

# FYI For Your Information

December 2003

## The Truth About Grants

*Melissa Angel, Regional Director  
Michigan Small Business Development &  
Technology Center at Kalamazoo College*

Almost every time a commercial is aired on television or a group does a workshop on grants, our office gets flooded with telephone calls. I do not mind answering questions, but when so much misinformation is being given about grants, it can be frustrating.

There are legitimate organizations giving advice about grants, but many are making a buck off uninformed. "Buy my book for \$30," or, "We will find a grant for you for \$300," are common pitches. In reality, it is almost impossible to produce an accurate book about grants because by the time it is printed the information is out of date.

Let's be honest. As a taxpayer, would you really want to foot the bill for someone to start a for-profit business? How would we justify this?

I won't tell you grants are not available, but they are specific, difficult to get, difficult to keep and often have specific requirements for outcomes, bookkeeping and reporting.

When I am discussing grants with a client, I like to divide grants into research grants, foundation and not-for-profit grants and community incentives.

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If you are a scientist, typically with a Ph.D., there are Small Business Innovation Research, or SBIR, and Small Business Technology Transfer Research, or STTR, grants available for small businesses. They are specific and highly competitive and can range from \$100,000 to \$750,000.

A great Web site for information is [www.win-sbir.com](http://www.win-sbir.com). The Small Business Development Center won't write the grant for you, but we will help you through the process.

Foundations often give grants for humanitarian purposes or causes in which they are interested. Most of the time they require you to be a not-for-profit organization, and often the funding is for a specific project for a year or two. They expect you

to be self-sufficient after that. This gets back to a basic question—are you in business to make money? If so, finding a grant can be a difficult pursuit.

Some downtown areas have building grants or loans to help fund design, façade improvement or rehabilitation. Downtown Kalamazoo has given



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away more than \$800,000. Renaissance Zones or Brownfield redevelopments also may provide incentives, and the state from time to time also will have training grants. See the state Web site at [medc.michigan.org/miinfo/databook/incentives](http://medc.michigan.org/miinfo/databook/incentives).

Keep connected to your industry associations and organizations that promote business. Often there are business plan contests, incubators that might provide professional assistance or other groups that may offer micro loans.

The company that produces Business Plan Pro software has a business plan competition, and information can be found at [www.paloalto.com/competition](http://www.paloalto.com/competition). The New York Institute for Entrepreneurship also has a grant for entrepreneurs. Go to [www.nyie.org](http://www.nyie.org). The Family Independence Agency and Michigan 4C Association currently

have a grant for day care centers. They can be reached at 877-258-5258.

Most of this information is on the Internet. You don't have to buy a book, a tape or attend a seminar. Also, lower your expectations. When I refer clients to the different Web sites, they quickly discover that finding a grant that is applicable to their business is very rare.

My husband and I just bought a business in December. If there were a grant for small businesses, don't you think I would have found one? The only call I made was to our local development office to see if they had a façade grant. They didn't.

We started the business the old-fashioned way — we saved money and then leveraged that with a bank loan that we personally guaranteed because we believed in our idea.



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## VetBiz Registry

The Center for Veterans Enterprise, [www.vetbiz.gov](http://www.vetbiz.gov), supports veterans in starting and managing small businesses. Recently, a tool was developed to help veterans distribute information about their businesses. VetBiz Registry, [www.vip.vetbiz.gov](http://www.vip.vetbiz.gov), does the following:

- Enables veterans to post information electronically about their business enterprise, informing government and corporate buyers about their capacity and capability to perform federal requirements;
- Enables buyers to quickly locate veterans in business whom they will place on original source lists;
- Informs agencies, contracting officers and businesses of veterans and service-disabled

veterans in business, the products and services they provide and their contact information.

This database is available to anyone interested in doing business with veteran-owned companies. To access and register with the database, companies are asked to provide an e-mail address and initial password.

As a registered member, your company will receive:

- Special consideration for federal contracting opportunities from prime contractors and federal government agencies;
- Notices of contracting opportunities;
- Information and news affecting veteran-owned and service-disabled businesses.



# GSA e-Buy

The General Services Administration's latest e-Business innovation, e-Buy ([www.ebuy.gsa.gov](http://www.ebuy.gsa.gov)), has simplified the acquisition process. e-Buy, a component of GSA Advantage!, is an electronic Request for Quote (RFQ) system designed to allow federal buyers to prepare RFQs directly on-line, for a wide-range of services and products offered through GSA's Multiple Award Schedule (MAS) program. e-Buy allows RFQs and quotes to be exchanged electronically between federal buyers and schedule contractors.

When government buyers need products/services that are part of the MAS program, e-Buy becomes a very useful tool. Buyers can

search for GSA vendors that provide the product or service they need, solicit specific vendors of the procurement opportunity, and post announcements and solicitations on the e-Buy Website. These options allow schedule holders the opportunity to find contract opportunities or be notified by a buyer that a procurement is available for them to bid on.



Vendors interested in using e-Buy must be GSA MAS holders who are registered on GSA Advantage. To log on to e-Buy, vendors must provide their contract number and a password, supplied by the GSA Vendor Support Center (VSC). For assistance with registering with GSA Advantage or e-Buy, contact the VSC at 877-495-4849 or [vendor.support@gsa.gov](mailto:vendor.support@gsa.gov), or contact the Business Development Center at (734) 462-4438.



## How to Start a Small Business: From Vision to Reality

December 10, 2003, and January 7,  
February 4, or March 3, 2004  
9:30 a.m. – Noon

December 17, 2003, and January 21,  
February 18, March 17, or March 31, 2004  
6 – 8:30 p.m.  
\$25 per person

This two and a half-hour seminar is designed for those interested in learning a practical step-by-step process for starting a new business. The session will provide participants with a network and resources to use when questions arise.

## How to Write a Business Plan: Your Road Map to Success

December 17, 2003  
9:30 a.m. – 12:30 p.m.  
\$40 per person

January 14, February 4, or March 10, 2004  
6 – 9 p.m.  
\$40 per person

This one-time seminar provides an overview of what is included in a dynamic business plan. It is designed for new and existing business owners who do not currently have a business plan in place. You will receive worksheets that outline the basic items in a business plan, allowing you to complete a plan on your own.

### RESERVATIONS REQUIRED for all seminars

For more information contact the Business Development Center at 734-462-4438.

# Take Advantage of the Government's Web-Based Information Services

*George W. Ash, Dykema Gossett PLLC*

For several years the government has been pushing to do more and more contracting by electronic means, thus reducing paper work and getting the desired product to the ultimate users faster, more efficiently and more economically. There are now numerous Web sites that aid a contractor trying to market and sell to the government. Here are some essential sites that will improve your chances of success.

Most contractors are aware of [www.fedbizopps.gov](http://www.fedbizopps.gov), the government's single point of entry for procurement opportunities greater than \$25,000. At [fedbizopps.gov](http://fedbizopps.gov) you can search by agency or product, and find out about solicitations and awards. If you are going to do business with the federal government, especially with a defense agency, you must register in the Contractor Central Registration, which is found at [www.ccr.gov](http://www.ccr.gov).

Interested in grants? A new site, [www.grants.gov](http://www.grants.gov) lists grant opportunities by agency. How about getting on the General Services Administration schedule? Go to [www.gsa.gov](http://www.gsa.gov). Want to know more about making a Freedom of Information Act request? The Department of Justice is the office of primary responsibility for FOIA. At its site at [www.usdoj.gov](http://www.usdoj.gov), you will find a wealth of information on the Act, the exceptions to FOIA, and the office to which you should address your FOIA request.

With your first award of a government contract, or when just reviewing a solicitation, you will see numerous references to government regulations, typically the Federal Acquisition Regulation. Want an easy way to find these regulations? Go to [www.regulations.gov](http://www.regulations.gov).

Interested in buying government surplus property? Go to [www.govliquidation.com](http://www.govliquidation.com).

I recently became aware of two Defense Logistics Agency sites maintained at the Federal Center in Battle Creek, MI. At [www.emall.dla.mil](http://www.emall.dla.mil) contractors can list, and federal agencies buy, millions of goods and services without the formality of a GSA schedule and without paying the Industrial Funding Fee.

The contractor needs to have encrypted software, which costs about \$70, to handle purchases by government credit card, but there is no other cost. You just need to be able to show there is a government market for your product. If you are interested, you can go into the site, sign on as a "guest," browse the site and review the items listed.

The only thing you don't have as a guest is access to the item's price, and the ability to make a purchase. If you have questions on this site and want to talk to someone, call 1-877-DLA-CALL.

Finally, the Defense Logistics Information Center has a site that will answer procurement questions for you. Go to [www.dlis.dla.mil](http://www.dlis.dla.mil) and click on the picture of Phyllis. You will then have a box into which you can type

your question and get an immediate answer. Phyllis has stored the answers to 100,000 questions and has the ability to "learn" by having new "approved" answers stored in her memory for future responses.

The old saying, "Knowledge is power," remains true even in the computer age. The challenge is to learn about the free resources available online and make them a part of your business plan.

*George W. Ash is a member of the law firm of Dykema Gossett PLLC in Detroit, where he specializes exclusively in government procurement issues. He can be reached at 313-568-6797.*

*Note: This update provides information of general interest presented in summary form, and does not constitute individual legal advice.*



# Distribution And Pricing Agreement (DAPA)



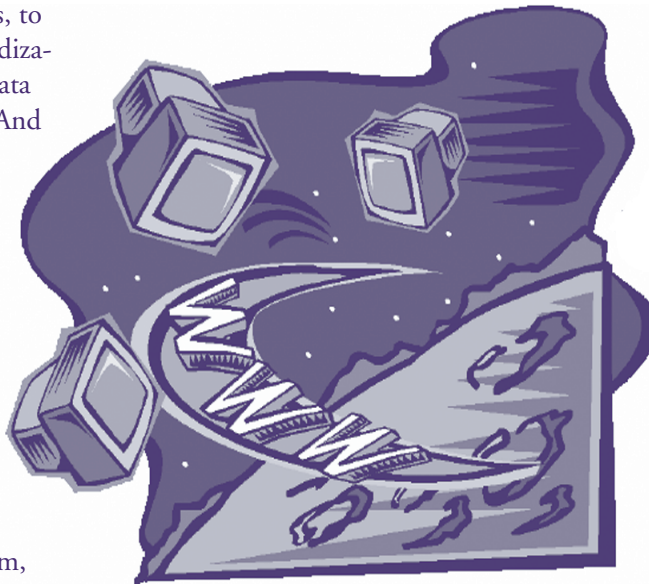
The Medical Directorate of the Defense Supply Center Philadelphia provides the military medical community and other federal agencies with medical products and services needed daily for crises around the world. The Prime Vendor Program enables the Directorate's trading partners, including commercial vendors and federal customers, to exchange critical product, pricing and standardization information. This program uses various data processing technologies, like the Distribution And Pricing Agreement (DAPA) Management System, to allow users to quickly access and update pertinent information.

DAPA ([www.dmmonline.com/dapa/dapahome.asp](http://www.dmmonline.com/dapa/dapahome.asp)) establishes both the selling price of an item from a prime vendor and an affirmation from the DAPA holder to allow selected prime vendors to distribute their products. This agreement allows the delivery of selected products at specified prices. (If you are familiar with the General Services Administration Federal Supply Service Program,

this program is similar, except that it is specifically designed for use by Department of Defense medical facilities.)

Once an application is accepted and products are listed on the DAPA site, a listing of eligible buyers will be sent to help with marketing.

For a preliminary application, contact: Teri Mitchell-Brown at 215-737-4695.



## How to Become a Government Contractor

January 15, February 12, or  
March 11, 2004  
9 a.m. – 1 p.m.  
\$35/person

Did you know that the federal government purchases more than \$200 billion of goods and services every year? Find out what it takes to successfully sell your goods and services to the federal government and the State of Michigan. In addition, learn about the services and resources the Business Development Center has available to help your company with the contracting process.

## Registration Assistance for Government Contractors

January 29, February 19, or  
March 18, 2004  
9 a.m. – Noon  
\$15/person

Business Development Center clients looking for assistance completing their Central Contractor Registration (CCR), SBA's Procurement Marketing and Access Network (Pro-NET), or any other online registration are invited to the BDC's open lab. Counselors will be available to help clients understand and complete their registrations, using the BDC's computer lab.

### RESERVATIONS REQUIRED for all seminars

For more information contact the Business Development Center at 734-462-4438.

# Drivers of Competitiveness: Priority of Rapid Response

*Excerpt from the International Trade Center UNCTAD/WTO Executive Forum; Redefining Trade Promotion: The Need for a Strategic Response*

The pace of innovation is shortening the life-cycle of most manufactured goods and consumer products. Competitive advantage from product differentiation now lasts, on average, one-tenth of the time it did 10 years ago. Higher levels of competition in the international market place are increasing pressures to reduce working capital tied up in production, supply pipelines and inventories.

Average order sizes are shrinking and forcing importing companies to demand tighter order-to-delivery response times. The global fashion industry, for example, now works on producing seven or eight ranges each year. Not so long ago, four was the norm. The cycle time from design to shop-delivery has, as a consequence, fallen to less than two months. Accordingly, a much higher premium is placed on the potential supplier's rapid response capability.

Modern technologies and greater access to information also are enabling companies in importing countries to introduce new efficiencies, particularly in terms of shorter sourcing times, into their supply chains. These companies now expect their suppliers, both local and foreign, to introduce equal levels of efficiencies.

To respond appropriately, enterprise managers must rigorously examine their own supply chain to discover where value, quality and customization should best be added and where damage, delay and non-tradable costs are being incurred. If this examination is completed on a regional or industry-wide basis, large scale efficiencies affecting competitiveness may be uncovered.



At the very least, areas will be identified where action needs to be taken.

Action at every level would appear to be essential. Technological and infrastructural advances in many countries have enabled more firms to meet these new requirements. The effect has been to ratchet up competition among suppliers.

To respond effectively to this increasing emphasis on rapid response, the enterprise manager must:

- Introduce efficiencies into supply chains and establish suitable contingency plans to overcome long-term bottlenecks and potential production disruptions.
- Acquire the necessary quality certification required by markets the company wishes to enter.
- Introduce sufficient technology and processes to provide accurate production and delivery information to buyers, and maintain regular and immediate communication with all parties in the buyer's supply chain.
- Establish capacity to communicate with current and prospective buyers on an immediate and regular basis.

While the initiative rests with the enterprise, the role of the public-sector strategy-maker is to ensure that the domestic export strategy supports rapid response, specifically, through:

- Streamlining export procedures and authorization requirements.
- Promoting the development of quality certification services.
- Establishing platforms for business-to-business electronic commerce and reducing communication costs.
- Improving transport competitiveness.
- Reinforcing backward linkages to local suppliers and production inputs.

# Upcoming Seminars and Events

## Financial Analysis Roundtable

Date: TBD (please call the BDC for dates)

9–11:30 a.m.

\$25 per person

Controlling cash and avoiding financial surprises are critical elements in the successful operation of any business. This session focuses on the importance of paying attention to key financial factors such as cash flow, gross margin, the balance sheet and other financial results in the management of your business. Get your questions answered and learn to get what you need from your accountant.

## Marketing Roundtable

Date: TBD (please call the BDC for dates)

9 – 11:30 a.m.

\$25 per person

No business is successful without strong marketing activity to keep a steady stream of customers coming in the door. This session focuses on ideas that deliver strong sales results for small business. It begins with a discussion of key marketing tools, when they are most useful, and how to determine whether they are a good fit for your plan. As part of that discussion, group members will share their own experiences and issues with marketing efforts to enhance the learning of all participants.

## Financing Growth Roundtable

December 11, 2003 or March 4, 2004

9–11:30 a.m.

No admission charge

When it's time to get a loan, you need to be fully prepared when you visit your bank. This session gives you a detailed look at bank lending from the banker's perspective. You'll learn about the five c's of credit; the types of loans and when and why you should use them; SBA programs; and non-bank loan programs that are available to businesses unsuccessful at getting bank support. Get answers to all of your questions about the banking process. This session is presented by TEAM SBA, including an SBA Loan Officer, a bank loan officer, and an SBTDC consultant.

## Certified: Woman Business Enterprise

December 18, 2003, or April 21, 2004

9 a.m. – 11 a.m.

\$25 per person

The Michigan Women's Business Council invites women business owners to learn what it means to be certified as a Woman Business Enterprise. If you have a product or service that you would like to market to American corporations, here is your chance to explore certification. The Michigan Women's Business Council is a program of the Center for Empowerment and Economic Development, an SBA Women's Business Center. Call the Michigan Women's Business Council at 734-677-1444 to register.

## Project Network: An Interactive Learning Experience

January 16 or April 16, 2004

9 a.m. – 1 p.m.

\$40 per person

This is the networking event our clients have asked for! Join other government contractors at various levels of skill and experience, and gain insight into trends, policies, and innovative shortcuts in government contracting in an interactive networking session. A government contracting specialist will present ideas and information to facilitate learning. This is an excellent opportunity to meet other government contractors, share ideas and experiences, form contacts and partnerships, learn through the experiences of your peers, and develop ideas for contract teaming. A sandwich buffet luncheon will be served.

## RESERVATIONS REQUIRED FOR ALL SEMINARS.

For more information on any of these seminars, contact the Business Development Center at 734-462-4438

# Specifications Available at the BDC

The Schoolcraft College Business Development Center has access to specifications that are frequently used by BDC customers. Our collection consists of military specifications/standards and industry specifications/standards, available at \$1 per page. We pride ourselves on delivering specifications in a timely



manner. The specifications available through the BDC include military standards, (MIL, MIL STD, MIL HDBK, DOD STD, FED STD, MS, QQQ and PPP) and DOD-adopted industry standards, including ASTM, SAE, SAE AMS and AIA/NAS documents.

For additional information on obtaining these documents, please call 734-462-4438 or email [inforeq@schoolcraft.edu](mailto:inforeq@schoolcraft.edu)

Please note the Business Development Center will be closed December 24, 2003 through January 2, 2004. We will reopen January 5, 2004. Have a great holiday season!



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