

# Alaska NABEC and the Business Life Cycle

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 a university-based partnership  
promoting economic development in Alaska



# AK Native American Business Enterprise Center (NABEC)

- Brand new
- Funded by MBDA
- Affiliated with NCAIED
- Hosted by UA Center for Economic Development



# Mission

Promote growth of Alaska Native businesses by offering technical assistance and consulting services.



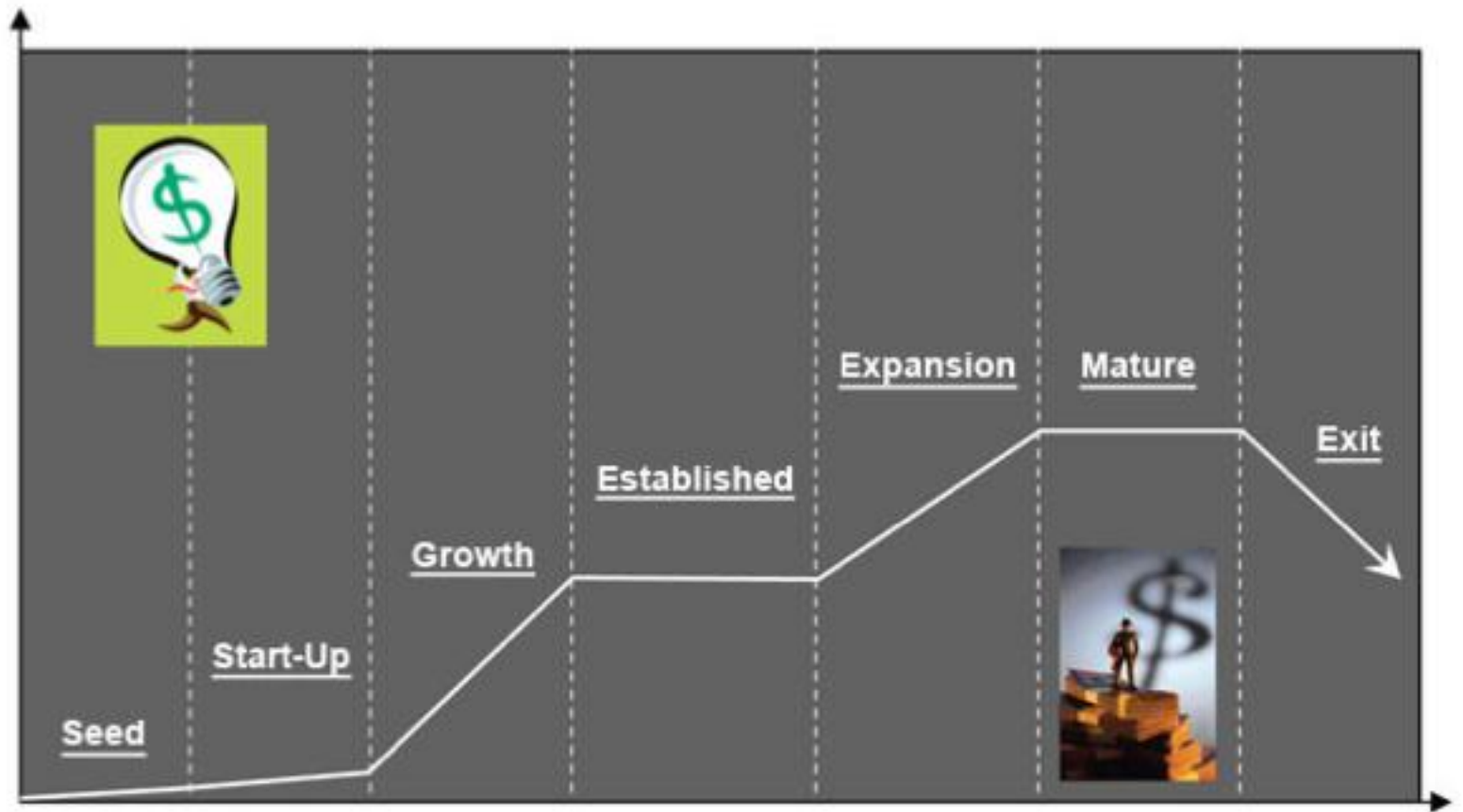
# Who do we help?

- Businesses in the **growth, established, expansion, and mature** stages
- **Seeds and start-ups** served by referrals
- 51% (or more) minority-owned
- 2-3 years of operations (some exceptions)
- 500k annual revenue, or close

# How can we help?

- Bid matching
- Business plan review/referral
- Assistance in obtaining finance
- 8a assistance
- Bonding
- Matchmaking for joint ventures
- Management advice/counseling
- Networking

# Business Life Cycle



# Seed

- Concept phase
- Matching idea with skills, experience
- Planning
- Financing sources:
  - Self
  - Family/friends/fools
  - Grants
  - Loans (difficult)
- Served via referrals



# Start-Up

- Business with a short operating history, some revenues
- Need for sales growth, new customers, market presence
- Stage requires careful management of resources—don't spread yourself thin
- Financing sources:
  - Self
  - Family/friends
  - Loans/grants
  - Angel investors
  - Venture capital



# Growth

- Customer base, market presence, revenues growing, likely facing competition
- Need to formalize business operations to keep up with growth
- Many new issues competing for attention
- Ideal NABEC Client
- Financing:
  - Bank loans
  - Working capital
  - Reinvested profits
  - Partnerships



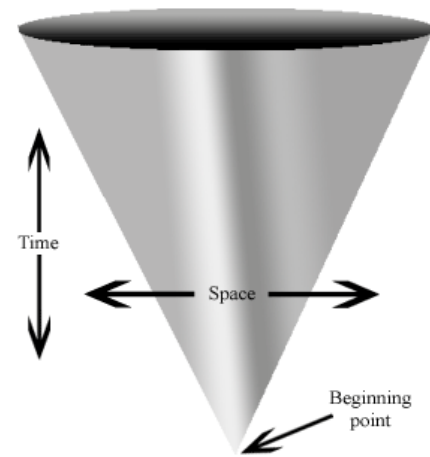
# Established

- Developed business
- Solid customer base, steady profits, but slower growth
- Danger of resting on laurels
- Focus should be on productivity
- Financing:
  - Banks loans
  - Profits
  - Partnerships
  - Investors



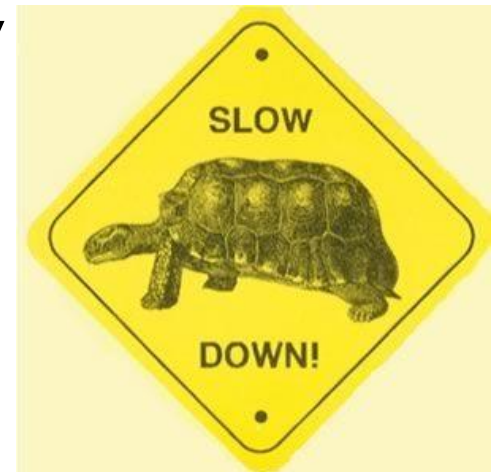
# Expansion

- Renewed period of growth, movement into new markets
- Challenge: thinking like a seed/start-up despite established record
- Expansion should be strategic
- Financing:
  - New investors
  - Joint ventures



# Decline/Mature

- Business faced with unfavorable economic/market conditions, declining profitability
- Choice: expansion or exit
- Need to cut costs, seek new opportunities
- Financing:
  - Self/owners
  - Suppliers



# Exit

- “Cash out” on years of effort, or shut down business
- Exit can mean selling business, or passing to heir
- Develop transition plan



# On stages

- Not all business experience all stages
- Order may vary
- Many businesses do not fit the mold exactly
- Each phase brings new opportunities, challenges
- Main point: business success often depends on ability to adapt to life cycles

# Contact

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