



Entrepreneurs

An Entrepreneurs' Guide To Public Resources

Maureen Farrell, 01.09.09, 7:00 PM ET

Recession-racked entrepreneurs need all the help they can get. The good news is that there are myriad affordable resources--facilitating everything from raising money to finding talented help--and many are just a few mouse-clicks away. The key is knowing where to look.

Before the Internet, finding the right people to help bring a promising new idea to market was challenging. "Now you can get to that person in 10 minutes, and they might be in Kuala Lumpur, or in Cambridge, or in Africa or even in the lab next door," says Carl Schramm, chief executive of the Kauffman Foundation, a nonprofit organization that promotes entrepreneurship.

Of course, culling all those options is still a daunting task. Start with the usual suspects. The Small Business Administration offers a host of services, though many entrepreneurs don't know what's on the menu. Most importantly, the SBA guarantees loans under its 7(a) loan program, allowing entrepreneurs to borrow at friendlier rates, and its so-called 504 loans help fund real estate and machinery purchases.

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The agency lends a hand in many other ways, too. It provides business counseling via 63 small-business development centers, 112 women's business centers and a SCORE program that includes about 10,000 retired executives organized into nearly 400 groups around the country. While often free, the counseling services are hit and miss, and some entrepreneurs lament long delays in setting up appointments.

If you have several SBA centers in your area, find out which counselors have the most expertise and contacts in your particular industry. You can also tap the SBA's [Office of the Ombudsman](#) if you have a run-in with another government entity that, perhaps, has been slow to pay.

Next on the hit list: local chambers of commerce. Most cities and municipalities have a chamber, each with its own offerings, depending on the needs (and zeal) of its member base.

Many chambers provide helpful networking opportunities, in the form of lunch seminars and other events where small-business owners can mingle. Some negotiate group deals on everything from office supplies to health insurance. That's how Harvey Meister, chief executive of GDS Business Displays, a signage company in Bloomington, Ill., claims to have sliced the open-market cost of a company health policy in half. Still other chambers offer relocation services and clout with local governments.

How about help in raising money? While getting the attention of venture capitalists is only getting tougher, angel investors--bands of established business types looking to take a flier on promising companies but who don't tend to wield terribly burdensome term sheets--may be a better option.

[The Angel Capital Association](#) counts 330 angel groups across the U.S. (and plenty more throughout the globe). "When we started CommonAngels in 1999, people were saying 'Don't put up a Web site because people might know who we are,'" says James Geshwiler, managing partner of the Boston angel fund and former chairman of the ACA. "High net worth individuals are averse to being hounded, but now any entrepreneur anywhere can see a list of groups all over the U.S. and

Canada."

Like VCs, angels typically seek companies with high-growth potential, but slow-and-steady outfits can still troll these groups for new contacts. "Capital is always connected to complementary resources," says Geshwiler. Angel groups also host events and competitions, providing yet more networking opportunities. (Word of warning: Some groups charge fees to access their networks, so be sure you understand the terms.)

Raising money requires serious negotiating skills, especially when it comes to dealing with crafty, demanding venture capitalists. Enter TheFunded, a watchdog that allows capital seekers to research and critique VC firms. The site also tracks which deals are being funded and even lists specific information from term sheets. Having a better handle on how VCs operate can give entrepreneurs more bargaining power. "There's some honesty there," says Bob Nunnally of Balaya.com, a site aimed at bringing social networking to corporations. "It's basically my best single source [for tracking the VC community]." (For more on negotiating tactics, check out "[The Negotiators Playbook](#)."

Cities and states offer a flurry of quirky grants and tax incentives for small businesses, and your local development council can provide the details. Massachusetts, for example, grants businesses \$2,000 per employee and up to \$30,000 a year per company, to cover training expenses for new hires who had been unemployed for over a year. Michigan's economic development center hosts a business plan competition as part of its 21st Century Jobs Fund. Companies can bag between several hundred thousand and several million dollars, provided they use the money to create more jobs.

If all else fails, you can always build your own support group. Entrepreneur Chris Holman, Michigan's small-business advocate, started his first "CEO network" nearly 20 years ago. These groups consist of 12 to 14 chiefs, each in a different business, who meet every month to discuss ideas and challenges. Says Holman: "Most business owners have no one they can talk to about everything."

The key to these gatherings is open and honest dialogue. In one of Holman's recent meetings, an entrepreneur admitted that he was six months from bankruptcy; the other 12 members spent several hours coming up with a survival plan.

For those looking to start their own network, remember: "If any one single member doesn't want a new person, you can't add them," says Holman. "Everyone in the room needs to feel completely comfortable with everyone else."

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