



## Economic Fuel April Highlights

**Finalists to be Announced on  
Friday, April 18<sup>th</sup> before 5:00pm**

### *April/May Events*

#### Financing Forum

**Date:** Tuesday, April 8<sup>th</sup>

**Time:** 6:00 – 8:30pm

**Location:** The Kate Buchanan Room, HSU

Got Funding? Find out how *you* can capitalize your business. Economic Fuel is hosting a Financing Forum featuring the following local funding agencies:

Arcata Economic Development Corporation  
Humboldt Area Foundation  
Redwood Capital Bank  
Redwood Region Economic Development Commission  
SAFE-BIDCO  
Umpqua Bank

Representatives from each group will give a presentation that highlights their products and services. Attendees will then have the opportunity to ask questions and get more information.

#### Venture Capital Forum

**Date:** Wednesday, April 16<sup>th</sup>

**Time:** 6:30 - 8:00pm

**Location:** Humboldt State University, Science Building B, Room 133

Find out what venture capital is all about. Economic Fuel will host a forum featuring David Cremin, Managing Director of the venture capital firm DFJ Frontier. DFJ focuses on early-stage technology companies. David will be answering these essential questions:

- When is a company ready for venture capital?
- How does venture capital financing work?

Seating is limited so come early. Don't miss out on this exceptional opportunity. To find out more about David Cremin visit the DFJ Frontier website at [www.dfjfrontier.com](http://www.dfjfrontier.com)

\*\*\*\* You can view the Powerpoint from David's 2007 presentation "How to Pitch a Venture Capitalist" at:

[http://www.economicfuel.org/images/Links/Creminshow\\_files/frame.html](http://www.economicfuel.org/images/Links/Creminshow_files/frame.html) \*\*\*\*

## Finalist Presentations

### **Finalist Teams, 1-4**

**Date:** Monday, April 28<sup>th</sup>

**Time:** 6:00 – 8:30pm

**Location:** The Wharfinger Building, 1 Marina Way, Eureka

### **Finalist Teams, 5-8**

**Date:** Tuesday, April 29<sup>th</sup>

**Time:** 6:00 – 8:30pm

**Location:** The Wharfinger Building, 1 Marina Way, Eureka

The finalist teams will give 10 minute formal presentations before the judge's panel and will have 20 minutes of questions and answers with the judges. The formal presentations will be judged on both content and quality of the presentation. The judges evaluate the teams based on whether:

- Speakers make a compelling presentation that sells the business idea.
- Speakers effectively answer questions to add credibility to the business venture.

Come and learn more about the finalist teams and the new businesses that will be opening in Humboldt County.

**We will be live streaming the Finalist Presentations courtesy of [StreamGuys](http://vista.streamguys.com/economicfuel) at <http://vista.streamguys.com/economicfuel>.**

## Awards Ceremony

**Date:** Thursday, May 1<sup>st</sup>

**Time:** 6:30 – 8:00pm

**Location:** The Wharfinger Building, 1 Marina Way, Eureka

The eight finalist teams will be awarded up to \$117,000 in cash awards to be used as seed capital to help them start their businesses.

**We will be live streaming the Awards Ceremony courtesy of [StreamGuys](http://vista.streamguys.com/economicfuel1) at <http://vista.streamguys.com/economicfuel1>.**

## *Digital Media Support Thank You*

Thank you to the following folks for their help with live streaming and recording many of our Economic Fuel events this year:

Jonathan Speaker	StreamGuys
Jose Quezada	Workforce Program Coordinator, County of Humboldt
Eileen McGhee	Technology Pathways Program
Trisha St.Denis	Video Production Technician
Tristen Wood	Video Production Technician

## *Thank You to the Toastmasters*

Volunteers from 3 local Toastmaster groups served as evaluators at the Elevator Pitch Practice on March 25<sup>th</sup>. They evaluated competitor's pitches prior to their giving them in the judged event on March 27<sup>th</sup>. The elevator pitches were fantastic – the combination of the competitors and the Toastmasters working together resulted in excellent presentations. Thanks Toastmasters for sharing your experience and expertise!

Julie Andre  
Justin Boyes  
Ellen Dailey  
Bob Giannini  
Scott Hammond  
Jane Haskins  
Jim Hight  
Rebecca Kimbel  
Vina Lewis  
Manny Mello  
Bill Ruff  
Jeff Smoller

Toastmaster members develop communication and public speaking skills by presenting prepared speeches, giving impromptu speeches and offering constructive evaluations of other members' speeches. Guests are always welcome at the following local club meetings:

**Lunch-Bunch Toastmasters** – The Prosperity Center, 520 E St, Eureka, 12:00pm 1<sup>st</sup> & 3<sup>rd</sup> Thursday of the month.

**Eureka Toastmasters** – St. Joseph Hospital, 3<sup>rd</sup> Floor, room 2, 7:30pm 1<sup>st</sup> & 3<sup>rd</sup> Thursday of the month.

**Eel River Toastmasters** – Fortuna City Council Chambers, 7:00pm 1<sup>st</sup> & 3<sup>rd</sup> Wednesday of the month.

Visit [www.toastmasters.org](http://www.toastmasters.org) for additional information.

## *Meet the 2008 Economic Fuel Judges*

**Patrick Cleary**

**President**

**Lost Coast Communications**

**What I look for in a business plan:**

- 1) Realism, especially financial realism.
- 2) A product that satisfies a real need.

**Bruce Hamilton**

**Owner**

**Wildwood Manufacturing**

**What I look for in a business plan:**

What I am looking for is a person who is real. I do not appreciate an excellent academic presentation with multi-charts, graphs and spreadsheets unless the business concept is real. What strikes me as real is an idea for a product or service that makes some common sense. That product or service has to have some sustainable competitive advantage-- for example, the creative genius of the principal(s).

I am looking for a business plan that shows potential to grow and to employ people, not one that will create a living for the principal only. And it has to work in Humboldt County with all of its challenges to business.

**Kristin Johnson**  
**Director**  
**Northern California SBDC Lead Center**

**What I look for in a business plan:**

- Realistic financial plan... what are growth projections based upon? Is growth financing adequate? Are start-up costs realistic? Are capital infusions well-timed?
- Adequate assessment of risks... is the entrepreneur being realistic?
- Is the entrepreneur invested... either personal money, length of time working for very little money, willing to sign a personal guarantee? In my opinion, the entrepreneur HAS TO be personally invested.
- Is there a realistic view of ownership as the company grows? In other words, is the entrepreneur willing to give up some of the ownership in exchange for capital? If not, don't waste investors' time.

**Charlie Jordan**  
**President**  
**Kinetic Coffee**

**What I look for in a business plan:**

A business plan must have relevance. It should be grounded in reality and pertain to the product or service being offered; within the actual economic market it will operate; based upon real projections and costs.

I lean towards business ideas that generate economic growth for the community. Will it create any jobs outside of those for the principals? Does it bring in funds from outside the County? Is it sustainable? Is there a limit to its growth? How applicable is the product/service? That is, does it provide a solution for a few, some or many? How easy is it to duplicate the product/service being offered?

I want to know that the principals are invested and if they have adequately assessed their strengths and weaknesses.

**Pam Olson**  
**CEO and Co-owner**  
**Humboldt Internet**

**What I look for in a business plan:**

A business plan needs to have clear steps in the procedure. I want to see first the vision, or idea, of the applicant's goal, e.g., "I want to sell donuts."

- Next, tell me the reasoning behind your choice of business. Do you have any special expertise in this area? Are you passionate about donuts? Do your friends beg you to bake for them? Basically, I'm wondering why I would want to invest in you and your idea.
- Next, tell me why this business is different than all the other donut businesses out there, or why your idea of running the business will make it work. Do you have anything new to add to the donut making industry? Or is this new idea a business no one really has in the area? Basically, why is someone going to buy your donuts? You should put some numbers in this section. How many other donut places are there, etc.
- Next, tell me what you are doing right now? Are you working full time? Are you employed? Where is your day to day living money coming from while you start this business?

This helps me know how much time you are going to have to invest and how much money you will need to pull out of your business as it gets started. Include numbers for your living expenses now and how they are getting paid. I love looking at spreadsheets for numbers.

Get out a spreadsheet and fill it with the following:

- Preliminary Work: Steps for the preliminary work and dates the steps will be accomplished. How much money will the preliminary work take?
- Startup costs: I am looking to see how much homework someone has done on the actual costs of running a business, here. List equipment costs, how much labor you need and tell me what labor the employees will be doing.
- List the rent, utilities, payroll taxes you will have to pay. There are also other costs, so list them here showing a 12 month span, or whatever span you think you'll need to bring the company into the black. Include interest payments on any loans. List the income per month you are anticipating.

Describe the following areas:

- Bookkeeping: Tell me what your bookkeeping plan is and who is preparing and going over the statements. Tell me what financial statements you will be wanting to generated each month and what you will be wanting to see in them?
- Tell me what you will do and what contingency plans you have in the financials - don't show what you want them to show at the end of each month.
- Employees: Tell me what kind of experience you have with working with people and how many employees you have managed. If you haven't managed any employees, what kinds of life experience have you had, which indicate you can manage people?

**Tom Tellez**

**Owner**

**Wallace and Hinz**

**What I look for in a business plan:**

- **Clarity:** Can the initial idea be clearly stated in just one or two sentences and does it make sense.
- **Experience:** Does the person have experience in the field of interest.
- **Advantages:** Is there a competitive advantage to this plan? How can they capitalize on this advantage?
- **Weaknesses:** Do they address their weaknesses and can they turn it into an advantage.
- **Passion:** Is the person/team writing this plan passionate about what they are about to do.

*Our Economic Fuel judges will be working diligently over the next few weeks reading every business plan turned in for the 2008 competition. For more information on their backgrounds and experience/expertise, please visit the Economic Fuel website at <http://www.economicfuel.org/judges.html>*

## ***Tax Incentives for New Equipment Purchases***

*Our friends at Holly Yashi sent us a flyer, from one of their suppliers, containing the following information about new tax incentives for small businesses:*

### **BRAND-NEW POWERFUL SECTION 179 TAX INCENTIVES FOR NEW EQUIPMENT PURCHASES IN 2008**

The recently enacted bipartisan Economic Stimulus Plan contains increased Section 179 expensing for 2008 small business equipment purchases, as well as a one-year 50% bonus depreciation allowance for new machine tools and other equipment ordered and placed in service during 2008.

The boost in Section 179 expensing increases the amount that small businesses can write off for new and used equipment purchases in 2008 from the current \$128,000 to \$250,000. Moreover, the cap on how much equipment can be purchased to enjoy the write-off has been increased from the current \$510,000 to \$800,000. The one-year 50% bonus depreciation means you can write off in 2008 an extra 50% of the cost of your new equipment that you buy and start using in 2008.

*Talk to your tax advisor to see how your business may benefit from these new incentives if you need to purchase new equipment.*

## ***Thanks to our Economic Fuel Participants***

The work that our competitors have done to research the viability of starting their businesses in Humboldt County will provide many benefits. Most importantly, writing a business plan will increase the likelihood of their success when starting their businesses.

In a study of start up businesses:

Over 80% of businesses that failed in the first year did not have a written plan\*

Over 80% of businesses still in business after four years started with a written plan\*

Thank you for taking the first step towards making your business idea a reality. The Eureka Reporter wishes our competitors well in all their ventures and we appreciate the opportunity to fuel student-driven entrepreneurship on the Northcoast.

\* based on work supported by the U.S. SBA, the NCSBRC and San Jose State University Foundation

## ***Reserve These Dates on Your Calendar***

**Thursday, May 22** – AEDC Spotlight on Success

### **SBDC Basics of Business Series**

**Tuesday, May 6th** – Financial Basics Workshop

**Wednesday, May 14th** – Start Up Basics Workshop

**Tuesday, May 20th** – Marketing Basics Workshop

**Thursday, May 22nd** – Business Plan Basics Workshop

**Wednesday, May 28th** – Books & Records Workshop

**Visit the Economic Fuel Website for more information about the competition!**

**[www.economicfuel.org](http://www.economicfuel.org)**

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We are currently reorganizing our distribution list. If you have received more than one copy of this email, please send a note to [theteam@economicfuel.org](mailto:theteam@economicfuel.org)

