



MINORITY SUCCESS STORIES

MAKING IT!™ DIGEST

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New Source for Startup Money

Ten local credit unions link up to entrepreneurs and small businesses

By Jan Norman (Excerpts Taken) Orange County Register

Ten area credit unions have formed a cooperative to offer loans to small-business owners and entrepreneurs.

The goal of **Business Loan Link** in Los Alamitos is to fill a gap in the credit unions' service, President Jill Casselman said.

Traditionally, credit unions' nonprofit charters barred them from offering certain products, including business loans and lines of credit. But a growing number of credit unions nationwide have set up for-profit "credit union service organizations," or CUSOs, to tap these markets.

Now credit unions too small to support CUSOs on their own are getting into these additional services by banding to-

gether in group ownership of CUSOs such as Business Loan Link.

With multiple owners, the CUSO has more assets on which to base its loans, which will lower the cost of making loans, and can provide experts in business lending that each credit union couldn't afford on its own, Casselman said.

It also reduces risk, she adds. "If a loan is too large for one of the credit unions to make, other (owners) can take a piece of it."

To expand its lending ability, Business Loan Link is getting approval for its owners to make loans guaranteed by the U.S. Small Business Administration.

Casselmann hopes to persuade her original owners either to take on more owners or accept more credit unions as subscribers, which will increase the money available for loans and bring more potential borrowers. That decision may be made in February, she said.

Streaming Video-Small and Home Based Businesses Taking on the Corporate Giants

PRWeb.com (Excerpts Taken)

Streaming video has always been available to the large corporate sites and techies. Now small and home based businesses are entering the marketplace. The model of TV has been working and profitable for years. The only difference between TVT9 television station and YourDomain.com is they have an audience (akin to web traffic) and they are pros at producing audience attracting television content that they broadcast 24 hours a day to a limited area geographically. With a dot com, anyone can broadcast audience-attracting video content just good as theirs, broadcast it on demand to anywhere in the world, and make profits with niches where they can't.

Jim Edwards, a top small business marketer, states "I predict this will be the biggest thing that shapes the direction of the entire Internet next year when it comes to marketing anything (including on eBay). Do you know why I say it's going to happen? The coming

explosion of video on demand services like Google video, iTunes, Cisco Systems, and "Welcome Back Kotter" reruns).

7 Reasons Why Video Is Exploding Online right now!

1. Faster and cheaper multimedia enabled computers for both creating and watching videos has improved massively over the last couple of years.

2. Affordable and easy to use software that makes it simple for non technical people to make both exciting and relevant streaming video content.

3. Widespread acceptance of the free flash plug-in. Flash is the preferred video content management of both PC and Mac. It also allows anyone to deliver video from a standard server.

4. People learn faster and retain more with video.

5. It is now faster to create a 10 minute video that to write a 30 page document on a subject.

6. Widespread high speed Internet and larger, more economical hosting plans.

7. The decrease in cost of digital cameras and associated software and hardware.

Streaming video is moving out into the marketplace and helping small and home based businesses compete with the large corporate sites. Anybody can now add this new dimension to any nearly any website for a fraction of the cost of a few years ago.

THE MAKING IT!™ DIGEST: MAKING IT! compiles news and information for and about small business, from various sources, for your convenience!

Is It Really Possible to Land a Government Contract?

By Joshua Kurlantzick (Excerpts Taken) MSNBC.com

Despite promises over the past five years by government agencies to make the contracting process more accessible and more transparent to small businesses, recent reports show that only limited progress has been made. To many small businesses, accessing contracts still doesn't seem worth the effort and cost required to play the game. And in the wake of Hurricane Katrina, which devastated many small companies along the Gulf Coast, small-business advocates argue that few reconstruction opportunities have gone to entrepreneurs.

The size of U.S. government contracting is staggering: In 2004, the federal contracting marketplace was nearly \$300 billion--and growing. Following the national trend toward outsourcing business functions, the Bush administration has prodded the government to outsource more work. The rising defense budget, the creation of the massive new Department of Homeland Security, the extensive rebuilding in the Gulf Coast, and the reconstruction efforts in Afghanistan and Iraq also add to contracting opportunities.

For decades, entrepreneurs were often shut out of these marketplaces. Government agencies favored large contractors, many of which were led by executives who had previously worked in government. In recent years, however, congress-people and small-business advocates have forced the federal government to focus more on small companies.

Yet the truth is, the contracting door has only opened a crack. The high cost and complicated red tape of obtaining certifica-

tion dissuades small companies. Meanwhile, federal agencies often prefer companies with extensive contracting experience. And many of today's consolidated contracts are longer term than in the past, or they're automatically renewed, so large companies that win them are locked in for years.

Noncompetitive bidding also remains common. According to a report by research organization The Center for Public Integrity, 40 percent of Pentagon contracts awarded between 1998 and 2003 were given without taking bids from numerous potential competitors--a lack of competition that favors entrenched defense firms. This sometimes happens because large corporations take advantage of loopholes, such as rules allowing them to buy small firms and inherit those firms' small-business set-asides.

An SBA study released in December 2004 suggests that, in one year, some \$2 billion in federal contracts targeted for small businesses actually went to corporate giants. Similarly, The Center for Public Integrity's report reveals that, between 1998 and 2003, the Pentagon gave over \$47 billion in small-business set-asides to large companies. And a recent study by Eagle Eye found that 39 of the leading contractors listed as small businesses were actually large companies.

The SBA says it recognizes the problem. There are concerns about the size standards used to judge whether companies should qualify as small businesses, admits Gary Jackson, an SBA assistant administrator responsible for size standards. Jackson says the SBA has held a range of meetings across the country with entrepreneurs to solicit feedback about appropriate size standards for small-business contracts. The SBA, he says, is using this public feedback to craft workable new size standards, though he's still not sure when those will be released.



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Companies Jump on Podcast Wagon

iPodNN (Excerpts Taken)

While a growing number of companies are jumping on the podcast bandwagon, private podcasts and vidcasting are expected to be the next big thing. *The Boston Globe* says that Podcasting, which gets its name from Apple's iPod, just turned a year old in September and "has already evolved from the playground of hobbyists to a tool of Fortune 500 companies.

Because podcasts reach a very narrow audience, the content must be specifically tailored to the demographics and be interesting enough that the listeners doesn't tune out or fast-forward through the broadcast, according to the report.

Noting that corporations use podcasts differently than independent content

makers, the report says that revenue opportunities for the podcasting industry are be related to production, advertisements, and possibly fee-based subscriptions.

Individual podcasters accept donations at their websites, charge for subscriptions, or sell merchandise and ads on their sites. Corporations use podcasting differently -- so far, it's an indirect marketing tool rather than a source of revenue.

Media conglomerate Clear Channel is already planning to experiment with video podcasts of its radio stars--with conservative talk-show host Rush Limbaugh expected to be the first.