

ANNUAL
REPORT
2006



P.O. Box 610
Holbrook, AZ 86025
Phone 928-532-6170

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- ❖ The Northland Pioneer College Small Business Development Center (NPC SBDC) has taken an active role in advocacy this year by participating with several organizations, including:
 - White Mountain Regional Development Corporation
 - Pinetop-Lakeside Chamber of Commerce
 - Show Low Chamber of Commerce
 - Heber-Overgaard Chamber of Commerce
 - Snowflake Taylor Chamber of Commerce
 - Springerville-Eager Chamber of Commerce
 - St. Johns Chamber of Commerce
 - Winslow Chamber of Commerce
 - Holbrook Chamber of Commerce
 - Pinetop-Lakeside Business Advisory Group
 - Pinetop-Lakeside Tourism Committee
 - Northern Arizona Wood Products Association
 - Arizona Department of Revenue
 - Economic Development for Apache County
 - Economic Development for the White Mountain Apache Tribe
 - Navajo Nation Division of Economic Development
 - Hopi Tribe Office of Community Planning and Economic Development
 - Northern Arizona Council of Governments
 - USDA Forest Service
 - USDA Rural Development Business Office
 - Small Business Administration
 - Southwest Sustainable Forests Partnership
 - Contractors Association of Northern Arizona
 - White Mountain Partnership

- ❖ The Northland Pioneer College Small Business Development Center has assisted with \$3.6 million dollars in debt and equity financing in 2006, to date. This has partly been accomplished by

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building a productive working relationship with local area lenders and providing much needed technical assistance to entrepreneurs. In particular, Sunstate Bank, Chase Bank and National Bank provide local assistance for SBA commercial loans and commonly refer clients to NPC SBDC for assistance with financial projections and proposals.

- ❖ The NPC SBDC also works closely with the local SBA Marketing & Outreach Specialist in identifying potential candidates as SBA loan participants. SBDC provides technical assistance in preparing proposals that meet SBA guidelines. The NPC SBDC has built a relationship with Mountain West Small Business Finance, a SBA 504 Certified Development Company, to build awareness of SBA 504 loan programs in our area.
- ❖ NPC SBDC conducts Small Business Workshops creating awareness of financing programs and often makes public presentations regarding capital resources and procedures.
- ❖ NPC SBDC assisted clients with procurement activities by providing hands-on assistance with CCR.GOV, 8(A) application, SPIRIT.GOV and uses the IRS.GOV, Arizona Department of Commerce and SBA.GOV websites routinely in client counseling sessions.
- ❖ NPC SBDC continues to assist forestry entrepreneurs in innovative marketing of the conversion of small diameter timber into usable products for new uses. An example is our work with the first U.S. Stewardship Contract on the National forest, which involved helping start a new mill designed to process small logs into merchantable lumber, while utilizing the biomass for thermal fuel usage. We continue this relationship in 2006, by coordinating a workforce development committee to educate forestry workforce on the technology skills needed to have a career in forestry.

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- ❖ NPC SBDC has limited clients who deal in international trade. Import/export clients are referred to the Arizona Department of Commercial – International Trade Department and to our sister center at Maricopa Community College.

- ❖ The NPC SBDC territory is comprised of Apache and Navajo County. The population of Apache County is approximately 77% Native American and the average wage is \$12.32. Navajo County is approximately 50% Native American with an average wage of \$12.02. NPC SBDC continues to focus on Native American assistance by providing the Native American Enterprise program, seminars and one-on-one counseling. NPC SBDC has one Small Business Analyst that serves the Hopi and Navajo Nation exclusively. We have worked with the White River Housing Authority to provide business training classes and have made several joint presentations with the Navajo, Apache and Hopi Economic Development Centers regarding entrepreneurship, finding capital and government procurement. This year to date, SBDC has provided a seminar on financing in Hopi and a seminar on business start up in Window Rock. We have expanded our SBM computer classes to the White River Campus and we taught small business management classes in the Hopi area.

- ❖ We continue to work with a collaborative partnership consisting of small businesses and government support organizations. We host partnership meetings and regularly provide technical assistance to clients needing help with business plans, grant applications and other needs. We have worked on two workforce initiatives with the NPC Business and Training Division: White Mountain Housing Authority and Northern Arizona Wood Products Association to establish job training programs.

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- ❖ The NPC SBDC serves as a reference site for SBA and has two Internet stations at our office in Show Low to assist clients. We provide information on state contracting opportunities and procedures, and assist clients with 8(a) applications. We also assist clients with CCR certifications and Hub-Zone. We cosponsored three procurement seminars with our local SBA representative for 2006.

- ❖ The NPC SBDC has a special interest in working with the Northern Arizona Wood Products Association to assist in the utilization and marketing of small diameter wood in our area. The NPC SBDC works with entrepreneurs interested in developing uses for the harvesting of small diameter trees. The NPC SBDC also works with the Show Low and Pinetop Main Street organizations to promote retail redevelopment. We have recently concentrated efforts on the construction industry through the Registrar of Contractors and the Contractors Association of Northern Arizona.

- ❖ NPC SBDC actively participates in the economic development efforts of our local Chambers of Commerce and the White Mountain Regional Development Corporation. The NPC SBDC also has a positive working relationship with the Economic Development Authorities for Navajo, Apache and Hopi. NPC SBDC makes routine visits to the Town Municipalities to market our services and to help the community support their businesses.

- ❖ The Arizona REDI program provides direct assistance to rural communities in organizing an economic development program or effort, and evaluating community resources. Qualified rural economic development programs and organizations with an on-going commitment to economic development can be recognized through REDI accreditation. The REDI program provides both technical and matching fund assistance. NPC SBDC is located in a

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REDI area. We seek assistance from this program to help in rural economic development.

- ❖ Recently, the USDA Rural Development department located to Show Low, Arizona. NPC SBDC is currently working with the Business Development division to discuss USDA backed financing options and to work in partnership for bi-lateral referrals of clients.
- ❖ NPC SBDC regularly “polls” our business partners and entrepreneurs for their needs. In 2006, NPC SBDC conducted a survey at several different events to assess the needs of local business owners. Acquiring capital and expanding markets was the biggest concern, followed closely by workforce issues. We compared this research to a national study in Entrepreneur Magazine and found significant similarities. Obtaining funding seems to be the biggest challenge for all entrepreneurs.
- ❖ We have also begun a monthly newsletter to all our business partners and clients and ask for feedback on their needs.
- ❖ NPC SBDC continues to expand its reference library at the Show Low Campus. NPC SBDC utilizes the Hillsource.Org research service and the SBDC.NET research center. NPC SBDC produced several small business booklets covering topics from start up to exiting strategies. These booklets are available through our website and at the NPC SBDC location. NPC SBDC analysts help clients find research on their industry and competition.
- ❖ NPC SBDC is currently working with the Snowflake-Taylor small business advisory group to put together a seminar called “Big Box Blues.” We plan to research the affects of Walmart on small towns and present information and marketing techniques to local business owners.

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- ❖ We have seen a tremendous success in the Forestry Stewardship Contract with the increase of jobs. Fifty-eight jobs were added to the two-major employers of the contract. Two employees of a local quilt shop successfully purchased the shop for their own and expanded the concept. A local resale auto dealer is expanding into a new location adding 10 jobs, adding \$700,000 in new capital and showing \$2.4 million in sales. A specialty retailer opened a fine-goods grocery store with \$125,000 initial investment and created 4 jobs.

- ❖ Our Success Award Winner was 2J's Auto Sales, and they were honored at the annual AZSBDC Success Awards with our College President and other dignitaries.

- ❖ The economic health of the two Counties in our service area continues to be among the poorest in the state of Arizona and in the nation. Our unemployment rates are among the highest in the state, 12% and 10.5%, respectively, for Apache and Navajo Counties, compared with 4.7% for Arizona and 4.8% for the U.S. Our annual per capita incomes are also among the lowest, with Apache County per capita income of \$16,457, 13th out of 15 Arizona counties, and Navajo County at \$15,917, the lowest in the State. We have the three largest Native American reservations in the state in our service area, and Native Americans comprise nearly 59% of the total population. The economic progress on the reservations continues to be slow with extremely high unemployment and an overall lack of business and tax base. All of the above serve to underscore the importance of the small business sector's contribution to the local economy. The NPC SBDC is one of the best means to help with small business success and help the local economy progress.

- ❖ Women comprised the majority of NPC SBDC clientele for 2006. The 2006 NPC SBDC Success award winner is a 50% female owned

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business. NPC SBDC also works with our local area SBA outreach specialist to provide information on the SBA Small Disadvantaged Business and 8(a) certifications to our community.

- ❖ 8.5% of our 2006 clients and attendee are of veteran status. We provide one on one counseling to veterans and supply information on the VETBIZ.GOV website. No direct activities have been conducted to date for Veterans.
- ❖ The White Mountain area has started a strong effort to utilize and market small diameter trees harvested from our local forests. An example is our work with the first U.S. Stewardship Contract on the National forest, which involved helping start a new mill designed to process small logs into merchantable lumber, while utilizing the biomass for thermal fuel usage. To date, retail and construction are the major industries in our service area.
- ❖ The NPC-SBDC maintains an active online presence, through an interactive web site that meets SBA specifications in their Program Announcement, and provides online counseling, training resources and help for startup and expanding small businesses. Through Northland Pioneer College the SBDC offers a series of online classes, which are offered in the college schedule each semester, and is administered and taught by SBDC personnel.