

WEST TEXAS A&M UNIVERSITY  
SMALL BUSINESS DEVELOPMENT CENTER

# BUSINESS SURVEY

2010

ANNUAL REPORT

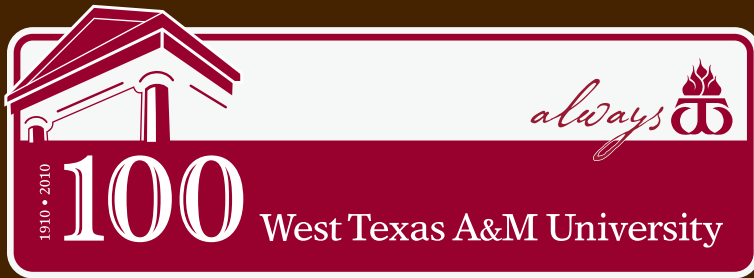
SMALL BUSINESS  
DEVELOPMENT CENTER

CONSULTING  
RESEARCH TRAINING

# THE ECONOMY

FROM A LOCAL PERSPECTIVE

The SBDC does not discriminate on the basis of race, color, creed, national origin, ancestry, sex, marital status, disability, religion, or political affiliation, age or sexual orientation. The SBDC is committed to ensuring that its programs and services are available to all persons, including persons with disabilities or needing language assistance. For persons needing an accommodation to an SBDC program, it is best that we receive your request at least 10 working days before a scheduled event.





February 10, 2011

To Our Clients, Partners, and Friends:

Last year we surveyed our local businesses in an effort to compare our local economy to the national scene and get a picture of the economic health of the panhandle. We published the survey in our Annual Report and got such an overwhelming response that we decided to adopt it as an ongoing model.

We therefore conducted a similar survey this year and have included the results within. Some of the results were expected, some are surprising, but I think you will again see an upbeat forecast and a “can-do” attitude.

Just as last year, the survey we conducted should not be considered “scientific”, but informational in nature. We use what is termed a “convenience sample”, which is to say, people who are easy for us to contact – in this case, our in-house e-mail list.

Along with the survey information, you will find data describing the operating results of the SBDC and I think you will agree that SBDC funding is money well spent - SBDC activities generate \$9.63 in new tax revenue for every \$1 spent on the program.

We wish you the best of luck in the new year and we hope you will rely on us for consulting, training, and research needs.

Sincerely,

PJ Pronger  
Director

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Phone: 806.372.5151 • Fax: 806.372.5261 • [www.SmallBusinessDevelopmentCenter.com](http://www.SmallBusinessDevelopmentCenter.com)

A member of the Texas A&M University System  
A member of Northwest Texas SBDC Region Network



# The Landscape in 2010

Just how did our local businesses fare in 2010, compared to the prior year?

**BUSINESS DESCRIPTION:**

*Please choose the selection that describes your operation.*

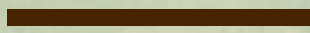
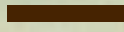


**2010**

	RESPONSE PERCENT	RESPONSE COUNT
Retail 	16.3%	20
Wholesale or Distribution 	4.1%	5
Services (for-profit) 	48.0%	59
Other For-Profit Business 	17.1%	21
Everything else - Govt., Education, Non-profit, Etc. 	14.6%	18
Optional Comments		12

answered question	123
skipped question	0

**SALES:**

How were your sales in 2010 compared to 2009?  
(Total revenues from all business related activities.)

	2010		2009	
	RESPONSE PERCENT	RESPONSE COUNT	RESPONSE PERCENT	RESPONSE COUNT
Up 	53.2%	59	38.1%	32
Down 	20.7%	23	34.5%	29
About the same 	26.1%	29	14.3%	12
Not applicable 	—	18	13.1%	11
	answered question	111		84
	skipped question	12		0





**COSTS:**

How were your costs in 2010 compared to 2009?  
(All costs of doing business.)

	2010		2009	
	RESPONSE PERCENT	RESPONSE COUNT	RESPONSE PERCENT	RESPONSE COUNT
Up 	57.7%	64	45.2%	38
Down 	8.1%	9	10.7%	9
About the same 	34.2%	38	32.1%	27
Not applicable	—	7	11.9%	10
	answered question	111		84
	skipped question	12		0

**EMPLOYEES:**

How was your employee count at the end of 2010 compared to 2009?  
(Total number of full-time equivalent employees on the payroll.)

	2010		2009	
	RESPONSE PERCENT	RESPONSE COUNT	RESPONSE PERCENT	RESPONSE COUNT
Up 	19.8%	22	11.9%	10
Down 	18.0%	20	17.9%	15
About the same 	39.6%	44	48.8%	41
No employees 	22.5%	25	—	—
Not applicable	—	2	21.4%	18
	answered question	111		84
	skipped question	12		0

**Technology entrepreneurs** are most likely to come from middle-class backgrounds, to have parents who are less educated than they are, and to be married with children when they launch their first companies. Their primary motivations for launching a company are financial and emotional. They wanted to build wealth and had a business idea on which they wanted to capitalize. Many said they had always wanted their own companies some day.

— *Making of A Successful Entrepreneur: Anatomy of an Entrepreneur Part II*  
by Vivek Wadhwa, Raj Aggarwal, Krisztina Holly, Alex Salkever.

**CAPITAL INVESTMENT 2010:**

*Did you make any capital investments in 2010?*

*(Purchase of any equipment, real property, or intangibles that will have more than one year of use.)*

		2010		2009	
		RESPONSE PERCENT	RESPONSE COUNT	RESPONSE PERCENT	RESPONSE COUNT
Yes		60.4%	67	52.9%	45
No		39.6%	44	47.1%	40
Optional Comments			4	—	—
		answered question	111		40
		skipped question	12		44

**CAPITAL INVESTMENT 2010:**

*If you did make a capital investment in 2010, approximately how much was it?*

		2010	
		RESPONSE PERCENT	RESPONSE COUNT
\$0 - \$100,000		71.9%	46
\$100 - \$250 (thousands)		10.9%	7
\$250 - \$500 (thousands)		6.3%	4
\$500 - \$1.0 (thousands to millions)		0.0%	0
Over \$1.0 (millions)		10.9%	7
Optional Comments			2
		answered question	64
		skipped question	59

**CAPITAL INVESTMENT 2011:**

*Do you expect to make any capital investments in 2011?*

*(Purchase any equipment, real property, or intangibles that will have more than one year of use.)*

		2010	
		RESPONSE PERCENT	RESPONSE COUNT
Yes		58.8%	50
No		41.2%	35
Optional Comments			2
		answered question	111
		skipped question	12

**CAPITAL INVESTMENT 2011:**

*If you do plan to make a capital investment in 2011, approximately how much do you think it will be?*

		2010	
		RESPONSE PERCENT	RESPONSE COUNT
\$0 - \$100,000		60.3%	35
\$100 - \$250 (thousands)		15.5%	9
\$250 - \$500 (thousands)		10.3%	6
\$500 - \$1.0 (thousands to millions)		5.2%	3
Over \$1.0 (millions)		8.6%	5
Optional Comments			1
		answered question	58
		skipped question	65

# Funding Options

There has been a lot in the news about how difficult it is to fund small business. Here is what our locals experienced:

## RESOURCES:

How did you finance your business in 2010?

(Check all that apply.)

		2010	
		RESPONSE PERCENT	RESPONSE COUNT
Personal Resources <small>(self financed)</small>		56.1%	60
Loan from a Bank		27.1%	29
Loan from Savings & Loan		0.9%	1
Loan from Friend or family member		0.9%	1
Loan from Non-Bank Lender <small>PRPC microloan or govt. sponsored program</small>		0.9%	1
Loan or Investment from investors		4.7%	5
Credit from vendor or supplier		11.2%	12
Credit Card (s)		19.6%	21
EDC or other or other community agency		2.8%	3
Not Applicable		23.4%	25
Other Comments (please specify)			7
		answered question	107
		skipped question	16

## RESOURCES:

Were you able to get all the financing needed in 2010?

		2010		2009	
		RESPONSE PERCENT	RESPONSE COUNT	RESPONSE PERCENT	RESPONSE COUNT
Yes		52.3%	56	62.5%	15
No		17.8%	19	37.5%	9
Not applicable		29.9%	32	—	—
Optional Comments			1		
		answered question	107		
		skipped question	16		

**Credit card debt reduces** the likelihood that a new business will survive its first three years of operation, according to findings from the study, "The Use of Credit Card Debt by New Firms", released by the Ewing Marion Kauffman Foundation

# Finding Appropriate Assistance

Federal, state, and local programs are being served up to assist entrepreneurs. We wondered how have these fared, and what the local awareness is of the programs that are available.

## RESOURCES:

Which of the following business resources are you familiar with?  
(Check all that apply.)

	2010		2009	
	RESPONSE PERCENT	RESPONSE COUNT	RESPONSE PERCENT	RESPONSE COUNT
New Markets Tax Credits	7.6%	8	3.8%	3
SBDC <small>Small Business Development Center</small>	79.0%	83	83.5%	66
WT's Business Incubator	52.4%	55	53.2%	42
Entrepreneur Alliance	42.9%	45	45.6%	36
SBA Loan Guarantees	54.3%	57	50.6%	40
EDP Plus Program	2.9%	3	2.5%	2
West Texas Angel Network	19.0%	20	19.0%	15
Equitrend Capital	10.5%	11	16.5%	13
TPRDC <small>Texas Panhandle Regional Development Corp. at PRPC</small>	28.6%	30	29.1%	23
PRPC Microloans	21.0%	22	20.3%	16
Accion Texas	4.8%	5	6.3%	5
Enterprize Challenge	57.1%	60	62.0%	49
Emerging Technology Fund	12.4%	13	11.4%	9
Texas Mezzanine Fund	6.7%	7	5.1%	4
Peer to Peer Lending	4.8%	5	—	—
Eureka! Grant	2.9%	3	—	—
AEDC Interest Rebate <small>Program</small>	15.2%	16	11.4%	9
Center City Facade Grant	27.6%	29	24.1%	19
USDA Value Added Grant	6.7%	7	3.8%	3
USDA Biomass Grant	3.8%	4	5.1%	4
Route 66 Grant	7.6%	8	7.6%	6
Small Business Innovation Research Grant	15.2%	16	20.3%	16
Optional Comments		8	—	—
	answered question	105		79
	skipped question	18		5

**The best reason** to start an organization is to make meaning - to create a product or service to make the world a better place.

- Guy Kawasaki, entrepreneur, investor, author

**FINDING APPROPRIATE ASSISTANCE:**

*Did you use any business services from WTAMU in 2010?*  
 (Small Business Development Center, Enterprise Center, Sponsored Research, etc.)

		2010		2009	
		RESPONSE PERCENT	RESPONSE COUNT	RESPONSE PERCENT	RESPONSE COUNT
Yes		41.9%	44	49.4%	40
No		58.1%	61	50.6%	41
Optional Comments			6	—	—
		answered question	105	—	
		skipped question	18	—	

**FINDING APPROPRIATE ASSISTANCE - For "yes" responses:**

*If you did use business services from WTAMU in 2010, did it help your business?*  
 (Small Business Development Center, Enterprise Center, Sponsored Research, etc.)

		2010		2009	
		RESPONSE PERCENT	RESPONSE COUNT	RESPONSE PERCENT	RESPONSE COUNT
Yes		72.7%	32	72.5%	29
No		9.1%	4	5.0%	2
Undecided		18.2%	8	22.5%	9
Optional Comments			2	—	—
		answered question	44	40	
		skipped question	79	44	

*Will these government initiatives help or hurt your business?*  
 (Enter one choice for each initiative.)

	HELPS	HURTS	NO EFFECT	DON'T KNOW	RESPONSE COUNT
Reduce fees on SBA loan guarantees	24.8% (26)	1.0% (1)	49.5% (52)	24.8% (26)	105
New Health Care Reform Bill	8.7% (9)	63.1% (65)	10.7% (11)	17.5% (18)	103
New Credit Card Laws	24.0% (25)	8.7% (9)	43.3% (45)	24.0% (25)	104
Reduced Payroll Taxes for 2011	55.8% (58)	1.0% (1)	28.8% (30)	14.4% (15)	104
Extension of Bush Tax Cuts	71.4% (75)	1.0% (1)	13.3% (14)	14.3% (15)	105
Optional Comments					2
					answered question
					skipped question
					105
					18

*“Your help was absolutely the turning point on whether I went forward .....Using the projected financials that you helped develop I was able to get a loan to procure a tow truck and go into business.”*

— Henry Zuniga

# Marketing

Marketing is an essential element of a successful business and when times are bad it becomes more important than ever. Here is how area businesses used marketing in 2010:

## MARKETING:

In 2010, did your marketing activities...

	2010		2009	
	RESPONSE PERCENT	RESPONSE COUNT	RESPONSE PERCENT	RESPONSE COUNT
Increase	44.2%	46	32.1%	25
Decrease	5.8%	6	11.5%	9
Stay about same	40.4%	42	52.6%	41
Not applicable	9.6%	10	3.8%	3
		answered question skipped question	104 19	78 6

## MARKETING:

In 2010, what types of marketing did you use?

	2010		2009	
	RESPONSE PERCENT	RESPONSE COUNT	RESPONSE PERCENT	RESPONSE COUNT
Billboards	11.5%	12	6.4%	5
TV	14.4%	15	15.4%	12
Print	53.8%	56	46.2%	36
Direct Mail	37.5%	39	26.9%	21
Radio	24.0%	25	20.5%	16
Email	48.1%	50	43.6%	34
Website	67.3%	70	57.7%	45
Promo Items	29.8%	31	34.6%	27
Yellow Pages	44.2%	46	—	—
Vehicle Signage	22.1%	23	—	—
Store Signage (outside your location)	26.0%	27	—	—
Sales Calls (door to door)	10.6%	11	—	—
Telephone (outbound calls)	17.3%	18	—	—
Internet (ads/leads)	14.4%	15	—	—
Face to Face networking	55.8%	58	—	—
No Marketing	9.6%	10	9.0%	7
		Other (please specify)	5	15
		answered question skipped question	104 19	78 6

## Introduction to Business Ownership Workshop Comments

*"I liked that it stayed basic. Pointed me in the right direction, and opened me up to topics I didn't think about."*

*"Very informative; really gave me a better feel for what I am getting into."*


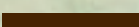

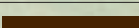
**MARKETING:**

*Did you use Social Media to market your business in 2010?*  
(Twitter, Facebook, etc.)

	2010		2009	
	RESPONSE PERCENT	RESPONSE COUNT	RESPONSE PERCENT	RESPONSE COUNT
Yes 	36.5%	38	32.1%	25
No 	59.6%	62	67.9%	53
Not applicable 	3.8%	4	0.00%	0
Other (please specify)		4	—	—
	answered question	104		78
	skipped question	19		6

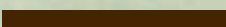

**MARKETING: If Yes to Social Media:**

*If yes, which social media did you use?*  
(Check all that apply.)

	2010		2009	
	RESPONSE PERCENT	RESPONSE COUNT	RESPONSE PERCENT	RESPONSE COUNT
MySpace 	2.6%	1	20.0%	5
Twitter 	28.9%	11	64.0%	16
Facebook 	97.4%	37	96.0%	24
LinkedIn 	28.9%	11	36.0%	9
Other (please specify)		1	—	0
	answered question	38		25
	skipped question	85		59

**MARKETING:**

*Do you think social media marketing helped your business?*

	2010		2009	
	RESPONSE PERCENT	RESPONSE COUNT	RESPONSE PERCENT	RESPONSE COUNT
Yes 	39.5%	15	72%	18
No 	21.1%	8	4%	1
Can't Tell 	39.5%	15	24%	6
Other (please specify)		1	—	—
	answered question	38		—
	skipped question	85		—

**The entrepreneur** in us sees opportunities everywhere we look, but many people see only problems everywhere they look. The entrepreneur in us is more concerned with discriminating between opportunities than he or she is with failing to see the opportunities.




- Michael Gerber, author, entrepreneur

# Employment & Healthcare

Employer-sponsored healthcare is in for a change in the coming years; these questions reflect the thinking of our respondents prior to any new legislation.




## HEALTH CARE:

Did you offer healthcare to your employees in 2010?

	2010		2009	
	RESPONSE PERCENT	RESPONSE COUNT	RESPONSE PERCENT	RESPONSE COUNT
Yes 	36.5%	38	34.6%	27
No 	35.6%	37	44.9%	35
No employees 	27.9%	29	20.5%	16
Other (please specify)		3	—	—
	answered question	104		78
	skipped question	19		6

## HEALTH CARE:

Do you plan to offer healthcare to your employees in 2011?


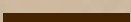

	2010		2009	
	RESPONSE PERCENT	RESPONSE COUNT	RESPONSE PERCENT	RESPONSE COUNT
Yes 	42.3%	44	38.5%	30
No 	28.8%	30	43.6%	34
No employees (in 2011) 	28.8%	30	17.9%	14
Other (please specify)		3	—	—
	answered question	104		78
	skipped question	19		6

## The Outlook

These results speak for themselves.

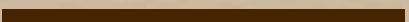


### 2010 vs. 2009:

Is your financial position today better or worse than it was one year ago?  
(Considering your cash on hand, payables, receivables, and debt load.)

	2010		2009	
	RESPONSE PERCENT	RESPONSE COUNT	RESPONSE PERCENT	RESPONSE COUNT
Better 	39.4%	41	41.7%	35
Worse 	28.8%	30	27.4%	23
About the Same 	31.7%	33	31.0%	26
Other (please specify)		1	—	—
	answered question	104		84
	skipped question	19		6

### 2011 vs. 2010:

Do you believe that 2011 will be better than 2010?

	2010		2009	
	RESPONSE PERCENT	RESPONSE COUNT	RESPONSE PERCENT	RESPONSE COUNT
Yes 	75.0%	78	64.1%	50
No 	10.6%	11	14.1%	11
Don't know 	14.4%	15	21.8%	17
Other (please specify)		4	—	8
	answered question	104		78
	skipped question	19		6



2010  
RESULTS

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54

*New Businesses Started*

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237

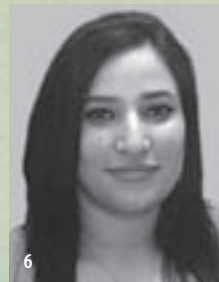
*New Jobs Created*

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\$20,002,750

*New Capital Formed*

**STAFF**



1) **David Dickerson**, *Assistant Director*  
Bilingual English/Spanish  
B.B.A. in Finance  
Launched two start-up businesses

2) **Gina Woodward**, *Consulting Coordinator*  
Experienced in web design  
B.B.A. in Marketing B.S. in Psychology  
Social Media Manager

3) **Julie Attebury**, *Senior Business Consultant*  
Licensed real estate broker  
M.B.A. in General Business  
Experience in finance/structure of  
family businesses

4) **P.J. Pronger**, *Director*  
Certified Internet Webmaster  
M.P.A. in Accounting  
Thirty years of business ownership

5) **Rick Palmer**, *Business Consultant*  
B.S. Industrial Distribution  
Twenty seven years as a construction  
business owner

6) **Ana Ramirez**, *Student Assistant*

## THE ORGANIZATION

Part of a nation-wide network, the SBDC is a department of West Texas A&M University in the College of Business and is a member of the Northwest Texas SBDC Region.

**Vision Statement** – The WTAMU SBDC will be recognized as the Panhandle’s resource of choice for entrepreneurs. It will be the most professional and competent source of business information, business resources, and analytical services for helping individuals realize their business dreams.

**Mission Statement** – The SBDC’s mission is to provide consulting, training and research to small businesses in pursuit of community economic development.

**Values** – The values governing the SBDC’s activities include:

- Professionalism
- Competence
- Accuracy of Knowledge
- Ethical Conduct
- Real Value to Clients

## FUNDING

The SBDC receives major funding from the U.S. Small Business Administration and the State of Texas, and is not dependent on the general budget from WTAMU. We also receive some additional private support from local businesses and individuals. The SBDC program is a true bargain for taxpayers - for every \$1 dollar in program funding received, the SBDC generates \$9.63 in new tax revenues. There is also a multiplier effect – every \$1 expended on the SBDC operation was leveraged by \$14.38 raised in new capital by clients.

Source – *The Chrisman Report*



## SERVICE AREA

The designated service area for the SBDC is the top 25 counties of the Panhandle. (Childress county is attached to the Wichita Falls SBDC.)

While we don’t market our services outside this area, we are free to assist clients in other locations upon their request.

## OUTREACH

The SBDC can send staff to any area of the Panhandle and provide all our regular services. We also maintain a website with resource links and publish a monthly e-newsletter with business tips and information about funding sources and training. We regularly provide programs for civic groups throughout our 25 county service area.

Service Area

Dallam	Sherman	Hansford	Ochiltree	Lipscomb
Hartley	Moore	Hutchinson	Roberts	Hemphill
Oldham	Potter	Carson	Gray	Wheeler
Deaf Smith	Randall	Armstrong	Donley	Collingsworth
Parmer	Castro	Swisher	Briscoe	Hall

## ACTIVITIES

### Consulting

Individual consulting is provided to any small business person on a free and confidential basis, with specialties in the following: Startup Planning, Business Plans, Financial Analysis, Business Valuation, Financing and Investors, Marketing and Advertising, and Internet Operations.

Manufacturing consulting is available through an arrangement with the Texas Manufacturing Assistance Center in Lubbock. TMAC works with manufacturers to improve their competitiveness by identifying opportunities and implementing appropriate solutions.

### Training

The SBDC conducts seminars and workshops throughout the year on a variety of topics such as Marketing, QuickBooks, Payroll Taxes, Bookkeeping, and Intellectual Property.

### Research

The SBDC has access to market research resources which can be utilized to find the answer to questions ranging from legal statutes to consumer preferences. Most research is provided free of charge.

## RESULTS

SBDC activities are monitored and measured by both the SBA and an independent auditor. Results recorded for Fiscal Year 2010 are as follows:

METRIC	GOAL	ACTUAL
Clients Served	340	513
Total Client Hours	2,200	2,414
New Businesses Opened	45	54
New Jobs Created	185	237
New Capital Formed	NA	\$20,002,750
Training Sessions Held	30	67
Training Attendance	600	929

### DBAs

DBAs, or Assumed Name Certificates, are used to make ownership information about businesses public. DBAs are filed with the county and/or Secretary of State. The SBDC provides forms, advice, and notary services for DBA filings, and we publish an informative booklet which describes the process and answers common questions.

## COLLABORATIONS

The SBDC makes every effort to coordinate and collaborate with other organizations involved in economic development. In 2010 we were pleased to work with all of the following:

Amarillo Chamber of Commerce

Amarillo College

Amarillo EDC

Amarillo Hispanic Chamber of Commerce

Borger Chamber of Commerce

Borger EDC

Business and Industry Data Center

Dumas EDC

Enterprise Network

Entrepreneur Alliance, Inc.

High Ground of Texas

Pampa Chamber of Commerce

Perryton CDC

Potter County Leadership Advisory Board

Texas Manufacturing Assistance Center

Texas Panhandle Regional Development Corporation

Texas Tech Health Sciences Center

Tulia High School

West Texas Angel Network

WTAMU Office of Economic Innovation

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# SBDC

Small Business Development Center  
CONSULTING ★ TRAINING ★ RESEARCH

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