprises, governmental contracting will become more and more attractive to our clients seeking to provide needed services.

**15SUES** Both last year and recently, you have spoken on the need to cultivate diversity among SCORE, Chapter 15, membership? How will you address this issue as Chapter Chair?

**SUE** We have already made great strides in recruiting talented people with diverse ethnic backgrounds, including several Hispanic mentors who can provide bilingual counseling, and we will continue to embrace diversity in our chapter. Our meeting with Newark movers and shakers was also a very positive step in this direction. We will be further expanding our Spanish Outreach program, and we will extend outreach to major women-owned and minority-owned business organizations.

It is imperative we increase our member involvement as we go forward. We need members to step up and become a “champion” for a specific outreach activity or special event, so we can cover a lot of ground and reach out to multiple organizations in our quest to expand our profile, influence and, ultimately, our clientele.

Mark your calendars!

**SCORE, Chapter 15, Holiday Luncheon**
**Saturday, December 5, 2015**

Same place, same price, $15 per person.
Sue Melamud’s Personal Message to Chapter 15

Well, another year has gone by, and a lot has happened within SCORE Chapter 15! We have grown, gaining 5 new members, and we have counseled many more clients and presented many more seminars. We have initiated new outreach programs with area universities, and we have partnered with several Chambers of Commerce throughout our service area. We are also approaching 100% member certification as mentors. We’ve also updated our office computers and our website, and we are making further enhancements to attract new clients. National has awarded us Gold status for our accomplishments, which we have achieved through the collective efforts of all of our members, working together, coupled with the tireless energy devoted by Dennis Newnham, our “fearless leader” for the past two years as Chapter Chair.

“As he passes the torch to me and I assume the Chair position, I know that there is still much to do. Having been energized by attending our National leadership Conference in August, I am eager to introduce several initiatives that I anticipate will help us further expand our clientele and our membership. Barry Marks has helped prepare a remarkable and exciting Marketing Plan for the coming year, which will involve more aggressive media and online advertising, additional library seminars, and new outreach efforts to community organizations, such as women-owned and other business organizations in our area, coupled with website enhancements, client webinars, and use of social media to promote our chapter. Peter Fleischmann will be taking the reins for our library seminar program as Emil Hartleb retires from this effort, and we are confident that the program will continue to be in good hands, as it has been under Emil’s diligent watch.

“We will certainly need to increase member involvement to achieve our goals, and I invite you to participate in our efforts by taking on one project, such as contacting a community organization and hosting an open house, or arranging a webinar on a particular area of your expertise; there are many other such programs that need your support. If each of us takes on one initiative, we can accomplish great things together! Please do not hesitate to contact me if there is a particular activity you would like to lead.”

Sue brings a highly diverse and talented background to SCORE 15. Her professional training is as an environmental engineer, and she has a MS degree in Management. In that capacity, she is a partner at a New York City environmental consulting firm. Susan also has extensive experience in the business world. At her firm, she served as Director of Marketing, Northeast Region, for 20 years. Sue is also well versed on how private companies can procure government contracts.

Barry Marks Looks to the Future: 2016 Marketing & Outreach Plan

Barry Marks, the new SCORE, Chapter 15, Marketing Chair, has drafted the Marketing & Outreach Plan for 2016. Says Barry, “The FY2016 Marketing and Outreach Plan was developed to provide direction, options and guidance for increasing the outward presence of SCORE, Chapter 15, and attract additional clients. The plan covers a number of marketing and outreach objectives, issue, programs, actions, and options with a particular focus on seminars and workshops, improvements to the Chapter 15 Web site, initiation of the use of social media, improvement of newspaper promotions, and advancing relationships and partnerships with relationships with universities, chambers of commerce, and economic development organizations.”

Overall Objectives and Goals

On the basis of the SWOT analysis, Barry has formulated sustainable and measurable yet flexible objectives and goals for SCORE, Chapter 15. The Objectives of the Marketing & Outreach Program include:

• Drive more client activity
• Increase external visibility for our chapter
• Extend the reach of the chapter and chapter volunteers into untapped client development venues and opportunities
• Increase external presence: print ad, Web presence, social media
• Formalize a 360-degree outreach process; contact development, participant identification, registration, feedback, and follow-up
• Promote and leverage the strengths, skills, and experience of counselors
• Promote success stories and publish at least five testimonials and success stories.

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Barry Marks: Marketing & Outreach Plan

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Seminars and Workshops

The 2016 Marketing & Outreach Plan cover venues, promotions, participation, and follow-up actions. Priorities are streamlining the online registration process, including identifying those who have signed up for a seminar. Obtaining feedback at the end of the seminar will yield valuable information both for improving seminars; both events will allow for follow-up with individuals attending seminars and workshops with the objective of converting them to clients. (This is part of the 360-degree outreach process.)

We will continue our relationships with libraries that have historically supported hosting our seminars. Barry identified a further topic for a seminar: government contracting. In addition, a list of non-participating libraries has been identified. Plans are to approach them to promote and host SCORE, Chapter 15, seminars; we will need volunteers to conduct the seminars and the library should have compatible audiovisual equipment.

Another critical effort will be to evaluate the ability of the chapter's to serve the Spanish community. This will involve “conducting research to fine-tune our view of the demographics within the three-county area,” as to the locations of Hispanic communities, along with areas that show a growing trends of 21- to 30-year-olds, as well as persons ages 35 to 50.

College Seminars and Workshops

SCORE, Chapter 15, should leverage lessons learned and the successes from the BEST program at Seton Hall University, Essex County College, and Rutgers University. We should seek additional colleges or universities for conducting these seminars and workshops.

In-House Workshops

SCORE, Chapter 15, typically holds five workshops during the fiscal year. These workshops are currently held in the Newark office. The chapter needs to identify additional workshop topics, along with other locations to hold our workshops.

Chambers of Commerce and Local Economic/Business Development Groups

During the past year the Chapter 15 has been in contact with a number of Chambers and Municipal groups. Our Chambers of Commerce outreach team will continue to discuss, evaluate, and prioritize strategic alliance opportunities, in addition to conducting periodic multi-chamber events. In addition to Chambers of Commerce, the Chapter has made successful outreach to municipal development organizations. In addition, says Barry, “The chapter should evaluate, prioritize if deemed appropriate extend its outreach activities to develop relationships with other organizations involved business and economic development.” One example is the New Jersey Association of Women Business Owners (NJAWBO), the oldest statewide women business owners’ organization in the United States.

Marketing Outreach: Web-Based Strategy and Programs

Efforts for the fiscal year include the following:

Web site. The Chapter 15 Web site has a very professional look. Proposed enhancements include more detailed information about our services, a new page with bios and other details on mentors, a page with access to the Chapter 15 newsletter with space for posting questions, a page of success stories and client testimonials, and a blog to keep the content fresh.

Constant Contact. The current use of Constant Contact to e-mail library and workshop announcements to a list of approximately 4,300 individuals and organizations has been very effective. In addition, it is worth considering the ways in which the distribution list can be updated and be used in a separate database for follow-up.

Google AdWords. Google Adwords acts as a search tool with the objective of leading an individual to a specific Web site. Earlier this year, according to Barry, Chapter 15 secured a grant from Google. To maximize this resource, we need to explore new and more-effective keywords.

Webinars. Webinars “have proven to be an effective tool in presenting to a broader community. The Chapter should consider the use of webinars to reach a broader set of prospective clients and promote our services and mentor expertise.”

Social Media. “Social media solutions such as LinkedIn, Twitter, and Facebook have provided benefits to many businesses and nonprofit organizations seeking to expand their reach and promote their story and products or services,” says Barry. “Social media could be a value to Chapter 15.”
Second BEST Event Is a Success

November 7, 2015, marked the second BEST Seminar at Essex County College, West Essex Campus. Paul Dzera covered the essentials of starting and financing a business, and John Tully discussed the importance of Internet marketing by means of a Web site, social media, e-mail newsletters, and other forms of online marketing and publicity.

Attendees at the second BEST event at Essex County College, West Essex Campus, gain valuable knowledge about marketing, financing, and promoting a small business.

Our thanks to Paul Dzera and John Tully for their hard work, as well as Carmen Narvaez and Ada Torres of ECC, for their assistance in making this event a success.

Essex County College invited us to present another seminar next year.

“Peter Fleischmann will be taking the reins for our library seminar program as Emil Hartleb retires from this effort, and we are confident that the program will continue to be in good hands, as it has been under Emil’s diligent watch.”

—Sue Melamud
Securing capital today is very different from what it was 20 or 30 years ago. According to Ty Kinsel of OnDeck, financing a start-up remains highly challenging but, thanks to new technologies and non-traditional funding sources, conditions for new entrepreneurs are becoming more favorable. During the September 24 General Membership meeting, Ty explained how. He also introduced OnDeck, a SCORE resource partner.

His presentation, “An Insider's View: Securing Capital to Grow Your Business,” will be available to all SCORE counselors to use with their clients.

In the past, he said, applying for a small-business took some 33 hours. The founders of OnDeck sought to change that. With today's technology, entrepreneurs can fill out an application online and know whether they have been approved much faster. Even traditional banks now have a variety of sources at their disposal. However, SBA lenders and banks will not lend money to small businesses with less than a 650 credit score; many nontraditional lenders that obtain data from a variety of sources beyond the credit score.

Enter Crowdfunding
Crowdfunding is, according to Merriam-Webster, “the practice of soliciting financial contributions from a large number of people especially from the online community.” Someone starting to start a small business can go one of several portal, sites such as GoFundMe, Kickstarter, and Indiegogo, and propose his or her idea; Investors on each site determine whether the risks and potential are worthwhile.

Crowdfunding derives its name from the fact that such online campaigns attract the opinions the individuals in the “crowd,” who, in turn, influence the ultimate value of the offering or outcome. Each potential investor or member of the crowd, in effect, acts as an agent of the offering, selecting and promoting the projects to support. These people then spread the word about projects they like support through their online communities (e.g., through social media), generating further support.

Aside from a desire for a favorable return on their investment, crowdfunding participants enjoy that sense of patronage from being at least a part of the success a promising business venture. Crowdfunding also provides a feeling of being part of a communal social initiative.

The oldest type of crowdfunding is donation-based funding, whereby investors receive a sample or share of the product. Ty used the example of an entrepreneur who sought to finance a screen printer and offered a free T-shirt to those who provided funds.

Another type of crowdfunding is equity or investment funding, in which the small business owner offers investors equity in return for their financing. SCORE counselors need to know the regulations of this sort of funding specific to their state.

With debt-based funding, the entrepreneur applies for a loan online; each source has its metrics to determine the credit risk of the borrower and the interest rate. The challenge to the entrepreneur is to develop an effective pitch for both the site and prospective investors. Kiva Zip is an example of this type of funding. The company will qualify a small business seeking a small amount of money, ($1,000 or less) that can find five family members or friends to lend them money. Ty pointed out that Kiva Zip’s default rate is less than 10%. Once the business has repaid the initial $5,000, it is qualified to borrow additional funds, as much as $10,000.

OnDeck caters not to start-ups but to small businesses that have at least a year in business and annual gross revenues of at least $100,000. The terms of the loan are short, generally six months to three years. The small-business owner completes an application on line; response is quick, with results within 24 hours, even as soon as half an hour. OnDeck and other lenders of this type look at all kinds of data, such as Yell and other online reviews, in addition to standard information to determine credit risk. Most lenders look at the last four to six months’ cash flow statements to ensure that the small business can afford to make the payments. He indicated that the most important criteria is the company’s cash flow, reflecting its ability to make the debt service payments. Consistent cash flow is critical.

What a Borrower Should Look For
Ty pointed that APR is not the best measure of the cost of a loan cost, unless the term of the loan is taken in account. An example is a six-month loan at 67.5% APR versus a four-year loan at 22.5% APR; the dollar cost of the six-month loan would be about ¼ of the dollar cost of the four-year loan.

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Crowdfunding (Continued from page 13)

It is incumbent for the borrower to be fully prepared as how much financing is needed, the purpose of the loan, and what type of loan is the best fit for the type of business considered. BusinessLoans.com has a Fundability Quiz to determine how qualified a borrower is. From the answers to this quiz, BusinessLoans.com calculates how the borrower is likely to be rated by various types of lenders, pointing out the borrower’s strengths and weaknesses. The site then suggests what type of lender would be the best fit.

SBA LINC and loan-matching sites such as BoeFly and Lendio match borrowers to a list of lenders interested that profile. This is a highly effective way for a small-business borrower to gain exposure to multiple lenders at one time.

What Are the Risks and Benefits?

In addition to providing an important alternative source of financing, crowdfunding offers several other benefits:

- An enhanced profile of the venture
- An audience and market for the venture
- Audience engagement with the project

However, there crowdfunding also presents several risks to the borrower:

- An inability to repay a loan can severely damage one’s reputation.
- One’s intellectual property is exposed, carrying a risk of theft.
- Donors may not be willing to answer the call for additional funds, should they be needed.
- Supporters may be reluctant to fund a project they fear is a scam or a fraud.

With due diligence on the parts of both the borrower and investors, crowdfunding can confer financial benefits to both parties and make a dream of owning a business a reality.

Brand-New Federal Rules

The U.S. Securities and Exchange Commission in November announced new rules on crowdfunding, which “allow anyone with a net worth less than $100,000 to invest up to $2,000 (or 5 percent of their net worth, whichever is greater) over a 12-month period. If an investor has an income and net worth greater than $100,000, they can invest up to 10 percent of their net worth.” The ruling goes into effect January 29, 2016.

Entrepreneurship Is Being Celebrated The U.S. and Globally

Back in 2010, two highly successful entrepreneurs, David Hauser and Siamak Taghaddos, founders of the telecommunications firm Grasshopper, along with Amir Tehrani, co-founder of the Legacy Foundation, came up with the idea of a national celebration of the entrepreneurial spirit. They promoted their idea with an inspirational 2009 video, Entrepreneurs Can Change the World, citing examples of how America was built on individuals with often little more than an idea.

Inspired, President Barack Obama declared November 19, 2010, as the nation’s first-ever National Entrepreneur’s Day as the capstone of National Entrepreneurship Week. In his declaration, he said, “Entrepreneurs embody the promise that lies at the heart of America—that if you have a good idea and work hard enough, the American dream is within your reach.

During National Entrepreneurship Week, we renew our commitment to supporting the entrepreneurs who power the engine of our Nation’s economy. These intrepid individuals translate their vision into products and services that keep America strong and competitive on a global scale, and build opportunity and prosperity across our country.”

In 2012, President Obama extended the week to National Entrepreneurship Month, saying, “America is known around the world as a country that empowers the inventor and the innovator. Ours is a Nation where men and women can take a chance on a dream—where they can take an idea that starts around a kitchen table or in a garage and turn it into a new business or a new industry. During National Entrepreneurship Month, we celebrate the hard work, ingenuity, and courage of our thinkers, doers, and makers.”

SCORE mentors naturally have a very important part to play in this noble undertaking.

On a Global Scale

The World Bank set aside November 12–19 as Global Entrepreneurship Week (GEW), with the theme of “Promoting Business, Inspiring Growth.” GEW is “the world’s largest celebration of the innovators and job creators, who launch startups that bring ideas to life, drive economic growth and expand human welfare. During one week each November, GEW inspires people everywhere through local, national and global activities designed to help them explore their potential as self-starters and innovators.” This massive observance comprises some 35,000 events in 125 nations worldwide.
Entrepreneurship
(Continued from page 15)

Individuals interested in starting a business are encouraged to network, consult a mentor, or attend a professional seminar to learn whether they have the interest and skills to undertake a start-up.

Says Jonathan Ortmans of the Kaufmann Foundation, “The field of entrepreneurship is no longer something of narrow commercial significance. It’s something of more cultural consequence. It’s something that represents the possibility of human endeavor for the benefit of all.”

In the U.S., people who start businesses are hailed as innovators and job creators. However, in some developing countries, entrepreneurship does not earn the same accolades. The World Bank is hosting a seminar, a forum, and a webinar to examine the reasons for this attitude and ways in which to spread the message on how national and local economies can benefit from entrepreneurship on all scales.

Global, but on a Smaller Scale
Earlier this year, the Alliance of International Business Associations (AIBA) proclaimed August 21 World Entrepreneurs’ Day. The purpose of this event was to “create awareness for entrepreneurship, innovation and leadership throughout the world.” AIBA sought to encourage founders, managers, producers, designers, and others worldwide to organize events to promote entrepreneurship and free enterprise.

We are pleased to offer this, the eighth edition of 15SUES.

We would like to take this opportunity to wish everyone all the best for the holidays.

We welcome your suggestions and contributions you deem important. The major objective is to make 15SUES our newsletter.