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NEBA News

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The North East Business Association publishes NEBA News bi-monthly. Articles of interest are welcome. Publication of submitted materials is subject to review and space available. Article deadline is the 1st day of the month of publication.

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President's Corner

From Alan Null:

As fall approaches, and summer's rain abates, I'm pleased to say that our membership drive is shaping up nicely. Final numbers aren't in yet, but due to a concerted effort by our Board of Directors, more members are renewing and more new members are joining our ranks. Thanks to all who have helped in this effort; it will benefit all of us in the long run! I'm devoting the rest of my space to immediate past

"CARVAJAL" from front page

This is not to say that you shouldn't do anything that isn't clearly in line with your hedgehog concept. "Profits and cash flow are like blood and water...essential for life but not the point to life." Just remember that doing those things that you are good at may be keeping you from doing those things that you are great at. *"It is more likely that a great company suffers indigestion from too much opportunity than dies from starvation." Really! 4) Strive for FLYWHEEL EFFECT. Becoming great is not about the first push. Not even the second or hundredth. But eventually, you "build up to a breakthrough" and it becomes easier to keep things going with minimal effort.

president Ted Thomas, as he addresses a very timely issue: proposed new taxes by both our City and County Commissions. As we reported in the last NEBA News, your Board asked Ted to represent our views at City and County Commission meetings and there are some very important meetings happening **right now**. Read on for Ted's incisive views, supported unanimously by NEBA's Board of Directors: (Please see article on page 3)

*It only takes one person to start. Don't worry how small the push. Just start! Eventually those that see the inherent rightness of your efforts or those that want to support you join in and increase the forward momentum. (Keep the naysayers/"wrong people" off the wheel. They push in the wrong direction.) Once the flywheel is rolling, it is easier to say "I am not asking you to get this thing started. Just asking you to help me keep it from stopping."

*There is power in continued improvement and delivery of results. Each success keeps the flywheel rolling.

Please Read the book "Good To Great" to find out about the other key things that "good to great" companies have.

Holy Cow, Batman, How Do We Get Out of This?

by: **Ted Thomas**

I don't think Batman and Robin can help us with this one. The County and City Commissions are proposing to increase our taxes and we all need to march down to Gotham City to make sure our voices are heard!

Here are the facts: The City is proposing a 1/2 mill increase in property taxes, generating \$3.2 million. On my city tax bill, this will result in an 18% increase for me and probably for you as well. The reason for the increase is a proposal passed by the City Commission to improve neighborhood streets, sidewalk, curb & gutter construction and stormwater issues. The projected cost of these improvements is \$50,000,000, and the City is proposing to pay for them by issuing a bond that will cost city taxpayers \$3.7 million per year. The 1/2 mill increase will generate \$3.2 million and the remaining \$500,000 will come from reductions in employee travel, a hiring freeze and a 5% overall reduction in operating expenses.

I don't pretend to think that these projects are not needed or

well intended for the most part. But in times of budget constraints and deficits, families and businesses must differentiate between their needs and wants. The city is experiencing some difficult budget trials, they have seen an increase in fuel costs, health insurance, competitive salaries, and liability insurance to name a few. And guess what - families and businesses are experiencing these same increases and in addition are seeing a rise in utility and tax rates.

Should we be talking about a tax increase at this time? I say NO! City Commissioners should be looking at ways to live within their means, not passing referendums that have no existing revenue source.

As for the County: Although they have not yet raised the millage rate, you will definitely see an increase in your taxes. Why? The MSTU for the County Health Initiative has doubled, and we now have an MSTU for Emergency Medical Services. The EMS tax will generate \$9,000,000, most of which will provide new vehicles and equipment for our ambulance services, and also pays for salary and operations costs. There's no question about the need for this

service, but why not leave it with TMH and subsidize the hospital's deficit. It should cost us much less than \$9,000,000.

On behalf of NEBA, I plan to be at the City Commission Meeting, "Gotham" City Hall, September 10 at 6:00 p.m. AND at the County Commission Meeting, "Gotham" County Courthouse, September 9, 6:00 pm. I invite you to join me, to show our collective strength as small business owners and especially to express our impatience with city and county administrators who won't "live within their means!" These new and increased taxes have the potential to substantially affect our bottom line in what is still an uncertain business climate. Let's let our elected officials know we're watching and we care! If you can't make the commission meetings, please call, fax, or email city and county commissioners; feel free to send them a copy of this article.

We may not be super-heroes, but together we can make a difference. If you'd like to discuss this issue further, please give me a call at 668-0301.

City Grants and Loans

The City of Tallahassee has a program to help homeowners deal with on-site stormwater run-off problems for "Owner occupied" properties. There is a two step process to obtain a loan. First, eligible applicants receive a grant

offered by the city for 75% of or up to \$750 towards hiring an engineer to provide a Concept Plan with sketch and an estimate, regarding the mitigation of on-site stormwater problems. The second step is to apply for a loan available at 5% of

or up to a maximum of \$25,000 for "Owner occupied" properties to fund the expense of conducting repairs suggested by the engineer. For additional information, you may contact Blas Gomez with the city stormwater division at 891-6862.

Calendar

NEBA meetings are held on the second Tuesday of each month at the Old Town Cafe on Timberlane Road from 11:45 a.m.- 1:00 p.m. Cost is \$10.00 per person

September 9- Gary Stallings from the Talquin Electric Co-Op., will discuss the effects of consolidation on Talquin's service.

October 14- Mark O'Bryant-C.E.O. of Tallahassee Memorial Hospital-Discussion on the current deficit.

November-TBA

December 9- 6 p.m.- 8 p.m. Holiday Party at Vice President-Will Messer's home. Since the TOYS FOR TOTS campaign was such a success last year, we will be participating again this year. Save up your toys!

Business Tips....

How much money do I need to get started?

Once you have taken care of your building and equipment needs you also must have enough money on hand to cover operating expenses for at least a year. These expenses include your salary as the owner and money to repay your loans. One of the leading causes of business failure is insufficient start-up capital. Consequently, you should work closely with your accountant to estimate your cash flow needs.

What are the alternatives in financing a business?

Committing your own funds is often the first financing step. It is certainly the best indicator of how serious you are about your business. Risking your own money gives confidence for others to invest in your business. You may want to consider a partner for additional financing. Banks are an obvious source of funds. Other loan sources include commercial finance companies, venture capital firms, local development companies and life insurance companies. Trade credit, selling stock and equipment leasing offer alternatives to borrowing. Leasing, for example, can be an advantage because it does not tie up your cash. Ask your local SBA office for information about these various sources.



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NEBA News

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September-October 2003

Maximize Your Business From Good To Great

The speaker at our August meeting was Tony Carvajal, owner of Carvajal Consulting & Management. He gave the group some invaluable tips on meeting goals and maximizing our talents. Some highlights of his talk, which was based on the book *Good To Great* by Jim Collins:

*Good is the enemy of great. Greatness is a function of choice, not circumstance. The "great" companies outperform all businesses across all types of industries. *It's OK if you are just mediocre now. Most "good to great" were. Key is whether you choose to stay there or grow.

Four Pointers For Becoming A Great Company

1) FIRST WHO, then what. While not a bad thing to have a general idea of what your company should be offering, focus first on getting "the right people on the bus, the wrong people off the bus, and everyone in the right seat." Once you have the right people, ask them about the WHAT and HOW.

*Find yourself constantly trying to motivate staff? Then, you either

have the wrong people (the right people are self-motivated) or the wrong "what" (see #2 below). Instead of motivation, focus on avoiding de-motivation. The greatest de-motivator= wrong people on the bus.

*Wondering how to distinguish between wrong person or wrong seat? Answer this question, "Knowing everything you know about this person (personal, performance, etc.), would you choose to hire them today if they weren't already employed?" Yes= right person/wrong seat (plug them into another area of your company). No= wrong person... open the bus door, bid them adieu.

2) Find your HEDGEHOG CONCEPT. It is an understanding of that "thing" you are best at. (Read the book to find out how it got this name.) It is not a goal/strategy/intention. It is the single crystalizing insight from three questions:

1. What are you passionate about?
2. What are you the best in the world at? (Or at least, what do you have the potential to be the best in the world at.)
3. What is your economic denominator? (Probably not how many widgets sold. More likely how profitable each transaction is.)

*Wondering if you have the hedgehog concept? Ask two questions:

1. Are we having fun yet? Wrong hedgehog concept guarantees miserable days.
2. Is your path still a bit foggy? Once you hit the hedgehog concept, fog gets lifted.

3) Develop a CULTURE OF DISCIPLINE. Simply put, do what moves you closer to your hedgehog concept and avoid doing that which strays you away from your hedgehog concept.

*It is not about adding stuff to your day to make sure you do what you are good at (e.g. to-do list) but avoiding the time-wasters and those things that are not within your hedgehog concept (create a "stop-doing" list).

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