

Boosting Your Business with Local Resources

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SPEAKERS

Introduction, Wil, Rick, Terri

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- T** Terri 00:00

Welcome to the making money personal podcast today Terry and we'll discuss what it takes to run a successful business with local business expert and SCORE representative Rick Dassatti. If you're a business owner or thinking about opening your own business we invite you to stay tuned.
 - I** Introduction 00:22

You're listening to Triangle's Making Money Personal Podcast, where we engage in real talk about financial matters that affect our community. Today's episode is sponsored by Triangle Credit Union recently voted best credit union in New Hampshire.
 - T** Terri 00:38

Thanks for joining us, everyone. I'm Terri Connolly, along with my co host Wil Infante joining us in the studio is business expert and SCORE representative Rick Dassatti. Welcome to the studio, Rick.
 - R** Rick 00:47

Happy to be here.



Terri 00:49

So before we begin on the nuts and bolts of what it takes to run a successful business, can you give us some background about what SCORE is and a little bit about yourself?



Rick 00:57

Sure. SCORE is a organization that is partner of the Small Business Administration. And we were put in place about 51 years ago, I believe, and we have approximately 300 offices nationally. And we assist about 32,000 clients a year. So it's been a real pleasure for me joining the company or the organization after retiring. I was in the high tech field, doing military subcontracting, and so forth. So I came to SCORE I really learned a lot about other areas of business that I learned through the that all the people that are with SCORE in our office. And I really enjoyed working with small businesses helping them succeed. So a little bit about score, we all use a similar very similar process, we try to listen to the question clients needs try to understand what business they're in. And sometimes they don't know what they don't know. So we try to extract from them what we need to do to help them. And normally the first meeting we have with a client is more or less a triage process, we really are looking for a long term relationship with the client. So the first meeting is generally to understand how we might help them and if we don't have the skill ourselves to help that client, we will reach out to the some 50 members of our local chapter and bring in experts in the field that they really need. So we, we, every mentor comes from a different background has different experience. The term SCORE was originally meant Service Corps of Retired Executives, but we really don't use that anymore. We have members of SCORE that were subject matter experts such as a lawyer or a maybe they were a banker, maybe they were an accountant. So we use those expertise to help our clients and it usually works pretty well.



Terri 03:15

So how many chapters are in New Hampshire, or is New Hampshire its own chapter?



Rick 03:21

Now there are it's changing a little bit because some of the smaller chapters are being incorporated into the larger chapters. The two main chapters in New Hampshire are the Merrimack Valley Chapter in Manchester, and the Seacoast Chapter in Portsmouth. Some of the smaller chapters were Keene, the Upper Valley, the Lakes Region had a small

chapter, but generally the two major ones are Manchester and Portsmouth.

T Terri 03:53
Awesome. Great.

W Wil 03:55
So let's talk about what you specifically do to help businesses succeed.

R Rick 04:01
Well, like I said earlier, a client will come in through our website, or by calling our office and then there's a team of people that assign a client to a mentor. And that's done in a series of ways. It could be that the people that are signing the client, believe that the client could be helped by a general sort of a general management person, so they could be assigned to anybody, and sometimes just, they find somebody that's kind of close to the person that needs to help. Other times the client will give more specific information about what they believe they need. And then the assignment team will try to line them up with a person with that background.

T Terri 04:51
Is there a process of like filling out a survey to identify what the needs are? Or is it just a, you know, filling out a contact information point and then having somebody from SCORE, call them back?

R Rick 05:07
Well, the typical process is someone would either know about our website, go to our website, and simply request mentoring. And that could be face, it could be email mentoring. But generally, that's how most of our clients come in is through our website, they can also call our office and there will be a mentor on duty at the office, and they will help the person fill out the application for help online or just point them to it.

T Terri 05:39
And is there a fee for any help that they receive?

R Rick 05:42
No, there's no fee for anyone, no.

T Terri 05:44
Okay. So in terms of, you know, certainly there are tactical aspects of starting your own business. But do you also help a new business with a strategic, you know, strategic thinking, and you know, where they're going to be in five years, where they're going to be next year, things like that?

R Rick 06:07
Well, Terry, I think what you're talking about is business planning.

T Terri 06:11
Mmm.

R Rick 06:12
Well, I gotta tell you, in my experience, I can't think of one client that really enjoys business planning. And the reason for that is it takes them out of their comfort zone. When you think about a person who's starting a business, they may be an expert at something, let's say they're landscape person, you know, they know all about landscaping. But what they don't know is about all the other things that will make their business successful. So we try to help with the things that they don't know about, for example, we will help them with defining the structure, the type of structure they may want, or need, we help them with, with resources, how go about getting resources, we help them with market analysis, and how to promote and sell your product, how to use digital marketing, how to understand their finances. So we tend to help fill in all the gaps that a typical business person starting a business just either wouldn't like or doesn't understand. And to make your business successful, they need to understand all those things a little bit.

T Terri 07:27
Right. Excellent.

W Wil 07:29

So what are some of the most important things necessary for a successful business strategy? Or to have a successful business in general?



Rick 07:39

Well, in my experience, again, it's not any one thing that the most important thing might be what they never thought of or don't understand, or just don't like doing. So by knowing where to go for help might be the most important thing that small business needs to know. And the use of SCORE mentors or our workshops can help fill those before voids.



Terri 08:01

Do you have those workshops on your website? Or are they listed there?



Rick 08:05

Yes. The website has the current offering. So right now there's some websites taught by a very, very good social media expert, that covers his three classes in in Facebook advertising. Excellent. So there's an introduction to Facebook, there's an advanced Facebook, and then there's some of the for fee Facebook processes. So those are held locally here. We've had him in Bedford, Manchester, Concord, Warner, and I'm bringing a new series of workshops to Hampstead.



Terri 08:46

Excellent.



Rick 08:47

They are all listed on our website under the workshop tab.



Wil 08:50

Okay.



Terri 08:50

Excellent. Definitely take a look at that. That's awesome, great resource. Rick, what should a new business owner look for when they're launching their business? First Steps?



Rick 09:04

That's, kind of a tough question as well, because there's a lot of possible answers. The important thing that I try to get people to remember is that they're not a carpenter or mechanic or a therapist anymore, their business owner, and they have to understand that what they're good at, is not necessarily going to make them a successful business. So they have to learn about those other components of a successful business. So, you know, when you launch a business, I've had so many clients that left a company, and they did a specific task in a company, and they really are expert in that, but they don't appreciate what their old companies management had to do to make it as successful as it was that they have to now learn. So that's, again, it's part of that business planning. And we help them through that,



Terri 10:03

Right. So it sounds like, you know, you really need to recognize that your, you know, what you bring to the table is a certain, you know, passion for, like you said, if it's if it's lawn care if it's a lawn care service, you love to do, you know, lawns, and landscape and hard scapes and all that. But if you're not good at, you know, keeping records or marketing, then maybe you should be looking at other resources or outsourcing those types of things.



Rick 10:34

Exactly.



Terri 10:34

Yeah.



Rick 10:35

Um, one of my clients was interviewed by a business magazine, and I didn't know it, but I read the magazine and I knew he was talking about a session we had had. And he, he was asked, what was the most important thing, any of his advisors told him, and he said that, well, this guy told me to stop doing what I like doing and start doing what I need to do. And, and that, what I'm saying is, is people will start a business and they will just do what they know best. And they will likely have some trouble, they won't grow as fast or they will fail, because they just, they just don't know how to do the things that they need to do.



Terri 11:18

Right. I actually have a friend who started a business and, you know, it was a mobilizing for her because there was so much to do, she was taking on all of those responsibilities herself, and not really, really even wanting to, right. So it's like...



Wil 11:36

Focusing on her craft, on what she wanted to do.



Terri 11:38

Right, exactly, exactly. So just knowing you know, that these things need to get done, but you don't have to do them yourself, right. You can look for other resources and outsource some of those things. So do you help businesses determine their product market? Do you get into that type of thing with them?



Rick 11:56

We do but, you know, often, our clients know the market better than any of their SCORE mentors. Now, that's not to say they know how to reach it. That's a completely different subject, right. So we often point them to databases, like "A to Z", that they can get through some of their larger libraries or market research materials that are available. We also help them with their social media and website content to better focus on their target. For example, I had a machine shop that had a lot of their business was with a large local prime contractor for the military. And they lost that contract, and it was probably 98% of their business. So, a very common problem. And it shouldn't happen, the prime contractor shouldn't allow that to happen. But they do. So this, this particular client had to kind of reinvent their business and do it quickly. So they created a web page before getting involved with SCORE. And their webpage tended to draw people in that wanted a \$5 part made for their antique car something and it was just the wrong market for that company, because they had a lot of very expensive automated equipment met for doing very precision work for, you know, products like military products, for example. So we went in and change their website to instead of showing pictures of a special fancy bolt that looks to most people like any kind of bolt, we got them to put pictures of, say a predator drone or a F 16 or an F 35 fighter jet. So it gave the impression to the reader that "Yeah, I don't think they're going to want to build my \$5 part." You know, "They're, they're more in the military business." And that changed the, they had attracted a different client to them and got them back on their feet again. So that's the kind of thing so we don't necessarily help them find their market. We help them maybe reach their market a little better.

 Terri 14:19
Outstanding.

 Wil 14:21
Rick, we have more questions. But before we do that, here's a quick word from our sponsor.

 14:25
Whether you currently own a small business or are thinking about launching one at Triangle Credit Union, we have all the tools you need to help your business grow. We offer an array of deposit products and a variety of lending options along with merchant and payroll services to simplify your finances. Recently awarded the SBA's is 2019, Financial Services Champion of the Year for New Hampshire and New England, we can take your business to the next level at Triangle Credit Union, serving our community is our business. Visit TriangleCU.org for more information.

 Wil 15:03
And we're back. So what are some goals that it's important for businesses to establish? Do you recommend that they do quarterly goals, yearly goals? How does that all play out?

 Rick 15:14
I suppose every mentor has a slightly different take on this. I was a technology manager and I had a lot of goals around that particular field. But as a small business owner, I tend to tell people that they need to, first of all, understand how to interpret their financials and that their financials are not just to have their accountant do their taxes, at the end of the year, their financials are something that they need to review every month and try to understand, you know, if businesses down what might have caused it. If their expenses are up what caused it, if they're, you know, gross margins are down or their net margins are down, you know, what might have caused that and try to fix it. So I tend to give people goals like "Develop a cash flow analysis, a pro forma cash flow analysis" that they look at, and they say, "Geez, I expected to sell twice as many widgets, you know, last month is is I did you know, Was I too aggressive on my, on my projections? Or was something that I need to change in the product or service or the market changed? Or, you know, why is that?" So I tend to give people the advice to do financial goals, and then everything else sort of falls under that.



Terri 16:37

So I mean, that's the thing about financials, right. It's truly measurable sometimes, you know, you just need to have that very quantitative measurement to see how successful you are, right. Rick, can you provide or tell us a really good story, in terms of some of the things that you've been proud of, you know, where you've helped mentor a specific business? That really stands out to you?



Rick 17:03

Well, you know, I have about 60 active clients, so I'd like to think that I help all of them.



Wil 17:09



Rick 17:16

Geez, there's a lot of different stories. Most recently, I helped an auto repair business, get a loan to build a new building and make quite a large expansion of their business. And for that, we used a new process that I helped develop, or I did develop "Head SCORE" that prepares businesses for their loan application. So instead of just helping them put a business plan together, it has them fill out all the the SBA documents that will be required, the personal finance statements, the, you know, there's a about 26 items that I have them put together. And so when they go to a bank, and we'll go with them if they wish, they have everything that the bank would typically asked for, but not generally, at the first meeting they get... I gotta remember that I'm at a credit union.



Terri 18:25

That's okay, that's alright. We do SBA loans here.



Rick 18:29

I dont want to say what you usually do to them.



Terri 18:35

Another credit union is what you're suggesting.

W

Wil 18:38

Must be the one down the street.

R

Rick 18:39

Yeah, absolutely. No. That particular business provided the bank with this package of information. And well, it doesn't help the business, understand what that banks rules are, it just says "You've got to, you've got to provide the bank with a cash flow analysis to show that you can pay the loan back or you got to show them that you were never a felon.", or whatever, you know, you have to give them all this information, I'm not going to be able to tell them what their cash flow has to be, or what their, you know, I can't tell them what the bank's acceptance criteria is, but I can prepare them to provide the information that that bank will use to determine that.

T

Terri 19:37

Right. And how pivotal is that? Because once you, you know, you're giving them a heads up, right? In terms of these are all of the the information that you're going to have to be prepared to present. So it doesn't waste their time, and it doesn't waste, you know, the financial institution's time, right? So you're making it so much more efficient.

R

Rick 19:56

Exactly. And it's a two part process, we get the clients mentor to fill out or to provide all this information, put it in a package, and I call it a loan application package. And then the second step of that is we would bring in one of our financial experts within SCORE. And I have a three person team that will review that as if they were the lender, and then point out to them. "Okay, you have a fairly bad credit score, what you're going to be asked about that one, what caused that to be to do have an explanation for that credit score?" Or, you know, "You have three years of tax returns that showed one year where you didn't make a lot of money, can you explain that? And did you make a big investment in a company or whatever that that it doesn't show up here? And that's the reason why your profitability, you know, your income was down that year?" So we go through that package of information and try to determine what is it that would make a bank nervous, and then make sure that you understand what you need to explain about that if there is an explanation.

T

Terri 21:17

How long is a typical process that you work with a client?

R Rick 21:23

Well, initial meetings usually take about an hour and a half. And from that, we have a pretty good idea of what they're trying to do. And now in case of an in business client, the process that we talked about earlier, this Compass Program that we have, in our chapter, those meetings can go several hours, and will bring more than one person to the meeting, and we usually meet at the businesses, you know, at the business itself rather than in one of our offices, because we, you know, if they're in business, we really want to see the whole business, you know, the cost of factory, we want to see it operating. So, those, like I said, those meetings can take several hours, and then we usually will suggest something for the client to do and suggest that we meet back with them and you know, whatever works for them, we don't we sometimes they want to be pushed, sometimes they want to take their time and it doesn't matter to us their business, but we suggest a meeting another meeting time, where we'll go over the items that we talked about and suggestions that we've made.

T Terri 22:38

For the example that you shared about the, I believe was an auto dealership or no an auto repair shop, are you still working with them? Or is that after like a year like you give, you know, a new business like okay, we're you know, this is like a six month time period or 12 month time period and then you let them go off?

R Rick 22:57

No. Most of our relationships are long term or we want them to be because business needs will change. That business started out with a much different set of needs, then the opening of the new facility and building the new building. So you know, will we want to be there for the life of their business. And we will meet with them sometimes several times in the course of a month, and then we might not hear from them for a year. But we will always check back in with them or will often check back in with them if we haven't heard from them for a while and see where they're at. And so I don't know if that answers your question, Terry, but it's a long term thing.

T Terri 23:44

Right, excellent.

W

Wil 23:46

So Rick, one question that I just thought of, what's in it for SCORE? How does score benefit from helping these businesses in New Hampshire and all over the country?

R

Rick 23:56

Well, me score is a nonprofit organization. It's it's all volunteer. So there is no charge. It's all services. Yeah. It keeps us busy. Yeah. And, you know, most of us just enjoy helping people and helping them succeed. So SCORE, you know, gets a tiny bit of funding from the SBA to keep our office open in Manchester, for example. But we also raise some money through donations and sponsorships and stuff from, you know, various accounting firms and law firms and some financial institutions. And in turn, you know, we, hope that we can help the community businesses grow and hire people and provide jobs and all that. So, I mean, that's kind of that's the...

W

Wil 24:54

Well, it sounds like you guys are doing a great job at that. I mean, I think a lot of people want to start businesses, and one of the things that holds them back from it is wishing that they could talk to somebody, and having somebody in their corner to kind of guide them through the process. And I'm glad SCORE is around for that purpose.

T

Terri 25:13

Right. Well, I mean, we've had conversations, Wil, about, you know, in previous episodes that my daughter and I are starting a business together. And you know, where we're going to be advertising is completely digital.

W

Wil 25:27

Right.

T

Terri 25:27

And, you know, she's a, she's fresh out of high school. And you know, she uses social media, but she's never actually done the digital marketing aspects. So I am completely stoked about looking on your Facebook page, or on your website, Rick, about you know, how to those workshops that you were talking about for digital marketing and things like that. So can you just, I just wanted to go back to some of the workshops that you are

providing. So it's digital marketing, are there other workshops that you can think of off the top of your head?

R

Rick 25:59

Sure, there is some there's financial workshops, understanding startup costs and expenses. And you know, some of the some of the typical forms cash flow analysis, asset management, all that kind of stuff. We talked about social media marketing, business planning, where we've been holding workshops on a on a process called Business Model Canvas, it's a very popular approach to doing a business plan on a on a single sheet of paper. So we have a workshop on this popular new business planning methodology. We have a professor out of Merrimack, I believe that is a college instructor for QuickBooks. So we have a very intense QuickBooks training, I think it's a nine hour instruction. There's a lot of a lot of business owners that their QuickBooks has been set up by their accountant, for the ease of accountant, and we want them to make sure they understand how to do their chart of account setup, so that it's helpful for them to operate their business. So I think this this class is very good for that. But these are what we're offering right now. And there's there's other classes that we hold from time to time. But if we notice that these classes are filling up, you know, we hold them usually on a weeknight, and again, on a Saturday morning, if the classes that are always full, we'll put more of those classes out there.

W

Wil 27:34

Right.

R

Rick 27:34

So, sort of what the market is looking for is what we will run workshops on.

W

Wil 27:40

Are the classes open to anybody? Or do they have to be a client?

R

Rick 27:45

Now they're open to anybody. And in fact, we hold a lot of these public libraries. And usually public libraries require that A, you can't charge for a workshop in a in a library, right and, and B it has to be open to the public. So but it wouldn't matter, we would do that anyway. Now, when people take these workshops, there's a vast majority of them sign

up for some mentoring. So we do get some clients that sign up because of the workshops.

W Wil 28:18
Awesome.

T Terri 28:18
So when it comes to business lending, when do you think a company is ready to take out a loan? And what are their options?

R Rick 28:26
Well, there's a lot of options. There's, loans, like the SBA, 504 loans, which rely on some, some current infrastructure, like a building that they own to meet the 10% down requirement that they may need for that loan. There are 7A loans, there's personal loans, there's lines of credit. So there's a lot of options out there. What SCORE mentors can bring to the table is that we have relationships with banks, credit unions, certified development corporations, as well as the SBA. And we can help client prepare for that first meeting with the financial institution, and even go with you if they like. We have relationships with about 22 bank commercial loan executives. And we've created some fairly comprehensive checklists of what might be needed go to an institution for a loan. So we'd love to help with that. And that's one of the things that I think we can bring a lot to the table.

W Wil 29:28
Excellent, perfect. Well, I think that's going to wrap it up. But before we go, Rick, where can people get in touch with SCORE or do you guys have a social media presence? Or is it just through your website?

R Rick 29:39
Both. There's actually three ways you can call our office@score.org, you'll find the Manchester chapter in there, the phone number there is 603-666-7561. You can also go to our website and complete a mentor request section on our website and the mentor will contact you usually within 48 hours. Or you can just walk in to our to 75 Chestnut Street location at the Federal Building in Manchester.

W Wil 30:13
Perfect.

T Terri 30:13
Excellent. Thank you so much. This has been it's been an incredible opportunity to think about you know, what is our next step and so I really appreciate it.

R Rick 30:25
I look forward to helping you and your daughter's business.

T Terri 30:27
Excellent. Terrific, I have a new resource.

W Wil 30:31
Thank you very much, everyone for joining us on this episode of the Making Money Personal podcast, I encourage you to like us on Facebook, the Triangle Credit Union page on there. If you can, please rate and review our podcast on iTunes. That would be a tremendous help. Also, if you can share it on social media, Instagram, Facebook, Twitter, whatever you have, we'll take it. We appreciate you hanging out with us today. Have a great day.