

BUSINESS CONNECTIONS

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Big help is available to guide
small businesses to success



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BUSINESS CONNECTIONS

Business Connections is a quarterly publication of SkyLine/SkyBest created for our business customers. As a local, member-owned cooperative, SkyLine Membership Corporation was established in 1951 to bring telephone service to rural residents of Alleghany, Ashe and Watauga counties. Today, SkyLine is the second-largest of eight telephone cooperatives in North Carolina. In 1998, SkyLine established SkyBest Communications, Inc. as a wholly-owned subsidiary to assume operations of SkyLine's deregulated businesses. Today, SkyLine/SkyBest provides a wide variety of telecommunications services—from basic dial tone services to advanced business systems and networking solutions.

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Small businesses may not have a large number of employees or big bottom lines, but they clearly play a huge role in our local economy. The North Carolina Rural Development Center notes that over 95 percent of small businesses in rural communities employ fewer than 50 people, and these companies account for most of the job growth in North Carolina over the past decade.

In this June issue of *Business Connections*, we spotlight the importance of small businesses and review some of the many resources available in this area to help entrepreneurs. On pages 4 and 5, you'll find an overview of the Appalachian Enterprise Center (AEC) in Boone, North Carolina. The AEC offers a broad range of services, including counseling and networking, to help emerging businesses get off the ground and continue growing. Be sure to take note of the free events available this month at the AEC.

Also in this issue are articles about general business topics of interest to companies large and small. You'll have a look at the key characteristics of consumers in different generations, tips on how to protect against ID theft, and ideas for building repeat business as well as strong teams.

Please let us know how SkyLine/SkyBest can help your business, whatever your size today, become what you want it to be tomorrow.

Sincerely,

Jimmy C. Blevins

Chief Executive Officer



Marketing to the Generations

Each unique group views your business through different eyes

How did your customers get to school when they were young? Did they walk three miles on country roads? Ride a bus and listen to AM radio? Or get a lift in mom's mini-van while playing a video game? The stories change from grandparent to grandkid, and these differences reflect important generational realities.

Sociologists have identified common traits found within groups born in specific time periods. The traits relate to social, political, economic and technological trends that shape the values, culture and norms of an era. According to generational study expert Chuck Underwood, generations are shaped by three key forces. First, many of our core values are formed between birth and age 20. During these formative years, what we learn and experience shapes our adult beliefs. Second, individuals who share common experiences in their formative years share core values and become a generation. Third, because of rapid changes over the past 100 years, unique generations have emerged.

In the U.S. today, there are four distinct generations of adults:

1. The Matures were born between 1912 and 1945 and make up about 15 percent of the population. They were influenced by the Great Depression, World War I and II, and a low-tech lifestyle. In general, the Matures are guided by respect for authority, cautious spending and strong family ties.

2. The Boomers were born between 1946 and 1965 and make up about 30 percent of the population. This is the



Keep the attitudes and priorities of the targeted generation in mind when crafting promotional messages.

largest generation ever recorded. They were influenced by economic growth following World War II and major social changes of the '60s. Boomers are guided by a sense of empowerment to change the system and a "buy now and pay later" purchasing philosophy.

3. Members of Generation X were born between 1966 and 1979 and make up about 18 percent of the population. They were influenced by issues such as drugs, divorce, economic challenges and AIDS. They also experienced major advancements in technology. Gen Xers are guided by realism which some view as skepticism, and a cautious approach to financial matters.

4. The Millennials (or Generation Y) were born between 1980 and 1999 and make up about 30 percent of the population. They are guided by changes in family structure, a highly social network of friends and an "earn it and spend it" financial outlook. Cell phones, the Internet and video games have played a significant role in the way they learn, work and interact.

For your marketing efforts to be most effective, keep the attitudes and priorities of the targeted generation in mind when crafting promotional messages. To find additional background on these different groups, do a site search of "generations" at www.pewresearch.org.



Appalachian Enterprise Center

This Watauga County resource is a big help to small businesses

Are you thinking of starting a small business or trying to grow your existing one? The Appalachian Enterprise Center (AEC) in Boone, North Carolina, offers a comprehensive network of support resources for emerging businesses to help them succeed. These resources include:

- Fully furnished private workspaces for virtual and resident tenants
- Access to high-speed Internet and a multi-function digital copier
- Two conference rooms and community kitchenette
- Advisory board members
- Business counseling services
- Daily networking opportunities with other entrepreneurs

“The idea behind the AEC is to have a growing, vibrant community of entrepreneurs under one roof,” says director Don Wood. He adds, “It serves as a place for entrepreneurs to

connect with business professionals who make it their priority to help entrepreneurs start and grow sound, profitable businesses.”

Started in 2008, the AEC is a partnership with Watauga County, The Committee of 100 (supported by SkyLine) and Appalachian State University. Also contributing their talents and experiences to the AEC are two anchor tenants with offices in the building—the Small Business Technology and Development Center (SBTDC) and SCORE, a nonprofit organization known as the “Counselors to America’s Small Business.” The SBTDC provides support for new and long-standing companies as well as advice on business issues. SCORE brings together professionals that volunteer to work individually with entrepreneurs on business challenges ranging from start-up questions to long-term planning. The SBTDC and SCORE, along with the ASU Energy Center and Appalachian

Small Businesses SCORE Great Advice

Asheville SCORE (Service Corps of Retired Executives), the local chapter of the national nonprofit association, maintains an office at the Appalachian Enterprise Center. Their mission is to educate entrepreneurs and promote the formation, growth and success of small businesses. SCORE is a resource partner with the U.S. Small Business Administration (SBA).

SCORE volunteers are business professionals with real-world knowledge who donate many hours as mentors to help growing businesses succeed. They guide clients through the step-by-step development of a new business idea into a start-up or help existing businesses turn a challenge or opportunity into a plan of action. The counseling offered by SCORE is free and confidential, and low-cost seminars for entrepreneurs are also presented periodically. Visit their website at www.score.org.

Regional Development Institute, are dedicated to promoting sound economic development and growing sustainable jobs in Watauga County.

Wood notes that the AEC has made other educational resources available. “The AEC hosted the NC LEAP clinic in 2008 to assist low-wealth entrepreneurs with their legal needs in starting or expanding their businesses through pro bono service by North Carolina

Thirsty for Business Knowledge?

The last Thursday of every month is “Thirsty Thursday” at the Appalachian Enterprise Center, 130 Poplar Grove Connector in Boone. You’re invited to participate on June 25 from noon to 1:00 p.m.—just bring your lunch and the AEC will provide the drinks. “Thirsty Thursday” gatherings feature a different topic each month, and this one will be about personnel and human resource issues pertinent to small- and medium-sized businesses. The AEC also invites interested entrepreneurs to stop by Wednesdays from 8:00 to 9:00 a.m. for coffee, conversation and a tour of the facility.

AEC offers an ongoing schedule of workshops devoted to networking, sharing and learning. Upcoming events include:

Go Green Series for Small Business

June 4, 6-7 p.m.

Tax Benefits for Going Green

June 18, 6-7 p.m.

Green Updates for your Home/Business

Thirsty Thursdays

June 25, 12-1 p.m.

Boone SCORE On-Site Business Evaluations—What we’ve learned and how SCORE can help you.

For more information, please visit www.appalachianenterprisecenter.com.

lawyers. A series of workshops were also offered through the ASU Center for Entrepreneurship and Small Business Center at Caldwell Community College on how to start a business. And early in 2009, we opened our Professional Services Advisory (PSA) office to serve small and emerging businesses in the area. The PSA provides opportunities for individuals to meet with professionals in the community, such as accountants and business leaders, who volunteer their time to discuss entrepreneurial issues. An individual may have two free meetings using the PSA,” Wood explains.

The resources and programs offered through the AEC have served more than 150 businesses and individuals during the past year. Two current tenants in the AEC are Digital South



Media Group (DSMG) and Mountain TV Guide. DSMG is a full-service production and web multi-media agency offering professional multi-media communications solutions. Mountain TV Guide is a tourism-focused online multi-media company serving the High Country and other markets. Wood says, “These are just examples of the businesses that find the AEC appealing as a place to grow under the guidance of our incubation program.”

Small Businesses are Vital to Rural America and Incubators are Vital to Small Businesses

According to a study done by the Center for the Study of Rural America, small businesses are the backbone of rural communities. The study found that small businesses accounted for 90 percent of all rural establishments and employed more than 60 percent of rural workers while generating over 50 percent of rural payrolls. The North Carolina Rural Development Center notes that over 95 percent of small businesses in rural communities employ fewer than 50 people, and these companies account for most of the job growth in North Carolina over the past decade.

Small businesses are seen as so crucial to rural communities that the U.S. Department of Agriculture established the Rural Policy Research Institute Center for Rural Entrepreneurship in 2001 to promote this means of

economic growth and stimulate private-public entrepreneurship development. The North Carolina Rural Development Center was established in October 2003.

Incubation programs, such as the Appalachian Enterprise Center, are highly effective at improving the odds that new businesses will continue to operate. A National Business Incubation Association (NBIA) study reports that 87 percent of incubator startups are still in business after 10 years, compared to a survival rate of only 44 percent of non-participants after four years in business. The counseling, networking and educational resources of incubation programs help entrepreneurs avoid the common pitfalls such as an inadequate business plan, poor internal controls and failure to change with the times.

Help Protect Against ID Theft

Create a plan to safeguard your business and your customers

Identity theft is a big problem that just keeps getting bigger. But it's not just a consumer problem. Businesses also feel the impact from fraudulent use of credit cards, checks and other account transactions. Combined, the Federal Trade Commission (FTC) estimates that businesses and consumers lose over \$50 billion each year due to ID theft.

For companies, the impact goes beyond immediate financial concerns. If your customers' information is stolen as a result of doing business with you, they may have difficulty trusting you in the future. A high level of publicity can make the situation even worse.

Therefore, protecting the personal information of your customers is critical. With new technologies making it easier for criminals to steal information, all types and sizes of businesses are at risk. For example, keylogging software allowed thieves in recent years to capture valuable usernames and passwords in several locations of a major copy center chain. In another case, a restaurant employee used a simple electronic device to "skim" customers' credit card numbers.

What can you do to help protect against ID theft at your business? Here are some guidelines:

Make necessary notifications.

Inform law enforcement if you ever suspect a compromise to your system's security. Additionally, talk to law enforcement about the best time to notify individual customers involved, as well as related banks or credit card issuers, so they can monitor accounts for fraudulent activity.

If you need it, keep it secure.

Keep hard copies with personal information for employees and customers locked up when you're not using them. If you're a retailer, turn computer monitors away from public view, and don't ask customers to give their phone numbers and Social Security numbers out loud where others can hear them. Instead, have them write any necessary information down, then dispose of it appropriately.

Don't keep it longer than you need it.

If you need information just once, don't just file it away—destroy it with a paper shredder. This includes things like job applications for those you don't hire, since these forms typically have Social Security numbers on them.

When employees leave, make changes.

You may want to consider changing locks or entry codes, as well as computer and network passwords, to increase security.

If you don't need it, don't collect it.

When your business gathers customer data for marketing purposes, don't ask for more than you really need. The more information you have, from e-mail addresses to mailing addresses to dates of birth, the greater the temptation for potential identity thieves.

For more information on identity theft prevention, visit the FTC website at www.ftc.gov/idtheft.





Are You a Team Player?

Successful businesses recognize the importance of strong teamwork. When members of various departments work together cohesively to achieve common goals, both the company and its staff members will thrive. You can look forward to benefits including improved morale, an enhanced sense of shared purpose and greater accountability.

What does it take to be a strong team player? To make sure you and your employees are taking full advantage of the opportunities offered by a teamwork philosophy, follow these guidelines:

- Openly contribute your ideas and solutions, and value the ideas of others.
- Recognize and respect various team members' differences.
- Listen closely, without judgment or skepticism.

- Ask questions and clarify details.
- Keep commitments—whether it's meeting a deadline for a specific responsibility or showing up on time for a team meeting.
- Stay flexible when priorities or strategies change, and maximize any opportunities to make a positive impact.
- Be sincere about your ownership in the team and its outcomes.
- Strive for “win-win” solutions.
- Share credit for successes, and don't blame individuals for things that go wrong.
- Keep the lines of communication open.
- Have fun!

By creating a work environment with a positive team approach, you'll have happier employees—and very likely, a healthier bottom line.

Keep Customers Coming Back

Repeat customers are the foundation for success. According to the National Federation of Independent Business, most retailers should receive between 25-50 percent of their business from repeat customers. Service businesses (such as those offering landscaping or architectural design) need to have approximately 75 percent of their business from steady clients. How can you foster customer loyalty and increased patronage? Consider these tried-and-true incentives:

1. Set up some type of frequent business program that rewards people for their repeat business.
2. Communicate with repeat customers on a regular basis through letters, e-mails or phone calls. People like to feel appreciated.
3. Offer extra services, such as free delivery or more liberal return policies, for repeat customers.
4. Invite repeat customers to shop for sale items a day before the sale is announced or run special sales events exclusively for repeat customers.
5. Give referral rewards for every new customer that a repeat customer sends to you.
6. Most importantly, make sure that your staff recognizes your company's repeat customers and works to make them feel special. When customers feel valued, they'll go out of their way to do business with you and recommend you to friends.



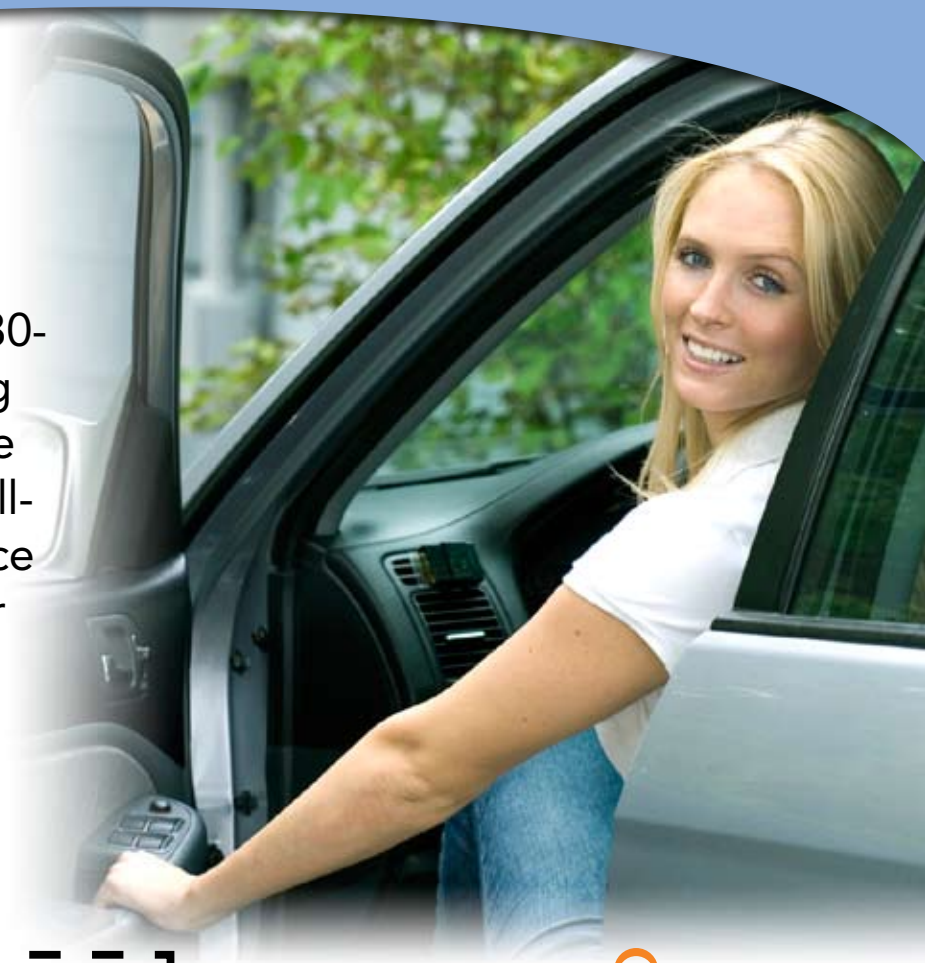
Test Drive a Calling Feature

Some things you just have to test drive to know if it's right for you. So, for a limited time, SkyLine/SkyBest is offering a 30-day, risk-free trial of the calling feature of your choice. Choose from more than 20 popular calling features like Caller ID, Voice Mail with e-mail notification or even User Transfer!

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