

# **STEPS TO SUCCESS FOR RURAL ENTREPRENEURS: STARTING A SMALL RENTAL BUSINESS**

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University of Alaska Center for Economic Development  
3211 Providence Drive  
Anchorage, AK 99508  
907-786-5444  
<http://ced.uaa.alaska.edu/>



### **Other titles in the *Steps to Success for Rural Entrepreneurs* series**

- Writing Your Small Business Plan
- Starting a Bed and Breakfast
- Starting an Ecotourism Business in Alaska
- Starting a Fish Processing Plant
- Starting a Rural Alaska Lodge
- Starting a Small Engine Repair Shop
- Starting a Small Restaurant

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## INTRODUCTION

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*Starting a Small Rental Business* is a practical and easy-to-use guide to opening a rental business in rural Alaska. One of a series of handbooks developed to start new Alaska entrepreneurs on the road to success, this handbook takes you step-by-step through the process of assessing the feasibility of your business idea and developing a business plan. While this handbook should be useful to anyone starting a rental business in Alaska, it focuses specifically on developing a plan for a rental business in a community off the road system.

This handbook tells you what to consider in the process of setting up your rental business and provides an outline for developing your business plan. Following the steps laid out in this handbook will help you decide whether or not opening a rental business is right for you.

For a more detailed explanation of business planning, see the companion guide in this series, *Steps to Success for Rural Entrepreneurs: Writing Your Small Business Plan*.

This handbook will help you to define your business goals and develop your strategy for achieving success. It covers:

- How to determine if this is the right business for you
- What your start-up and supplies needs will be
- How to assess local markets, estimate demand, and attract customers
- What licenses and permits you will need
- How to project annual revenues and expenses.

## **DEFINITIONS AND BUSINESS PLAN BASICS**

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You might be reading this handbook to learn more about rental business operations and how to write a business plan, or you may simply want to learn more about this type of business. In either case, your first step should be to consider the different ways you can develop a rental business.

### **Why do I need a business plan for my rental business?**

A business plan is a tool that helps you think through the many aspects of starting up and running a rental business. Writing a business plan helps you define why you are going into this business, and keeps you focused as you start operations.

Developing a business plan:

- Takes you methodically through various elements of the business
- Helps you decide if a rental business is worth your time and financial investment
- Identifies alternatives and strategies for achieving success, improving your probability of success.

This handbook walks you through the steps of preparing to write your business plan:

1. Conducting an assessment
2. Developing your rental business concept
3. Understanding regulatory requirements
4. Assessing your market and conducting research
5. Developing your marketing and customer service plan
6. Developing your organizational plan
7. Developing your financial plan.

It is important to know that very few rural Alaska communities can support a rental business as a stand-alone business, because the local population is small. For this reason, a rental business might only be financially viable if incorporated as a small business within a larger business concept, such as a lodge or small engine repair shop. However, if there are several lodges in your area, you might find that there is enough seasonal demand to support your rental business as a stand-alone business.



## **STEP 1 – CONDUCTING YOUR PERSONAL ASSESSMENT**

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A rental business rents out vehicles (ATVs, snowmachines, cars) and/or other forms of equipment. As the owner, you will be responsible for procuring vehicles and equipment to rent, maintaining the vehicles and equipment, cleaning the vehicles and equipment, and potentially managing employees. You will also need to keep the financial records, make payroll and pay other bills, order supplies, manage your advertising, and file taxes. You can hire outside help to do these things, but doing so might impact your profits.

### **What are the benefits of running a rental business?**

Some of the benefits of being a rental business owner include:

- Starting something from nothing
- Earning additional income or creating employment for yourself
- Incorporating an interesting business into your life
- Potentially meeting new people from around the world

In short, owning a rental business puts you in charge of your own career and financial future. You get to make your own choices and enjoy your own success.

### **Why do you want to start a rental business?**

Before moving on to the technical aspects, you should take some time to examine your personal reasons for starting a rental business. Being clear about your goals and reasons for establishing a rental business prepares you to make better business decisions. You might discover that you need to work more hours and make less money than you envisioned, or take on more financial risk than you are comfortable with.

Answer the questions below to find out if running a rental business in rural Alaska compares to what you really want.

*Why do you want to start a rental business?*

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*How many hours a week are you willing to work to run your business?* \_\_\_\_\_

Are you willing to operate year round? Yes \_\_\_ No \_\_\_

What yearly income do you need from your rental business?

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Do you plan to work another full- or part-time job while running your rental business?

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Good responses to these questions include:

- I enjoy providing a service to others
- I like people
- I want to be self-employed
- I have experience working in or managing an rental business.

It is unlikely that a rental business will provide substantial revenues, unless you are in a community with a large population (more than 5,000) or many visitors travel to your area. Don't forget to look at the possible demand in surrounding communities too. You could always rent tools and equipment to construction crews, and to locals for work around their homes and businesses (e.g., computers, saws).

Finally, it is helpful to know that small business owners throughout rural Alaska have identified the following small business success factors<sup>1</sup>:

- Do what you love.
- Do what you know.
- Do seek family support – it is essential.
- Do understand that community readiness and support of the business is important and for some businesses essential.
- Do seek out training and technical assistance – it is often necessary.
- Do start small, building up your business success gradually.
- Don't underestimate the role hard work plays in success.

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<sup>1</sup> Viable business Enterprises for Rural Alaska, University of Alaska Anchorage, Institute of Social and Economic Research, 2008



## **STEP 2 – DEVELOPING YOUR SMALL RENTAL BUSINESS CONCEPT**

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This step is about defining, describing and developing your unique rental business concept. Your business concept should be compatible with your local community, and distinguish what you offer from what existing competitors offer. If your ultimate goal is full-time, year-round employment, you might want to consider incorporating this business concept with another business idea.

### **What do rental businesses provide?**

The main service a rental business provides is access to vehicles or needed equipment. Rentals can be as simple as giving someone the keys and letting them take off, to showing your clients how to use a projector screen for their PowerPoint presentation or giving them explicit instructions on where and how to use the equipment.

Before deciding what you will offer for rent, you need to understand why people might want to rent your equipment. For example, do customers renting an ATV just want a way to get around your village, or will they be using it to go outside the village to hunt, fish, or do survey work? How much help will they want? Will you need to provide them with gas, or will you let them buy gas from someone else within the community? Since your vehicles will experience more wear and tear if they are used off village roads, would you want limit off-road use? If you do plan to limit off-road use, how will you monitor it, and what sort of penalties or fines will you apply to enforce your limits? If you limit where clients can use your ATVs, how might this affect the demand for rentals? Even though riding ATVs off-road is harder on them, you could make more money by charging more and renting more, if you allow off-road use.

As you can see, it is important to think through all aspects of your business carefully. As you develop your idea for a rental business, you need to look at other rental businesses in your area, as well as key aspects of your local community. These aspects include your proposed location, facilities, available goods and services, and potential customers.

### ***Location***

First you need to evaluate your location and its ability to support a profitable rental business. While rental businesses can be tailored in scale and service to community demand, your community might not have enough demand for this type of business to be profitable. It is important to do your research, and to ask visitors or other businesses in your community if they would rent items from you.

Use the Location Evaluation Worksheet on page 33 to get a better understanding of what your community has to offer and any challenges that exist.

The second part of evaluating location is deciding where in your community to locate your business. You want your business to be in a location with heavy foot or car traffic, around areas people work, near large gathering areas, or within walking distances of schools, sports facilities, or other places where community members congregate. The best location will depend on the scope of your rental business and the layout of your community. You want to be visible, and easily accessible to people doing other things in your community. If in doubt, ask around to find out what people think the most convenient location would be.

If you are focusing on visitors to your town more than residents, think about stationing yourself closer to the airport or to the major visitor accommodations. There is no easy answer to location, but your choice is important, so give it careful thought.

### ***Facilities***

Your facility needs will vary, according to the type of rental business you plan to open. With enough money and renovation, you can turn almost any space into a rental business. While you look to build, buy, or lease your rental business space, you will want to find the facility best suited to your needs. Depending on the availability of space and your personal preference, the space you occupy could range from a very small area providing for office management needs and storage of rental gear and equipment, to a larger facility with space to store vehicles inside.

### ***Customer Expectations***

Before starting your new business, you will need to make the following decisions:

- **Operating hours** – Rental business should be open for all scheduled hours, and you should post the schedule where customers can see it.
- **Payment** – Will you accept credit cards and checks as payment? Will you accept out-of-state checks?

You should also give thought to your ability to provide top-notch customer service.

*Are you comfortable with all people?* Yes \_\_\_ No \_\_\_

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*Are you the type of person who stays calm in difficult situations?* Yes \_\_\_ No \_\_\_

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*Do you take criticism well?*

Yes \_\_\_ No \_\_\_

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At this stage, you should have a good sense of your overall readiness for owning and operating a rental business. Refer now to your completed Location Evaluation Worksheet to determine what type of rental business you should open, what other services you should offer, and how many customers you might expect. Use these answers as a starting point for refining your rental business concept.



## **STEP 3 – UNDERSTANDING REGULATORY REQUIREMENTS**

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The next important question to address is, “What legal or regulatory responsibilities do I need to comply with?” It will be your responsibility to find out what requirements apply to your specific situation, and to make sure you are in compliance.

There are certain precautions you should take to guarantee customer satisfaction and to limit liability issues. It is highly recommended that you seek professional support on this aspect of your business (e.g., attorney, accountant), before you open your doors.

Your rental business will need to comply with:

- Licenses and permits
- Insurance requirements and considerations
- Reporting considerations

### ***Business License***

Your rental business will need an annual State of Alaska business license. This costs \$100 a year and is obtained from the Department of Commerce, Community and Economic Development (DCCED). You can find more information and apply online at the DCCED website, <http://www.businesslicense.alaska.gov>. Or you can call 907-269-8173 (Anchorage) or 907-465-2550 (Juneau office).

You will need to provide your name and address, along with the name of the business and the appropriate NAICS business code. The entire list of codes can be found on the above website, along with instructions for choosing your code.

### ***Fire Department Permit***

Your local fire department and/or the state fire department may require you to obtain a permit if your business is open to the public. In most cases, you will need to secure a permit prior to opening for businesses. Additionally, the fire department may schedule periodic inspections to see that your facility continues to meet regulations.

### ***Insurance Requirements & Considerations***

The two major types of insurance you will need are property and casualty (or property and liability), and life and health. Property and liability are the most important for a business. Property coverage includes insurance on your buildings and other property, in the case of fire, theft, and other losses. Liability insurance protects you against claims of

injury or property loss resulting from negligence. Life and health are generally part of the employee benefit package. The law requires some types of coverage, and others simply make good business sense.

Most property and liability insurance needs can be insured through a package policy, but special coverage policies may need to be bought separately. The special policies will depend on the location of the business. One example is business interruption insurance, which can provide sufficient funds to pay fixed expenses during a period of time when the business is not operational, due to damaged or destroyed equipment or buildings. To determine your specific insurance needs, contact an insurance agent.

In the case of an ATV rental business, there is a higher charge for liability on 4-wheelers than any other ATV, because this type of vehicle is the least stable and causes the most damage in the case of accident. Also, most insurance companies have a minimum cost that must be met, no matter how small the business is, which also contributes to the high cost of insurance. Estimated yearly insurance costs for an ATV rental business are around \$3,000.

### ***Zoning Requirements***

Your local zoning office should be one of the first places you check to find out what your community zones as allowable or unallowable uses. Zoning classifications for a rental business vary from community to community. You will need to know if your community has any zoning restrictions that apply to your business. In many cases, a rental business is classified as a commercial business, and a zoning exemption must be obtained for a rental business in an area zoned residential.

If you intend to construct a new facility, use an existing building for a different purpose, or perform extensive remodeling, you should check local building and zoning codes.

### ***Reporting Considerations***

As owner/operator of your rental business, you will need to keep good accounting records. This is important for IRS and borough or community tax requirements, as well as for planning and management of your rental business. Whether or not you decide to keep your own books, you should consider taking a class on standard bookkeeping.

### ***Recordkeeping***

In addition to your financial records, you will need to keep careful vehicle records, since they are the most expensive part of this type of operation. You should have a rental agreement that spells out how the machines will be used, how much the renters will be charged, what their responsibilities are, what you will do if the machine does not work

properly, and what penalties there will be if you or the renter breaks the contract. Consult a lawyer to help you draft a comprehensive agreement.

You should also keep records of vehicle maintenance, and any damage your vehicles incur. Not only will this help you get the most use from the machines, but if you have a dispute with a renter, your records could be invaluable in proving your side of the case.

### ***Additional Needs***

- **Attorney**: You should hire an attorney at start-up to check over paperwork and legal issues, before beginning operations. This will save you money later and gives you a working relationship with a local attorney, should problems arise in the future.
- **Accountant**: If you have no experience with business accounting, you might want to pay for the services of an accountant. Even if you plan to do your own bookkeeping, you could use an accountant to file your taxes.

The Environmental Health Office assigned to the area in which your rental business is located will be able to provide information on specific regulations. Alaska Food Code 18 AAC 310 details the requirements for operating a rental business anywhere in Alaska at <http://www.state.ak.us/local/akpages/ENV.CONSERV/deh/sanitat/homesan.htm>.



## **STEP 4 – CONDUCTING YOUR MARKET ASSESSMENT AND RESEARCH**

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Understanding your primary target market and any secondary markets, knowing who to attract, and identifying ways to better understand and communicate with your market is what this step, market assessment and research is about.

To make money with a rental business, you need to determine which items people are willing to pay to rent. You will also need to have enough demand not only to cover the costs of your initial investment, but also to pay a return on that initial investment. Conducting market research and assessing your market potential is essential. This step helps you decide what services you will offer and who will buy those services.

The type of rental business you plan to develop will largely determine the market you will target. Or – conversely – what your market is interested in paying for might dictate the type of rental business you develop. The first step in assessing your market is to identify how many potential customers are interested in what you want to offer. You will probably recognize quickly that the market size is relatively small.

When conducting your market assessment and research, remember that your overriding goal is to understand your potential customers better. At the end of the process, you should be able to answer these key questions:

- What potential customers already exist in your region and/or community?
- What are these customers willing to spend money on?
- What price sensitivity do these customers have?
- Who is your typical customer (age, gender, education, income, occupation, etc.)?

As you begin gathering information and making personal contact with potential customers, set up a database or spreadsheet and enter information as you go. Having an organized method for capturing any data you collect can prove very valuable when you are ready to see new ways to sell to your customers, once your business is operating.

### ***Who are your potential customers?***

Most people interested in renting ATVs will come from outside your community. They might be construction workers, government employees, surveyors, or other specialists. Visitors staying at lodges, other tourists, local people without machines or locals whose machines are broken, make up a smaller market portion. Five of the 11 communities

with an existing ATV rental business have at least one lodge. Chignik Lake, Pedro Bay, Nondalton, and Holy Cross are examples of small communities with an ATV rental business, because of tourist activities generated by lodges and guided trips.

If you expand your equipment offerings, you could have a rental business that crosses over to tourists and locals. Examples of other types of rentals range from tool and equipment rentals, to computers and projectors for PowerPoint presentations. Only by looking at the overall customer potential in your own community will you be able to determine what type of rental business would be most appropriate.

You need to know several things about your potential clients. First, how many of them can you expect? Your village or tribal government should be able to give you a general idea of how many construction workers, government employees, and other project specialists will be visiting your village. Organizations like the Denali Commission and the Alaska Department of Commerce, Community and Economic Development also have lists by village of federal and state-funded construction projects planned in each rural Alaska community. According to Roy Kenick of the Association of Village Council Presidents (AVCP), each project brings three to five people to a community.

The FAA website at [www.FAA.Gov/ARP/A&D-Stat.htm](http://www.FAA.Gov/ARP/A&D-Stat.htm) gives enplanement figures for village airports. Enplanements are the number of people boarding planes to leave the community, and they give a general idea of the activity of the community's airport.

Your own observations, as well as conversations with local community members, city offices, lodges or bed & breakfast (B&B) owners or employees, and airport attendants, should help in determining the breakdown of the market.

Altogether, these sources will give you a rough idea of your potential market. The more detailed and concrete the information you collect, the easier it will be for you to plan.

Knowing why people are coming to your village will also give you some idea of what your potential customer might want. Construction workers who need transportation to and from their job site will have different needs than survey crews working at remote sites, or sports hunters or fishermen. Government agencies may be more inclined to rent your equipment, if you can take government purchase orders as payment. As you explore who your potential customers are, think about what they need and how you can make it easier to rent from you.

- How many people do you expect to visit your village in the next year?
  - Two years?
  - Five years?

- What percentage of these visitors will be constructions workers?
  - Government employees?
  - Specialists like surveyors?
  - Tourists?
  - Sports fishermen
  - Sports hunters?
  
- How likely is it that these visitors will want to rent an ATV?
  
- What will they use the ATVs for?
  - Transportation in the village?
  - Cross country travel?
  
- Is there any way you can make it easier for these groups to rent from you?
  - Methods of billing?
  - Group rates?

Businesses located in rural Alaskan communities with large numbers of summer visitors will have quite a different client base than a rental business in a smaller, more isolated rural community. In larger communities, you might want to target visitors passing through the airport hub. In small communities, you might focus instead on renting gear and equipment to locals, government organizations, and construction contractors.

Possible potential customers include:

- Local community members
- People visiting your community for business purposes – construction contractors
- Seasonal community members, such as commercial fishermen
- Visitors to the community

### ***Pricing and Willingness to Spend***

For most clients, price will be an important factor in deciding whether or not to rent a machine or a piece of equipment. But cost is affected by demand. The more demand there is, the higher the price you can ask. A 1998 survey of ATV rentals showed that ATV rental rates in villages like Kogiganak and Aleknagik that had lots of construction activity were as much as \$100 per day, while rentals in villages like Nunapitchuk without a lot of constructions projects cost only \$20 to \$50 per day. As you learn who your customers are, how many you can expect in your village, and what they want, you should also begin to estimate how much they will be willing to pay to rent your equipment.

- Will your prospective customers be paying for the rental themselves or will their employer be paying? Are there limits on what their employer will pay?
- What are your customers likely to pay?
- Will charging more have any other effect on your business? Less rentals? Customers trying to get more people on each machine to save money? More likelihood of going to alternatives?
- Does it make more sense to charge by hour? The day? The week? The month?

### ***Competitive Considerations***

Once you have a good idea of who your customers will be, you should think about what their alternatives are to renting your equipment. Could they rent those same items from other people in your village?

A 2000 survey of ATV rentals in Western and Interior Alaska showed that while only 11 of the 83 villages in the survey area had an ATV rental business, many village people would rent out their own personal machines for short periods of time. If construction workers are going to be in your area for a long time, they might think about buying their own machines rather than renting. Tourists might be willing to walk, rather than rent an ATV. Thinking about your potential customer's options will help you assess what you can charge for your rentals, and the level of service you will need to provide to stay competitive. Guaranteeing well-maintained machines could make renting from your business more attractive than renting personal machines.

As you can see, setting low prices for long-term rentals could make renting from your business more attractive than buying machines or equipment. Also, easy pick-up and drop-off might make persuade more tourists to rent from you.

### ***Rental Business Demand***

#### **Who is your target market?**

- |  |                                      |
|--|--------------------------------------|
| <input type="checkbox"/> Locals            | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Visitors          | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Business Visitors | <input type="checkbox"/> Other _____ |

*What is the estimated size of your market?*

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*Who is your target customer? What are their demographics? (Profession, gender, age, income level, etc.)*

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*Why have you chosen this target market?*

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*Is your market seasonal? What are the primary months? How will you run the business differently during the off-season, if at all?*

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*Why might someone require a rental? Did you actually ask some of your target market or are you just assuming?*

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*If you have already spoken to potential customers, what did they think about your proposed rental items?*

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*What rental businesses already exist in your area? Regionally? Statewide? Can you use them as a resource to better understand the business?*

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*Which of these businesses are your direct competitors, targeting the same market niche?*

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*What is currently offered by other rental businesses, and how will you compete?*

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Addressing the above questions and conducting an in-depth assessment of your market is essential. Market research will provide you with the information and data you need to identify individual market segments. Without adequate market research, you cannot know for sure if there is any demand for your rental business. The point of doing market research is to identify your market, find out where the market is, and then develop strategies to communicate with prospective customers.

Market research will also give you important insights into your competition. An important marketing strategy is to differentiate your rental business from the competition. Before you can do this successfully, you must fully understand your competition. Then you can communicate the differences to your target market.

Once you really know your potential market and your competition, and can identify your market niche, you are ready to move on to developing a marketing plan.



## **STEP 5 – DEVELOPING YOUR MARKETING AND CUSTOMER SERVICE PLAN**

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Being in the rental business does not mean, “if you build it, they will come.” You will still need to develop a plan for marketing your business. A key piece of that plan is addressing your customer service needs by providing first class service.

### ***Advertising***

In small rural Alaskan towns, you may need very little advertising to establish a successful rental business. Your advertisement might be nothing more than a sign outside your rental business. You could either make your own sign, or hire someone else in the community to do. Place your sign where it can be seen easily by everyone in the community. When you open for business, you should post fliers at the airport, local grocery stores, businesses, and community offices to spread the word about your rental business.

Some sales and promotion techniques to increase business include:

- Contact various government agencies, Native groups, service providers, or construction workers that are known to visit the area and tell them about your rental business.
- Place fliers and rack cards in regional airports, stores, and city and tribal offices. This is especially important for small communities and communities with few visitor activities. Make certain that visitors to your community know that you are in business.

### ***Public Relations and Promotions***

In addition to advertising, you need to be good at sales – convincing customer to come into your rental business. Keep that customer coming back by providing excellent service every time.



## **STEP 6 – DEVELOPING YOUR ORGANIZATIONAL PLAN**

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Your organizational plan details the ownership, management, and staffing of your small engine repair shop. First, you need to decide what the legal structure of your business will be. Next, you should make a list of all your business activities and decide who will do what. Going through this process helps you identify what skills you already have and what necessary skills are lacking. Finally, you will explain how you are going to address any gaps in skills.

### ***Ownership Considerations (Legal Structure)***

Choosing the appropriate legal structure for your business is an important planning decision. You can operate as a sole proprietorship, a partnership, a limited liability company, or a corporation. The easiest way to start a business in Alaska is to get a business license and start making rentals. This type of business is called a sole proprietorship. It has one owner and one person who is responsible for everything the business does.

It is tempting to just organize, but there are clear pros and cons to each form of organization, and you should familiarize yourself with the options. You will need to conduct your own research on legal structure, and there are plenty of resource guides and classes to assist you in this determination. In the end, it is probably best to ask a lawyer or accountant for help. This is an important step, and you should lay the foundation for your business with as much care as you plan your business activities.

### ***Manager (Owner)***

As the manager, you will plan, organize, direct, control, evaluate and implement ongoing activities of your rental business. Many rural Alaska business operations are too small to support a paid manager and still provide income to an owner. Instead, the owner usually performs all the management functions, in addition to many of the employee functions. Specific activities of the manager include:

- **Financial Accounting** – responsible for ensuring funds are available to operate the rental business. Activities include developing systems to track revenue and expense items (cash flow statement), and then evaluating the information and developing a financial plan.

- Marketing – responsible for ensuring customers come to your rental business. Activities include developing and distributing marketing materials to attract customers.
- Facility and Equipment Maintenance – responsible for ensuring the entire property (interior and exterior) and all equipment (critical to a rental business) is properly maintained. It is particularly important that health, safety and licensing items are addressed. Activities include keeping items such as electrical, plumbing, heating, ventilation, fire protection and smoke control systems in proper working order. Additional activities include snow removal, mowing or other yard care, painting and repairing fixtures and amenities, and maintaining heavily used rental items.

### ***Building your Rental Business Team***

If you hire an employee to assist you with the business, you should first decide what exactly you want that person to do. A formal job description might not be necessary, but you do need to describe clearly all the duties and responsibilities of the position.

The next step is to decide what the wages for the position will be. Determining pay should be a combination of exploring what others are paying for similar positions and considering what your financial planning says you can afford.

Hiring employees in rural Alaska can be difficult. If you live in a small community, your pool of applicants is likely to be small, and potential employees will probably need training. Additionally, if you have lived in this community for any length of time, you face the further complication of hiring your friends and/or relatives as employees. All these obstacles can be difficult to navigate. Hopefully, the recommendations below will smooth this process.

- Do not underestimate training. If you are hiring somebody for a position that they do not already possess the skill set for, do not assume they will pick it up as they go. Plan to spend extra time and money to teach your employees personally what they need to know or spend money for outside help, online classes, or computer software to assist them in learning the skills they need.
- It may be worth paying a little bit more money for somebody who is responsible, or already has the needed skills. An irresponsible or ill-equipped employee can slow down a business's operation or even affect its reputation, which costs much more, in the end, than paying a marginally higher wage for a better employee.

- Perform a criminal background check. This provides peace of mind in hiring employees and protects you from potential threats. The following organizations will conduct criminal background checks on potential employees:
  - The Alaska Department of Public Safety  
<http://www.dps.state.ak.us/Statewide/background/>
  - Motznik Information Services  
<http://www.motznik.com/>
- If you hire friends and/or family members, make sure you discuss expectations with them. As an employee, he or she will need to show up for work on time, obey the lodge rules, and act professionally. If not, they will be fired just like any other employee. This can lead to complications and strife between family and friends. If you do not think your friend or family member will be able to follow the set rules or if you anticipate trouble enforcing them, do not hire that person.

### ***Ensuring the Right Skills and Aptitude***

You may feel that no specific training is necessary at first, but in most cases some training is beneficial. Running a rental business has no special training requirements, but a basic knowledge of the following is important:

- Service: You should welcoming to customers and provide them with first class service.
- Cleaning: Many people are very particular about cleanliness. A rental business should keep all its rental equipment clean and in top operating condition. Your facility should also be professional and clean.
- Bookkeeping: If you, the business owner, are not comfortable keeping the books or using bookkeeping software, you should consider hiring a company to keep your books and to file your taxes.

Even though there is no specific training required by law to operate a rental business, it is helpful to have a knowledge of the associated machines, tools, and supplies, and of business and customer relations in general. If you run your rental business in conjunction with another business (such as a small engine repair shop), you will need to be more knowledgeable about the equipment and machinery, and about environmental issues.

**Getting Professional Assistance**

- Attorney: An attorney should be hired at start-up to check over paperwork and legal issues before beginning operations. This will save you money later and give you a working relationship with a local attorney in case problems ever arise.
- Accountant: It is advisable to have an accountant if you do not have experience with business accounting, although one may be used just for tax filing purposes. Remember to consider your own management and training needs. If you lack a certain skill set, find out what training is available or hire somebody who has those skills.

**Critical questions to answer in this step include:**

*What tasks will need to be completed on a daily basis?*

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*How many staff, if any, do you plan to employ? What will you pay them?*

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*Will your staffed positions be seasonal, full-time, part-time, etc.?*

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*What skills do your manager and employees need to be successful at their jobs?*

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*How will you train your employees and ensure that they have needed skills?*

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*What professional relationships have you established? (Lawyer, accountant)*

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## **STEP 7 – DEVELOPING YOUR FINANCIAL PLAN**

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A financial management plan is an important tool that helps you monitor the financial performance of your business and plan for its growth. This section guides you through the process of determining whether or not your rental business will be profitable, and managing your business finances effectively.

First, you need a firm grasp of your projected start-up costs. Next, you will develop your annual budget by estimating your revenue and expenses. You will then be able to calculate your projected profits. Use the worksheets on pages 33 to 39 to develop your financial projections. To prepare financial estimates, you need to make some basic planning assumptions. Assumptions are no more than educated guesses about your average cost, number of customers, and operating expenses.

### ***Start-up Costs***

Start-up costs are usually one-time expenses necessary to open your business. Some, such as the purchase or remodel of a facility, are significant. Others, such as equipment purchase, utility deposits, down payments, and licenses, are minor.

Start-up costs will depend on your particular circumstances, but common rental business start-up expenses include:

- State of Alaska business license (\$100 per year)
- Rental equipment (tools, snow machines, videos, et cetera)
- Facility lease, purchase and renovation.

You could finance your start-up costs with a small loan paid back over a term of five to 20 years but, due to the difficulty of micro-lending in rural Alaska, do not assume such a loan will be readily available. Many small business owners finance their start-up with personal savings. If you do borrow money to start up your rental business, it might take several years to repay the loan through your business profits.

Many start-up costs can be turned into fixed costs through loans, or if you rent instead of buy. If you lease equipment, it becomes a fixed cost. If you rent your business space, only the security deposit is a start-up cost – your rent would be a monthly fixed cost. Renting might be more expensive in the end, but if your business were to fail, you would not have spent or borrowed a large amount of money to buy a building and equipment.

Use the Estimated Start-Up Costs Worksheet on page 33 to determine how much money you need to launch your business.

*How much money do you have saved to support your business start-up?*

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*How much money will you need for start-up and working capital?*

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### ***Equipment***

The cost of the equipment you plan to rent will be the biggest start-up expense in your rental business. As you begin to evaluate the rental demand, you will need to estimate how much equipment you will need at any one time. You will want to have enough equipment to rent to meet customer need, but not so much that you have items sitting un-rented for long periods of time. Rental equipment costs you money, whether it's rented or not. When your equipment is rented, it is making you money. If it sits in the lot, it is costing you money.

### ***Storage and Office Space***

All you need to run a rental business is a small office area where you can greet customers and do paperwork, as well as a fenced-in area to house the equipment.

### ***Estimating Revenues***

To estimate revenues you will need to project how many rentals you will make and at what rates.

*How many customers a year do you have the ability to serve in your rental business?*

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*If this is a new rental business, how many sales are necessary to hit your break-even point and your desired profit level?*

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### **Back of the Envelope Revenue Calculation**

Before you go any further, do a quick calculation to see if your business idea makes sense. Estimate what your average rental will be – the number of days the piece of equipment or supply will be rented, and what you will charge per day (or by hour if you plan to charge by the hour). Then take the number of potential customers and multiply it by the average cost of rental. This will give you a rough idea of your potential market.

#### Example

1. *Your village expects to have 20 construction projects over the next four years. You figure they will employ five workers on average, for a total of 100 construction workers. You estimate that one quarter of them will want to rent an ATV, and that they will need the ATV for at least a month.*

*This gives you 25 people renting for 30 days, or 750 days worth of rentals.*

2. *At the same time, the village administrator tells you the University is going to start a large archeological project that will take several years, and will bring an additional ten people a year to the village. You call the head of this group and learn that they are willing to rent two ATVs each year for two months.*

*This gives you another 120 days of rentals (2 x 60) per year. Multiply this by three years, and you get 360 rental days over the life of the project.*

3. *You talk with the local lodge, and they are willing to rent a couple of ATVs for the summer each year, if the price is right.*

*This gives you another 180 days of rentals per year. Multiply this out for three years and you get another 540 days of rentals.*

*Talking with these folks, you figure you can rent an ATV for at least \$75 per day. So,*

Rental days to construction workers	750
Rental days to University	360
<u>Rental days to lodge</u>	540
Total rental days over three years	1,650

$$\begin{aligned} 1,650 \text{ days} \times \$75/\text{day} &= \$123,750 \text{ for three years} \\ \$110,250 / 3 &= \$41,250 \text{ per year} \end{aligned}$$

With a quick estimation like this, you will be able to tell whether or not you can generate enough revenue to make your business idea worth pursuing

### ***Estimating Costs***

To manage your finances effectively and plan for a sound and realistic budget, you will need to estimate your operational costs. Again, it is important to list your assumptions so you can track what you based your costs on. Costs typically include inventory and operational costs, which are broken down into fixed and variable costs.

### ***Fixed Costs***

Fixed costs are expenses you pay yearly, with or without customers. These include minimum staffing, managers, rent, utilities, interest, and depreciation. Other fixed costs might be professional association fees and loan payments (if you have taken out a loan).

If you hire any staff, you must include staffing or labor costs, such as (FICA Tax, Workmen’s Compensation, Federal and State Unemployment, Medical Insurance and any Vacation or Holiday Pay. These expenses can amount to between 15 and 20 percent of your total labor costs.

### ***Variable Costs***

Variable costs are expenses incurred when a customer uses your rental business. This type of business has few variable costs, such as credit card fees and fuel. Equipment maintenance is also a variable cost, because the more customers you have, the more wear your equipment will endure.

*What are your fixed cost totals on a monthly and yearly basis?*

Monthly: \_\_\_\_\_ Yearly: \_\_\_\_\_

*What factors contribute to your variable costs and how can you manage these costs?*

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### ***Estimating Break-Even Point***

A tool often used in business planning is called a “break-even analysis”. A break-even analysis tells you how many sales you need to make to cover all your costs (fixed and variable). This is your “break-even point.”

To calculate a break-even point, follow these simple steps:

1. Determine the average sales price of your product or service.
2. Calculate the total variable costs and subtract these costs from the average sales price. The remainder is called the “unit contribution” or amount you have to cover fixed costs.
3. Total your fixed costs (insurance, licensing, utilities), also known as overhead.
4. Divide your total fixed costs by your “unit contribution” to determine your break-even point

A break-even calculation is useful in several ways. When you are starting your business, it gives you a minimum target. If you can't realistically hit this target, you had better reconsider. If you have been in business for a while, you can use a break-even analysis to determine how additional sales would support increased salaries, medical benefits, purchase of equipment, or expansion of your business to the next level.

### ***Financial Statements***

A primary indicator of the overall health of your business is its financial status. You will need to develop the skills necessary to monitor and track your fiscal progress as a regular part of running your rental business.

There is a wide range of computer software packages available to assist you in tracking your business's financial position. If you are unfamiliar or uncomfortable with these systems, you might want to contract with an accountant to set up your accounting systems and train you in how to use them, so you can track your own progress. As an alternative, you might want to pay someone to do your monthly accounting. Whatever system you use, you must always keep your business records current.

The primary financial statements that you will need to understand and use include:

- Profit and loss statement – This income statement lets you know how much your business is making or losing over a specific period of time (monthly, quarterly, yearly). Subtracts expenses from revenues to arrive at a net profit or loss.
- Balance sheet – A financial “snapshot” of your business. Summarizes your assets, liabilities, and ownership equity on a specific date.
- Cash-flow statement – This statement of cash flows shows the inflows and outflows of financial activity for a specified period (often monthly or quarterly). Tells you if you are generating enough revenue to cover your expenses.

Understanding and monitoring your cash flow will be of critical importance. All too often small business owners take in revenue without fully accounting for the expenses and costs that must be covered. Net cash flow is the difference between incoming cash and

outgoing cash. Start-up costs and unforeseen expenses can quickly gobble up your cash reserves. Preparing cash flow reports helps you as a business owner to plan for payment of your bills.

Additionally, all businesses have sales cycles based on the seasons, community events, and the days of the week. A rental business is no different. Your financial projections should take into account any events or known activities that will positively or negatively impact your sales or expenses.

## **CONCLUSION**

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In a small rural Alaska community, running a rental business might prove to be a tough business. Unless you are from a community with high levels of visitors traveling for business purposes and your rental business is positioned to serve these clients, you will have to work really hard to get customers. Make sure you take enough time to decide if this is the type of business that would well with your other revenue generating activities and interests.

A rental business owner must be flexible, and willing to work as business opportunities present themselves. Likewise, it is important that you survey your customers and adjust your rentals to actual demand.



# **APPENDICES**

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## Location Evaluation Worksheet

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This worksheet should help you determine what type of Rental business that may be successful in your community.

1. What is the population of your community? \_\_\_\_\_

2. Are you located on the road system?      Yes \_\_\_\_\_      No \_\_\_\_\_

3. If yes, how far are you from the nearest regional center, tourist destination, or urban area?  
\_\_\_\_\_

4. If no, how many people fly to your town annually? \_\_\_\_\_

5. Is your community a popular tourist destination? \_\_\_\_\_

6. What lodging facilities exist in your community that might want rental vehicles or other equipment rental services for their customers?

- Hotels \_\_\_\_\_
- Motels \_\_\_\_\_
- Roadhouses \_\_\_\_\_
- Bed & Breakfasts \_\_\_\_\_

7. How many government projects are currently active within your community?

- Short-term \_\_\_\_\_
- Long-term \_\_\_\_\_

8. How long does the average visitor stay in your community? \_\_\_\_\_

9. Are you a transportation or service hub for surrounding communities? Which communities?

- Yes \_\_\_\_\_
- No

10. Do you have any of the following?

- Commercial Industry       Yes     No
- Government Agencies       Yes     No
- Other       Yes \_\_\_\_\_       No

11. Does your community have any special taxes or restrictions on Rental businesses?

Yes \_\_\_\_\_

No

12. Does your community experience seasonal influxes of visitors? How many visitors?

Yes \_\_\_\_\_

No

13. Are your typical visitors:

Government contractors \_\_\_\_\_

Tourists \_\_\_\_\_

Locals seeking services \_\_\_\_\_

Industry Workers \_\_\_\_\_





## Estimated Fixed Costs Worksheet

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Fixed costs are monthly or yearly fees that must be paid, and remain relatively constant no matter the number of customers received a year. These “flat fees” must be accounted for in a different method than variable costs, which depend on the number of customers.

FIXED COSTS	Estimated Costs per Year
Labor	
Utilities	
Maintenance	
Insurance	
Advertising	
Miscellaneous	
Phone	
Loan Payments*	
TOTAL:	

\*If a loan was taken out to pay start-up costs, then the loan payments should be calculated here.

## Variable Costs Worksheet

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Variable costs are costs only experienced when there are customers. These increase when there are more customers and do not exist without customers. One example would be estimated food expenses per customer for the average meal. These are more difficult to estimate, because you need to estimate the per customer cost rather than the yearly cost.

Variable Costs	Estimated Cost Per Average Guest Stay
Food	
Paper and other supplies	
Maintenance	
Cleaning supplies	
TOTAL:	

This total gives you the variable cost per customer for your Rental business.

Now for the total variable cost per year we take the TOTAL from above and multiply it by the estimated number of customers per year to estimate total yearly variable cost.

$$\begin{array}{rcc}
 \underline{\hspace{2cm}} & \times & \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \\
 \text{TOTAL} & \text{Estimated Guests per Year} & \text{Estimated Yearly Variable Cost}
 \end{array}$$



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## Balance Sheet

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*Pro forma* balance sheets and cash flows are similar to traditional balance sheets and cash flows, but they predict what will happen to your business in the future, so you can see where your money will be going and whether to expect a profit or a loss.

Year: \_\_\_\_\_

### Assets

#### Current Assets

Cash and equivalent	\$ _____
Accounts receivable	\$ _____
Inventories	\$ _____
Prepaid expenses	

\$ \_\_\_\_\_

Total Current Assets \$ \_\_\_\_\_

#### Fixed Assets

Land	\$ _____
Buildings	\$ _____
Equipment	\$ _____
Furniture	\$ _____
Vehicles	

\$ \_\_\_\_\_

Less total depreciation - \$ \_\_\_\_\_

Net Total Fixed Assets \$ \_\_\_\_\_

Total Assets \$ \_\_\_\_\_

### Liability

#### Current Liability

Accounts payable	\$ _____
Short-term debt	\$ _____
Current portion of long-term debt	\$ _____
Income tax payable	\$ _____
Accrued expenses	\$ _____

Total Current Liabilities \$ \_\_\_\_\_

Long Term Debt \$ \_\_\_\_\_

Total Debt and Liabilities:

\$ \_\_\_\_\_

## Cash Flow Statement

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Beginning Cash Balance	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Cash Receipts:						
Cash sales	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Accounts receivable collections	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Other	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Total Cash Receipts	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Cash Disbursements:						
Inventory	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Salaries and wages	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Fixed assets	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Rent	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Insurance	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Utilities	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Interest	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Advertising	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Taxes	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Other payments	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Total Cash Disbursed:	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Total Operational Cash Surplus (Deficit)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Additional Funding (Repayment)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Ending Cash Balance	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

## Additional Resources

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### FREE PUBLICATIONS FOR ALASKA SMALL BUSINESS OWNERS

- **Alaska Economic Development Resource Guide** (19<sup>th</sup> Edition, October 2007) – An inventory of programs and services which can provide technical and financial assistance to Alaska communities and businesses. Published by the Alaska Department of Commerce, Community and Economic Development, Division of Community Affairs. Available at <http://www.dced.state.ak.us/dca/edrg/EDRG.htm>.
- **Alaska Small Business Resource Guide** – Offers advice, contacts, and information to help Alaska business owners succeed. Available at any First National Bank Alaska branch or the Alaska Small Business Development Center.
- **Establishing a Business in Alaska Reference Guide** (13<sup>th</sup> Edition, March 2006) – Provides information regarding critical steps to take before starting a business, such as: license, regulatory, tax and labor law requirements; business assistance information; financial institutions; and environmental protection requirements. Published by the Alaska Department of Commerce, Community and Economic Development, Office of Economic Development. Available on CD-ROM or download at <http://www.commerce.state.ak.us/investments/pdf/EstablishingABusiness.pdf>.
- **Starting Your Small Business** (Spring-Summer 2007) – A general guide to starting a small business in Alaska, including lending resources. Published by the Alaska Department of Commerce, Community and Economic Development, Office of Economic Development. See [http://www.commerce.state.ak.us/oed/small\\_bus/pub/StartingaSmallBusiness.pdf](http://www.commerce.state.ak.us/oed/small_bus/pub/StartingaSmallBusiness.pdf).
- **The Small Business Resource Guide** – A reference guide for small business and self-employed taxpayers. Available from the Internal Revenue Service on CD-ROM or download at <http://www.irs.gov/businesses/small/article/0,,id=101169,00.html>.

### OTHER PUBLICATIONS

- **Alaska Business Monthly** <http://www.akbizmag.com>  
907-276-4373 ◦ [editor@akbizmag.com](mailto:editor@akbizmag.com)  
501 West Northern Lights Boulevard, Suite 100, Anchorage, AK 99503
- **Alaska Journal of Commerce** <http://www.alaskajournal.com>  
907-561-4772 ◦ [jeff.jones@alaskajournal.com](mailto:jeff.jones@alaskajournal.com)  
301 Arctic Slope Avenue, Suite 350, Anchorage, AK 99518

## ALASKA REGIONAL DEVELOPMENT ORGANIZATIONS (ARDORs)

The Alaska Legislature established the ARDOR program in 1988 to stimulate economic development. The ARDORs:

- Enable communities to pool their limited resources and work together on economic development issues
  - Develop partnerships among public, private and other organizations
  - Offer a technical, nonpartisan capacity to develop and implement an economic development strategy
  - Often have extensive experience with federal/state programs
  - Provide needed technical assistance via direct links with local citizens.
- 
- **Anchorage Economic Development Corporation** <http://www.aedcweb.com>  
907-258-3700 ◦ [aedc@aedcweb.com](mailto:aedc@aedcweb.com)  
900 West Fifth Avenue, Suite 300, Anchorage, AK 99501
  
  - **Bering Strait Development Council (Kawerak)** <http://www.kawerak.org>  
877-219-2599 ◦ [webmaster@kawerak.org](mailto:webmaster@kawerak.org) ◦ P.O. Box 948, Nome, AK 99762
  
  - **Copper Valley Economic Development Council**  
<http://www.alaskaeconomicdevelopment.org>  
907-822-5001 ◦ [cvedc@cvinternet.com](mailto:cvedc@cvinternet.com) ◦ P.O. Box 9, Glennallen, AK 99588
  
  - **Fairbanks North Star Borough Economic Development Commission**  
<http://www.co.fairbanks.ak.us/mayorsoffice/economicdevelopment>  
907-459-1309 ◦ [kdodge@co.fairbanks.ak.us](mailto:kdodge@co.fairbanks.ak.us)  
809 Pioneer Road, Fairbanks, AK 99707
  
  - **Kenai Peninsula Economic Development District** <http://www.kpedd.org>  
907-283-3335 ◦ [info@kpedd.org](mailto:info@kpedd.org)  
14896 Kenai Spur Highway, Suite 103A, Kenai, AK 99611
  
  - **Lower Kuskokwim Economic Development Council** <http://www.lkedc.org>  
907-543-5967 ◦ [carl\\_berger@ddc-alaska.org](mailto:carl_berger@ddc-alaska.org) ◦ P.O. Box 2021, Bethel, AK 99559
  
  - **Mat-Su Resource Conservation and Development Council**  
<http://www.matsurcd.org>  
907-373-1062, extension 108 ◦ [matsurcd@mtaonline.net](mailto:matsurcd@mtaonline.net)  
1700 East Bogard Road, Wasilla, AK 99654
  
  - **Northwest Arctic Borough Economic Development Department**  
<http://www.nwabor.org/edu>  
800-478-1110 ◦ [dhamilton@nwabor.org](mailto:dhamilton@nwabor.org) ◦ P.O. Box 1110, Kotzebue, AK 99752
  
  - **Prince William Sound Economic Development District** <http://www.pwsedd.org>  
907-222-2440 ◦ [pwsedd@alaska.net](mailto:pwsedd@alaska.net)  
2207 Spenard Road, Suite 207, Anchorage, AK 99503

- **Southeast Conference** <http://www.seconference.org>  
907-523-2310 ◦ [info@seconference.org](mailto:info@seconference.org)  
612 West Willoughby Avenue, Juneau, AK 99802
- **Southwest Alaska Municipal Conference (SWAMC)** <http://www.swamc.org>  
907-562-7380 ◦ [admin@swamc.org](mailto:admin@swamc.org)  
3300 Arctic Boulevard, Suite 203, Anchorage, AK 99503

## OTHER SMALL BUSINESS RESOURCES

- **Alaska Department of Commerce, Community & Economic Development, Office of Economic Development** <http://www.commerce.state.ak.us.oed/home.htm>
  - *Small Business Assistance Center*  
<http://www.commerce.state.ak.us/oed/smallbus/home.cfm>  
907-269-8104 ◦ [michael.hanzuk@alaska.gov](mailto:michael.hanzuk@alaska.gov)  
550 West 7<sup>th</sup> Avenue, Suite 1770, Anchorage, AK 99501
  - *Made in Alaska (MIA)* <http://www.madeinalaska.org/mia/>
- **Alaska Manufacturing Extension Partnership (AMEP)** <http://www.ak-mep.org>  
907-279-2637 ◦ [info@ak-mep.org](mailto:info@ak-mep.org)  
701 Sesame Street, Suite 200, Anchorage, AK 99503
  - *Ecommerce program: Alaska Manufacturing, Business, Industrial, and Technology Projects (AMBIT)* <http://www.ambit.cc>
- **Alaska Small Business Development Center (SBDC)** <http://www.aksbdc.org>
  - 907-274-7232 430 West 7<sup>th</sup> Ave, Suite 110, Anchorage, AK 99501
  - 907-456-7232 604 Barnette Street, Suite 220, Fairbanks, AK 99701
  - 907-463-3789 3100 Channel Drive, Suite 306, Juneau, AK 99801
  - 907-260-5629 43335 Kalifornsky Beach Road, Suite 12, Soldotna, AK 99669
  - 907-373-7232 201 North Lucille Street, Suite 2A, Wasilla, AK 99654
  - *BuyAlaska* [www.buyalaska.com](http://www.buyalaska.com)  
800-478-2332 ◦ [ansj@uaa.alaska.edu](mailto:ansj@uaa.alaska.edu)
  - *Procurement Technical Assistance Center (PTAC)*  
<http://www.ptacalaska.org>  
800-478-7282 (Anchorage)  
800-478-1701 (Fairbanks)
  - *Rural Outreach* 907-274-7232
- **Alaska Village Initiatives** <http://www.akvillageinitiatives.com>  
800-478-2332 ◦ [cparker@akvillage.com](mailto:cparker@akvillage.com)  
1577 C Street, Suite 304, Anchorage, AK 99501
- **Americans with Disabilities Act (ADA)** <http://www.ada.gov>  
800-514-0301

- **Kauffman Foundation, EntreWorld** <http://eventuring.kauffman.org>
- **Occupational Safety and Health Administration (OSHA)** <http://www.osha.gov>  
907-271-5152 ◦ 222 West 8<sup>th</sup> Avenue, Room A14, Anchorage, AK 99513
- **SCORE** – Free small business counseling. <http://www.akscore.org>  
907-271-4022 ◦ [score558@gci.net](mailto:score558@gci.net) ◦ 510 L Street, Suite 310, Anchorage, AK 99501
- **Small Business Administration (SBA)** <http://www.sba.gov>  
800-827-5722 ◦ [answerdesk@sba.gov](mailto:answerdesk@sba.gov)
- **University of Alaska Center for Economic Development** – Feasibility analysis, market research, business planning, and business implementation assistance for nonprofits and municipal and tribal governments. <http://www.ced.uaa.alaska.edu>  
907-786-5444 ◦ [ancab5@uaa.alaska.edu](mailto:ancab5@uaa.alaska.edu)  
4500 Diplomacy Drive, Suite 507, Anchorage, AK 99508