The Montana Small Business Development Center Webinar Series presents:

Financing & Grants

August 5, 2021
QUESTION FOR ATTENDEES?
Type into the chat box...tell us why you're attending:
Are you here to learn more about accessing capital to:
  • Starting a business?
  • Growing a business?
Jennifer Stephens, MBA
Regional Director - Missoula SBDC

Education
• 1999 – Gonzaga University – BA Journalism
• 2005 – University of Montana – MBA emphasis on entrepreneurship and marketing
• 2005 – University of Montana – Non-Profit Administration Certificate

Certifications
• 2016 – present – Accredited Small Business Consultant (ASBC)
• 2012 – 2014 – Inbound Certified, Hubspot

Entrepreneurship
• 2004 – present – Groundswell Media Productions, Missoula, MT
• 2005-2016 – Montana Web Designers & Developers Association, Missoula, MT
Jason Nitschke; MA, EDFP

Vice President -- Great Falls Development Authority
Regional Director -- Great Falls SBDC

Education
• 1997 -- University of Montana – BA Journalism/Pol. Sci.
• 2002 -- Hawaii Pacific University – MA Communications

Certifications
• 2017 – Certified Export Counselor
• 2017 – Certified Profit Mastery Facilitator
• 2015 -- Economic Development Finance Prof. (EDFP)
• 2015 -- Accredited Small Business Consultant (ASBC)
• 2015 -- Certified Business Advisor (GrowthWheel)

Entrepreneurship
• 2000-2002 -- JNitschke Photography; Denver, CO
• 2011-2012 -- Carondelet Estate Services, LLC; St. Louis, MO
Goals for Today

• Assist in defining needs
• Learn how to find relevant programs and opportunities
• Evaluate types of federal and state governmental programs designed to support business
• Evaluate types of private, non-public programs designed to support business
• Apply appropriate programs to a business/your business
• Understand the time commitment and upfront costs
Financing

Sources of Capital

• MUST:
  • #1) What is the money for?
    • Support cash flow, capital purchases, develop a product/service
  • #2) When is the money needed?

• RELEVANCE?
  • Determines which financial statement the money is counted on:
    • Income Statement (Profit/Loss)
      • Revenue – Expenses = Profit
    • Balance Sheet
      • Assets = Liabilities + Net Worth
Financing

Sources of Capital

• WHAT + WHEN = WHERE (it shows up on the financials)
  • MUST:
    • #3) How much is needed?
      • This may require cost documentation via estimates, bids, or quotes.
      • This may require staffing plan with supporting market data.
      • This will also trigger the need for a financial projection.
Financing

Types of Sources of Capital
- Equity – the investment of capital into a business balance sheet with no pay back
  - You (personal funds, home equity, sale of stock, personal credit)
  - Partners (their personal funds, home equity, sale of stock, personal credit)
    - Do you have a comprehensive partnership agreement?
  - "The crowd"
    - Investors (crowd funds, angels, "aka: rich uncles", or Angels)
    - Laws, rules, procedures, and stages of business may all be relevant here

For more information about securities law in Montana, please visit: https://csimt.gov/securities/capital-formation/
Financing

Types of Sources of Capital
• Debt – the lending of capital to a business balance sheet that must be paid back
  • Direct: Banks, Credit Unions (prime plus 1-2)
  • Direct & Participation: Micro-lenders, gap & bridge financers (prime plus 5)
  • Non-profit lenders, CDFIs, Port Authorities, 7 other public partners
  • Loan guarantors (guarantee to the bank, credit union, or other lender)
  • SBA 7a (up to 85%)
  • USDA Business & Industry (up to 90%)
  • State of Montana - Montana Board of Investments
Launching or scaling?

- **What is it for?** More important for grants because of sources being limited and specific.
- **When do you need the funding?** Time limited and often annual application process. May be longer time to receipt of funds.
- **Where?** Rural v. urban grants. Different grants available depending on population designation.
- **How much?** Utilize the same business plan and revenue projections that would be used for a loan request.
- **Who?** Telling a story to the review committee. What do they value? What impact are they trying to make? How could your business help create that impact?
• Use your match to leverage public money that builds the value proposition of the company long-term. "Investment in assets (marketing assets included) over advertising (marketing expense)."

• **Important to know:**
  • Grants to for-profits are limited
  • Grants are restricted to use type
  • Grants require match
  • Grants are reimbursement based
Grants

- **Value-Added Agriculture**
  - Growth Through Agriculture (MT Dept of Ag), [https://agr.mt.gov/GTA](https://agr.mt.gov/GTA)
  - Value Added Producer Grant (USDA), [https://www.rd.usda.gov/programs-services/value-added-producer-grants](https://www.rd.usda.gov/programs-services/value-added-producer-grants)

- **Workforce**
  - Workforce Development Grant & Subsidized Employment (MT Dept. of Labor & Industry)
    - Contact local Job Service offices [https://montanaworks.gov/](https://montanaworks.gov/)
  - Big Sky Trust Fund – Job Creation & Primary Sector Workforce Training
    - [https://marketmt.com/Programs/Business-Assistance/Primary-Sector-Workforce-Training-Grant/](https://marketmt.com/Programs/Business-Assistance/Primary-Sector-Workforce-Training-Grant/)
Grants

- **Environmental Assessment**
  - Brownfields **Region VIII Map:**
  - Brownfield award search database, sortable by state and award year.
    - [https://java.epa.gov/acrespub/gfs/](https://java.epa.gov/acrespub/gfs/)

- **Indian Country**
  - Indian Equity Fund (MT Dept. of Commerce)

- **Export Assistance** (MT Dept of Commerce) aka Export Montana

- **Import Assistance**
  - Montana World Trade Center, [https://www.mwtc.org/](https://www.mwtc.org/)

Funded in-part through a Cooperative Agreement with the U.S. Small Business Administration and the Montana Dept. of Commerce.
Grants

- **Technology Innovation,**
  - SBIR/STTR, [https://marketmt.com/Programs/Business-Assistance/Montana-SBIR-STTR-Matching-Funds-Program/](https://marketmt.com/Programs/Business-Assistance/Montana-SBIR-STTR-Matching-Funds-Program/)
  - iCorps Customer Discovery Program, [https://www.umt.edu/launchpad/events-programs/icorps/default.php](https://www.umt.edu/launchpad/events-programs/icorps/default.php)

- **Planning,** Big Sky Trust Fund, [https://marketmt.com/Programs/Business-Assistance/Big-Sky-Economic-Development-Trust-Fund-Program/Planning](https://marketmt.com/Programs/Business-Assistance/Big-Sky-Economic-Development-Trust-Fund-Program/Planning)

  - Prospera Impact Grant, [https://www.prosperamt.org/womens-business-center/impact-grant](https://www.prosperamt.org/womens-business-center/impact-grant)


- **Grants aggregators:**
  - Federal Grants, [https://www.grants.gov/](https://www.grants.gov/)

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Video Resources

- Kauffman Sketchbook - "Money Game", https://www.youtube.com/watch?v=U470xXKfDyE

Leveraging Public Fund for Business, Brigitta Miranda-Freer, Montana World Trade Center
- STEP and Made in MT Presentation Video
- SBA and EXIM Presentation Video
- TIFs, TEDDs, URDs Presentation Video
- MOFI Presentation Video
- Missoula Job Service Presentation Video
- SBIR and STTR Presentation Video
- Big Sky Trust Fund and Workforce Training Grant Programs Presentation Video
- MBOI Programs Presentation Video
- Value Added Ag Programs Presentation Video
Help Available

- **SBA Resource Partners**: SBDC – Women’s Business Centers – Veterans Business Outreach Centers
  - [https://www.sba.gov/local-assistance](https://www.sba.gov/local-assistance)
  - [https://sbdc.mt.gov/](https://sbdc.mt.gov/)
- **USDA Rural Development** offices, [https://www.rd.usda.gov/mt](https://www.rd.usda.gov/mt)
- University-based business technical assistance programs
- Montana **Manufacturing** Extension Center, [https://www.montana.edu/mmec/](https://www.montana.edu/mmec/)
- Montana Innovation Program, [https://montanainnovationpartnership.org/](https://montanainnovationpartnership.org/)
- Accelerate Montana, [http://acceleratemontana.umt.edu/](http://acceleratemontana.umt.edu/)
- MSU-Extension, [https://www.msuextension.org/](https://www.msuextension.org/)
- State-based business technical assistance programs
- Montana Works/ Montana Job Service, [https://montanaworks.gov/](https://montanaworks.gov/)
Help Available

• Local Economic Development Organizations,
  • [https://www.medamembers.org/](https://www.medamembers.org/)
• Local Chambers of Commerce,
  • [https://www.montanachamber.com/](https://www.montanachamber.com/)
• Certified Regional Development Corporations (CRDCs) in your region:
  • [https://marketmt.com/Programs/Business-Assistance/Certified-Regional-Development-Corporations/](https://marketmt.com/Programs/Business-Assistance/Certified-Regional-Development-Corporations/)
• Local Port Authorities in your region, look up by county
Success Story Examples

• Auto shop - SBA 504, Brownfields, Owner Equity from home refi
• Healthcare - Indian Equity Fund, Collateral
• Plumbing contractor - Veteran – 7(a) fee waived or reduced, PTAC government contracts
• Skincare product manufacturer – Windrift Hill - Women's grants – Prospera Impact Grant, MMEC for scaling and expanding (building + staff)
• Retail home items – SBA 7(a), Bank financing, Friends and family financing
• Fitness – Own savings with financial workbook template review
Questions?

Thank you!!