

SMALL BUSINESS NEWS



CENTER *for* RURAL AFFAIRS

Spring 2023



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CENTER *for* RURAL AFFAIRS

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On the cover: Rachael Barlow and Heather Veik
of River Mill Coffee Co. | Photo by Kylie Kai

Is it time to revise your business plan?

By Jessica Campos, Women's Business Center Director



Writing a business plan is likely one of the first steps you'll take in launching the business of your dreams, but it's not a "one-and-done"

task. If you haven't revisited your business plan in a while, it might be time to take a look.

You probably wrote your plan with an idea in your mind and a dream in your heart, but after a few years (or months), you may have realized that things don't always go according to plan. Nobody can predict the future, and many things outside of our control can affect your business. Having a plan in place is great, but being flexible and adaptable in times of change is key to success.

▶ Why do I need a business plan?

In addition to being integral for sourcing and securing funding for your business, your business plan also serves as a roadmap. If you've ever planned a trip, you know the goal is to get from point A to point B, but occasionally there are detours and unforeseen obstacles along the way. Running a successful business is no different; you can map for success, but you need to be prepared in case of detours, or worse, dead ends. You'll rely on your business plan to help you determine your next steps, strategize, and measure your success.

▶ Why would I need to revise?

The "unprecedented times" business owners have survived in the past five years are truly remarkable. Circling back to your business plan and adjusting it to reflect current economic conditions can position your business for future success. Unplanned changes, whether in your personal life or shifts in the overall economic landscape, can

lead to varying short-term and long-term impacts on your business success.

It's important to review and potentially revise your business plan to prepare for the effects these can have on your business.

Short-term effects on business success: Some challenges might only affect your business in the short term. You may need to adjust your hours to accommodate a different target market or work around a staffing shortage. Perhaps supply chain issues have you reconsidering the goods or services you offer. The goal is to determine the most cost-effective way to operate your business to make it through the difficult time until things return to normal.

Long-term effects on business success: Some unplanned changes leave a lasting impact. Consider the pandemic; many businesses have moved online and employed remote workers as a result. Your business may face hurdles that require a short-term change that you find becomes a long-term change.

▶ How often should I review my business plan?

You should review your plan any time your business undergoes a change or endures an economic or environmental event that affects it or your target market. It's a good idea to review your business plan every six months to evaluate your success and assess your progress.

Being a small business owner requires perception and flexibility. None of us can predict the future, but being able to spot changes, pivot, and adapt to accommodate them will help secure the future of your business. 📌



Rachael Barlow and Heather Veik partnered together on a big dream and now own and operate a successful coffee shop in Neligh, Nebraska, with help from the Center for Rural Affairs. | Photos by Kylie Kai

Coffee shop owners create environment that promotes and celebrates rural Nebraska

By Liz Stewart

Take the risk. For Rachael Barlow and Heather Veik, those are words to live by.

Although they weren't sure what it might turn into, these two friends dreamed of doing something unique together—something they could pour their creativity into. And, while all sorts of ideas, projects, and plans crossed their minds, one in particular kept coming back to them.

“We were dreaming of something that we could put our creative minds to work at,” said Rachael. “In a mix of lots of aspirations, we threw the idea of a coffee shop around, but put it on the back burner until we couldn't take the burning desire off our minds.”

That desire became reality when Heather and Rachael opened River Mill Coffee Co., in Neligh, Nebraska, on Sept. 27, 2021. However, the road to becoming business owners had some twists and turns.

The women first turned to their local chamber of commerce for guidance. From there, they were directed to the Center for Rural Affairs and Senior Loan Specialist Lori Schrader, who helped them develop a business plan. Lori also connected them with a Center contractor who helped the entrepreneurs put together financial projections and bookkeeping options.

And, the Center worked alongside a bank to provide Rachael and Heather with a loan to help start their dream business.

“When I knew that the loan application was short on cash flow, I was determined to find a way to make this happen,” said Lori. “The passion that Rachael and Heather have for this business really played a large role in my passion to help them.”

In addition, the City of Neligh provided the entrepreneurs with funds for the business. Lori and a microenterprise

expert from the Center helped Heather and Rachael gather the documents, fill out the application, and qualify for the Nebraska Microenterprise Tax Credit.

Rachael and Heather are grateful for the support.

“Lori was always available, no matter if it was questions or worries,” Heather said. “She felt more like a close friend than a loan officer. We value her support and enthusiasm for our dreams.”

River Mill Coffee Co. stands as a modern coffee shop specializing in espresso, coffees, and teas. They also offer smoothies, crafted sodas, homemade baked goods, and unique sandwiches and salads.

Along with help from half a dozen employees, Rachael and Heather work to make the coffee shop a place that offers more than food and beverages.

“Our vision for River Mill was to create an environment that didn’t feel like rural Nebraska, yet also promotes and celebrates rural Nebraska,” Rachael said. “Something that feels like a retreat

immediately when you walk through the door. We also wanted it to be a comfortable space for all ages to meet friends, do work, and create.”

Rachael and Heather gained knowledge through the process of opening their business, and offer their insights to anyone else who might be thinking of taking on that challenge.

“Be ready for a drastic life change and be willing to pour your all into it,” said Heather. “Also, let the process happen. There are so many learning moments, and it’s a must that they happen. Your success comes from being able to embrace those learning experiences—adjust, grow, and keep moving forward to the next one.”

They encourage entrepreneurs to check out local resources for guidance.

“We decided to work with the Center because their core is helping small town businesses and that’s what we needed—they were the perfect fit for us,” Rachael said.

FEATURE STORY

The business owners are glad they took the leap.

“If you have something in your heart, all you can do is go for it,” Rachael said. “We believe we were called to do this, and even in the midst of exhaustion and feeling overwhelmed, it’s incredible to think of all the beautiful moments, details, and events that have happened because of the space and the people that have been brought in.”

Have an idea and don’t know where to start? Contact your regional loan specialist. Find yours on pages 10 and 11. 📍



Celebrating 50 years in rural America: Lending boosts communities

By Rhea Landholm, Communications Manager

The Center for Rural Affairs' mission to establish strong rural communities continues with the Lending Services program, which today includes small business and housing loans as well as small business training and one-on-one assistance.

Small business development at the Center started in 1990 with a program (then called the Rural Enterprise Assistance Project, or REAP) that provided loans, training, and business planning assistance to rural microenterprises, or businesses with no more than 10 employees.

"Small businesses are the heart and soul of community development," said Kim Preston, Lending Services director. "A strong business sector helps generate much needed economic growth and stability in the community."

The program evolved with the addition of a Women's Business Center in 2001, then an added focus on Latino small businesses in 2004. In 2013, the Center

became a community-development financial institution (CDFI) and was able to provide larger loans with an emphasis on serving Latinos and low-to-moderate income individuals.

In 2020, a housing loan program was established.

"Rural communities are full of housing that is inaccessible to many residents," Kim said. "Banks will avoid offering mortgages to many of the properties where they will be found to be upside down in a collateral position. These homes are then left to deteriorate and become eyesores in the community. When the Center added housing loans, we hoped to help address this need in our communities, and offer an opportunity for the homeowner to build a lifelong asset."

Today, the maximum loan size for small business is \$250,000, with loans available for working capital, small equipment and inventory purchases, and business real estate.

Since 1990, the Center has provided loans and training for small business owners, including this group of Latina entrepreneurs at a conference in 2022. | Photo by Kylie Kai





Lending Services Director
Kim Preston is building products and services that directly impact entrepreneurs and lawmakers. | Photo by Kylie Kai

Housing loans go up to \$100,000 and are available for purchase or repair.

In late 2022, a new fund was created to serve small- and medium-sized meat processors with loans from \$50,000 to \$5 million.

“The very recent addition of meat processing capital offers even larger loans and capacity to assist more entrepreneurs than even our founders could have imagined,” Kim said. “I am excited to be a part of that growth.”

Lending's past, present, and future

While the lending program has grown at the Center, Kim said the organization does not work alone.

“Quite honestly, our rural communities are driving the work,” she said. “From the inside looking out, we can see some trends, but communications with those rural communities, their partners, residents, and business owners give us a perspective to assist where we are needed.”

This allows the Center to adapt its products and services to the needs of communities, which was evident during the COVID-19 pandemic when business development services were offered virtually. Staff reached a broader audience and delivered services quickly since travel and distance weren't barriers.

“We were able to rapidly jump in to assist businesses in their greatest time of need but also were able to slow down and take a step back to assess our work and how we help others,” Kim said. “We also developed our mortgage loan product and the processes behind all of this work.”

Small business owners not only need funding, they also need training and one-on-one coaching, which the Center has provided at no cost since 1990.

“Small businesses are hungry for training and coaching,” Kim said. “When an entrepreneur has an idea, they are often great at their idea/trade. However, proper business management is often overlooked. Our staff have the experience necessary to assist entrepreneurs as they start, grow, and transition their businesses.”

The Center's work in lending will keep evolving, long into the future, she said.

“Lending Services continues to build products and services that directly impact entrepreneurs and homeowners and provides opportunities that expedite access to capital for those left out of traditional financing,” Kim said. “We are building capacity for businesses to increase assets, provide well-paying jobs, and transition to the next generation of entrepreneurs.” 📌

50 YEARS

Our loan products

Apply at cfra.org/loans

✓ Small Business Loan

Up to \$250,000 for working capital, equipment, inventory, and real estate.

✓ Express Loan

For borrowers with credit needs less than \$20,000. Fewer documents and faster decision.

✓ Housing Loan

Mortgage loans between \$5,000 and \$100,000 are available for purchase of home, owner-occupied rehabilitation or renovation, or emergency repair to a property.

✓ Meat Processing Loan

Loans between \$50,000 and \$5 million are available for expansion of existing business, start-up of new business, real estate purchase, new construction, facilities update or expansion, equipment purchase, energy efficiency upgrades to facilities and equipment, purchase of an existing business, or working capital.

Business development services

Business counseling

Business development specialists are available for consultations on business troubleshooting, cash flow and budget, loan packaging, and more.

Loan specialists

We have a statewide network of loan specialists ready and willing to help you along your small business journey. Find your specialist on pages 10 and 11.

Start-up checklist

You have a great idea for a new small business. Congratulations! That's the first step. But, you need to do a few other things to turn that idea into a business. We offer an online checklist with actions to get you started. Visit cfra.org/business-start-checklist.

Events and networking

We host various workshops and networking opportunities focused on emergency preparedness, marketing, business plans, social media, specific industries, and more. To stay up to date, visit cfra.org/events.



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Entrepreneur Partner of the Year Award



ECHO Collective

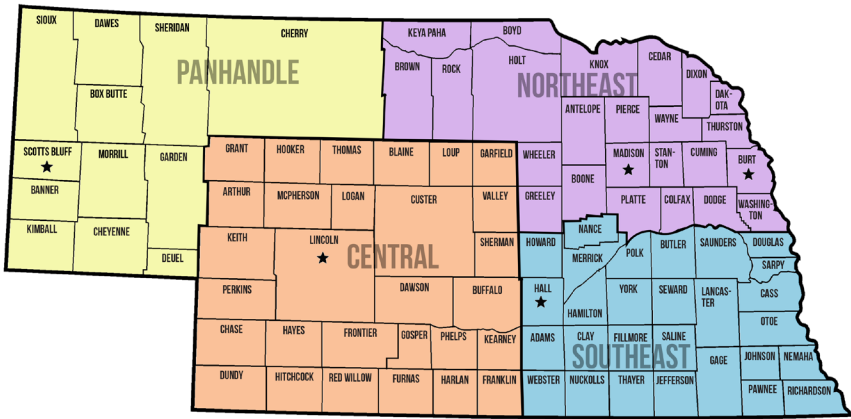
About the award: The Entrepreneur Partner of the Year Award is given to an individual, organization, or institution that provides invaluable service to entrepreneurs by helping the Center offer technical assistance, business training, loans, and networking to clients in rural Nebraska.

Awardee information: Established in August 2020 by Founder and Executive Director Kelly Ross, the Empowering Communities through Her Opportunities (ECHO) Collective connects and empowers refugee and immigrant women by providing opportunities for personal growth and building cross-cultural relationships in a nurturing environment.

ECHO Collective offers a four-month intensive business education cohort to women entrepreneurs. Through these courses, they build relationships with other business owners and broaden their professional networks. Participants are in the process of learning English, own a business, or have an idea for a business and were born outside the U.S.

The Center for Rural Affairs Women's Business Center has partnered with ECHO Collective since the start to bring services together to benefit these women.

Find your lender



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Questions and loan application process



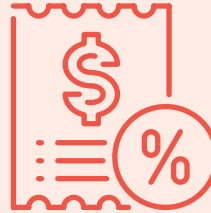
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SERVICE MAP



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