

Judges Look for Feasibility, Adaptability to Local Economy
by Laura Provolt, The Eureka Reporter
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The six judges who evaluated the business plans proposed at the second annual Economic Fuel competition come from a variety of backgrounds and bring a diverse range of perspectives.

Included in this year's panel were Lori Breyer, business teacher at Arcata High School; Jennifer Budwig, commercial relationship manager at Redwood Capital Bank; Patrick Cleary, president of Lost Coast Communications; Bruce Hamilton, former executive vice president of North Face and chief executive officer of Yakima and Board Wing Inflatables; Kristin Johnson, director of the Northern California Small Business Development Center Program; and Rick Roberts, co-owner of the Jitter Bean Coffee Co.

Cleary said he worked for 17 years on Wall Street as managing director of Chase Manhattan Bank, a position where he reviewed 400 business plans each year for venture capital funds, so he has experience in evaluating business plans. Cleary said for this competition he looked for a realistic plan that would bring jobs to the local economy.

"It has been fascinating, and I am really encouraged by the quality of the plans I have seen," Cleary said. "It is easy to create a plan, but what you really want to see is something that is really going to happen, something that is going to create good jobs and bring money into the community."

Roberts said this is the second year he has judged, and that he has seen the quality of the plans improve. He said more of the competitors seemed to take the competition more seriously, put a greater amount of work into the plan and utilized the available resources, such as the NCSBD.

Roberts and his wife Kris started their businesses 10 years ago, and have expanded to five locations and a coffee-roasting business, so he has experienced the business environment the new entrepreneurs will confront.

"I tend to take a more holistic view for these plans, because when you start something from the ground up and you build it and you see success, it gives you an ability to look at what other people are doing

and help them grow their business," Roberts said. "You look at a business plan from the perspective of viability — does it make sense, have they thought it through?"

Roberts said he would like to see businesses with growth potential that will be able to expand and offer more local, living-wage jobs as they mature. He said he is not as strong in financial analysis as a few of the other judges, such as the "financially astute" Budwig, and Roberts said the cross-section of expertise in the judging panel is positive.

Budwig said she also has seen the quality of the plans improve, particularly in the degree of financial detail and research. She said many more competitors were going to the Small Business Development Center for help, and the guidance has improved the quality of the plans.

"I think that a big challenge is that there are so many facets, so many different areas you are trying to cover within a plan that take a lot of time and research to put the information together, that the creation of a business plan ends up taking a lot more time than people think," Budwig said.

She said the financial aspect is critical, as beginning entrepreneurs must look at the income statement and cash flow, so they will know if their working capital will work for the cycle of business. She said the cash flow operation is frequently overlooked, though it is necessary for beginning businesses to be able to balance inventory and cash flow while being able to pay the bills.

"I think overall this is a really great program. If nothing else, just the process of these applicants preparing their business plans is a huge step in the right direction," Budwig said. "I hope that even those that are not winners move forward with their business and don't get discouraged."