



# NECOG Development Corporation

RLF Quarterly Newsletter

July 2008

## GENERATION Y

Are you familiar with Generation Y? I first became aware of this unique generation at the GOED conference in early April when I sat in on a session on this topic. This is not a normal session I would sit in on, but my interest was piqued and I'm glad I did.

This generation is referred to by a few names including; Gen Y, Echo Boomers, and Millennials. As far as defining this group goes, that depends on who you ask. Basically anyone born between 1977-95. Millennials are also considered to be the most ethnically diverse of any generation. According to a NAS Insight 2006 publication, "Nine out of ten children under 12 have friends outside their own ethnicity".

Wikipedia, free online encyclopedia, define Millennials as having "a reputation for being peer oriented and seeking instant gratification".

In a June 1, 2007 article by Sarah Pierce on Entrepreneur.com they debunk three myths regarding the newest generation of employees. These myths include:

**Myth #1: They're disloyal.** In summary; they're very loyal and just want to know they're compensated fairly for their work. Due to the collapse of major companies during the dot com era and more recently the Enron scandal, have created a

generation skeptical of loyalty. They know that the days of working 30 to 40 years for a company are gone.

**Myth #2: They don't want to pay their dues.** This is untrue as Gen Yers will do absolute grunt work if they know what they will get for it. "They're not going to do anything in exchange for vague, long-term promises about rewards that vest in the deep, distant future."

**Myth #3: They need constant praise.** Without a doubt, Generation Y has grown up in a culture of constant praise. Today children get awards and ribbons just for their participation. "If employers are finding themselves failing prey to such behavior, the only people they should blame are themselves. If you let an employee get away with not meeting expectation, they'll continue to do it – no matter how old they are." An employer needs to give out a little praise but also toe that fine line.

### Generation Y and Technology\*

- 97% own a computer
- 94% own a cell phone
- 76% use Instant Messaging
- 75% college students w Facebook acct
- 60% own a portable music player
- 49% download music peer-to-peer
- 34% use websites as primary source of news.

(\*Connecting to the Net Generation: What higher education professionals need to know about today's students, NASPA; First edition March 29, 2007)



NECOG Development Corporation is an Equal Opportunity Lender, Provider, and Employer.

## NECOG STAFF EARN ECONOMIC DEVELOPMENT FINANCE PROFESSIONAL CERTIFICATION

Eric Senger the Director of NECOG has received certification as an Economic Development Finance Professional (EDFP) from the National Development Council (NDC) in June. Previously, Rich Galbraith, the RLF Manager, also received his certification. Certification as an EDFP is designated to individuals who have successfully completed an intense economic development finance training series that is conducted by NDC. The courses provide individuals working in the field of economic development with training in credit analysis, real estate financing, loan packaging, deal structuring and negotiating, and the creation and implementation of development programs.

Each of the four courses are five days in length and end with a written review that must be passed before a certification candidate is allowed to continue in the EDFP program. When a candidate has completed the entire four-week series, a comprehensive examination is given.

The New York based National Development Council was established in 1972 and is a private non-profit corporation, which specializes, in economic/housing development. NDC has provided training to approximately 50,000 development people working in the field of economic and housing development. Participants come from many diverse groups: city and state governments, professional organizations, public agencies, bankers, community-based organization, etc.

## Networking...

You're serious about starting networking, smart choice, as you know the right contacts could really help you and your business succeed. But where do you start?

Let's start at the beginning; you'll need to do a little strategic planning about which types of meetings/events to attend. You'll want to get involved in groups and activities that allow you to mingle and interact with others. Choose something that is career related or of interest to you. A good start might be a chamber mixer, tradeshow, association or membership meeting.

You've committed yourself to attending an event, but aren't sure how to start the networking process. Here are a few tips to assist you.

- Go alone. Moving around a function solo invites people to approach you and initiate conversations.
- Always wear your name tag on the right side. This is to provide an easy sight-line to your name while shaking hands.
- Give an effective handshake. Practice beforehand. You want to avoid giving to firm or a limp handshake.
- Introduce yourself and clearly state your name.
- Start your conversations with a neutral question or topic. Ask questions and don't worry about being the initiator.
  - What business are you in?
  - Have you attended this event before?
  - How do you know the host?
  - Latest news for the area
  - Area attraction(s)

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## **FINANCING YOUR BUSINESS**

So you've decided to start your own business and are now considering on how to finance your adventure. Do you know where you're going to get your financing or how to get it? How about what type?

All of these and many more were answered at a recent workshop Show Me the Money – Financing Your Business hosted by the Small Business Development Center in Aberdeen.

I'll briefly go over some of the main points that Carla Benson (also an EDFP) covered in her session on business financing.

### **Reasons for Financing**

- Research & development
- Start-up cost
- Purchase a business
- Working capital
- Equipment purchase
- Real estate purchase

### **Debt and Equity Financing**

- Debt financing – any type of loan, where you borrow money for your business and pay it back with interest
- Equity financing – sell a part of your business to “someone” in exchange for money – others invest money in your business in exchange for partial ownership

### **Potential Sources of Financing**

- Financial institutions
  - Traditional banks
  - Credit unions
  - Finance companies
- Family and friends
- RLFs – Revolving Loan Funds
- Suppliers – discounts for quantity, etc
- Credit cards – temporary, short term
- Factoring companies – buy AR
- Leasing – rather than purchasing

### **Loan Proposal**

- Business Plan
- Financial Projections (3 years)
- Tax Returns (3 years)
- Personal Financial Statement
- Credit Report

### **Tips for Working with your Banker**

- Deal with a local bank when possible
- Make an appointment
- Select a banker you trust
- Select a banker familiar with business
- Dress appropriately
- Tell the truth
- Ask for advice
- Develop a long-term relationship
- Know your needs
- Present a complete proposal
- Explain uses and benefits of loan
- Be patient

### **What Bankers want to know before making a Business Loan**

- How much
- What purpose
- For how long
- How will it be repaid
- What if something goes wrong
- Company history
- Market evaluation
- Product information
- Financial information

### **What NOT to do**

- Submit an incomplete/hurried request
- Poor preparation
- A less-than-candid attitude
- Preoccupation with growth potential
- Misleading information

### **6 C's of Credit**

- |                  |              |
|------------------|--------------|
| * Credit History | * Character  |
| * Capacity       | * Collateral |
| * Conditions     | * Capital    |



## **Networking (continued)...**

- Exchange business cards when appropriate. Be prepared, this could occur at anytime during your conversation.
- Don't overstay your welcome... that is don't stay more than eight to ten minutes then excuse yourself politely. This will give you the opportunity to do more networking.

Now that you've survived your networking and met some new and interesting contacts your networking is done, right? Not quite. Now you need to follow-up or keep in touch with those you've made an impression on.

Your follow-up starts when you first meet the person. You need to find something in common, learn something new, or offer an idea or other resource that is of interest to them. You get the idea.

When following-up with an individual, be specific. Don't just send a general email saying it was great to have met them. Follow-up right away, touch on something you learned from your conversation, and be sure to identify yourself.



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## **BIG Idea Competition**

The second annual BIG Idea Competition is schedule to start September 1, 2008 with final ideas to be submitted by October 31, 2008. This competition is for high school students in Aberdeen and the surrounding region and was created through the collaborative efforts of many organizations and funded through Absolutely!Aberdeen.

This competition is about exposing youth to new ideas and innovation in the hopes that they will view entrepreneurship as an option for their future. Rather than leaving the region to look for a job, they can have the confidence to create their own opportunities close to home and know that there is support for them. Homegrown businesses are key to the success of our rural communities.

Cash prizes, a chance to meet other students interested in entrepreneurship, recognition and awards are just some of the features of this competition. First place winner will receive \$1,000, second place wins \$500, and \$250 for third place. College scholarships will also be awarded.

For additional information, resources to assist with idea development, and a place to submit an application a link to the BIG Idea is on the web at [www.absolutelyaberndeen.com](http://www.absolutelyaberndeen.com).

