March 2012

To Our Stakeholders,

Having served as the contractor of the Microenterprise Development Act for 14 years, Nebraska Enterprise Fund (NEF) has fostered the development of a statewide network of resources for micro/small businesses in Nebraska. Resources are now available in all regions and communities across the State to assist early stage and growing businesses. NEF’s work has brought continuity and permanence to a field where economic development programs often come and go without long-term duration.

NEF’s funding criteria has mandated collaboration between programs to avoid duplication. This approach brings efficient use of tax payer dollars. It has also leveraged dollars from non-state sources. As a result, Nebraska microprograms not only provide resources, but link businesses to other programs in a spirit of cooperation that puts the interests of the business owner first.

In recent years, NEF has expanded its role to make loans to businesses when financing gaps occur. Serving in this role greatly leverages the effectiveness of NEF’s contribution and provides a bridge between programs and commercial financing to the benefit of business owners.

As a testament to the financial strength of NEF and the solid base of support it has garnered, the organization has been able to leverage funds from multiple sources, exceeding match requirements on grants and loans. For example in the period July 1, 2010 through September 30, 2011, NEF raised $1,784,651. The vast majority of these funds came from institutions based outside of the State of Nebraska. This inflow of capital into the state has directly benefitted businesses supporting communities throughout Nebraska.

Nebraska’s community businesses are the base of the state’s economy. They create and retain jobs. In the 15 months covered in this report, Nebraska community businesses receiving resources from NEF funded programs created and/or retained 2,643 jobs.

Thank you for your continued collaboration.

Winsley Durand III
Board Chair
Nebraska Enterprise Fund
Executive Summary

Nebraska Enterprise Fund (NEF) has served Nebraska as a statewide intermediary organization for microenterprise development since 1994. The Nebraska Department of Economic Development (DED) contracted with NEF to administer the Microenterprise Development Act funds from 1997 through 2011. NEF collected funding requests and performance reports from Microenterprise Development Organizations (MDOs) and then passed thru State funds to the MDOs. NEF’s mission as intermediary has been to make sure that micro and small business owners in all areas of the State have access to loans, training and technical assistance. NEF assisted with raising and leveraging additional resources for microenterprise development work.

An annual report from the Nebraska Enterprise Fund was prepared for DED to fulfill reporting requirements to the Nebraska Legislature under the Nebraska Microenterprise Development Act (LB327), which became law on June 10, 1997 (Nebraska Revised Statutes, Sections 81-1295 to 81-12,105). The Nebraska Legislature made an investment in microenterprise development by approving appropriations for this Act for fourteen years, through June 30, 2011 (FY ’11). This report covers performance data collected by the Nebraska Enterprise Fund, starting July 1, 2010 thru September 30, 2011 and submitted to DED in December 2011. Due to the change in microfunding in 2011, DED will incorporate data from that report into its July 2012 annual report. At the same time, DED approved NEF publishing the report in early 2012 so that MDOs will have access to the complete 2011 performance data for reporting purposes.

Utilizing FY ’11 ($225,000 of the $450,000 appropriated) State funding, nine Microenterprise Development Organizations (MDOs) were funded and received services from the Nebraska Enterprise Fund. Programs utilized State funds as important match to operate and provide microenterprise development assistance to 4019 participants (including 205 new loans thru September 30, 2011) during this period. Micro business development services including micro loans, business planning, financial analysis, management and/or marketing strategies, helped create and/or retain 2,643 jobs across the State of Nebraska in the 15 month period.

It was a banner year for microenterprise development services provided during the past year. The number of new micro loans originated was up 68% over a year ago. Thru September 30, 2011, over $3 million was loaned, and an additional $2 million plus in loans was leveraged from other capital sources (banks, public agencies, revolving loan pools.)
Microenterprise Development Act funding has helped businesses of all types, including entrepreneurs that were just launching start-ups or expansions, to innovators and potential high growth businesses, to community businesses, manufacturers, retailers and wholesalers. NEF is proud to have been a leader and part of the growth of microenterprise development in Nebraska.

**Microenterprise Development Act Funding Background**

The stated purposes of the Microenterprise Development Act include (Sec. 81-1297):

- To better assure that micro businesses are able to realize their full potential to create jobs, enhance entrepreneurial skills and activity, and increase low-income households’ capacity to become self-sufficient;
- To facilitate the development of a permanent, statewide infrastructure of microlending support organizations;
- To leverage additional non-state funds for the support of microenterprise development.

**The Act's definitions include:**

1. **Microenterprise/micro business** means any business with five or fewer employees.  
   *(The industry standard changed via federal programs in 2010 to ten or fewer employees.)*

2. **Microloan** means any business loan up to $35,000.  
   *(The industry standard changed via federal programs in 2010 to any business loan up to $50,000.)*

3. **Microloan delivery organization (MDO)** means any community-based or nonprofit program that has developed a viable plan for providing a combination of any of the following three services to microenterprises: training, access to financing, and technical assistance.

4. **Statewide microlending support organization** means any nonprofit organization which has a demonstrated capacity and a plan for providing and administering grants or loans to micro loan delivery organizations.

The Nebraska Microenterprise Development Act authorized the Nebraska Department of Economic Development (DED) to contract implementation of the Act to a statewide micro lending support organization provided that such an organization provides a 25% match to LB 327 pass thru funds. DED selected the Nebraska Enterprise Fund (NEF) as that contractor for each of the last 14 years.

NEF is a private, nonprofit 501(c)3 organization, and certified Community Development Financial Institution (CDFI), whose mission it is to make sure that Nebraska micro and small businesses have access to capital, training and technical assistance. The “first tier”, 25% match was provided by the contractor. A “second tier” match of 25% was then provided by the grantee Microlending Delivery Organizations (MDOs). This approach leveraged non-state dollars significantly and was an important factor in helping to bring outside funding (Federal, local, private) to support business development services in Nebraska.
For the 2010-11 year, $449,000 was made available to nine programs (Chart 1) in operational funding ($225,000 from FY ’11 appropriations and $224,000 from FY ’10 carryover funds.) Over the history of the Microenterprise Development Act funding, NEF received 10% for administration of the funding and capacity building for the programs.

**Chart 1: Microenterprise Development Act Program Awards – FY 2011**
(Used as operational funding for micro-lending, training and technical assistance services)

<table>
<thead>
<tr>
<th>Program Name</th>
<th>Office Location</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catholic Charities - Microbusiness Training &amp; Development Program</td>
<td>Omaha</td>
<td>$ 81,122</td>
</tr>
<tr>
<td>Center for Rural Affairs – REAP</td>
<td>Lyons</td>
<td>$131,100</td>
</tr>
<tr>
<td>Community Development Resources</td>
<td>Lincoln</td>
<td>$ 22,350</td>
</tr>
<tr>
<td>EDGE – Center for Applied Rural Innovation</td>
<td>Lincoln</td>
<td>$ 20,000</td>
</tr>
<tr>
<td>GROW Nebraska</td>
<td>Holbrook</td>
<td>$ 77,628</td>
</tr>
<tr>
<td>Ho-Chunk Community Development Corporation</td>
<td>Winnebago</td>
<td>$ 9,000</td>
</tr>
<tr>
<td>Midlands Latino Community Development Corporation</td>
<td>Omaha</td>
<td>$ 23,800</td>
</tr>
<tr>
<td>NED Inc. – Northeast Economic Development District</td>
<td>Norfolk</td>
<td>$ 65,000</td>
</tr>
<tr>
<td>West Central Nebraska Development District</td>
<td>Ogallala</td>
<td>$ 19,000</td>
</tr>
</tbody>
</table>

See Directory of Microenterprise Programs (last page of Appendix) for specific program contacts, program services and area served.

Programs that received funding in FY’11 were selected based on program performance and funding requests received by NEF. Seven of the nine awardees provided microlending assistance; one provided micro business training assistance only and refers businesses to other MDOs for loans; and another program provided micro business training with no lending. Awards were obligated in October 2010. Funds to programs were then distributed in performance-based quarterly installments.

State funding was combined with additional dollars raised by programs from multiple sources and used to cover program budgets. For the reporting period, programs recorded combined qualifying match for operations of $2,465,806 which more than met the 25% ($56,250) required match. As statewide intermediary, NEF provided $200,000 in match (greater than the 25% required) on the $225,000 state appropriated funds. The FY’10 carryover funds of $224,000 had been matched ($56,000) in a prior year.

This report includes a sampling of business profiles (Appendix pages 13 thru 22) from micro businesses that were assisted during the past year by MDOs receiving state microenterprise development funding. The businesses are quick to share the impacts MDO services have on their development. MDOs assist valuable community businesses of all types all across Nebraska, including but not limited to: auto body, fuel, fashion, lumber, hardware, repair and service, technology /computer services, insurance, health professionals, design and manufacturing, value added agriculture businesses, food production, retail sales, artists, food service, bakeries and restaurants, insurance agencies, business services and consulting. The NEF website, www.nebbiz.org, and various program websites include more business
profiles from this past year (as submitted by MDOs) and stories from business clients served in recent years.

Performance Measures - Participants and Businesses Served

Nebraska Enterprise Fund (NEF) gathered fourteen years of data collected from MDOs that were funded through the Act. During the most recent reporting period (FY ’11), NEF had active loans with eight programs. Micro loan data was received from these programs and included in report totals.

NEF required that program recipients of Microenterprise Development Act funding submit quarterly reports using a data collection system which is updated on an ongoing basis by program directors and/or their staff. In addition, NEF required a written report each quarter from programs. The NEF data base served as a cross check of written quarterly information and allowed participation and comparison on a national basis using Aspen Institute’s MicroTest program and Association for Enterprise Opportunity standards. AEO is the national trade organization of microenterprise programs in the United States.

a. Microloans – Clients served

Services provided by MDOs help to meet the capital needs of businesses as they start-up and grow. MDOs may provide financing when the client’s credit score or business experience doesn’t meet traditional banking standards. Programs involved in micro lending activities reported an average of 78% of their clients (both loan and TA) were from low to moderate income (LMI*) households. The AEO national minimum standard for low to moderate income (LMI) individuals served is 50%.

From a lending standpoint, the business may rely on personal savings, credit cards, friends, and family when starting up. MDOs make it possible for the business to develop a long-range plan, learn critical management skills, and acquire necessary capital for expansion.

* LMI is 80% of county median income, and a client is defined as an individual who received ten hours or more of training, technical assistance or a micro loan during the year.
MDOs are committed to both maintaining sound loans and making new loans. During FY ’11 the loan loss rate reported by nine micro lending programs averaged 3% which is below the AEO national standard of 7%. Making the loan is only the start of meeting the technical assistance needs of the businesses. MDO staff time is divided between making new loans and servicing existing loans. Programs continue to increase loan numbers and loan size while keeping loan losses low.

Chart 2

Chart 2 above shows how micro loan volume has grown historically in Nebraska. The average number of new loans originated equals 116 loans per year over the last five years. Microloan demand has grown quite significantly since 2009 and appears to be due to the recent recession as financial institutions have tightened credit to small businesses. In FY ’11, 156 new loans were made to small businesses in Nebraska, totaling $2,255,621 in capital. Just in the last quarter thru September 30, 2011, that total number grew to an all-time high of 205 new loans with 49 loans ($767,113) made in one quarter, totaling $3,022,734 in loan capital since July 1, 2010.
The following chart (Chart 3) details data relating to the microloans made by MDOs to micro businesses:

**Chart 3**

2010-2011 Nebraska Micro Program Loan Performance Data

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Loans on books (#) June 30, 2011</td>
<td>489</td>
</tr>
<tr>
<td>Loans on books ($) June 30, 2011</td>
<td>$7,881,886</td>
</tr>
<tr>
<td>Average loan size ($)</td>
<td>$16,118</td>
</tr>
<tr>
<td>Loan Loss Rate FY'11</td>
<td>3%</td>
</tr>
<tr>
<td>New loans (#) originated in FY '11</td>
<td>156</td>
</tr>
<tr>
<td>New loans ($) originated in FY '11</td>
<td>$2,255,621</td>
</tr>
<tr>
<td>Jobs recorded for businesses receiving loans FY ‘11</td>
<td>247</td>
</tr>
<tr>
<td>Avg. size of new micro loans in FY '11</td>
<td>$14,459</td>
</tr>
<tr>
<td>Number of clients linked to other lenders FY ‘11</td>
<td>29</td>
</tr>
<tr>
<td>Amount of loans from above links FY ‘11</td>
<td>$1,757,140</td>
</tr>
<tr>
<td>All loans’ value (since 1998)</td>
<td>$14,601,113</td>
</tr>
<tr>
<td>Counties (#) served by all clients (since 1998)</td>
<td>93</td>
</tr>
</tbody>
</table>

The average aggregate loan size has steadily increased from $4,702 in 1998 to $16,118 in FY’11. (See Chart 4 below.) The average new loan size in FY ’11 was $14,459.

**Chart 4**

Growth in Average Loan Size ($) from Aggregate Loans on Books 1998 to 2011
b. Training/Technical Assistance – Clients Served

For the FY ’11, micro development programs recorded working with 3,110 participants with another 909 participants added in the quarter ending 9/30/2011 for a total of 4,019 participants. Participants are counted if they attended a training workshop, course or seminar and/or if they received one-on-one assistance by a MDO staff member. Time spent with participants can be as short as an hour to help them with a resource question, marketing or management. Some participants receive multiple hours of assistance in business planning, management development or operational related questions. MDO staff are located across Nebraska in both rural and urban areas and serve participants from all socio economic and demographic backgrounds.

Each MDO designs and delivers its unique training and/or technical assistance program. Some of those offerings for businesses include ten- and four-week management courses, single topic advance training for those that have already completed a business plan, networking meetings, annual conferences, site visits, and one-on-one technical assistance to answer day-to-day questions that may arise. Business plan writing is typically a component of any training or technical assistance. During FY ’11, programs offering training courses that involved business plan development recorded an 87% business plan completion rate which is above the national AEO standard of 65% completion rate.

Management and/or marketing assistance provided to micro businesses may:

- provide stabilization strategies for a business that has encountered problems,
- help a business implement plans to grow to the next level,
- help an entrepreneur sort out an innovative business idea and consider business feasibility before investing money,
- assist a business with identifying new markets and strategizing on how to reach those new markets,
- help a business improve its overall financial and cash flow position and strengthen its potential to pay back business loans successfully.
c. Micro Businesses Provide Valuable Jobs

MDOs report that micro businesses served have added jobs as a result of loans or technical assistance. In the majority of cases, the businesses that received assistance provide a job for the business owner and/ or their spouse. Often, there are others that work for these businesses. When significant training or technical assistance is provided or a loan is made, jobs represented in these businesses are noted as retained. New jobs are reported as created. For the 15 month period ending September 30, 2011, the average number of jobs created and/or retained per new loan was 1.74 for a total of 358 jobs. Jobs represented in businesses/ participants that received training and/or technical assistance totaled 2,285 (total 2643 jobs in the businesses that received training, technical assistance and/or a loan).

NEF Data Collection System

NEF utilized its in-house database system to collect quarterly data from programs. The NEF system was built to collect data points aligned by MicroTest, allowing Nebraska programs the capability of comparing program performance and efficiency measures to similar MDOs nationally.

NEF – State Intermediary Update

The Nebraska Enterprise Fund (NEF), a 501(c)3, nonprofit organization, serves as Nebraska’s statewide microenterprise intermediary. NEF is a certified Community Development Financial Institution (CDFI), as set out by the US Department of Treasury. Serving in this capacity, NEF has contributed to the ongoing growth and sustainability of the microenterprise industry in Nebraska.

Nebraska Enterprise Fund (prior to 2008, known as the Nebraska Microenterprise Partnership Fund) has contributed valuable match over the past fourteen years as required by the Nebraska Microenterprise Development Act. As Statewide intermediary, NEF has raised at least a 25% match of the state appropriations each year, in supporting microenterprise development work with private and federal sources. NEF has made operating and capital funds available to programs in order to cover the state with loans, training and technical assistance services.

Nine programs across Nebraska currently utilize NEF Evergreen loans or loan loss reserve capital as part of their total capital loan pool to lend to micro businesses. NEF capital provided to programs is often used as valuable match, therefore enabling programs to obtain additional loan capital from other sources in order to meet micro loan demands. NEF has provided $3,244,000 total loan capital (including loan loss reserve dollars) to programs over its history. As noted in Chart 3, since 1998, Nebraska microenterprise programs have loaned a total of $15,368,226 to micro businesses across the State, therefore leveraging NEF funds and state funds to do this work. To date, NEF’s capital has been kept whole with no defaults on the part of borrower programs.
In the last year, NEF was successful in obtaining CDFI Fund capital, CDFI-SBLF, USDA Rural Microenterprise Assistance Program (RMAP) capital, EQ2s from banks, Rural Community Development Initiative funding, SBA Prime funding and grants from financial institutions. These funds make it possible to support programs by continuing to assist them in developing capacity, making resource connections for businesses, targeting populations that are otherwise underserved, and increasing the volume of micro loans in Nebraska.

NEF utilized additional capital opportunities in the last two years to partner with programs and banks across Nebraska to provide gap financing directly to businesses and to pilot a CD guarantee loan program for business borrowers. These guarantees provide a credit enhancement to make more business loans possible from regulated financial institutions.

In summary, as a statewide microenterprise intermediary, NEF celebrates its fourteenth year in providing the following to MDOs and the State:

- **Leverages dollars** from other public sources, such as SBA, USDA, CDFI Fund, and from private sources (banks). Historically, these dollars have matched the state funds a minimum of 8 times. The State funds have played a major role in leveraging other resources into Nebraska to be used for business development services.

- Provided **accountability and quarterly reporting to the State on the** activities and performance from the programs that received State funds. NEF’s data collection and evaluation were linked to national standards for the industry and helped to establish goals for program growth.

- Through **capacity building training**, NEF assists programs in growing to meet the needs of businesses, i.e. the state now has two additional CDFIs as a result of NEF training with two more programs now seeking that designation. Program trainings also provide an opportunity for networking and the coordination of resources. NEF strived to keep duplication of services at a minimum through its facilitation of networking and training events for program leaders and staff. NEF has met the Microenterprise Development Act goal that services and loans be made in every county in the State.

- **Identifies and fills gaps** through the **design and implementation of new products**. For example, the CD Loan Guarantees with financial institutions and the NEF direct loan program came about as a result of NEF staff facilitated discussions with bankers, economic developers, micro programs and businesses to provide additional vehicles for programs and banks to make deals happen.
As part of micro program final reports in November 2011, program directors across Nebraska readily expressed appreciation for state funding and NEF’s work:

“Over the years, the Microenterprise Act and Nebraska Enterprise Fund have allowed the NebraskaEDGE to explore educational opportunities that benefit Nebraska’s small business owner, from the development of new curricula to delivery of new tools. As the small business owners’ needs evolve, so too must the education that assists the business owner to move forward.”

_Marilyn Schlake, Nebraska EDGE_

“The funding received from the Nebraska Enterprise Fund since 1997 has been utilized to its fullest potential and has been a difference maker for the clients that utilize our program. The Nebraska Enterprise Fund has been the backbone of the Nebraska microenterprise industry and one of the key reasons for the success of the field. REAP looks forward to continuing its partnership with NEF in the future.”

_Jeff Reynolds, Center for Rural Affairs-REAP_

**Conclusion**

_Microenterprise development work provides an entry point for assisting start-up or existing businesses of any type to reach their full potential as a business._ On any given day a micro program will receive calls from businesses that cover the full spectrum, starting from a new business idea in someone’s head, to aggressively growing a business and making plans to add employees. Micro programs have an open door whereby whoever contacts them will either receive services from the program or be connected to other resources that can meet their needs.

There is a business development continuum whereby some enterprises continue to grow to full-time, major contributors to the financial well-being of the owner and community and others elect to remain small, part-time, supplemental financial contributors. As businesses grow along the development continuum they have an ongoing need for resources (loan capital, technical assistance and/or business management training). These businesses may be defined by employee numbers (micro or small), but they are community businesses. These community businesses are the base of Nebraska’s economy. As a result of state support for microenterprise development for the last 14 years, Microenterprise Development Organizations can be accessed in all regions and communities across the State to assist early stage and growing businesses. MDO staff understand the role they can provide in the development continuum and they are familiar with additional resources as the continuum of needs is assessed.

NEF will continue as a statewide microenterprise intermediary, providing loan/grant dollars to programs and capacity building training as funds allow. NEF also continues to expand its work as a CDFI in filling financial gaps for micro/small businesses.
This is a time to reflect and celebrate the 14 years of accomplishments under the Microenterprise Development Act. The purposes of the Act – increase the capacity of micro businesses to create jobs/household income; develop an infrastructure of programs to deliver resources to micro businesses; and leverage non-state funds to support this development – have been met every year during the 14 year period. As a result, Nebraska has been a recognized leader in the national microenterprise industry. Maintaining and supporting the permanent, statewide infrastructure in the future will help insure that the State’s historical investment continues to yield dividends for community businesses across the state.
## APPENDIX

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<td>Bronte Windpower, LLC</td>
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<td>The Gray Group, Inc.</td>
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<td>Chandler Sandhill Honey</td>
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<td>Ad Hoc Apparel</td>
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<tr>
<td>Clarkson Bakery</td>
<td>19</td>
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<td>KD Designs</td>
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<td>Heladeria Antarctica</td>
<td>21</td>
</tr>
<tr>
<td>Master’s Hand Candle Co. &amp; Serendipity Chocolate Factory</td>
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### Directory of Microenterprise Programs

<table>
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<tr>
<th>Program Name</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>23</td>
</tr>
</tbody>
</table>
The Landing Zone

Owner(s): Roger & Jill Dethlefs

Location: 7170 Bennington Road
Omaha NE 68152

Phone: 402.571.5800
E-mail: roger.landingzone@hotmail.com

County: Douglas

Program Contact:
Glennis McClure, Program Manager
Nebraska Enterprise Fund
www.nebbiz.org
402.685.5500

Business: The Landing Zone is a gas station and convenience store on the far north end of Omaha in the Cunningham Lake area. Roger and his wife Jill purchased the business and re-opened the location after it sat idle for six years. With lots of clean up work and fresh paint, Roger is now self-employed as the manager. The store was closed when it took two years to improve the road and intersection near the business. Roger had prior experience in convenience store management. The opportunity to open the store again came at a good time since Roger’s work in construction had slowed down due to the downturn in the economy. The Dethlefs built a home in a development just north of the store. They are thrilled that Roger's work is in their neighborhood and the store provides a service to people in the area.

Impact and Future Plans: The Landing Zone provides a full time job for Roger as owner/manager and the store employs two other full-time workers and two part-time. There are plans to expand the business, adding a café on one end of the building where breakfast, lunch, and dinner will be served. This will allow the pizza business revenues that currently exist and overall profitability potential for the store to grow.

Micro Program's Assistance: The Bank of Nebraska provided a business loan utilizing an SBA guarantee for start-up costs, operating and equipment. When the Dethfels needed a Letter of Credit for the fuel supplier, that’s where the Nebraska Enterprise Fund assistance with the CD guarantee came into play. Working collaboratively, the bank and NEF helped this family purchase The Landing Zone and re-open it to serve the community and provide several jobs in the area.

Lori Bickford, Vice President at Bank of Nebraska, said this about the NEF CD Guarantee – "The Nebraska Enterprise Fund CD Guarantee Product was a perfect fit to complete the financing package for The Landing Zone. The application and approval process was very accommodating and will be very helpful in working with other small businesses in the future."
Right Angle Lumber & Hardware, Inc.

**Owner(s):** Don & Cheryl Plager, Dale Plager, Audry Plager, Darold & Holly Plager

**Location:** 152 N. 3rd, Tecumseh, NE; 1143 Nemaha, Humboldt, NE

**Phone:** 402.335.3681 Tecumseh; 402.862.3231 Humboldt

**E-mail:** tecumsehlumber@windstream.net

**County:** Johnson / Richardson

**Program Contact:** Janelle Moran, REAP Business Specialist

**Business:** In 2011 Right Angle Lumber and Hardware Corporation was formed by Don & Cheryl Plager, Dale Plager, Darold and Holly Plager, and Audry Plager to purchase three lumber yards located in Tecumseh, Humboldt and Elk Creek, owned and operated by the James Hoke family.

The Lumber Yard in Elk Creek was originally started back in 1886, by Jim Hoke’s great-great grandfather. The Lumber Yard business has remained in the Hoke family since. In 1979 Jim Hoke purchased the Humboldt lumber yard, and later moved it from down town Humboldt to its present location. Dale Plager was hired to manage the Humboldt location. Later, in 1998 Jim purchased the Tecumseh Lumber yard from Keith Campbell and continued to run the business at all three locations until in 2005 when the manager of the Elk Creek yard passed away, and the Elk Creek store was open on a limited basis. In 2010 the Tecumseh yard was closed after the unexpected death of Jim Hoke. Don Plager continued to operate the Humboldt yard as he had for the past 15 years. Instead of a business over a century old closing and quietly going away the Plager family saw an opportunity to purchase the three yards, reopen the Tecumseh location and work on fixing up the Elk Creek store and reopen it as well. The Plagers purchased the businesses and began Right Angle Lumber and Hardware, Inc. in March 2011.

**Impact and Future Plans:** Right Angle Lumber & Hardware Inc. continues to provide builders, contractors and residents of southeast Nebraska three lumberyard locations, they are continually updating inventory by listening to customer’s needs. At least 3 full time jobs were created or retained by keeping these business locations open and serving customers in the area.

**Micro Program’s Assistance:** REAP Business Specialist, Janelle Moran, worked with the Plager family to develop a business plan and financial projections. Janelle also assisted with packaging the financing needed to purchase the business. The Plager family obtained financing from the State Bank of Table Rock, Humboldt branch as well as loan funds from the Village of Elk Creek revolving loan funds, as well as their own injection.
Bronte Windpower, LLC

Owner(s): Jeremy Prunty
Location: Scribner, NE
Phone: (402) 612-9251 (cell)
Email: info@brontewindpower.com
County: Dodge

Program Contact:
Holly Quinn & Jeff Christensen,
Business Loan Specialists
Northeast Nebraska Economic Development District / NED, Inc.
www.nenedd.org/businessloan.html

Business: Jeremy Prunty started Bronte Windpower, LLC in 2009. It was perceived that Scribner and the surrounding area needed a renewable energy retailer and installer that provide fast, courteous, and reliable service at a competitive price. Bronte Windpower, LLC installs and services various wind energy products (wind turbines) primarily to farms and acreage owners within a 200 mile radius of the Prunty’s home in rural Scribner. This seemed a natural expansion from his existing construction business that was started ten years ago. Clients contact Jeremy via e-mail or phone. He then does a site survey to check on wind resources and suggests the type and size of equipment to meet their needs. He does the complete installation including permits, paperwork required by electric utility company, concrete work, and tower assembly and erection. The client can monitor their savings either with software included with the equipment from the manufacturer and/or from the utility company on its billing.

Micro Program’s Assistance: NENEDD staff provided technical assistance in business plan preparation and provided financing for this project.

Impact: In addition to the creation of two FTE jobs, Jeremy has been working with school districts and the “Wind for Schools” program and has installed wind turbines to be used as an educational tool for high school students.
The Gray Group, Inc.

Owner: TINA L. GRAY  
Address: Business & Technology Center  
2505 North 24th Street, Suite 218  
Omaha NE 68110  

County: Douglas  
Business website: www.TheGrayGroupInc.com  
and/or e-mail: taysinc@yahoo.com  
Business phone: (402) 884-6425

Program Contact:  
Omaha Small Business Network, Inc.  
Vicki Wilson Tederman, Executive Director,  
Phyllis Wagner, Business & Program Manager  
www.osnbtc.org  402.453.5336

Business: Owner, Tina Gray, is an African-American female, first-generation entrepreneur, and employs one part-time worker. Her office is located in north Omaha at the Business & Technology Center. In 2000, Tina Gray was laid off from a major corporation. Being jobless and single head of household was extremely difficult and quite emotional for Tina. In the midst of her search to obtain employment, she was asked to conduct training for various organizations. Offers to teach kept coming. These training requests were based on her expertise in Web Design, Microsoft Office, Tax Preparation, Conflict Management, and Financial Planning. And thus, The Gray Group, Inc was formed to provide education and training to its community of non-profits and individuals located in north Omaha, but not limited to this area. Clients have included Creighton University's Financial Success Program; New Community Development Corporation's Micro Business Development Program; Microsoft Office Training for AIM Institute and the Nonprofit Association of the Midlands; Salvation Army Youth Program, and many more.

Micro Program's Assistance: Based on notes from Ms. Gray, business owner—"OSBN is more than a place to office; it is the soil that my business needed to grow and thrive. The OSBN program has allowed me to take my business LITERALLY to the next level. It allowed access to an affordable office space which I would have otherwise been unable to afford. And I am transitioning from running my business by the seat of my pants, to more organized days of goal-setting and prioritization because of:

• Individual business coaching held monthly and quarterly, depending on the need of the business owner
• Group coaching held quarterly
• Business training: strategic thinking and behavior that includes goal setting
• Event and networking opportunities enabling increased business knowledge and business exposure
• Access to legal, marketing (social media), bookkeeping, and tax resources"

"The environment within this program has aided in me staying focused and even staying in business. It is great working where I know there are others like myself trying to become better at managing and growing their business. This environment offers support, the sharing of ideas, information, and inspiration. Without it, my dream of entrepreneurship could not have been sustained. Each time I become overwhelmed, OSBN throws out a life preserver, and I’m ready to try, try again!"

Impact: OSBN helped this entrepreneur start a business, creating a job for the owner who was unemployed and to employ one other person part-time.
Chandler Sandhill Honey

Owner(s): Pat & Rachael Chandler

Location: 305 S Baxter, Anselmo NE 68813
Phone: 308.880.1134 or 308.880.1733
E-mail: chandlerbees@yahoo.com

County: Custer

Program Contact:
- Glennis McClure, Nebraska Enterprise Fund
  www.nebbiz.org or 402.685.5500
- and
  Dena Beck, REAP
  www.cfra.org/reap or 308.528.0060

Business: Pat & Rachael Chandler took over management of Chandler Sandhill Honey in early 2000. Pat is a skilled beekeeper and production manager with over 350 hives. Rachael manages the honey bottling side of the business along with sales and honey delivery. The Chandlers market their honey all over Central Nebraska supplying approximately 80 stores and they sell as far away as Hy-Vee in Omaha and handle all of Nebraska Honey Sunday bottling and distribution. The Chandler’s upgraded their honey bottling facility in 2007 with a Value Added Ag grant from the State. In 2010, they received word of another Value Added Ag grant to upgrade their 70 year old honey extraction equipment. They needed matching funds for the equipment upgrade. Along with this came the need to revamp their business finances and receive new loan funds for facility upgrade along with the equipment.

Micro Program’s Assistance: Initial technical assistance was provided by REAP, helping to analyze records from the bottling enterprise and the honey extraction work, then preparing a business plan and cash flow that could be used in the loan application phase. Nebraska Enterprise Fund provided assistance as the primary lender in the new loan package along with REAP and the Custer County Revolving Loan Fund. The loan package helped refinance their existing debt and help the business with loan terms that they could pay over time and manage.

Glennis McClure, NEF Program Manager, shared this about the collaborative loan process:
The loan package and technical assistance for Chandler Sandhill Honey’s business improvements didn’t happen overnight. A lot of effort went into helping them restructure their business financing. It meant a lot that Nebraska Enterprise Fund could partner with REAP throughout the process and there was local investment included through the Custer County Revolving Loan Fund.

Impact and Future Plans: With the upgraded extraction equipment and facility, the Chandler’s can process honey for other growers and handle more as they need to keep up with growing sales. The new system will help cut their labor time by 1/3, thus allowing more time to be spent managing more hives. More hives equals more honey and more profit. Plans are to increase their own hives from 350 to 500. The operation employs one additional employee besides providing full-time employment for Pat & Rachael.
Ad Hoc Apparel

Owner(s): Bertiher de La Cruz
Location: 418 South 38th, Ave Apt. 7, Omaha NE
Phone:
County: Douglas

Program Contact:
Midlands Latino-CDC Micro-Lending Group
Marcela Morales and Marta Sonia Londono
www.midlandslatinocdc.org
(402) 933-4466

Business: This business started in March 2011. Bertiher is a fashion designer as well as a professional tailor. Currently his business is run from his home. Bertiher is from Mexico and has lived in Omaha for many years.

Micro Program’s Assistance: Bertiher is a member of the micro-lending group and has received two loans from the program. He received 1 for $1,000 and a second one for $2,000. He also assisted the micro-lending business course and finished his business plan with technical assistance.

Future Plans: The future for Ad Hoc Apparel is to have its designs in the Omaha fashion week. The owner also plans on finishing the website to sell tailored blazers and jackets.

Bertiher said this about the assistance he has received, “MLCDC has given me the opportunity to meet other micro-business owners whom have helped me increase my cliental. They have also given me the economic support to make my dreams come true. I am especially grateful for Marta Sonia who has always believed in my talent. The loans that I received were used to buy fabric that is going to be used to make samples for the website. The loans were also used to help pay for the website that is in the process of being created.”
Clarkson Bakery

**Owner(s):** Brabec Investments, LLC
Russ & Kim Scott

**Location:** 113 Pine St.
Clarkson NE

**Phone:** 402.892-3131

**County:** Colfax

**Program Contact:**
Holly Quinn & Jeff Christensen,
Business Loan Specialists
Northeast Nebraska Economic Development District / NED, Inc. www.nenedd.org/businessloan.html

**Business:** Russ and Kim Scott purchased Clarkson Bakery in 2011. Kim’s aunt and uncle used to own and operate the Clarkson Bakery. Kim and Russ used to live in Missouri, but moved back to Clarkson, Kim’s hometown, to be close to family. The bakery has been around for 20 + years. The bakery makes hand rolled, fresh “goodies” on a daily basis. The Clarkson Bakery specializes in Czech favorites like Kolaches and Czech Horn rolls. The bakery also sells doughnuts, cinnamon rolls, breads and rolls. The bakery delivers their products to small town businesses that sign up for the delivery service. These businesses then sell to their clients. They travel as far as Scribner and Norfolk.

**Micro Program’s Assistance:** NED, Inc. staff provided technical assistance in business plan preparation and provided financing for the purchase of real estate and furniture, fixtures, equipment and goodwill.

**Impact and Future Plans:** This project will create 14 part time (9 FTE) positions including the owners and possibly create 2 PT additional positions in the business. The bakery plans to expands its delivery territory to help increase sales.
KD Designs was started by Kara & Danielle Parde in 2005 as a way to do some fundraising for the Lincoln Community Playhouse. They started making memory wire bracelets and necklaces to sell to patrons attending the shows. Though they had never made jewelry prior to this, the jewelry was a hit with over 400 pieces sold, raising a nice amount of money for the Playhouse. After the fundraising effort, Kara and Danielle continued making jewelry just because they liked it. From there, Danielle developed the idea of doing birthday parties for girls, where she taught the girls at the parties how to make a memory wire necklace and bracelet set. About a year ago, she developed a new idea, where she made wire-wrapped rings using buttons. This line has really taken off, and Danielle worked hard promoting her line by going to farmer’s markets, craft shows, and even wholesale shows. She also made custom sized rings on the spot at these shows, which ended up doubling her sales. She is now a Freshman at Loyola University in Chicago, majoring in Business with a minor in Theatre. She continues to make rings from her dorm room and sends them to Kara to sell at other shows and ships orders directly to customers from school. The rings are also sold wholesale to several boutique owners, and sometimes the orders range up to 40 to 60 rings.

Micro Program(s) Assistance: The retail training stores have offered opportunities for promotion and raised awareness with less of a time commitment than farmers markets and similar events. Also, KD designs feels that the social media training provided by GROW Nebraska has been helpful.

Future Plans for Business: Through the development of the business with GROW’s marketing assistance, and with a lot of attention to detail and hard work, Danielle was able to personally contribute $10,000 toward her first year of college and plans to do the same for each of the next three years. She is determined to not have any student loans, and so far she has achieved that goal. The business sells jewelry in Wisconsin, Iowa, Missouri, Minnesota, Ohio and Nebraska, but Danielle and Kara are open to expanding.

Quote: “GROW Nebraska has given KD Designs various retail opportunities that we would not have had just on our own. We have taken full advantage of opportunities such as the stores in the malls in Grand Island and Kearney, as well as the holiday store in Westfield Mall in Lincoln and have learned many useful things along the way. We have narrowed our product line and have seen powerful results from that, and we are also seeing some nice growth in our business just from being out in the market in so many different areas. This all has helped us to grow our brand identity as well.”
Heladeria Antarctica

**Owner(s):** Ana Rodriguez

**Location:**
3060 F Street
Omaha, NE  68107

**Phone:** 402.733.2791

**E-mail:**

**County:** Douglas

**Program Contact:**
Adriana Zambrano
CC-Microbusiness Training and Development Program
402.933.0756 Ext. 1
www.ccomaha.org

**Business:** Ana Rodriguez and her family entered the small business world without having big plans for the future. The Rodriguez family began making popsicles for the family and neighbors in 2009. They started to notice that many people liked the popsicles and that this product could actually have the potential to become a business. In 2010 Ana Rodriguez made a contract with her kids’ school to sell the popsicles at the school. She was very successful and she started to think that this product could have potential to sell wholesale. Ana Rodriguez successfully opened Heladería Antarctica on March 18th, 2011. Today Heladería Antarctica is successfully running and has many customers; two of those are small stores and restaurants that have made a long time contract with her.

**Impact and Future Plans:** Ana’s main goal this year is to reach the big groceries stores such as Hy-Vee and to have her brand be recognized in Omaha.

**Micro Program's Assistance:** Ana enrolled in the microbusiness course at Catholic Charities Microbusiness Training and Development Program (CC-MTDP) and learned about different topics such as legalization, financial, marketing and introduction to entrepreneurship. She graduated from the program with a business plan and a concrete idea of how to get her business started. She came back to the CC-Microbusiness office where she was assisted with technical help to obtain not only the registration of the business as a limited liability company, but the food license, sales tax permit and finally loan capital to be able to make her dream a reality.
Business: Master’s Hand Candle Company was created in 2001 in Susie Wissmann’s kitchen. She was a stay at home mom with three children and needed to find a source of income. With some wax and jars, she began pouring candles, making sales contacts, targeting churches and organizations for fundraising events. The business grew by reinvesting profits. About 3% of her contacts followed up wanting more information about her product and fundraising program. Susie sent them a sample candle and more information with about 90% of those following up as clients. In 2008, Susie and young son Caleb took the REAP Business Planning class. That same year, the local bank helped her with a loan to purchase a commercial site outside of Tekamah that had sat idle for three years. The site was revived as the business has expanded to become a large retail gift and floral shop, along with homemade chocolates and a coffee /dining experience.

Susie’s kids have all been involved as the business has grown. The business employs Susie, a full-time florist and a business partner along with many part-time assistants when needed. On an average day, there are four people handling production and business operations. With the 2011 fundraising season winding down, Susie estimates that 20,000 candles have been poured this year. Master’s Hand Candles have been sold in all fifty states thru fundraisers. Internet technology, including Facebook, has played a key part in making marketing connections.

Impact and Future Plans: The business currently provides full time employment for Susie and two others. Susie estimates that as many as forty people have worked part-time at one time or another helping with particular projects or candle production thru the years. Plans are to continue to improve the building and outside business façade along with the addition of a greenhouse and apple orchard. Susie said she has so many plans, “More plans than time will probably allow.” Susie exclaims that it’s all “Glory to the Lord” in what they’ve been able to do in the business to this point.

Micro Program’s Assistance: Susie learned from the REAP Business Planning Class how to begin thinking in terms of what was making money in the business and about product costs and profit margins. The business is also a GROW Nebraska member. There are other GROW member business products such as H.R. Poppin Snacks for sale with the private label Serendipity Chocolates available at the store.
<table>
<thead>
<tr>
<th>Business Resource Directory</th>
<th>Contact Information</th>
<th>Location</th>
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<tbody>
<tr>
<td><strong>Business Resource Directory</strong></td>
<td></td>
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<tr>
<td>Nebraska Enterprise Fund (Loans, CD guarantees, Technical Assistance)</td>
<td>Rose Jaspersen <a href="mailto:rose@nebbiz.org">rose@nebbiz.org</a>, Glennis McClure <a href="mailto:glennis@nebbiz.org">glennis@nebbiz.org</a></td>
<td>Statewide</td>
</tr>
<tr>
<td><a href="http://www.nebbiz.org">www.nebbiz.org</a></td>
<td>402.685.5500</td>
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<tr>
<td>CC-Microbusiness Training and Development Program (Training, Technical Assistance, Loans)</td>
<td>Adriana Zambrano <a href="mailto:adriana@ccomaha.org">adriana@ccomaha.org</a></td>
<td>Douglas and Sarpy Counties</td>
</tr>
<tr>
<td><a href="http://www.ccomaha.org">www.ccomaha.org</a></td>
<td>402.933.0756 Ext. 1, 402.939.4638</td>
<td></td>
</tr>
<tr>
<td>Center for Rural Affairs/REAP (Training, Technical Assistance, Loans, Online Lending System)</td>
<td>Jeff Reynolds <a href="mailto:jeffr@cfra.org">jeffr@cfra.org</a>, Monica Braun-Women's Business Center <a href="mailto:monicab@cfra.org">monicab@cfra.org</a>, Juan Sandoval–Hispanic Business Center <a href="mailto:juans@cfra.org">juans@cfra.org</a></td>
<td>Statewide-rural areas</td>
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<tr>
<td><a href="http://www.cfra.org/reap">www.cfra.org/reap</a></td>
<td>402.656.3091</td>
<td></td>
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<tr>
<td>Community Development Resources (Training, Technical Assistance, Loans)</td>
<td>Rick Wallace <a href="mailto:rwallace@cdr-nebraska.org">rwallace@cdr-nebraska.org</a></td>
<td>Statewide</td>
</tr>
<tr>
<td><a href="http://www.cdr-nebraska.org">www.cdr-nebraska.org</a></td>
<td>402.436.2386</td>
<td></td>
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<tr>
<td>GROW Nebraska (Market Access, Training, Technical Assistance, link to Loans)</td>
<td>Janell Anderson Ehrke <a href="mailto:info@grownebraska.org">info@grownebraska.org</a></td>
<td>Statewide</td>
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<tr>
<td><a href="http://www.grownebraska.org">www.grownebraska.org</a></td>
<td>888.GROWNEB (476-9632)</td>
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<tr>
<td>Hastings Economic Development Corporation (Training, Technical Assistance, Loans)</td>
<td>Randy Chick <a href="mailto:bidcra@windstream.net">bidcra@windstream.net</a>, Dee Haussler <a href="mailto:dhaussler@hastingsedc.com">dhaussler@hastingsedc.com</a></td>
<td>Adams County</td>
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<tr>
<td><a href="http://www.redevelophastings.com">www.redevelophastings.com</a></td>
<td>402.461.8415, 402.461.8406</td>
<td></td>
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<tr>
<td>Ho-Chunk Community Dev. Corp. (Training, Technical Assistance, Loans)</td>
<td>Jeremy Staab <a href="mailto:jstaab@hochunkcdc.org">jstaab@hochunkcdc.org</a></td>
<td>Nebraska-wide open to Native Americans, primarily those living on reservations including Thurston and Knox Counties</td>
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<tr>
<td><a href="http://www.hochunkcdc.org">www.hochunkcdc.org</a></td>
<td>402.878.2192</td>
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<tr>
<td>Midlands Latino Community Development Corporation (MLCDC) (Loans, Training and Technical Assistance)</td>
<td>Marta Sonia Londoño Mejía <a href="mailto:mlondono@midlandslatinocdc.org">mlondono@midlandslatinocdc.org</a></td>
<td>Douglas, Sarpy, and Dodge County, with emphasis in the Latino community</td>
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<tr>
<td><a href="http://www.midlandslatinocdc.org">www.midlandslatinocdc.org</a></td>
<td>402.933.4466, 402.850.0968</td>
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<tr>
<td>Nebraska EDGE-Center for Applied Rural Innovation (Training)</td>
<td>Marilyn Schlake <a href="mailto:mschlake@unl.edu">mschlake@unl.edu</a></td>
<td>Statewide</td>
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<tr>
<td><a href="http://www.nebraskaedge.unl.edu">www.nebraskaedge.unl.edu</a></td>
<td>800.328.2851, 402.451.2939</td>
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</tr>
<tr>
<td>NeighborWorks Omaha (New Community Development Corporation) (Training, Technical Assistance, Loans)</td>
<td>Ken Lyons <a href="mailto:klyons@nwomaha.org">klyons@nwomaha.org</a>, Jacqueline Hankins <a href="mailto:Jhankins@nwomaha.org">Jhankins@nwomaha.org</a></td>
<td>Douglas, Sarpy</td>
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<td><a href="http://www.nwomaha.org">www.nwomaha.org</a></td>
<td>402.451.2939</td>
<td></td>
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<tr>
<td>Northeast Economic Development, Inc. (Technical Assistance, Loans)</td>
<td>Jeff Christensen <a href="mailto:jeff@nedinc.org">jeff@nedinc.org</a>, Holly Quinn <a href="mailto:holly@nedinc.org">holly@nedinc.org</a></td>
<td>Antelope, Boone, Boyd, Brown, Burt, Butler Cedar, Colfax, Cuming, Dakota, Dixon, Dodge, Douglas (rural), Holt, Keya Paha, Knox, Madison, Nance, Pierce, Platte, Rock, Stanton, Thurston, Washington and Wayne</td>
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<tr>
<td><a href="http://www.nedinc.org">www.nedinc.org</a></td>
<td>402.649.7223, 402.379.1150</td>
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<tr>
<td>Omaha Small Business Network, Inc. (Loans, Training and Technical Assistance)</td>
<td>Vicki Wilson Tederman <a href="mailto:vwilson@osbnbtc.org">vwilson@osbnbtc.org</a></td>
<td>Omaha, East of 72nd Street</td>
</tr>
<tr>
<td><a href="http://www.osbnbtc.org">www.osbnbtc.org</a></td>
<td>(402) 453-5336</td>
<td></td>
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<tr>
<td>West Central Nebraska Development District (Loans, Training and Technical Assistance)</td>
<td>Dave Jibben <a href="mailto:djibben@west-central-nebraska.com">djibben@west-central-nebraska.com</a></td>
<td>Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Lincoln, Dawson, Perkins, Chase, Hayes, Frontier, Gosper, Dundy, Hitchcock, Red Willow, Furnas Counties</td>
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<tr>
<td><a href="http://www.west-central-nebraska.com">www.west-central-nebraska.com</a></td>
<td>308.284.6077</td>
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<tr>
<td>Business Assistance Office-Nebraska Department of Economic Development</td>
<td>Steve Williams <a href="mailto:steve.williams@nebraska.gov">steve.williams@nebraska.gov</a></td>
<td>Statewide</td>
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<tr>
<td><a href="http://www.neded.org">www.neded.org</a></td>
<td>800.426.6505, 402.471.3782</td>
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