



12-2006

Making the Connection: Engaging the Small Business Administration and Government Minority Programs to Develop an Electrical Contracting Business Model for Native American Entrepreneurs

Eric S. Bruguier

[How does access to this work benefit you? Let us know!](#)

Follow this and additional works at: <https://commons.und.edu/theses>

Recommended Citation

Bruguier, Eric S., "Making the Connection: Engaging the Small Business Administration and Government Minority Programs to Develop an Electrical Contracting Business Model for Native American Entrepreneurs" (2006). *Theses and Dissertations*. 6290.

<https://commons.und.edu/theses/6290>

This Independent Study is brought to you for free and open access by the Theses, Dissertations, and Senior Projects at UND Scholarly Commons. It has been accepted for inclusion in Theses and Dissertations by an authorized administrator of UND Scholarly Commons. For more information, please contact und.common@library.und.edu.

MAKING THE CONNECTION: ENGAGING THE SMALL BUSINESS
ADMINISTRATION AND GOVERNMENT MINORITY PROGRAMS TO
DEVELOP AN ELECTRICAL CONTRACTING BUSINESS MODEL FOR
NATIVE AMERICAN ENTREPRENEURS

by

Eric S. Bruguier
Bachelor of Science in Manufacture Technology
Montana State University-Northern
1998

An Independent Study

Submitted to Dr. Lynda Kenney

of the

University of North Dakota

in partial fulfillment of the requirements

for the degree of

Master of Science in Industrial Technology

Grand Forks, North Dakota
December
2006

The following information is provided for informational purposes only. It is not intended to constitute an offer of insurance or any other financial product. Please contact your agent for more information.

Copyright 2006 Eric S. Bruguier

This independent study, submitted by Eric S. Bruguier in partial fulfillment of the requirements for the Degree of Master of Science in Industrial Technology from the University of North Dakota, has been read by the Advisor under whom the work has been done, and is hereby approved.

Lynda Kenney
Advisor

PERMISSION

Title: Making the Connection: Engaging the Small Business Administration and Government Minority Programs to develop an Electrical Contracting Business Model for Native American Entrepreneurs

Department: Industrial Technology

Degree: Master of Science

In presenting this independent study in partial fulfillment of the requirements for a graduate degree from the University of North Dakota, I agree that the library of this University shall make it freely available for inspection. I further agree that permission for extensive copying for scholarly purposes may be granted by the professor who supervised my independent study work or, in her absence, by the chairperson of the department or the dean of the Graduate School. It is understood that any copying or publication or other use of this independent study or part thereof for financial gain shall not be allowed without my written consent. It is also understood that due recognition shall be given to me and to the University of North Dakota in any scholarly use which may be made of any material in my independent study.

David A. Brugnier

Signature

8-16-06

Date

TABLE OF CONTENTS

ACKNOWLEDGEMENTS	vi
ABSTRACT	vii
CHAPTER	
I. INTRODUCTION	1
II. LITERATURE REVIEW	7
III. METHODOLOGY	21
IV. BACKGROUND	29
V. DISCUSSION OF DATA	55
VI. SUMMARY, CONCLUSION, AND RECOMMENDATIONS	90
LIST OF REFERENCES	98

ACKNOWLEDGEMENTS

The author expresses sincere appreciation to faculty advisor Dr. Lynda Kenney, and Becky Bohlman, administrative assistant, of the Department of Technology, and Mikki Kozel, program coordinator, of American Indian Student Services. Their cooperative advice, suggestions and support were significant in the writing of this Independent Study. The author would also like to thank family and friends for their support throughout his Master's program.

ABSTRACT

Native American entrepreneurs experience numerous obstacles when attempting to establish profitable businesses. Therefore, the purpose of this study is to explore how the Small Business Administration can assist Native American entrepreneurs with the minority programs that are established under the Small Business Act. More specifically, the study addresses how to utilize the Small Business Administration and government minority programs to develop a business model for Native American entrepreneurs who intend to establish electrical contracting businesses.

CHAPTER I
INTRODUCTION

Introduction

For the majority of Native Americans today, working consists of performing services for their perspective tribes in exchange for a regular pay check with little or no benefits. However, there is a group of Native Americans who choose their own destination. They are determined to become entrepreneurs and start their own businesses on or off the reservation. To help assist Native American entrepreneurs who are socially and economically disadvantaged, the Small Business Administration (SBA) provides minority programs, (www.sba.gov). Some of the programs are 8(a), HUBZone and the Small Disadvantage Business and Mentor-Protégé Program. Because Native American entrepreneurs experience barriers in locating and understanding the plethora of government programs available, it is important to develop useful business model. More specifically, this business model will be created to assist Native American entrepreneur's who are interested in starting their own electrical contracting business. In order to qualify for government programs, Native American entrepreneurs must have a better understanding of today's minority programs to achieve business and economic success. In addition, they must meet the social and economic disadvantaged criteria. This is where the Small Business Administration can help provide the specialized training, counseling, marketing assistance, and high-level executive development and resource partners' firms to Native American entrepreneurs

www.sba.gov/8abd/indexprograms.html).

The Small Business Administration's size standards are generally defined under the North American Industrial Classification System (NAICS), where it states, a "business entity is small and eligible for government programs and preference reserved for small business concerns" (www.sba.gov/businessop/standards). An SBA search results show that eight electrical contracting firms are owned by Native Americans. The firms are currently classified under the following programs: 8(a), Small Disadvantaged Business, and HUBZone certified under the North American Industrial Classification Systems (www.census.gov/epcd/naics02/def/ND238210.htm).

As the research demonstrates, electrical contracting for Native American entrepreneurs does indeed have opportunities in the government sector. Therefore, nearly three-fourths of the electricians who work for building contractors are self-employed. Electricians held about 656,000 jobs in 2004 and a large number of those electricians are expected to retire over the next decade, (www.bls.gov/oco/ocos206.htm). Employment of electricians is expected to increase as fast as the national average for all occupations through year 2014 (www.bls.gov/oco/ocos206.htm). In May 2004, the median hourly earnings in the industries employing the largest numbers of electricians were as follows:

1. Motor vehicle parts manufacturing	\$30.04
2. Local government	\$22.24
3. Nonresidential building construction	\$19.99
4. Building equipment contractors	\$19.76
5. Employment services	\$15.62

However, increased job opportunities for electricians in electrical contracting firms should partially offset job losses in other industries. A number of electricians are members of the International Brotherhood of Electrical Workers (www.bls.gov/oco/ocos206.htm).

Statement of Purpose

The purpose of this study is to develop a business model that utilize the Small Business Administration and government minority programs for Native American entrepreneurs who intend to establish electrical contracting businesses. Therefore, this study will integrate SBA minority programs and electrical contracting opportunities in the government sector.

Abbreviations and Definitions

This study will include abbreviations and definitions which will provide the reader with a better understanding of the topic. The Minority Business Development programs are provided through the Small Business Administration, derived from the Code of Federal Regulations.

Abbreviations

Department of Defense: DOD

International Brotherhood of Electrical Worker: IBEW

Mentor-Protégé: M-P

Native American: NA

National Electrical Contractors Associations: NECA

North American Industrial Classification System: NAICS

Small Business Administration: SBA

Small Disadvantaged Businesses: SDB

Definitions

The North American Industrial Classification System (NAICS) was developed by the U.S., Canada, and Mexico to provide comparable statistics across the three countries. Once created, the government and business analysts were able to compare industrial production statistics collected and published in the three North American Free Trades Agreement countries (www.sba.gov/businessop/standards/naics.html).

The 8(a) Business Development program is designed to assist eligible small, disadvantaged business concerns to compete in the American economy through business development. Participants receive a program term of nine years from the date of the SBA's approval letter certifying the applicant's admission to the program ([www.sba.gov/8\(a\)](http://www.sba.gov/8(a))).

The Federal HUBZone program was implemented to direct a portion of Federal procurement dollar to businesses that are located in and employee residents of historically underutilized business zones (www.sba.gov/hubzone).

Small Disadvantage Business: A firm may qualify as a Small Disadvantaged Business if they meet the criteria of social and economic disadvantage including the requirements of ownership and control, and disadvantaged status (www.sba.gov/sdb/indexaboutsdb.html).

The Mentor-Protégé program enhances the capability of 8(a) participants to compete more successfully for federal government contracts. The mentors provide technical, management, and financial assistance in performing prime contracts through joint venture arrangements with 8(a) firms (www.sba.gov/8abd/mentorfactsheet.html).

Justification of Study

A review of the literature addresses SBA regulations that affect one's knowledge about how the government operates its programs. Utilizing the SBA and minority programs to assist Native American entrepreneurs is important to local, regional, and global community's effective business development to enhance economic development.

Guiding Research Questions

The major research question for this study is: How can the SBA and government minority programs better enable opportunities for N.A. electrical contractors in the government sector? This question relates to the mixed methods approach because it is broad and open ended, allowing for more opportunities to emerge as the study develops into a research paper.

Additional research questions are:

1. What types of assistance may be provided by the Small Business Administration?
2. What are the requirements to become an 8(a), Small Disadvantage Business, HUBZone, and Mentor-Protégé firm?
3. How can Native American entrepreneurs find and tap into the right market niche?
4. How can Native American entrepreneurs become electrical contractors?

Benefits of Research

This study will provide a better understanding of today's SBA Programs and assist N.A. entrepreneurs, who are socially and economically disadvantaged, to achieve business and economic success. The study will illustrate how the SBA can provide the

specialized training, counseling, marketing assistance, and high-level executive development and resource partners' firms to Native American entrepreneurs (www.gov/8abd/indexprograms.html).

In addition, this study will acknowledge the commitment that the SBA provides to minority firms to maintain a balance between their commercial and government businesses. If the study holds true, it will assist Native American entrepreneurs involved with the minority programs in starting and thriving in their own businesses, doing a significant amount of business in the government sector. The overall benefit is to create a model that will help others to thrive in a competitive business environment.

CHAPTER II

LITERATURE REVIEW

Introduction

In recent years, Native American entrepreneurs must overcome barriers, problems and obstacles that are no different than those facing other minority businesses. Native American-owned businesses have had to be even more dynamic than non-minority-owned businesses. Because prospective Native American entrepreneurs often lack the necessary business knowledge and skills to successfully start a business, Indian country desperately needs Native American entrepreneurs to develop a viable business model plan. Any successful business model plan must understand the plethora of government programs available; it is important key to developing an electrical contracting business model that will reduce startup barriers.

Native American Entrepreneurs

According to Garsombke and Garsombke (1998), the typical Native American entrepreneur has only some education beyond high school, whereas non-native entrepreneurs are more often college educated. Therefore, the issue of poverty may account for these low levels of Native American entrepreneurship, and may contribute to a pervasive cycle of discouragement. Native American entrepreneurs experience many barriers to overcome as well as access to various resources. Despite the current minority programs in place there is a great need for improvement.

According to the most recent U.S. Census data, "Native Americans owned and started the fewest small businesses of all minority groups in the United States," with only 1 in 100 Native Americans identified as a business owner, (Garsombke and Garsombke, 1998, p.1). The poverty rate among Native Americans is impacted by the drastically high level of unemployment, which ranges from 65 to 80 percent on the reservations, as compared to 5.6 percent as a whole in the United States. Research shows that Native American entrepreneurs need particular programs such as continuing education; policies that endorse tribal self-determination; mentoring programs; and business role models for young Native American entrepreneurs. Senator Tim Johnson stated in his introduction of the Senate Bill 2335, "without adequate assistance for entrepreneurs, the economic limitations facing Native American communities will persist" (Johnson, 2002, p. 3). The United States Government needs to promote treaty responsibilities, and non-Natives need to understand the complexities of Native Americans situation on the reservations as a whole.

Attributes of entrepreneurs were identified from the *Ivey Business Journal* website, which serves to "provide business executives with the current and best thinking on the practice of management" (Hatch & Zweig, 2000, p.1). According to a study by Hatch and Zweig (2000), the majority of working people perform services for an employer in exchange for a regular pay check. However, there is also an indication that some people have dreams of being different from other groups of people in the world. The study shows, these entrepreneurs feel the need to be successful in the global market. They had a set of interrelated characteristics in common that include risk tolerance, the desire for control, a strong will to succeed, perseverance and decisiveness. This research

also indicated that a significant number of entrepreneurs worked at large corporations and gained their expertise before venturing out into their own businesses (Hatch & Zweig, 2000, p. 5). According to Hatch and Zweig (2000) entrepreneurs gained wisdom overtime which put their business ideas into practice and also requires some combination of insight, a readiness to act, a core skill and a healthy dose of luck. Native American entrepreneurs also face another obstacle to success and this fallacy that all tribes have unlimited access to resources through tribal gaming.

According to the National Indian Gaming Commission, Indian gaming tribes are generating roughly \$10 billion in business revenues; however this is not shared throughout Indian country (Pages, 2002, p. 1). A number of Native American entrepreneurships are being disapproved because the notion that Native Americans are only involved in gaming. It is still a common fact that, the remaining tribes face challenges to overcome the high unemployment rates that remains on many reservations. Finally, Native Americans still lag behind other ethnic groups in measures of college attendances and completion of high school degrees. Recent U.S. Census data indicate that Native American-owned businesses have doubled in numbers between 1992 and 1997, but Native American support groups contend these figures greatly overstate the numbers of Native American-owned businesses on and off the reservations (Pages, 2000, p. 2).

The research for the Native American Entrepreneurship Report was conducted in order to examine the extent of entrepreneurial activities and identify the needs in Indian country (Adamson & King, 2002, p. 4). Adamson and King (2002) reports indicates the problem with Native American entrepreneurs is that they are typically lacking education

and experience about business. Many areas of weakness were researched and identified such as the limited knowledge regarding marketing, general business practices, writing a business plan, and completing a loan packet. The report also stated the majority of the programs providing non-financial services were approximately 80% dependent on federal funding sources for their operations (Adams & King, 2002, p. 6). The lending programs were broken down into lending capital, a loss of reserves, and general administration and overhead cost. Programs need at least a 0 to 3 percent to cover overhead cost (Adamson & King, 2002, p. 4). Native American entrepreneurs need a strong business educational background, and a specialization service to prepare for business markets, as well as access to lending opportunities. Native Americans entrepreneurship was virtually unheard of in the past. As more Native Americans gain this knowledge and skills, the number of Native-owned businesses is sure to increase overtime.

SBA Administrator Hector V. Barreto said, "The SBA is dedicated to creating an environment in which Native American-owned businesses have every opportunity to thrive" (Hensley, 2004, p. 1). New initiatives are awarded for new partnerships with American Indian tribal government, tribal colleges, Native American organizations, federal agencies, and the private sector which help to provide economic growth for tribes. The SBA has also created partnerships within the interagency of the federal government, and the agreements will help to develop and implement small business offices throughout Indian country (Hensley, 2004). Lastly, there is an indication that SBA is lacking federal dollars to help with economic development in economically depressed areas.

Small Business Administration

The Code of Federal Regulation (CFR) provides the codification of the general and permanent rules in the Business Development / Small Disadvantaged Business Statutes Determination (<http://www.sba.gov/library/lawroom.html>). The CFR is the ultimate reference source for the Small Business Administration (SBA) programs. SBA's size standards are generally defined under the North American Industrial Classification System, where it states, a "business entity is small and eligible for government programs and preference reserved for small business concerns"

(www.sba.gov/businessop/standards). As the research demonstrates, that SBA was going through some streamlining to provide better comprehensive programs. The agency recognizes the need to change the regulations, management culture, organizational structure and business practices to improve the quality and efficiency of SBA. Former President Bill Clinton (1995) anticipated changes through a comprehensive program of cost reduction, consolidation, centralization and relocation. The SBA proposes to reduce its annual budget 29% below the 1996 budget request, and save the taxpayer \$1.2 billion over the next 5 years (President Clinton, 1995, p. 12). SBA is streamlined to provide adequate benefits in the private market; access to capital to start and expand small business; quality of education and training to develop; expand or maintain a business; effective advocacy to reduce paperwork and burdensome regulations and increased access to federal contracts opportunities and access to capital to rebuild after disasters (President Clinton, 1995, p. 10).

In 2002, Senator Tim Johnson was assigned to vice-chairman of the Indian Affairs Committee in Washington D.C. Senator Johnson proposed Bill 2335 to the senate

floor; the bill would provide adequate programs for Native American entrepreneurs at the Small Business Administration Office. The Vice-Chairman stated that Native American communities continue to struggle with social, economic and cultural repercussions from persistent and pervasive poverty and unemployment (Senator Johnson, 2002, p. 1). The bill also called for establishment of the Native American Development Program and the Office of Native Administration office. Bill 2335 will provide the adequate tools and necessary support for Native American entrepreneurs to succeed in creating new jobs; providing new services; and securing a higher quality of life for their families and communities, (Senator Johnson, 2002, p. 5).

Today entrepreneurs must also research the global markets before developing a business plan to provide a product to the market place. Finding a market niche is the focus for a Native American entrepreneur. A market niche may be broad in scope for any one business, although the large corporations can tackle it successfully. When researching a new niche market, one must consider the results of a market survey. The survey should indicate the areas in which of the competitors are already firmly established in the global market place (www.sba.gov/findniche.html). The new niche must not conflict with the business plan or strategies to find the right configuration of product, services, quality and price for the market place. The SBA database can help sort through the marketing information and reveal particular segments that might not be seen otherwise (www.sba.gov/findniche.html).

Government Minority Programs

SBA provides minority programs that are established under the Small Business Act such as: 8(a) Business Development Program, Small Disadvantaged Business (SDB),

HUBZone, and Mentor-Protégé programs. All the programs are interrelated to provide support for the Native American entrepreneur.

SBA provides 8(a) Business Development Programs which assists Native American entrepreneurs and small business companies that is socially and economically disadvantaged. Native American entrepreneurs are eligible for federal contracting set-asides and other business programs' which help to support a business gain access to the economic growth market. A participant receives a program term of nine years from the date of SBA's approval letter certifying the business's admission to the program (SBA, 2003, p.29). SBA offices are located in all 50 states.

The Small Disadvantaged Business certification was created as an engine that aids a small company owned and operated by socially and economically disadvantage individuals who meet the criteria for SDB eligibility. Certified businesses may receive a credit adjustment of 10% within a federal contract proposal in certain industries (SBA, 2003, p. 28). Under the new federal procurement regulations, the SDB's certification is designed to ensure that the benefits used in the federal programs are fair and effective according to the U.S. Supreme Court's 1995 Adarand court decision (SBA, 2003, p. 1).

The purpose of the HUBZone program is to encourage economic development in historically underutilized business zones that were established under the federal contract award preferences for qualified companies located in such areas. To qualify, a small business generally must be located within a HUBZone, and must be owned by U.S. citizens. It must also have at least 35% of its employees living within the zoning area (SBA, 2003, p. 24). A HUBZone is an area that qualifies for programs such as; a qualified census tracts or non-metropolitan county with income of less than 80% of the

state median household income (SBA, 2003, p.24). Finally, any small business seeking to remain on the list must recertify every three years to the SBA and the business must remain in a qualified HUBZone. The HUBZone program qualified the lands within the boundaries of federally recognized Indian reservation (SBA, 2003, p. 24).

As indicated the SBA provides a number of programs opportunities for Native American entrepreneurs. The final program worth mentioning is the Mentor-Protégé program. Mentors are usually graduates of the 8(a) program and provide technical assistance and contract opportunities to the protégé; in return, the protégé is fulfilling the supply needs of the federal government contracts. The Mentor-Protégé program was developed to encourage approved mentors an opportunity to provide technical assistance to eligible 8(a) participants as their protégés. The program's mission is to increase capabilities of the protégé and to have the resources to successfully compete for federal contracts. The consensus is that the program has been positive, constructive and useful in building stronger business relationships, elevating small business firms to a higher level, transferring technology, and fulfilling the supply needs of the federal government contracts (http://www.acq.osd.mil/sadbu/mentor_protege/overview/index.html).

Union & Non-Union Comparison

According to the U.S. Constitution and the American Workforce, the working people of the United States have the right to freedom of assembly, the freedom of speech and the freedom to form a union. Congress introduced the Employee Free Choice Act of 2005; the Act would ensure that the majority of employees in a workplace decide to form a union; they can do so without the debilitating obstacles employers now used to block workers' free choice (Lazarovici, 1999-2005). Union workers earn an average of 28%

more than workers without unions and are likely to have health and pension benefits, according to the U.S. Department of Labor (Lazarovici, 1999-2005). In March 2005, 92% of union workers in the private sector had access to medical insurance through their jobs, compare with 68% of non-union workers, according to the Bureau of Labor Statistics (Lazarovici, 1999-2005, p. 2).

In research conducted by Daneshgari (2004) determined that the convoluted expectations and regulations of the labor union area an added cost without providing any benefit to the stakeholders. With an open shop, the contractor provides a higher level of freedom and lower cost on overhead. This study is both provocative and essential for the growth of union electrical contractors. Daneshgari (2004) verified some of the myths and perceptions in the industry; this study was about the main impact of operation cost differences between union and non-union operations. The author found that it is not the labor that is uncertain, but it is the management of labor. Therefore, better management practices can only be achieved by a collaborative approach between union contractors and International Brotherhood of Electrical Workers (IBEW) to increase profitability and productivity (Daneshgari, 2004, p. 33). This study illustrates that the impact of various factors can be ranked with the operational model that starts at the top such as:

1. Operational model
2. Labor management and cost
3. Labor hiring, training and loyalty
4. Procurement
5. Office support
6. Crew ration

7. Application of prefabrication

8. Composite crew mix

Over the decades, union had strong strategic alliances with corporations which face new challenges in the 21st century. The union faces many challenges that are in the new millennium. Appelbaum & Hunter (2003) consider the problem of corporate governance, which means to review the term strategic partnerships between management and labor. This paper reviews workforce participation in strategic decisions, those that affect the basic direction of the company when workforce interests are represented collectively through union. In the U.S., teaming relationships are negotiated with union-management partnership contracts and union representation on corporate boards. The research paper shows that unions face a range of challenges in constructing relationship that extend possibilities of effectiveness representation of workers' interests (Appelbaum & Hunter, 2003).

How can the union look for answers when they did not ask the questions. The labor union must complete an analysis of why things continue to fail for the organizations. According to Lerner (2002), unions are looking for answers that are affecting the rebuilding and reorganizing of the labor movement all working families in U.S.A. Unions and the U.S. Labor movement had continued their historic decline in terms of membership and density, under a democratic president and in a booming economy. With a republican president, the union must now figure out how to rebuild numbers because of the war, budget deficits, public service cuts and the continued exporting of union manufacturing jobs (Lerner, 2002). Union working people need to

raise some of the questions and to suggest some answers that will help them to rebuild and exercise their power.

New research on union strategies is providing a new breath of fresh air that presents a unique opportunity to conduct a critical analysis on decline membership and power. According to Bronfenbrenner, Friedom, Hurd, Oswald & Seeber (1998), the research analysis will support the declining working families in the corporate America. The authors show a significant shift in shaping the labors movement, our system of industrial relations and the fate of the American union workers for a generation to come. Union Leaders can analyze the information to aid them in their current organizing efforts and at the same time, can be used as the foundation for the future research (Bronfenbrenner, Friedom, Hurd, Oswald & Seeber, 1998).

The working people are used for profit in corporate America. The union must survive the take over in corporate America. The union must push for reform in the political arena against the corporation. Tillman & Cumming (1999) suggests that the transformation of U.S. Unions expresses a lot of sentimental values toward labor unions while corporate America is pushing its "profit over people" agendas. The authors believe that transformation in U.S. Labor is desperately needed if the labor movement is to survive into the new millennium. The labor movement has to take charge within the organization, with the reform pushing an agenda for union democracy and social unionism to counter the economic and political dominance of transnational corporations (Tillman & Cumming, 1999). Then, perhaps, the reformers can find a way for social and business unionism to coexist while labor tries to revitalize itself; they can help the cause

of union democracy and social justice get moving again on the road to democratic transformation (Tillman & Cumming, 1999).

American Federation of Labor-Congress of Industrial Unions (AFL-CIO) supports the working families in America. The organization fights hard with Congress, state legislatures, city hall, the courts and other government agencies. Becoming a union is like changing religions for some the non-union contractors who are being helped to see the light by signing them up as an International Brotherhood of Electrical Workers (IBEW) card carrying member (<http://www.dpeaflcio.org/faq.htm>). By joining the union organization, the profits benefit the co-workers to insure meaningful negotiations with management for an equitable contract. Today's AFL-CIO listen to members about their concerns, pursue a working family's agenda, inform members about current issues and let members know whether their public officials are helping or hurting working families (<http://www.dpeaflcio.org/faq.htm>).

Corporate America must educate the working man. The working man must support the non-union shop. The business world must treat all employees fairly. The corporations are pushing to break the backbone of unions and sustaining a non-union status companies. According to DeMaria (1974) who specializes in combating union organizational campaigns and in developing programs to keep companies operating in a union-free environment. Therefore, corporate America supports employees that vote against the union because employees feel that they are being fairly treated by the company, and that they do not stand to gain much by joining the union. The company must continue paying competitive wages and management support will continue to treat all employees fairly and maintain good working conditions (DeMaria, 1974).

Conclusion

In research conducted by Daneshgari (2004) determined that the convoluted expectations and regulations of the labor union area an added cost without providing any benefit to the stakeholders. For the majority of Native Americans today, working consist of performing services for their respective tribes in exchange for a regular pay check with little or no benefits. However, there is a group of Native Americans who choose their own destination. They are determined to become entrepreneurs and start their own businesses on or off the reservation. After my analysis is complete, I will design a business model—based on electrical contracting business. I anticipate that my research will result in a business model for Native American entrepreneurs, providing them with opportunities to start their own businesses with reduced barriers in locating and understanding government program.

The mixed methods approach supports the data that the infrastructure needs to create the structural design for this study.

Research Design

The mixed methods approach is the infrastructure to the structural design of this research. It has the advantage of including both quantitative and qualitative data in a single study that best understands the research problem. The mixed methods approach embraces the different knowledge claims, strategies of inquiry, and the method of data collection and analysis. Creswell (2003) states a knowledge claim means that researchers start projects with certain assumptions about how they will learn and what they will learn during their inquiry. The knowledge claims to have arisen from different types of inquiry such as postpositivism, constructivism, and advocacy/participatory and pragmatism. However, pragmatism opens the door to multiple methods, different world-views, and different assumptions, as well as to different forms of data collection and analysis in the mixed method study (Creswell, 2003).

In addition, strategies of inquiry provide specific direction for procedure in a research design because computer technology has pushed forward data analysis and the ability to analyze complex models (Creswell, 2003). The strategies of inquiry are the foundation structure that supports the mixed method approach that involves collecting and analyzing both quantitative and qualitative forms of data in a single study. In 1959, the first concept of mixing different methods originated with Campbell and Fiske, who used multiple methods to validate a study. After their study, researchers recognized that all methods have limitations and that biases inherent in any single method could neutralize or cancel the biases of other methods (Creswell, 2003). Alternatively, "On

method can be nested within another method to provide insight into different levels or units of analysis” (Tashakkori & Teddlie, 1998, p.13).

“Transformative procedures, in which the researcher uses a theoretical lens as an overarching perspective within a design that contains both quantitative and qualitative data. This lens provides a framework for topics of interest, methods for collecting data and outcomes or changes anticipated by the study. Within this lens could be a data collection method that involves a sequential or a concurrent approach” (Creswell, 2003, p. 16).

The mixed methods procedure considers the full range of possibilities for data collection in any study. The infrastructure design must be to organize these methods by their degree of predetermined nature, their use of closed-ended versus open-ended questioning, and their focus for numeric versus non-numeric data analysis. The researcher must choose the type of method based on whether the intent is to specify the type of information to be collected in advance of the study or to allow it to emerge from participants in the project (Creswell, 2003).

“Finally, a mixed methods approach is one in which the researcher tends to base knowledge claims on pragmatic grounds (e.g., consequence-oriented, problem-centered, and pluralistic). It employs strategies of inquiry that involve collecting data either simultaneously or sequentially to best understand research problems. The data collection also involves gathering both numeric information (e.g., on instruments) as well as text

collected and compiled utilizing a mixed methods approach. The research examined the SBA minority programs, the contracting opportunities in the government sector, and developed model for Native American entrepreneurs in an electrical contracting business. The research documents employed a variety of techniques to collect the data from the main resources, which intended on using a percentage of the data.

The content analysis indicated that most of the SBA programs favor small firms with the exception that minority programs favor Native American businesses. Those minority programs clearly benefit Native American small businesses more than non-Native American small firms because of the special language provided in the Code of Federal Regulations (CFR). A search of the SBA shows that only eight electrical contracting firms in the U.S. are owned by Native American entrepreneurs. As the research indicated, electrical contracting businesses owned by Native American entrepreneurs do indeed have opportunities in the government sector. The firms are categorized under the SBA as 8(a), SDB, and HUBZone by the NAICS. This study acknowledged the commitment that the SBA provides to Native American entrepreneurs in the form of resources such as specialized training, counseling, marketing assistance, and high-level executive development.

Therefore, this study resulted in the development of comprehensive model that integrated government minority programs and electrical contracting requirements to reduce Native American small business startup barriers. The study verified some of the myths and perceptions in the industry about electrical contractors. The impact of the SBA can be a driving force for Native American entrepreneurs who develop electrical contracting businesses by integrating government

minority programs. The overall benefit of this research was to create model that will help others to thrive in a competitive business environment.

The next step in the research was to categorize the relevant data to permit an estimation of the impact of each minority program on successful Native American businesses. The SBA programs are not limited to Native Americans; however, some special programs are set-aside to serve minorities such as:

- Government Contracting: The Small Business Act set the criteria for the SBA such as the number of employees, annual receipts, affiliates or other applicable factors. The minority business development programs are provided through the SBA and derived from the Code of Federal Regulations.
- NAICS: The North American Industry Classification System (NAICS) replaced the Standard Industrial Classification (SIC) system. The SBA is utilizing the NAICS for size standards in the industries.
- Size Standards: The term size standard describes the numerical definition of a small business which is considered small if it meets or is below an established size standard. However, the SBA's office can make appropriate changes that are more suitable for small business for Native Americans entrepreneurs.

8(a) BD Program: The 8(a) Business Development Program was created by the Small Business Act, which was established to help small disadvantaged businesses compete in the North American economy with access to federal contracting markets.

Individuals who

- are members of the following designated groups are presumed to be socially and economically disadvantaged: Native American, Eskimos, Aleuts and Native Hawaiians.
- Small Disadvantaged Business: The 8(a) firms automatically qualify for SDB certifications. The SDB certification strictly pertains to Federal contracting opportunities. The evaluation factors do not apply to 8(a) acquisitions, small business set-aside or contracts performed outside the U.S.
- HUBZone: In 1997, the Small Business Reauthorization Act created the HUBZone (Historically Underutilized Business Zone) empowerment contracting program in which the program provided Federal contracting preference to small businesses. The business office must be located within a HUBZone area, which includes lands on federally recognized Indian reservations.
- Mentor-Protégé: The Mentor-Protégé Program is designed to encourage approved mentors to provide various forms of assistance to eligible protégé participants. The purpose of the mentor-protégé relationship is to enhance the capabilities of the protégés; and to improve their ability to successfully compete for federal contracts.

Conclusion

The research paper will utilize a mixed methods approach that is infrastructure to the structural design of this research. This research utilizes both quantitative and qualitative methods to gather and analyze data. The majority of data was collected from

the Internet, books, journals, and magazines. The researcher identified a body of material to analyze and then created a system for recording the data in a specific format. The content analysis indicated that most of the SBA programs favor small firms with the expectation that minority programs favor Native American businesses.

The final step with proper planning and techniques can make the research successful. The understanding of the relationship which the model is rather complex in design and execution. I concluded that in the future, the business model will still be used in the government and commercial sector. It is my sincere desire that this paper will aid Native American entrepreneurs in understanding the complex world of the SBA and the electrical contracting business, and that the research can be utilized to help overcome the barriers to achieving business and economic success.

CHAPTER IV

BACKGROUND

History of SBA

Since the Small Business Administration (SBA) was officially established in 1953, the SBA programs have been in business over the past 50 years. The Reconstruction Finance Corporation (RFC) was the grandparent to the SBA before the Small Business Act of July 30, 1953. "The SBA has helped more than 20 million Americans start, grow and expanded their businesses – placing more than \$170 billion in direct or guaranteed loans into the hands of entrepreneurs" (<http://www.sba.gov/50/history.html>).

American history shows that the Great Depression and World War II (WWII) inspired the creation of the RFC, which was implemented by President Herbert Hoover in 1932 to alleviate the crisis of this great nation. The RFC was basically a federal lending program for businesses large and small that were hurt during the Depression and WWII. During war time, Congress created other organizations to handle small business concerns: the Smaller War Plants Corporation (SWPC) and the Small Defense Plants Administration (SDPA). After WWII, the organizations were dissolved by Congress; the programs were handed over to the RFC at that time. Shortly afterwards, the main causes of small-business failures were the lack of educational information and management counseling for individual entrepreneurs. By 1952, President Dwight Eisenhower and Congress proposed the creation of a new business agency – the Small Business

Administration. The next move was to abolish the RFC and turn all programs over to the SBA agency. Thereafter, Congress created the Small Business Administration under the Small Business Act of July 30, 1953, whose function was to "aid, counsel, and protect the interests of small business concerns, to preserve free competitive enterprise and strengthen the overall economy of our Nation" (<http://www.sba.gov/50/history.html>).

In 1954, the SBA created an incubator that gave direct business loans and guaranteed bank loans to small businesses, working to get government procurement contracts for small businesses and helping business owners with management and technical assistance, as well as business training.

For the majority of the past 50 years, the SBA has expanded its array of government programs tailored to encourage entrepreneurship. The SBA team is dedicated to the delivery of quality customer-oriented services including financial and federal contract procurement assistance, management assistance, and specialized outreach to women, minorities and veterans. In 1993, President Bill Clinton began streamlining the organization for the first time since the SBA's formation in 1953. The Clinton Administration renewed its emphasis on revitalizing the American economy and creating jobs. The agency program is continuing its efforts to streamline and to create an SBA that "works better and costs less" (President Clinton, 1995, p. 10).

In March 1994, the Clinton Administration emphasized in the "Performance Agreement" submitted by the Agency, the SBA's participation as a pilot agency under the Government Performance and Results Act of 1993 (GPRA). The Clinton Administration gave the SBA the following four goals: "(1) free up capital for investment in small businesses and work to end the credit crunch and create jobs; (2) eliminate

unnecessary paperwork and regulations that inhibit the growth and productivity of small businesses; (3) reinvigorate the SBA to construct a lean, highly motivated organization focused on the needs of small businesses; and, (4) be the 'eyes and ears' of the President for small businesses" (President Clinton, 1995, p. 10). The President announced on March 27, 1995, that the SBA was continuing their plan of action to reduce its annual budget 29 percent below the 1996 budget request and save taxpayers \$1.2 billion over the next five years (President Clinton, 1995, p. 10). In 2002, Senator Tim Johnson introduced Senate Bill 2335, and stated, "Without adequate assistance for entrepreneurs, the economic limitations facing Native American communities will persist" (Johnson, 2002, p. 3). Senate Bill 2335 which was passed by Congress, works to support and maintain SBA offices to provide business planning, marketing services and management assistance to Native American entrepreneurs.

SBA Online Support

The SBA program provides the following assistance online:

1) Small Business Administration

a) Starting

i) Startup Topics

(1) Finding a niche-

http://www.sba.gov/starting_business/startup/findniche.html

(2) Buying a business-http://www.sba.gov/starting_business/startup/buy.html

(3) Buying a franchise-

http://www.sba.gov/starting_business/startup/franchise.html

(4) Starting a business-<http://app1.sba.gov/survey/checklist/>

(5) Protecting your ideas-

http://www.sba.gov/starting_business/startup/ideas.html

(6) Product basics-http://www.sba.gov/starting_business/startup/basics.html

(7) Forms of ownership-

http://www.sba.gov/starting_business/legal/forms.html

b) Business Planning

i) Planning Topics

(1) Business plan basics-

http://www.sba.gov/starting_business/planning/basic.html

(2) Writing the plan-

http://www.sba.gov/starting_business/planning/writingplan.html

(3) Using the plan-

http://www.sba.gov/starting_business/planning/usingplan.html

c) Finance

i) Finance Topic

(1) Financing basics-

http://www.sba.gov/starting_business/financing/basics.html

(2) Estimating cost-

http://www.sba.gov/starting_business/financing/estimating.html

(3) Finding capital-

http://www.sba.gov/starting_business/financing/findcapital.html

(4) Applying for a loan-

http://www.sba.gov/starting_business/financing/applyloan.html

(5) Small business lenders-

http://www.sba.gov/starting_business/financing/lenders.html

(6) Understanding financial statements-

<http://www.sba.gov/managing/financing/statement.html>

d) Marketing

i) Marketing Topic

(1) Market basics-

http://www.sba.gov/starting_business/marketing/basics.html

(2) Marketing research-

http://www.sba.gov/starting_business/marketing/research.html

(3) Competitive analysis-

http://www.sba.gov/starting_business/marketing/analysis.html

(4) Marketing plan-http://www.sba.gov/starting_business/marketing/plan.html

(5) Ads & Public Relationship-

http://www.sba.gov/starting_business/marketing/adspr.html

(6) Trade shows-

http://www.sba.gov/starting_business/marketing/tradeshows.html

e) Employees

i) Employment Topic

(1) Finding employees-

http://www.sba.gov/starting_business/employees/finding.html

(2) Employees taxes-

http://www.sba.gov/starting_business/employees/taxes.html

(3) Employment law-

http://www.sba.gov/starting_business/employees/law.html

(4) Employee or contractor-

http://www.sba.gov/starting_business/employees/contractor.html

(5) Employee Benefits-

http://www.sba.gov/starting_business/employees/benefits.html

f) Taxes

i) Tax Topics

(1) EIN-http://www.sba.gov/starting_business/taxes/ein.html

(2) Payroll taxes-http://www.sba.gov/starting_business/legal/permits.html

(3) Federal Income tax-

http://www.sba.gov/starting_business/taxes/federal.html

(4) Self-employment tax-http://www.sba.gov/starting_business/taxes/self.html

(5) State taxes-http://www.sba.gov/starting_business/taxes/state.html

(6) Local taxes-http://www.sba.gov/starting_business/taxes/local.html

(7) Sales & use tax-http://www.sba.gov/starting_business/taxes/salesuse.html

g) Legal Aspects

i) Legal Topics

(1) Forms of ownerships-

http://www.sba.gov/starting_business/legal/forms.html

(2) Licenses and permits-

http://www.sba.gov/starting_business/legal/permits.html

(3) Business laws-http://www.sba.gov/starting_business/legal/buslaws.html

h) Special Interest

i) Special Interest Topics

(1) Woman entrepreneurs-

http://www.sba.gov/starting_business/special/women.html

(2) Veterans-http://www.sba.gov/starting_business/special/veterans.html

(3) Native American-

http://www.sba.gov/starting_business/special/native.html

(4) Minorities-http://www.sba.gov/starting_business/special/minorities.html

2) Financing

a) Basic financing

i) Financing Topic

(1) SBA Roles-<http://www.sba.gov/financing/basics/sbarole.html>

(2) Financing basic-<http://www.sba.gov/financing/basics/basics.html>

(3) Estimating cost-<http://www.sba.gov/financing/basics/estimating.html>

(4) Personnel vs. Business-

http://www.sba.gov/starting_business/financing/personalvsbus.html

(5) Grant resource-<http://www.sba.gov/financing/basics/grants.html>

(6) Capital for growth-<http://www.sba.gov/managing/financing/growth.html>

(7) Equity financing -<http://www.sba.gov/financing/basics/equity.html>

(8) Small business lenders-<http://www.sba.gov/financing/basics/lenders.html>

(9) Understanding financial statements

b) Eligibility & preparations

i) Financing Eligibility Topics

(1) Credit factors-<http://www.sba.gov/financing/preparation/qualify.html>

(2) Basic requirements-

<http://www.sba.gov/financing/preparation/requirements.html>

(3) Eligibility sizes standards-

<http://www.sba.gov/financing/preparation/eligibility.html>

(4) Applying for a loan-<http://www.sba.gov/financing/basics/applyloan.html>

(5) Pre-qualification program-

<http://www.sba.gov/financing/sbaloan/prequalification.html>

c) SBA Loan Programs

i) SBA Loan Topics

(1) Snap shot-<http://www.sba.gov/financing/sbaloan/snapshot.html>

(2) Basic 7(a) loan programs-<http://www.sba.gov/financing/sbaloan/7a.html>

(3) Micro-Loan-<http://www.sba.gov/financing/sbaloan/microloans.html>

d) Contract Surety Bonds

i) Surety Bonds Topic

(1) Surety bond-<http://www.sba.gov/financing/bonds/whatis.html>

(2) SBA Roles-<http://www.sba.gov/financing/bonds/role.html>

(3) Specific FAQ-<http://www.sba.gov/financing/bonds/faqs.html>

e) Special Purpose Loan Programs

i) Special Purpose Loans

(1) Export working -<http://www.sba.gov/financing/loanprog/ewcp.html>

(2) Export express-<http://www.sba.gov/financing/loanprog/exportexpress.html>

(1) Women entrepreneurs-<http://www.sba.gov/financing/special/women.html>

(2) Veterans-<http://www.sba.gov/financing/special/veterans.html>

(3) Native American Affairs-

<http://www.sba.gov/financing/special/native.html>

(4) Business Law & Regulations-<http://www.sba.gov/businesslaw/index.html>

(5) Management Publications-

<http://www.sba.gov/financing/special/mngpublication.html>

3) Managing

a) Management Topic

i) Management for growth

(1) Forecasting the future-<http://www.sba.gov/managing/growth/forecast.html>

(2) Sharpening your management skills-

<http://www.sba.gov/managing/growth/skills.html>

(3) Management employees-

<http://www.sba.gov/managing/growth/employees.html>

(4) Buying a franchise-

http://www.sba.gov/starting_business/startup/franchise.html

(5) Making time-<http://www.sba.gov/managing/growth/makingtime.html>

(6) Planning for the future-

<http://www.sba.gov/managing/growth/planning.html>

(7) Entrepreneur course-http://appl.sba.gov/survey/training_entre/

b) Leadership

i) Leadership Topics

(1) Professional development-

<http://www.sba.gov/managing/leadership/development.html>

(2) Leadership traits-<http://www.sba.gov/managing/leadership/traits.html>

(3) Leading changes-<http://www.sba.gov/managing/leadership/change.html>

(4) Business ethics-<http://www.sba.gov/managing/leadership/ethics.html>

c) Marketing & Sales

i) Marketing Topics

(1) Understanding market-

<http://www.sba.gov/managing/marketing/market.html>

(2) 100 + marketing ideas-

<http://www.sba.gov/managing/marketing/100ideas.html>

(3) International sales-<http://www.sba.gov/managing/marketing/intlsales.html>

(4) Customer services-

<http://www.sba.gov/managing/marketing/customer.html>

(5) Specific training-

<http://www.sba.gov/training/courses.html#MARKETING%20&%20ADV>

ERTISING

d) Financing

i) Financing Topic

(1) Capital for growth-<http://www.sba.gov/managing/financing/growth.html>

(2) Understanding financial statements-

<http://www.sba.gov/managing/financing/statement.html>

(3) Borrowing money-

<http://www.sba.gov/managing/financing/borrowing.html>

(4) SBA loan programs-<http://www.sba.gov/managing/financing/sbaloan.html>

(5) Capital alternatives-

<http://www.sba.gov/managing/financing/capitalalt.html>

(6) Internal financial controls-

<http://www.sba.gov/managing/financing/control.html>

(7) Equity financing-<http://www.sba.gov/managing/financing/equity.html>

(8) Specific training-<http://www.sba.gov/training/courses.html#FINANCING>

e) Strategic Planning

i) Strategic Planning Topics

(1) Strategic planning-

<http://www.sba.gov/managing/strategicplan/splanning.html>

(2) Business plan guide-

<http://www.sba.gov/managing/strategicplan/guide.html>

f) Technology

i) Technology Topics

(1) Understanding the Internet-

<http://www.sba.gov/managing/technology/understandinter.html>

(2) Getting on the web-

<http://www.sba.gov/managing/technology/getweb.html>

(3) E-commerce-<http://www.sba.gov/managing/technology/ecom.html>

g) Special Interests

i) Special Interests Topics

- (1) Women-<http://www.sba.gov/managing/special/women.html>
- (2) Minority-<http://www.sba.gov/managing/special/minorities.html>
- (3) Veterans-<http://www.sba.gov/managing/special/veterans.html>
- (4) Native American Affairs-
<http://www.sba.gov/managing/special/native.html>
- (5) Business laws-<http://www.sba.gov/businesslaw/>

h) Taxes

i) Tax Topic

- (1) Payroll-<http://www.sba.gov/managing/taxes/payroll.html>
- (2) Federal Income taxes-<http://www.sba.gov/managing/taxes/fedtax.html>

4) The Basics

a) Basic Contracting Topics

- (1) Defining market-<http://www.sba.gov/businessop/basics/defining.html>
- (2) How the government buys-
<http://www.sba.gov/businessop/basics/buys.html>
- (3) Contractor responsibilities-
<http://www.sba.gov/businessop/basics/contractor.html>
- (4) Identify your business-<http://www.sba.gov/businessop/basics/identify.html>
- (5) Subcontracting opportunities-
<http://www.sba.gov/businessop/basics/subcontracting.html>
- (6) Procurement goals-
<http://www.sba.gov/businessop/basics/procurement.html>

b) Understanding the Rules

i) Regulations & Policy Topics

(1) Federal Acquisitions Regulations (FAR)-

<http://www.sba.gov/businessop/rules/far.html>

(2) FAR FAQs-<http://www.sba.gov/businessop/rules/faqs.html>

(3) Procurement policy-

<http://www.sba.gov/businessop/rules/procurement.html>

(4) Best practices-<http://www.sba.gov/businessop/rules/practices.html>

c) Find Opportunities

i) Contracting Opportunities Topics

(1) Define your products-

<http://www.sba.gov/businessop/findop/products.html>

(2) Identify agency needs-<http://www.sba.gov/businessop/findop/needs.html>

(3) Buying sources (agencies)-

<http://www.sba.gov/businessop/findop/buying.html>

(4) Match making-<http://www.sba.gov/businessop/findop/matchmaking.html>

(5) SBA exchange-<http://www.sba.gov/businessop/findop/exchange.html>

d) Size Standards

i) Size Standards Topics

(1) What is a small business-<http://www.sba.gov/size/>

(2) Guide to size standards-<http://www.sba.gov/size/indexguide.html>

(3) NAICS definition-[http://www.sba.gov/cgi-](http://www.sba.gov/cgi-bin/byebye.pl?TO=http://www.census.gov/epcd/www/naics.html)

[bin/byebye.pl?TO=http://www.census.gov/epcd/www/naics.html](http://www.census.gov/epcd/www/naics.html)

(4) FAQ about small business size standards-

<http://www.sba.gov/size/indexfaqs.html>

e) Marketing Your Business

i) Business Marketing Topics

(1) Register your company-

<http://www.sba.gov/businessop/marketing/register.html>

(a) CCR-<http://www.sba.gov/cgi-bin/byebye.pl?TO=http://www.ccr.gov/>

(b) Pro-Net-<http://www.pro-net.sba.gov/>

(c) Sub-Net-<http://web.sba.gov/subnet/>

(2) Find Contract Opportunities FedBizOpps-<http://www.sba.gov/cgi->

[bin/byebye.pl?TO=http://www.fedbizopps.gov](http://www.fedbizopps.gov)

(3) Federal supply schedule-

<http://www.sba.gov/businessop/marketing/schedule.html>

(4) SBA assistance-<http://www.sba.gov/businessop/marketing/assistance.html>

f) Contracting Proposals

i) Bid & Proposal Topics

(1) Preparing a bid-<http://www.sba.gov/businessop/proposals/preparing.html>

(2) SBA assistance-<http://www.sba.gov/businessop/proposals/assistance.html>

(3) Unsuccessful proposals-

<http://www.sba.gov/businessop/proposals/unsuccessful.html>

g) Small Business Programs

i) Contracting Programs Topics

(1) Procurement center reps (PCR)-

<http://www.sba.gov/businessop/programs/pcr.html>

(2) HUBZone-<http://www.sba.gov/businessop/programs/hubzone.html>

(3) 8(a) program-<http://www.sba.gov/businessop/programs/8a.html>

(4) SBIR/STTR program-

<http://www.sba.gov/businessop/programs/sbirsttr.html>

(5) Procurement assist centers-

<http://www.sba.gov/businessop/programs/pacenters.html>

(6) Small Disadvantaged Business-<http://www.sba.gov/sdb/index.html>

h) Special Interest

i) Special Interest Topics

(1) Women entrepreneurs-

<http://www.sba.gov/businessop/special/women.html>

(2) Minorities-<http://www.sba.gov/businessop/special/minorities.html>

(3) Veterans-<http://www.sba.gov/businessop/special/veterans.html>

(4) Native American-<http://www.sba.gov/businessop/special/native.html>

(5) Professional organizations-

<http://www.sba.gov/businessop/special/proorg.html>

It is important to note that the aforementioned SBA programs are not limited to Native Americans; however, some special programs are set aside to serve minorities.

Government Contracting Criteria

The Small Business Act set the criteria for the SBA such as the number of employees, annual receipts, affiliates or other applicable factors. The minority business

development programs are provided through the SBA derived from the Code of Federal Regulations. The SBA is utilizing the North America Industry Classification Systems (NAICS) for size standards in the industries where it states, a "business entity is small and eligible for government programs and preference reserved for small business concerns" (www.sba.gov/businessop/standards).

NAICS

NAICS replaced the Standard Industrial Classification (SIC) system. Federal government agencies are now required to use NAICS instead of SIC because NAICS provides a better understanding of how industries do business in today's global markets. The SBA is utilizing NAICS for size standards in the industries. This will provide more opportunities for small businesses to participate in the Federal programs that give preference to small businesses (<http://app1.sba.gov/faqs/>).

In today's economy, NAICS classifies more than 350 new industries in the Service Sector; that is 15 percent more than SIC does. NAICS is more consistent; businesses that use similar production processes are grouped together. NAICS gives special attention to new and emerging industries, services industries in general, and industries that produce advanced technology. In 1987, the SIC system was last revised which does not include many of these industries classifications, or at least does not describe economic distinction of class (<http://app1.sba.gov/faqs/>).

Size Standards

The term size standard describes the numerical definition of a small business which is considered small if it meets or is below an established size standard. The SBA has issued a new table of small business size standards for industries as they are

development programs are provided through the SBA derived from the Code of Federal Regulations. The SBA is utilizing the North America Industry Classification Systems (NAICS) for size standards in the industries where it states, a "business entity is small and eligible for government programs and preference reserved for small business concerns" (www.sba.gov/businessop/standards).

NAICS

NAICS replaced the Standard Industrial Classification (SIC) system. Federal government agencies are now required to use NAICS instead of SIC because NAICS provides a better understanding of how industries do business in today's global markets. The SBA is utilizing NAICS for size standards in the industries. This will provide more opportunities for small businesses to participate in the Federal programs that give preference to small businesses (<http://app1.sba.gov/faqs/>).

In today's economy, NAICS classifies more than 350 new industries in the Service Sector; that is 15 percent more than SIC does. NAICS is more consistent; businesses that use similar production processes are grouped together. NAICS gives special attention to new and emerging industries, services industries in general, and industries that produce advanced technology. In 1987, the SIC system was last revised which does not include many of these industries classifications, or at least does not describe economic distinction of class (<http://app1.sba.gov/faqs/>).

Size Standards

The term size standard describes the numerical definition of a small business which is considered small if it meets or is below an established size standard. The SBA has issued a new table of small business size standards for industries as they are

described in NAICS (<http://app1.sba.gov/faqs/>). The SBA has established a size standard such as:

- 500 employees for most manufacturing and mining industries
- 100 employees for all wholesale trades industries
- \$6 million for most retail and service industries
- \$28.5 million for most general and heavy construction industries
- \$12 million for all special trade contractors
- \$.75 million for most agricultural industries

The SBA's size standard is adopted in all federal agencies, with few exceptions, which are defined in the Regulatory Flexibility Act. However, the SBA's office can make appropriate changes that are more suitable for small business. Most federal agencies reserve their programs for small businesses. For instance, the SBA has a number of loan programs for qualified small businesses. Most federal agencies set aside a share of their procurement contracts for small businesses (<http://app1.sba.gov/faqs/>).

8(a) Business Development Program

The 8(a) Business Development Program was created by the Small Business Act which was established to help small disadvantaged businesses compete in the North American economy with access to federal contracting markets. The business firm must meet certain criteria such as:

- "must be a small business,
- must be unconditionally owned and controlled by one or more socially and economically disadvantaged individuals who are of good character and citizens of the United States, and

- must demonstrate potential for success” (<http://app1.sba.gov/faqs/>).

The SBA defines a small business that is independently owned, operated, and is organized for profit. The size standard eligibility in the industry is based on the average number of employees for the year or on the volume of sales average over a three-year period. SBA general size standards must meet the criteria for the classification such as:

- “Manufacturing: Maximum number of employees may range from 500 to 1500, depending on the type of product manufactured;
- Wholesaling: Maximum number of employees may range from 100 to 500 depending on the particular product being provided;
- Services: Annual receipts may not exceed \$2.5 to \$21.5 million, depending on the particular service being provided;
- Retailing: Annual receipts may not exceed \$5.0 to \$21.0 million, depending on the particular product being provided;
- General and Heavy Construction: General construction annual receipts may not exceed \$13.5 to \$17 million, depending on the type of construction;
- Special Trade Construction: Annual receipts may not exceed \$7 million; and
- Agriculture: Annual receipts may not exceed \$0.5 to \$9.0 million, depending on the agricultural product” (<http://app1.sba.gov/faqs/>).

Socially disadvantaged individuals are those who may have been subjected to racial or cultural bias because of their identity as members of an ethnic group.

Economically disadvantaged individuals have been impaired due to diminished capital or credit opportunities to do business with the federal government. Individuals who are members of the following designated groups are presumed to be socially and economically disadvantaged Native American, Eskimos, Aleuts and Native Hawaiians.

The SBA requires that at least 51 percent of the applicant firm is directly and unconditionally owned by socially and economically disadvantaged individuals (<http://app1.sba.gov/faqs/>). The SBA places two general ownership restrictions on nondisadvantaged individuals and firms:

- “A nondisadvantaged individual, in aggregate with all immediate family members, or firm that is a general partner or stockholder with at least a 10 percent ownership interest in an 8(a) firm, may simultaneously hold up to 10 percent ownership interest in any number of 8(a) firms in the developmental stage of program participation and up to 20 percent interest in any number of 8(a) firms in the transitional stage of program participation” (<http://app1.sba.gov/faqs/>).
- “A non-participant concern in the same or similar line of business may own up to 10% of an 8(a) firm in the developmental stage and up to 20 percent in an 8(a) firm in the transitional stage. Former 8(a) participants or a principal of a former participant (except those that have been terminated from the 8(a) program) may own up to 20 percent in an 8(a) firm in the developmental stage and up to 30 percent in an 8(a) firm in the transitional stage. A super majority is the percentage of votes above a simple majority

The 8(a) program is divided into two stages: the development stage and the transitional stage. The development stage consists of four years to help design an 8(a) certified firm to overcome their economic disadvantage by SBA providing business development assistance. The transitional stage runs five years to help participants overcome the remaining elements of economic disadvantage before leaving the 8(a) program. The firm participates in the 8(a) program for nine years, during which they graduate from the program into the private sector (<http://app1.sba.gov/faqs/>).

Small Disadvantaged Business (SDB)

The 8(a) firms automatically qualify for SDB certifications. The SDB certification strictly pertains to Federal contracting opportunities. The SDB program has offered several benefits to a firm such as:

- The qualified firm receives price evaluation adjustments of 10 percent on procurement contracts that are mandated by regulations. In October of 1998, the price evaluation adjustment went into effect for SDB's as primes. The regulations mandate this approach in competitive acquisitions over the simplified acquisitions threshold of usually of \$100,000. The 8(a) acquisitions and small business set-aside does not apply to the price evaluations (<http://app1.sba.gov/faqs/>).
- In January of 1999, the qualified prime contractors can receive an evaluation factor for using SDB's as subcontractors, which came into effect for the prime contractor. The incentive applies only to competitive negotiated acquisitions over \$500,000 to \$1,000,000 in construction. The evaluation factor for SDB participation allows credit for subcontractors

only in the NAICS codes who are only SDB certified by SBA. Once certified, the firms remain on the SDB list for a period of three years. The evaluation factors do not apply to 8(a) acquisitions, small business set aside or contracts performed outside the U.S. (<http://app1.sba.gov/faqs/>).

HUBZone Empowerment Contracting Program

In 1997, the Small Business Reauthorization Act created the HUBZone (Historically Underutilized Business Zone) empowerment contracting program in which the program provided Federal contracting preference to small businesses (<http://app1.sba.gov/faqs/>). These preferences were established to create jobs in urban and rural communities that obtain HUBZone certification by employing staff who lived within the zoning district. The company office must be designated within the zone to qualify for the program and the business must meet other criteria such as:

- The firm must be a small business by SBA size standards.
- The business office must be located within a HUBZone area, which includes lands on federally recognized Indian reservations.
- The firm must be owned and controlled by one or more U.S. citizens. Approved ownership can also be granted by a Community Development Corporation or Indian tribe; and at least 35 percent of its employees must reside in a HUBZone area (<http://app1.sba.gov/faqs/>).

The employee should be aware that an employee can reside in one HUBZone and can work in another. The employee must meet the standard requirements such as to live in a primary residence at a place for at least 180 days, or as a currently registered voter

and with intent to live there indefinitely (<http://app1.sba.gov/faqs/>). The principal office is located where the greatest numbers of employees actually perform their job duties. Construction and service industries are exempted based on their occasional need to assign employees at a job location. The principal office established within the HUBZone qualifies for federal contracting opportunities such as:

- **Competitive:** The contracting officer can set-aside contracts if he or she has two qualified HUBZone businesses competing for the contract. The two firms will submit offers to contracting officer. The contracting officer will award the contract at a fair market price to the firm with the best bid (<http://app1.sba.gov/faqs/>).
- **Sole-source:** The contracting officer can award the contract if only one qualified HUBZone small business is responsible to perform the contract and two or more qualified HUBZone small business are not likely to submit an offer (<http://app1.sba.gov/faqs/>).
- **Open contracts:** The contracting officer can have full and open competitive contracts that can be awarded with price evaluations preference. The preference is that the HUBZone small business must not exceed 10 percent higher than the offer of a non-smaller business.
- **Subcontracting:** The contracting officer requires that all subcontracting plans for a large business federal contract must include a HUBZone subcontractor to meet the federal requirements (<http://app1.sba.gov/faqs/>).

SBA Mentor-Protégé Program

The Mentor-Protégé program is designed to provide the opportunity for Mentors to provide assistance to the protégé who are eligible for the program. The purpose of the program is creating relationships between the Mentor and Protégé to enhance the protégé capabilities; and to compete in the federal sector with the abilities to be successful as a business. The Mentor may have graduated from the 8(a) BD program that demonstrates both commitment and the ability to assist with other small businesses; as well as large businesses. The Mentor can only have one protégé at a time in the program with a favorable financial stability in the business world. The protégé must be an 8(a) participate in the program with good standings in the organization structure. The protégé firm can only have one Mentor at a time with no exception with SBA. The Mentor and Protégé firms must enter into a written understanding agreement that will provide management, financial and other technical assistance. The agreement must specify that the Mentor will provide assistance to the Protégé for at least one year. The SBA must have final approval on the agreement before the program can commence with both participants in the program.

Conclusion

In 1953, the SBA offices were officially established to reach out for more customers with concerns with small businesses. The SBA agencies have pride over their commitment to America's entrepreneurs. The SBA has special minority programs that are set-aside to assist minority entrepreneurs. The Native American entrepreneurs are typically socially and economically disadvantaged; therefore, they qualify for these special programs. The overall goal for the SBA is to provide specialized training,

counseling, marketing assistance and high-level executive development. The SBA offices provide the engine to start small businesses for Native American entrepreneurs. The Native American entrepreneurs must strive for excellence to overcome barriers to achieve business and economic success. The small business dream for some Native American entrepreneurs is to be successful in providing a product that will support the American troops in Iraq. In fact, the U.S. government encourages the development of businesses that will help equipment U.S. troops. The Native Americans have pride in supporting the war-effects because it has been in our culture for over a century.

CHAPTER V

DISCUSSION OF DATA

Introduction

Native American entrepreneurs must overcome barriers, problems and obstacles when starting their own businesses. Because prospective Native American entrepreneurs often lack the necessary business knowledge and background skills to successfully start a business, it will benefit them to develop a viable business plan model. The following discussion provides important data in the form of a model that will reduce small business startup barriers for Native American entrepreneurs.

A business plan can provide the owner-manager or prospective owner-manager of a small electrical contracting firm, with a pathway to profit. It takes time, energy and patience to complete—but the final outcome will include a plan of action.

Management is a key tool that the owner-manager of a small electrical contracting firm must use. Each job must be planned and organized if the firm is to run smoothly and efficiently. A business plan will help increase your management skills. Because of the diversification in the construction industry, an electrician may be engaged in residential, commercial, industrial or federal contracts. He may be a general contractor or subcontractor. Regardless of which trade he is in, the same basic managerial skills are needed. This business plan will guide the Native American entrepreneur to the various areas that managers are concerned within the business arena.

The completion of a business plan will help guide daily business activities. The business plan can help the owner to communicate his goals with the specifics offering a great benefit. The careful completion of this plan may point out the problems and limitations of operations. This is important. To be a successful contractor, one must not only know his business thoroughly, but also know his limits. Once they are recognized, he can seek professional advice in this area, such as provided by the SBA.

The next several pages of data include the development of a business plan scenario. In this plan, the author has provided a model that includes two distinct parts. The first part conveys the "what to do" aspect of creating a small business plan. The second part conveys the "how to do" aspect of the business plan. This business plan scenario is based upon the wealth of information gathered from the Small Business Administration Internet Website (www.sba.gov). In addition, "Business Plan Pro" software was utilized because its author, Tim Berry, has been a successful business planner for more than 30 years. He is the author of several books on business planning and serves as a consultant to businesses such as Apple Computer, where he developed business plans for Apple's Latin American, Apple Pacific, and Apple Japan groups for 12 straight years. He has a Stanford MBA degree and an MA with honors from the University of Oregon.

Business Plan Model

Executive Summary

The executive summary is the main highlight of the business plan. The executive summary opens the doorway to the rest of the business plan. The initial paragraphs should provide information such as business name, business location, and the kind of

products or service you will sell and the purpose of the business plan. Another paragraph should explain the important points that include project sales, profit, unit sales profitability, and keys to success. The final paragraph may include the highlights of a chart that shows sales, gross margin and net profits for the next three years.

The following is a sample executive summary for a fictitious start-up electrical company named "Golden Eagle Electric." Native American entrepreneur Eric S. Bruguier owns this business.

For the past 5 years, Eric S. Bruguier has been a Master Electrician with McCandlish Electric. He is the first Native American electrician to hold the International Brotherhood of Electrical Workers Local 191 Master Electrician License for the Fort Peck Tribes. As a customer favorite, he has worked on every major construction project in the Northwest Counties within the state of Washington. McCandlish Electric has downsized its operations and left the Northwest Counties area. Eric's area of expertise is industrial controls, communication, electrical installation and maintenance.

Golden Eagle Electric is a new start-up electrical contracting firm. The area's economic growth during the past several years has resulted in increased opportunities in the industrial control of high-end PLC systems for automation lines, data network and communication systems. Golden Eagle Electric is positioned to capitalize on the growing industry in the greater Northwest Region.

Eric, a member of Local 191 IBEW, has experience working with McCandlish Electric, Hansen Electric, and Siemens Corporation. Eric's areas of specialization are industrial controls, communication, electrical installation and maintenance.

Currently, there is an estimated \$500,000 worth of business with McCandlish Electric customers. Eric believes he can capture a share of it and build from that foundation. He will start as the firm's only employee, but will hire additional electricians as his contract sales grow.

Mission

The mission statement is used to establish the fundamental goals for the quality of the business. A good mission statement should define the underlying goals that are communicating to employees, vendors, customers, partners and shareholders. The

mission statement will define the business idea and provide the key opportunity for success. The mission statement should provide a value proposition which summarizes the benefits being offer, to whom and at what price. The mission statement should last for years on end. The following demonstrates a sample mission statement.

Golden Eagle Electric's mission is to offer its customers the highest-quality standards for electrical services. Eric focuses on personalized services by offering convenience and rapid service. In addition, Golden Eagle Electric has the technological expertise to install wireless and data control systems, as well as intelligence systems in any size facility. Finally, Eric has strong vendor relationship with the most service-conscious vendors who are capable of shipping major components rapidly with overnight service in most cases, minimizing the system downtime for Golden Eagle Electric customers.

Keys to Success

Every business has keys to success, which makes the difference between success and failure. The business must stay focused to be successful which, in turn, helps the business maintain focus. There should not be more than three or four priority items on a list because the more items there are the less chance of implementation. The objectives should be numbered on the business plan. Golden Eagle Electric's keys to success include:

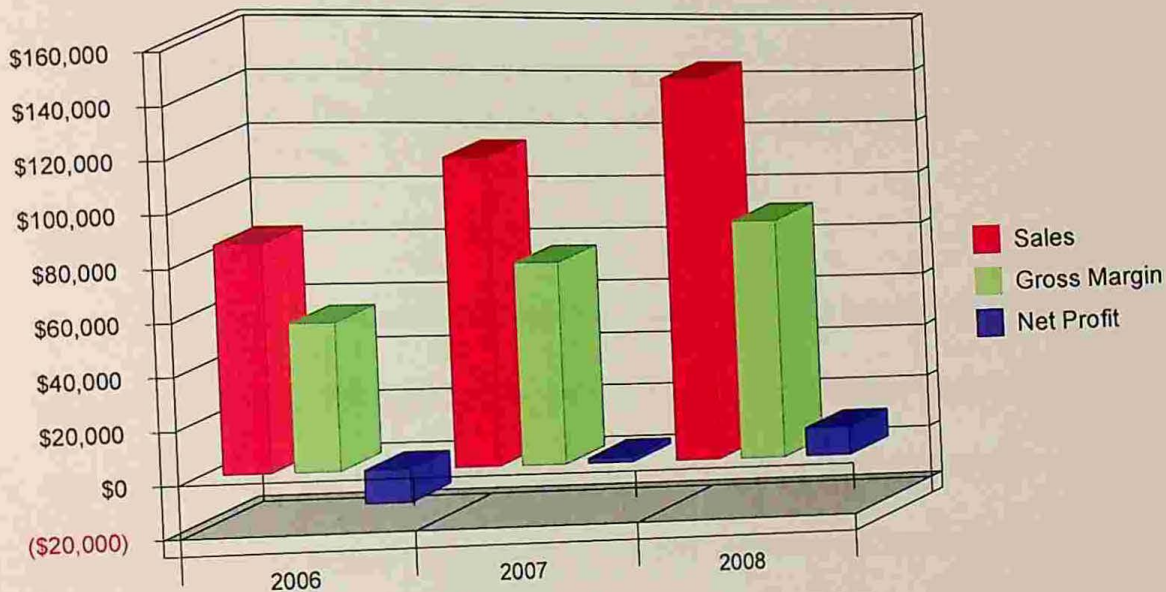
1. High-quality and convenient electrical services.
2. Growing and maintaining a network system of customers.
3. Focus expertise in industrial controls, communication, electrical installation and maintenance.
4. Rapid order and delivery-on-time with electrical components.

Highlights

The charts in a business plan should show key information for the years included in the business plan such as sales, gross margin and net profit. The Profit and Loss table

will affect all of the numbers on the charts. The chart must go to its corresponding table to change data.

Highlights



Company Ownership

The business plan should specify whether the company is a corporation, partnership, sole proprietorship or some kind of legal entity, such as a limited liability corporation. The plan should explain the ownership and legal establishment of the company. A new business owner should research the benefits of the different ownership options with the resources provided with a lawyer. It may be as brief as the following:

Eric S. Bruguier is the sole owner and employee of Golden Eagle Electric. The electrical contracting business is licensed with the state of Washington and certified to conduct business in that state.

Start-up Summary

The business plan includes a start-up summary when there is no company history. The owner will have to show some investment into the company and the assets must be listed in starting a new company.

Mr. Bruguier will invest \$45,000 in the startup of the Golden Eagle Electric Company. The following table shows the projected start-up costs for Golden Eagle Electric.

Start-up Table

The table provides the information that is needed in estimating the start-up costs of a new business. Estimated costs are expenses incurred before the business doors open and the company assets you have before the owner starts the business plan. The table shows everything before the first day of the first month of the business plan. The start-up expenses will become part of the loss incurred during the start-up process.

TABLE: Start-up Requirements

Start-up	
Requirements	
Start-up Expenses	
Legal	\$0
Stationery etc.	\$100
Brochure	\$150
Start-up Inventory	\$10,000
Other	\$0
Total Start-up Expenses	\$10,250
Start-up Assets	
Cash Required	\$28,500
Other Current Assets	\$0
Long-term Assets	\$23,000
Total Assets	\$51,500
Total Requirements	\$61,750

Start-up

This chart gives a quick overview of the start-up funds, including how the firm is spending the finances. The table shows the different kinds of finances such as expenses, assets and other types of resources and finances that include investments and loans. This chart utilizes information from the start-up table and start-up funding table. The firm makes any data changes to this chart which must correspond to the other tables.



Table: Start-up Funding

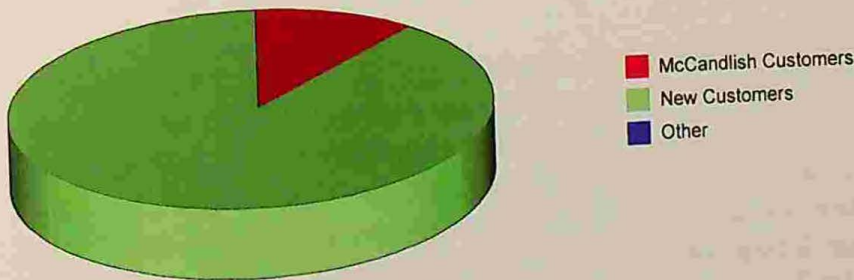
The funding table shows the business's initial funding, which provides the starting balance sheet such as cash, liabilities and capital. The start-up table provides the information that reflects real-world choices such as either investment or borrowed money for the firm. The table can be adjusted by typing in detailed investment assumptions or naming the investors.

table for the firm. The table depends on the use of the business plan to guide the firm's decisions into the market segments.

Market Analysis							
		2006	2007	2008	2009	2010	
Potential Customers	Growth						CAGR
McCandlish Customers	3%	280	288	297	306	315	2.99%
New Customers	25%	2,200	2,750	3,438	4,298	5,373	25.01%
Other	0%	0	0	0	0	0	0.00%
Total	23.06%	2,480	3,038	3,735	4,604	5,688	23.06%

Market Analysis (Pie)

The pie chart shows the total potential market and each row is viewed as a segment in a one-year plan. This analysis is considered to be the total potential market for the firm. The market analysis table provides the data to the pie chart. The market table changes the data pie chart from segment to segment.



Service Business Analysis

The analysis should explain the type of service industry or contracting opportunities in the commercial sector. The firm must position itself in the market place by looking at the size and concentration of businesses in the area. The business must understand the way services are bought and sold to different competitors. This area of analysis does not change any of the business strategies.

The market for commercial electrical contracting services is fragmented and crowded. Among these, only a few are large firms with 20 or more electricians on staff. The remainder is small firms with less than three full-time electricians. Golden Eagle Electric's current niche is its strong relationship with former customers of McCandlish Electric. But this will not be sufficient for growth in a competitive market.

By focusing on data, communication, and electrical installation and maintenance, Eric reduces his direct competitors to two large electrical firms that bid on the area's largest projects. One day, Golden Eagle Electric plans to be a force competing for the area's largest projects. However, the opportunity exists now for new customers whose smaller projects are not being pursued aggressively by Eric's competitors.

Strategy and Implementation Summary

The strategy and implementation summary should be kept short because details will be included throughout the business plan. The summary should focus on main priorities such as market segments, services, sales and marketing activities. The summary should not have more than three or four points and identify the people or organizations you need to reach.

Golden Eagle Electric's strategy is simple and ambitious. First, Eric plans to capture most of McCandlish's former customers to create a base on which to build the firm. From this secure footing, Eric will begin to market his specialized skills to new customers. Golden Eagle Electric is also going to be certified as an 8(a), Small Disadvantaged Business (SDB), and HUBZone with authority, agencies, and firms. Eric believes that he will be successful marketing his services to the many federal agencies in the area. Golden Eagle Electric is the only Native American-owned electrical contracting firm in the Northwest Counties area.

Competitive Edge

The competitive edge may differ from business to business in the same industry. A successful business with the competitive edge will certainly give the organization the opportunity for new investments. The organization must have dedication to run a successful operation with hard work, integrity and customer satisfaction. The

organization must focus on old and new customers which give them the advantage in the long run.

When Eric decided to start his own company and take matters into his own hands, this was just another step in his quest to deliver services that were second to none to customers. As a Native American in the white-dominated electrician profession, it has been Eric's competitive edge that has pushed him ahead with customers and employees. His focus on new electrical technology places him in a unique situation. Both his major competitors had sought his services when McCandlish announced the company's departure from the area. His reputation for quality work and excellent customer service could have landed him with a new employer and a bigger pay check. The Northwest Counties area is booming with new commercial construction, including new research on federal contracts. Eric's technical skills in industrial controls and data communication systems will be a valuable asset for a company to have in the next five years.

Golden Eagle Electric is well positioned to compete for numerous small contracts that focus on new electrical technology. When combined with the advantages Golden Eagle Electric has in capturing the old McCandlish contracts, the firm is in an excellent competitive position.

Sales Forecast

The sales forecast shows the main driving forces behind the sales. The forecast provides information that is related to market analysis. The forecast provides the kind of information on the things it is assuming that will happen to make sure the sales are secured.

The first three months of operation will focus on servicing the former customers of McCandlish Electric. Golden Eagle Electric will then turn to marketing to new customers. The following table will outline Golden Eagle Electric's sales forecast data.

Table: Sales Forecast

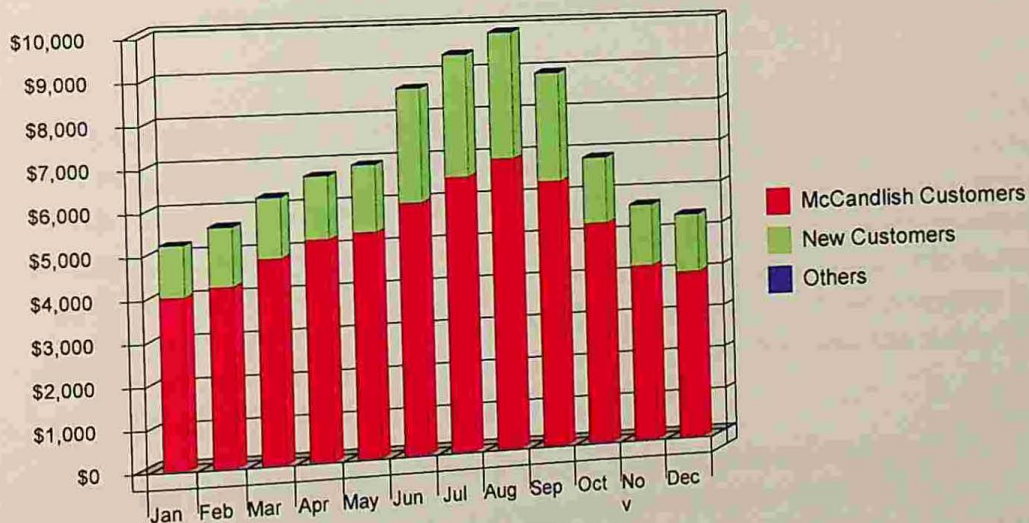
The sales forecast table provides information that projects estimate sales and cost of sales. The table automatically sums-up the rows and the columns and the data is then

transferred to the profit and loss table. The structure of this table can be created within the setting in the software.

Sales Forecast			
	2006	2007	2008
Sales			
McCandlish Customers	\$62,538	\$78,000	\$82,000
New Customers	\$22,680	\$39,000	\$65,000
Others	\$0	\$0	\$0
Total Sales	\$85,218	\$117,000	\$147,000
Direct Cost of Sales	2006	2007	2008
McCandlish Customers	\$21,925	\$26,500	\$30,000
New Customers	\$7,795	\$13,500	\$25,000
Others	\$0	\$0	\$0
Subtotal Direct Cost of Sales	\$29,720	\$40,000	\$55,000

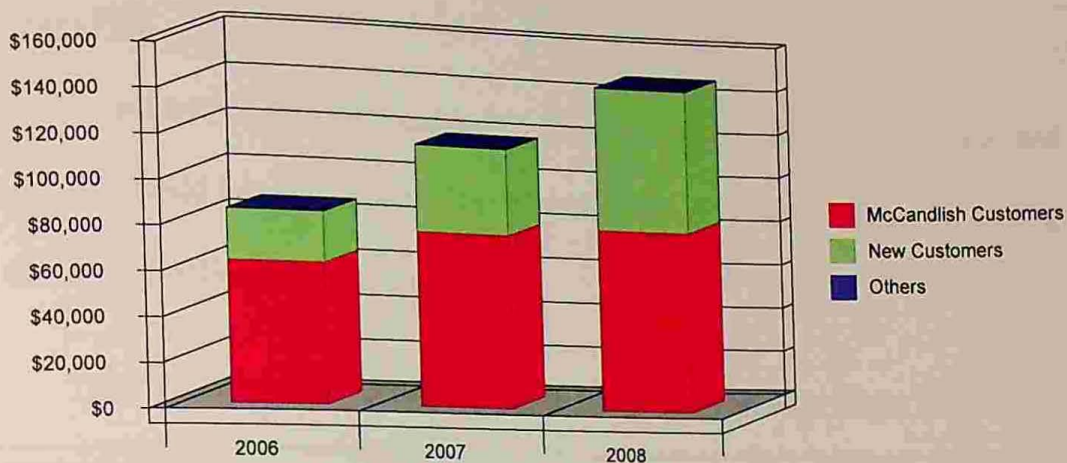
Sales Monthly

The chart shows monthly sales from the financial table. The data comes directly from the sales forecast table. This information can be changed with the table if needed.



Sales by Year

The chart shows the financials for each year. The data that is collected comes directly from the sales forecast table. The chart is set-up with sales values and the data can be changed within this chart. Large volumes of product will show-up on the chart while small volumes will barely appear as a line on the chart.



Management Summary

A start-up company may have to write the plan including the information they have available on their organization. The firm's organizational structure will provide information on job descriptions and logical responsibilities for the owner. The new firm will have to stay focused on the plan as they grow for the future of the business. The plan must point out the gaps and weakness and how the firm intends to fill the voids.

Golden Eagle Electric is owned by its sales employee, Eric S. Bruguier. Eric is a talented electrician who holds a Master of Science degree from the University of North Dakota that he obtained while working part-time as a graduate teaching assistant. Eric entered the world of electricity at just the time when national legislation made it possible for him to join the electrician's union. He started his apprenticeship and early training as an electrician in Everett, Washington in 1996. He later relocated to the Colville Reservation area in 1997 and has worked in the union Local 191 jurisdiction for the past 5 years.

While working with McCandlish Electric, Eric focused on new electrical technologies as industries and commercial growth came to the Northwest Counties area. During that time, Eric established a base of customer support that praises his ability to handle all aspects and responsibilities of the design and engineering process.

Personnel Plan

The personnel plan provides information such as personnel needs, costs, and benefits that could be created in a table. The table should provide the name, type, group and the compensation amounts in the chart.

The following table shows the personnel plan for Golden Eagle Electric.

Personnel Plan			
	2006	2007	2008
Eric S. Bruguier	\$45,000	\$48,000	\$51,000
New Position	\$0	\$0	\$0
Total People	1	1	1
Total Payroll	\$45,000	\$48,000	\$51,000

Financial Plan

The financial planning shows service business growth that might be an element for the future of the firm. The financial plan is a significant piece of the puzzle that is needed for the expansion of the firm. The financial plan will show any changes in the future of the firm which will show up clearly in the financial charts and tables. The financial plan is presented in the following topics.

Breaking-even Analysis

A start-up company must understand the break-even point with sales projections in mind. The firm should get a quick view of the underlying expenses, prices and costs on monthly bases. This process should show that the firm is running comfortably above the breaking point.

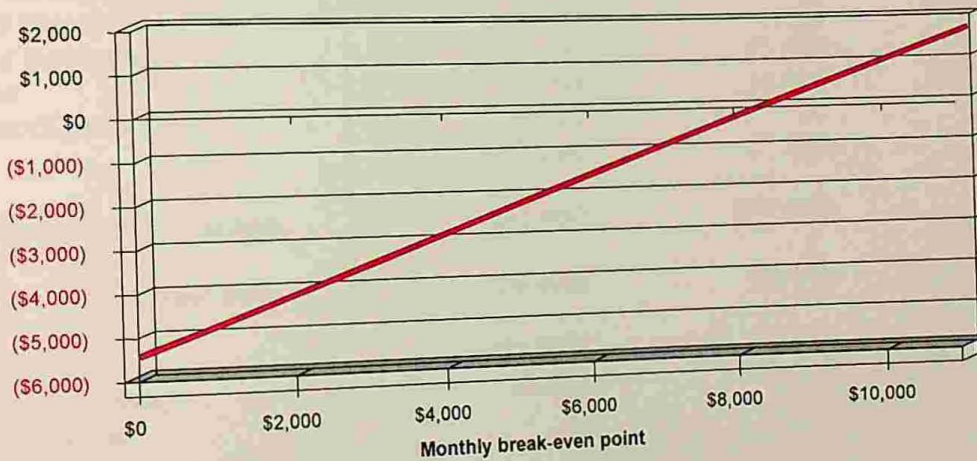
The following table and chart show the break-even figures for Golden Eagle Electric.

Break-even Analysis

Monthly Revenue Break-even	\$8,369
Assumptions:	
Average Percent Variable Cost	35%
Estimated Monthly Fixed Cost	\$5,450

Monthly fixed costs

The chart shows the break-even analysis between sales and profits. The numbers at the bottom of the chart indicate the sales and the numbers at the right-side of the chart indicate the monthly profit. The red slanting line shows the overview of profit and loss at various sales in a month.



Break-even point = where line intersects with 0

Projected Profit and Loss

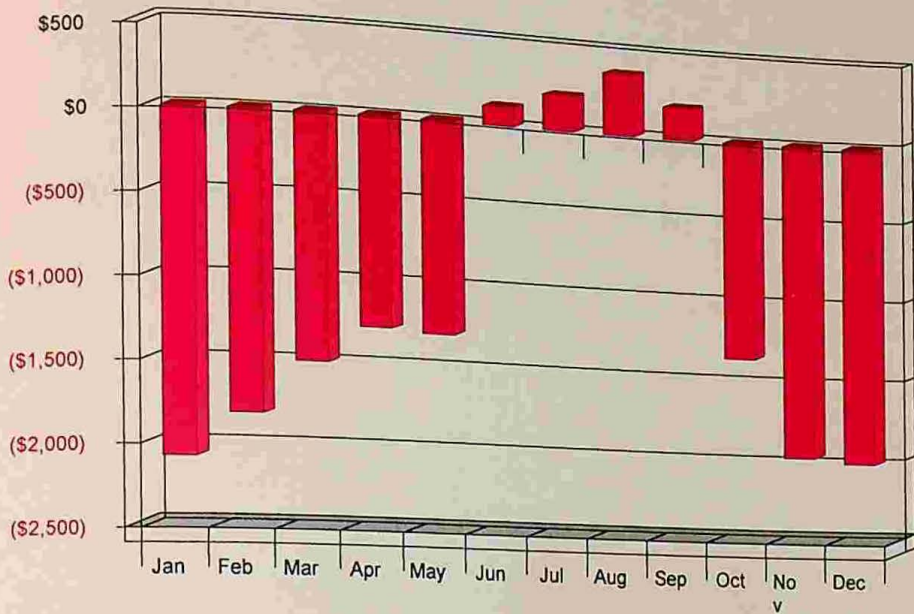
The profit and loss projections are important points within the table. The company should explain the projections such as percentage increases in sales and profits, gross margins and the key budget terms. The format for the table comes from a standard accounting system. The financial software inside the table can not be changed because it has protective areas. The following table and chart outline the projected profit and loss for three years.

Table: Profit and Loss

<i>Pro Forma Profit and Loss</i>			
	2006	2007	2008
Sales			
Direct Cost of Sales	\$85,218	\$117,000	\$147,000
Other Costs of Sales	\$29,720	\$40,000	\$55,000
	\$0	\$0	\$0
Total Cost of Sales	-----	-----	-----
	\$29,720	\$40,000	\$55,000
Gross Margin			
Gross Margin %	\$55,498 65.12%	\$77,000 65.81%	\$92,000 62.59%
Expenses			
Payroll	\$45,000	\$48,000	\$51,000
Marketing/Promotion	\$900	\$1,500	\$2,000
Depreciation	\$2,100	\$2,350	\$2,700
Other Cost	\$0	\$0	\$0
Travel	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0
Payroll Burden	\$3,300	\$5,500	\$6,200
Leased Equipment	\$3,900	\$5,000	\$6,500
Utilities	\$3,000	\$3,000	\$3,000
Contract/Consultants	\$0	\$0	\$0
Rent	\$7,200	\$7,200	\$7,200
Total Operating Expenses	-----	-----	-----
	\$65,400	\$72,550	\$78,600
Profit Before Interest and Taxes	(\$9,902)	\$4,450	\$13,400
EBITDA	(\$7,802)	\$6,800	\$16,100
Interest Expense	\$2,500	\$2,500	\$2,500
Taxes Incurred	\$0	\$0	\$0
Net Profit	(\$12,402)	\$1,950	\$10,900
Net Profit/Sales	-14.55%	1.67%	7.41%

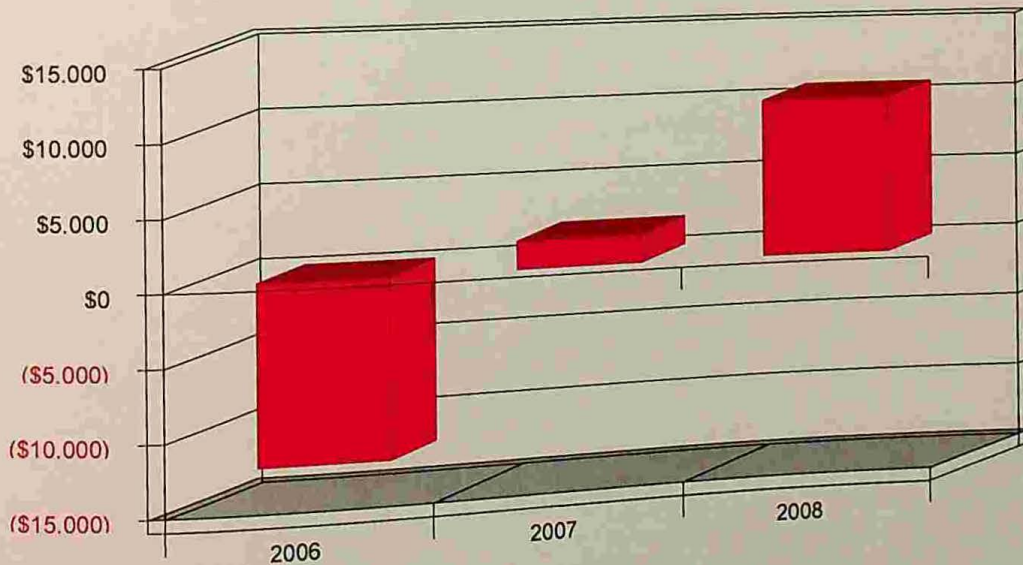
Profit Monthly

The Net Profit chart shows monthly statements. The company's financial statement shows the net profit, which provides standard measures for the company. The financial numbers come directly from the profit and loss tables. The changes come from the corresponding tables, and the data can be inputted into the charts.



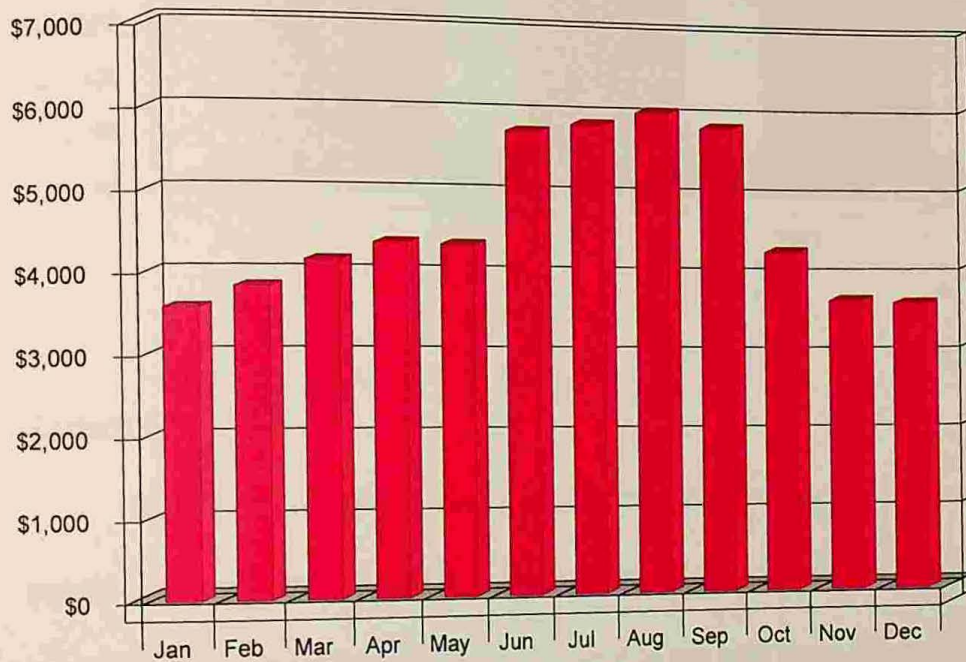
Profit Yearly

The yearly profit chart shows the net profit for the years. The company's financial performance standards are measured in net profit. The number data come directly from the profit and loss table. Any changes to the table must come from the corresponding table.



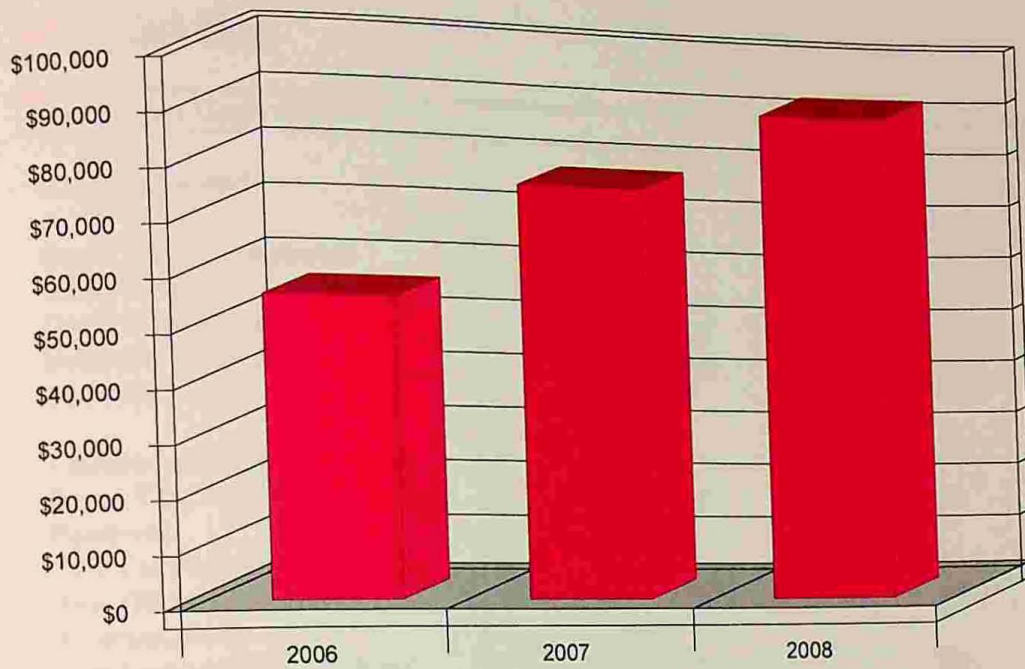
Gross Margin Monthly

The monthly chart shows the gross margin in profit and loss table. The gross margin sales are cost of goods sold which the firm uses for standard measures of financial performance. The changes are made in the corresponding table.



Gross Margin Yearly

The profit and loss table shows the gross margin by years. Gross margin sets the standard measures for a company's financial performance. The table provides the information on the amount of goods sold in a year. Any changes in the data will be provided in the corresponding table.



Projected Cash Flow

The cash flow projections track the cash balance and cash flow from month to month and annually. The table and chart depends a great deal on cash-critical assumptions for how long the firm will wait to get paid from the customers. In return, the firm will know when to pay the vendors and how much inventory is needed on hand. The business plan provides the information that is needed to direct the cash balance in a positive flow. If the cash flow shows negative flow that tells the firm to borrow more money, invest more capital, or sell assets. The table review will check the cash balance that will maintain a positive flow for the duration of the business plan.

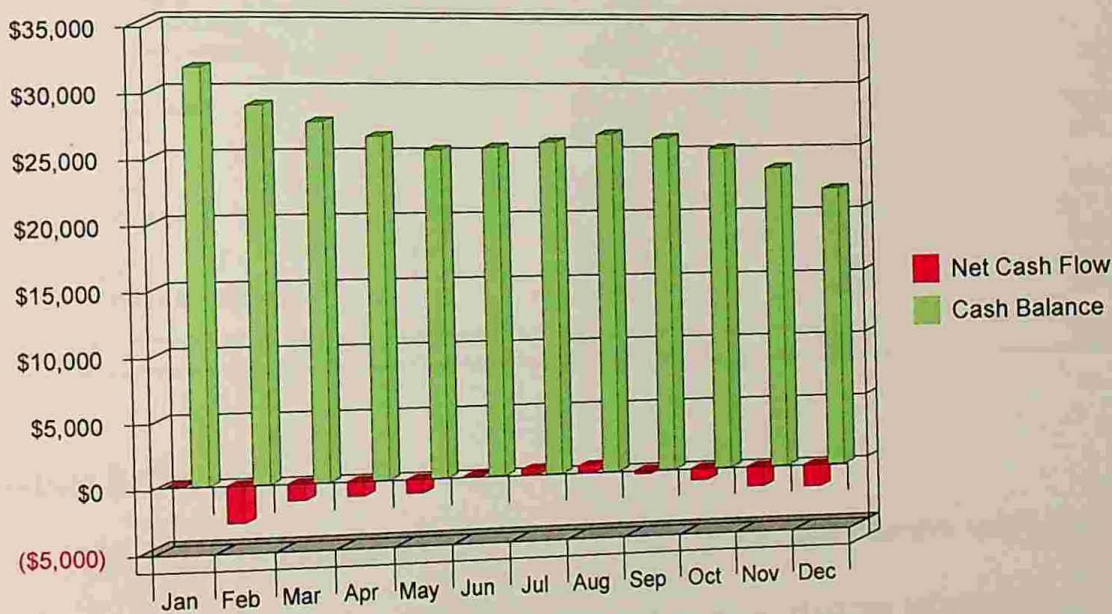
The following table and chart show the projected cash flow for Golden Eagle Electric.

Table: Cash Flow

Pro Forma Cash Flow			
	2006	2007	2008
Cash Received			
Cash from Operations			
Cash Sales	\$63,914	\$87,750	\$110,250
Cash from Receivables	\$18,597	\$28,240	\$35,797
Subtotal Cash from Operations	\$82,510	\$115,990	\$146,047
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0
Subtotal Cash Received	\$82,510	\$115,990	\$146,047
Expenditures	2006	2007	2008
Expenditures from Operations			
Cash Spending	\$45,000	\$48,000	\$51,000
Bill Payments	\$47,191	\$62,711	\$80,945
Subtotal Spent on Operations	\$92,191	\$110,711	\$131,945
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$92,191	\$110,711	\$131,945
Subtotal Cash Spent	(\$9,681)	\$5,279	\$14,102
Net Cash Flow	\$22,069	\$27,348	\$41,449
Cash Balance			

Cash Flow Chart

The cash flow chart provides your firm with monthly statements. The cash balance is the most important part of the two statements in the chart. The cash flow projections for each month should always be above the zero statement. The net cash flow for each month changes throughout the balance sheet, but it is not unusual for the net cash flow to fall below the zero in certain months. The cash balance must stay above the zero statement each month.



Projected Balance Sheet

The balance table shows all assets, liabilities and capital. The firm should note the concerns and weakness in the balance sheet. The balance sheet provides information that tells the firm if they are weak on working capital or high on inventory and receivables. The business plan is not necessarily all good news but the firm can use the information to improve the weakness within the balance sheet.

The following table shows the projected balance sheet of Golden Eagle Electric for three years.

Pro Forma Balance Sheet

Assets	2006	2007	2008
Current Assets			
Cash			
Accounts Receivable	\$22,069	\$27,348	\$41,449
Other Current Assets	\$2,708	\$3,718	\$4,671
Total Current Assets	\$0	\$0	\$0
	\$24,777	\$31,066	\$46,121
Long-term Assets			
Long-term Assets			
Accumulated Depreciation	\$23,000	\$23,000	\$23,000
Total Long-term Assets	\$2,100	\$4,450	\$7,150
Total Assets	\$20,900	\$18,550	\$15,850
	\$45,677	\$49,616	\$61,971
Liabilities and Capital			
	2006	2007	2008
Current Liabilities			
Accounts Payable			
Current Borrowing	\$3,329	\$5,318	\$6,773
Other Current Liabilities	\$0	\$0	\$0
Subtotal Current Liabilities	\$0	\$0	\$0
	\$3,329	\$5,318	\$6,773
Long-term Liabilities			
Total Liabilities	\$25,000	\$25,000	\$25,000
	\$28,329	\$30,318	\$31,773
Paid-in Capital			
Retained Earnings	\$40,000	\$40,000	\$40,000
Earnings	(\$10,250)	(\$22,652)	(\$20,702)
Total Capital	\$17,348	\$1,950	\$10,900
Total Liabilities and Capital	\$17,348	\$19,298	\$30,198
	\$45,677	\$49,616	\$61,971
Net Worth	\$17,348	\$19,298	\$30,198

Business Ratios

The business plan should include a collection of standard business ratios that will be needed in the plan. The business plan will have accurate research information that will make financial sense to the banker and investors. The various ratios depend on the exact nature of the business. The industry information shows how the business compares to others in the same business industry. The ratios wizard will find the standard ratios in the same industry and will automatically input those ratios into the ratios table. The following tables provide important ratios for the industry, as determined by the North American Industry Classification System (NAICS) Index, 238210, Electrical Contractor.

Table: Ratios

The ratios table uses several different business standard ratios. The formulas used in the analysis to measure the firm projections against standard calculations are compared to industry standards. The ratio wizard selection in Business Plan Pro software uses the standard ratios that are reserved for standard industry data. The wizard will input the information directly into the industry profile column.

Ratio Analysis

	2006	2007	2008	Industry Profile
Sales Growth	0.00%	37.29%	25.64%	11.31%
Percent of Total Assets				
Accounts Receivable	5.93%	7.49%	7.54%	38.82%
Other Current Assets	0.00%	0.00%	0.00%	41.87%
Total Current Assets	54.24%	62.61%	74.42%	88.03%
Long-term Assets	45.76%	37.39%	25.58%	11.97%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities	7.29%	10.72%	10.93%	37.31%
Long-term Liabilities	54.73%	50.39%	40.34%	17.24%
Total Liabilities	62.02%	61.11%	51.27%	54.55%
Net Worth	37.98%	38.89%	48.73%	45.45%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	65.12%	65.81%	62.59%	25.49%
Selling, General & Administrative Expenses	79.68%	64.15%	55.17%	8.50%
Advertising Expenses	0.00%	0.00%	0.00%	0.22%
Profit Before Interest and Taxes	-11.62%	3.80%	9.12%	3.62%
Main Ratios				
Current	7.44	5.84	6.81	2.13
Quick	7.44	5.84	6.81	1.71
Total Debt to Total Assets	62.02%	61.11%	51.27%	57.82%
Pre-tax Return on Net Worth	-71.49%	10.10%	36.10%	10.81%
Pre-tax Return on Assets	-27.15%	3.93%	17.59%	25.62%
Additional Ratios	2006	2007	2008	
Net Profit Margin	-14.55%	1.67%	7.41%	n.a
Return on Equity	-71.49%	10.10%	36.10%	n.a
Activity Ratios				
Accounts Receivable Turnover	7.87	7.87	7.87	n.a
Collection Days	58	40	42	n.a
Accounts Payable Turnover	15.18	12.17	12.17	n.a
Payment Days	27	24	27	n.a
Total Asset Turnover	1.87	2.36	2.37	n.a
Debt Ratios				
Debt to Net Worth	1.63	1.57	1.05	n.a
Current Liab. to Liab.	0.12	0.18	0.21	n.a
Liquidity Ratios				
Net Working Capital	\$21,448	\$25,748	\$39,348	n.a
Interest Coverage	-3.96	1.78	5.36	n.a
Additional Ratios	0.54	0.42	0.42	n.a
Assets to Sales	7%	11%	11%	n.a
Current Debt/Total Assets	6.63	5.14	6.12	n.a
Acid Test	4.91	6.06	4.87	n.a
Sales/Net Worth	4.91	6.06	4.87	n.a
Dividend Payout	0.00	0.00	0.00	n.a

Additional Tables

The following tables are from the business plan outline that has monthly views.

The tables provide information that fits into twelve months of data.

Appendix Table: Sales Forecast

The sales forecast provides information in ways to develop and estimate sales and cost of sales. The structure sales forecast table depends on the table settings. The sale forecast is automatically summed at the bottom of each column and the sum transfer to the profit and loss table. The software can insert or delete rows to make the forecast meet the firm's needs.

<i>Sales Forecast</i>													
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales													
McCandlish Customers	0%	\$4,000	\$4,200	\$4,800	\$5,185	\$5,300	\$5,950	\$6,500	\$6,885	\$6,300	\$5,248	\$4,185	\$3,985
New Customers	0%	\$1,200	\$1,385	\$1,425	\$1,485	\$1,585	\$2,685	\$2,895	\$3,000	\$2,585	\$1,585	\$1,465	\$1,385
Others	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Sales		\$5,200	\$5,585	\$6,225	\$6,670	\$6,885	\$8,635	\$9,395	\$9,885	\$8,885	\$6,833	\$5,650	\$5,370
Direct Cost of Sales													
McCandlish Customers		\$1,300	\$1,325	\$1,585	\$1,685	\$1,745	\$1,985	\$2,585	\$2,850	\$2,210	\$1,845	\$1,485	\$1,325
New Customers		\$325	\$425	\$485	\$610	\$785	\$875	\$935	\$995	\$815	\$685	\$475	\$385
Others		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Direct Cost of Sales		\$1,625	\$1,750	\$2,070	\$2,295	\$2,530	\$2,860	\$3,520	\$3,845	\$3,025	\$2,530	\$1,960	\$1,710

Appendix Table: Personnel

The personnel table is divided into monthly statements for one year. The table will list personnel by name, type, group or any other convenient listing. The table will hold the assigned compensation amounts by month.

<i>Personnel Plan</i>		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Eric S. Bruguier	0%	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750
New Position	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total People		1	1	1	1	1	1	1	1	1	1	1	1
Total Payroll		\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750

Appendix Table: Profit and Loss

The profit and loss table is called an income statement or pro forma income. The table is used for estimating expense items, which the firm uses for budget for expenses. The table comes from standard accounting statements. The table has protected areas because the software gets its numbers for sales, cost of sales, personnel costs, interest, and taxes. The accountants and banks share knowledge with the financial analyst, who analyses the profit and loss table.

Pro Forma Profit and Loss

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales	\$5,200	\$5,585	\$6,225	\$6,670	\$6,885	\$8,635	\$9,395	\$9,885	\$8,885	\$6,833	\$5,650	\$5,370
Direct Cost of Sales	\$1,625	\$1,750	\$2,070	\$2,295	\$2,530	\$2,860	\$3,520	\$3,845	\$3,025	\$2,530	\$1,960	\$1,710
Other Costs of Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cost of Sales	\$1,625	\$1,750	\$2,070	\$2,295	\$2,530	\$2,860	\$3,520	\$3,845	\$3,025	\$2,530	\$1,960	\$1,710
Gross Margin	\$3,575	\$3,835	\$4,155	\$4,375	\$4,355	\$5,775	\$5,875	\$6,040	\$5,860	\$4,303	\$3,690	\$3,660
Gross Margin %	68.75%	68.67%	66.75%	65.59%	63.25%	66.88%	62.53%	61.10%	65.95%	62.97%	65.31%	68.16%
Expenses												
Payroll	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750
Marketing/Promotion	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75	\$75
Depreciation	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175
Other Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Travel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payroll Burden	\$275	\$275	\$275	\$275	\$275	\$275	\$275	\$275	\$275	\$275	\$275	\$275
Leased Equipment	\$325	\$325	\$325	\$325	\$325	\$325	\$325	\$325	\$325	\$325	\$325	\$325
Utilities	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
Contract/Consultants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600
Total Operating Expenses	\$5,450	\$5,450	\$5,450	\$5,450	\$5,450	\$5,450	\$5,450	\$5,450	\$5,450	\$5,450	\$5,450	\$5,450
Profit Before Interest and Taxes	(\$1,875)	(\$1,615)	(\$1,295)	(\$1,075)	(\$1,095)	\$325	\$425	\$590	\$410	(\$1,147)	(\$1,760)	(\$1,790)
EBITDA	(\$1,700)	(\$1,440)	(\$1,120)	(\$900)	(\$920)	\$500	\$600	\$765	\$585	(\$972)	(\$1,585)	(\$1,615)
Interest Expense	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208	\$208
Taxes Incurred	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Profit	(\$2,083)	(\$1,823)	(\$1,503)	(\$1,283)	(\$1,303)	\$117	\$217	\$382	\$202	(\$1,355)	(\$1,968)	(\$1,998)
Net Profit/Sales	-40.06%	-32.65%	-24.15%	-19.24%	-18.93%	1.35%	2.31%	3.86%	2.27%	-19.84%	-34.84%	-37.21%

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Long-term Assets	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000
Long-term Assets	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000
Accumulated Depreciation	\$0	\$175	\$350	\$525	\$700	\$875	\$1,050	\$1,225	\$1,400	\$1,575	\$1,750	\$1,925	\$2,100
Total Long-term Assets	\$23,000	\$22,825	\$22,650	\$22,475	\$22,300	\$22,125	\$21,950	\$21,775	\$21,600	\$21,425	\$21,250	\$21,075	\$20,900
Total Assets	\$54,750	\$55,913	\$54,211	\$53,017	\$51,951	\$50,875	\$51,310	\$52,165	\$52,861	\$52,270	\$50,436	\$47,917	\$45,677
Liabilities and Capital													
Current Liabilities													
Accounts Payable	\$0	\$3,246	\$3,367	\$3,677	\$3,894	\$4,121	\$4,440	\$5,078	\$5,392	\$4,600	\$4,121	\$3,570	\$3,329
Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$0	\$3,246	\$3,367	\$3,677	\$3,894	\$4,121	\$4,440	\$5,078	\$5,392	\$4,600	\$4,121	\$3,570	\$3,329
Long-term Liabilities	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Total Liabilities	\$25,000	\$28,246	\$28,367	\$28,677	\$28,894	\$29,121	\$29,440	\$30,078	\$30,392	\$29,600	\$29,121	\$28,570	\$28,329
Paid-in Capital	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Retained Earnings	(\$10,250)	(\$10,250)	(\$10,250)	(\$10,250)	(\$10,250)	(\$10,250)	(\$10,250)	(\$10,250)	(\$10,250)	(\$10,250)	(\$10,250)	(\$10,250)	(\$10,250)
Earnings	\$0	(\$2,083)	(\$3,907)	(\$5,410)	(\$6,693)	(\$7,997)	(\$7,880)	(\$7,663)	(\$7,282)	(\$7,080)	(\$8,435)	(\$10,404)	(\$12,402)
Total Capital	\$29,750	\$27,667	\$25,843	\$24,340	\$23,057	\$21,753	\$21,870	\$22,087	\$22,468	\$22,670	\$21,315	\$19,346	\$17,348
Total Liabilities and Capital	\$54,750	\$55,913	\$54,211	\$53,017	\$51,951	\$50,875	\$51,310	\$52,165	\$52,861	\$52,270	\$50,436	\$47,917	\$45,677
Net Worth	\$29,750	\$27,667	\$25,843	\$24,340	\$23,057	\$21,753	\$21,870	\$22,087	\$22,468	\$22,670	\$21,315	\$19,346	\$17,348

Conclusion

Native American entrepreneurs should have a purpose and a goal in mind when developing a business plan. Therefore, the business plan is a tool with the three purposes of communication, management and planning. The entrepreneur's plan must include the communication tool to attract investment capital, secure loans, and convince workers to hire on with the firm. Using the management tools will help to track, monitor and evaluate the progress. The planning aspect of the business plan is an evolving document that can be modified as the entrepreneur gains knowledge and experience in the business world. In addition, the business plan sets timelines and milestones so that the firm can gauge the progress and compare the projections to actual accomplishments. The business plan model will guide any Native American entrepreneur through the various phases of the economic environment.

The SBA is committed to ensuring that Native American entrepreneurs develop their business plans for the future. You could say that the business plan controls the firm's destiny in a positive business sense. In many ways, the SBA programs advocate for Native American entrepreneurs to become successful in their own business. Finally, the business plan model will provide a pathway for Native American entrepreneurs to overcome the barriers, problems and obstacles when starting their own business.

CHAPTER VI
SUMMARY, CONCLUSION, AND RECOMMENDATIONS

Summary

Today, the majority of jobs held by working Native Americans consists of performing services for their respective tribes in exchange for a regular pay check, with little or no benefits. Native American entrepreneurs experience barriers in locating and understanding the plethora of government programs available to developing a useful business plan.

Historically few Native American have realized that there are well-established support programs to help them turn their dreams into realities. Several problems exist that typically discourage Native Americans from starting their own businesses. The major barrier is the critical level of poverty that exists community wide across Indian reservations. Most Native Americans are consumed with trying to meet their basic needs for survival let alone owning and operating their own businesses.

Another significant factor that limits Native American entrepreneurs from starting businesses is a lack of awareness of the opportunities available to them through the U.S. government. Furthermore, it is not uncommon for Native Americans to experience a lack of access to information about SBA programs, in part because of the geographic situation of rural reservation communities, including limited or no access to Internet technologies.

The purpose of this study was to develop a business plan that utilized the Small Business Administration and government minority programs for Native American entrepreneurs who intend to establish an electrical contracting business. Therefore, this study examined SBA minority programs and electrical contracting opportunities in the government sectors.

The intended broad benefit of this study was to assist Native American entrepreneurs involved in minority programs in starting and thriving in their own businesses. The specific benefit was to develop a business plan model that would help others to succeed in the competitive business environment.

The mixed methods approach was employed and provided the infrastructure to the design of this investigation. Conducting a content analysis focused on analyzing the information for the project and demonstrated the constructive approach with reasonable research strategies. The initial step in this research was to review the relevant literature on the SBA to provide a broader understanding of the special minority programs. The investigation revealed that the SBA has a number of programs that may provide benefits to Native American entrepreneurs and could be utilized to provide support of Native American businesses.

For the majority of the past 50 years, the SBA has expanded its array of government programs tailored to encourage entrepreneurship. It is important to note that the SBA programs are not limited to Native Americans; however, some special programs are set aside to serve minorities. Native American entrepreneurs are typically and economically disadvantaged; therefore, they qualify for these special programs. The overall goal for the SBA is to provide specialized training, counseling, marketing

assistance and high-level executive development. The SBA offices provide the engine to start small businesses for Native American entrepreneurs.

In Chapter I, the reader is introduced to the concept of Native American entrepreneurs interested in starting their own electrical contracting businesses. A SBA search revealed that eight electrical contracting firms were owned by Native American entrepreneurs. The firms are currently classified under the following programs: 8(a), Small Disadvantaged Business, and HUBZone certified under the North American Industrial Classification System. As the research demonstrated, electrical contracting for Native American entrepreneurs does indeed have opportunities in the government sector.

Chapter I was followed with an extensive literature review including data on Native Americans' education level. The typical Native American entrepreneur has only some education beyond high school, whereas non-Native entrepreneurs were more often college educated. Research showed that Native American entrepreneurs need particular programs such as continuing education, policies that endorse tribal self-determination, mentoring programs, and business role models for young Native American entrepreneurs. It was discovered that Native American entrepreneurs need a strong business educational background and a specialization service to prepare for business markets, as well as access to lending opportunities. The SBA is dedicated to creating an environment in which Native American-owned businesses have every opportunity to succeed. The agency recognizes the need to change the regulations, the management of culture, organizational structure and business practices to improve quality and efficiency of SBA. They provide minority programs that are established under the Small Business Act such as: 8(a) Business Development Program, Small Disadvantaged Business, HUBZone, and Mentor-

Protégé programs. All the programs are interrelated to provide support for the Native American entrepreneurs.

In Chapter III the mixed methods approach to research utilizing both quantitative and qualitative methods to gather and analyze data is explained. The mixed methods approach embraces the different knowledge claims, strategies of inquiry and the method of data collection and analysis. The research examined the SBA minority programs, the contracting opportunities in the government sector, and developed a business plan for Native American entrepreneurs in an electrical contracting business. The content analysis indicated that most of the SBA programs favor small firms with the exception that minority programs favor Native American businesses. Those minority programs clearly benefit Native American small businesses more than non-Native American small firms because of the special language provided in the Code of Federal Regulations. This study resulted in the development of a comprehensive plan that integrated government minority programs and electrical contracting requirements to reduce Native American small business startup barriers.

Chapter IV provided the historical background of the development of the SBA. The Reconstruction Finance Corporation was the grandparent to the SBA before the Small Business Act of July 30, 1953. American history shows that the Great Depression and World War II inspired the creation of the RFC, which was implemented by President Herbert Hoover in 1932 to alleviate the crisis of this great nation. By 1952, President Dwight Eisenhower and Congress proposed the creation of a new business agency, the Small Business Administration. In 1954, the SBA created an incubator that gave direct business loans and guaranteed bank loans to small businesses,

working to get government procurement contracts for small businesses and helping business owners with management, technical assistance, and business training. President Bill Clinton announced on March 27, 1995 that the SBA was continuing their action plan to reduce its annual budget to 29 percent below the 1996 budget request and save taxpayers \$1.2 billion over the next five years (President Clinton, 1995, p. 10). In 2002, Senator Tim Johnson introduced Senate Bill 2335, and stated, "Without adequate assistance for entrepreneurs, the economic limitation facing Native American communities will persist" (Johnson, 2002, p.3). Senate Bill 2335, which was passed by Congress, works to support and maintain SBA offices to provide business planning, marketing services and management assistance to Native American entrepreneurs.

According to information provided in Chapter V, Native American entrepreneurs should have a purpose and a goal in mind when developing a business plan. They must overcome barriers, problems and obstacles when starting their own businesses. A business plan can provide the owner-manager or prospective owner-manager of a small electrical contracting firm with a pathway to profit. In addition, a business plan will guide the Native American entrepreneurs to the various areas that managers are concerned with in the business arena. The completion of a business plan will help guide daily business activities. The end result is a business plan that can help the owner to communicate his short and long term goals identifying specific steps. In a myriad of ways, the SBA programs advocate for Native American entrepreneurs to become successful in their own businesses.

Conclusion

Just as an electrician will not begin wiring without a blue print, an eager entrepreneur should not rush into new ventures without a business plan. Using this developed business plan will provide important data that will reduce small business startup barriers for Native American entrepreneurs. As a result, Native American entrepreneurs will enjoy benefits such as:

- Self-management
- Financial independence
- Creative freedom
- Full use of personal skills and knowledge

Recommendations

The following recommendations are provided to Native American entrepreneurs who choose their own destination in the electrical contracting business. The recommendations are also relevant to the Small Business Administration, which provides government minority programs to Native American entrepreneurs.

1. Develop a business plan to point out problems and limitations of an operation. Native American entrepreneurs must know their businesses thoroughly; this is critical given the problems that can emerge. Some of the common issues entrepreneurs face are labor and management, operating costs, labor hiring, training, personnel loyalty, procurement, office support and crew rations. These factors directly impact profitability, which, if not well analyzed or understood, can determine failure or success.

2. Utilize the SBA and it will help to achieve success. SBA provides services to first-time entrepreneurs who cannot afford the services of a private consultant. The SBA programs are designed to provide counseling, training and technical assistance in all aspects of small business management. The services include assisting small business with financial, marketing, procurement, production, organization, engineering, re-training, and technical assistance, as well as feasibility studies. In support of its action plan, the SBA also makes special efforts to reach out to minorities of socially and economically disadvantaged groups.
3. Obtain a Master Electrician's License; it is required for an electrical contractor to obtain a permit to perform electrical work. Many companies prefer the master electrician versus a university graduate in terms of securing a technical manager. Master electricians possess good theoretical skills and business knowledge pertaining to their craft.
4. Afford yourself the time to devise, implement, research, explore and be introspective. Established skills are a given, as they are already in place. It is the creation, implementation, and management of those skills that will determine success.

It is my sincere desire that this study will aid Native American entrepreneurs in understanding the complex world of the SBA and developing a business plan. I believe the research conducted for this study can be utilized to help Native American entrepreneurs overcome the barriers to establishing businesses and achieving economic success.

LIST OF REFERENCES

- Adamson, R., King, J., (2002). The Native American Entrepreneurship Report. *Native Assets Research Center First Nations Development Institute*, 2-24. Retrieved January 31, 2006, from <http://firstnations.org>.
- Appelbaum, E., Hunter, L.W., (2003). "Union Participation in Strategic Decisions of Corporations". NBER Website. p.1-41. Retrieved January 28, 2006, from <http://papers.nber.org/papers/w9590>.
- Berry, T. (2003). Hurdle: The Book on Business Planning (6th ed.). McGraw-Hill. Retrieved June 06, 2006, from <http://www.hurdlebook.com/index.cfm?p=3>.
- Bronfenbrenner, K., Friedman, S., Hurd, R. W., Oswald, R.A., & Seeber, R.L. (eds.). (1998). *Organizing to Win: New Research on Union Strategies*. Cornell University. Retrieved January 25, 2006, from UND Chester Fritz Library.
- Daneshgari, P. (2004). A Comparison of Operational Costs of Union vs. Non-Union Electrical Contractors. The Electrical Contracting Foundation, Inc., p. 3-43. Retrieved February 2, 2006, from www.neca.org.
- DeMaria, A.T., (1974). *The Supervisor's Handbook on Maintaining Non-Union Status*. p.3-29, Executive Enterprises. Retrieved January 25, 2006, from UND Chester Fritz Library.
- Department of Defense Office of Small Business Programs. *Mentor-Protégé Program Overview*. p.1-5. Retrieved February 6, 2006, from
- Department for Professional Employees. (2001). *Frequently Asked Questions*. p.1-7. Retrieved January 28, 2006, from <http://www.dpeaflcio.org/faq.htm>.

- Hatch, J., Zweig, J. (2000). Entrepreneurs. *Ivey Business Journal*, 1-5. Retrieved January 31, 2006, from http://www.iveybusinessjournal.com/view_article.asp.
- Hensley, S., (2004). SBA Announces New Contracts for Native American Economic Development Initiative. *Small Business Administration*, 1-2. Retrieved January 31, 2006, from <http://www.smallbusinessnotes.com/fedgovernment/sba/sbanews.html>.
- Johnson, T. (2002). Small Business Development in Native American Communities: Is the Federal government meeting its obligations. *U.S. Senate Committee on Small Business and Entrepreneurship and Senate Committee on Indian Affairs*. p.1-5. Retrieved January 28, 2006, from <http://www.senate.gov/~scai/2002hrqs/043002joint/johnson.PDF>.
- Lerner, S. (2002). Three Steps to Reorganizing and Rebuilding the Labor Movement. *Labor Notes*. p. 1-22. Retrieved January 28, 2006, from <http://labornotes.org/archives/2002/12/e.html>.
- Pages, E., (2002). Minority Report: Native American Entrepreneurship on the Rise. *Entrepreneur.com*, 1-2. Retrieved January 31, 2006, from http://www.entrepreneur.com/Your_Business/YB_SegArticle/0,4621,30082.html.
- Seymour, N. (2003). Native American Entrepreneurship. *Kauffman Center for Entrepreneurial Leadership Clearinghouse on Entrepreneurship Leadership, DIGEST*, 1-4. Retrieved January 31, 2006, from <http://www.celcee.edu/publications/digest/Dig03-01.html>.

- Tillman, R. M., & Cummings, M. S. (eds.). (1999). *The Transformation of U.S. Unions: Voices, Visions and Strategies from the Grassroots*. Lynne Rienner Publishers, Inc. Retrieved January 25, 2006, from UND Chester Fritz Library.
- U.S. Department of Labor. Bureau of Labor Statistics. p. 1-9. Retrieved January 28, 2006, from <http://www.bls.gov/oco/ocos206.htm>.
- U.S. Department of Labor (1976). 29 CFR 30. *Employment and Training Administration Bureau of Apprenticeship and Training*. U.S. Government Printing Office. Retrieved January 25, 2006, from UND Chester Fritz Library.
- U.S. Small Business Administration (2003). *Programs & Services (5th ed.)*. p.1-40. Office of Marketing & Customer Service. Retrieved January 28, 2006, from [www.sba.gov/8\(a\)](http://www.sba.gov/8(a)).
- U.S. Small Business Administration (2003). *Programs & Services (5th ed.)*. p.1-40. Office of Marketing & Customer Service. Retrieved January 28, 2006, from www.sba.gov/hubzone.
- U.S. Small Business Administration (2003). *Programs & Services (5th ed.)*. p.1-40. Office of Marketing & Customer Service. Retrieved January 28, 2006, from www.sba.gov/sdb/indexsdbapply.html.
- U.S. Small Business Administration (2003). *Programs & Services (5th ed.)*. p.1-40. Office of Marketing & Customer Service. Retrieved January 28, 2006, from www.sba.gov/library/pubs.html.

U.S. Small Business Administration (2006). SBA- Starting Your Business/ Startup Basics: Find a Niche. Retrieved January 28, 2006, from www.sba.gov/starting_business/startup/findniche.html.

U.S. Small Business Administration (1995). An Overview of Regulatory Reform and Performance Management. *Summary Report to President Clinton*. p.1-31. Retrieved February 6, 2006, from [C:\Documents and Settings\W0427701\Local Settings\Temporary Internet Files\Content.IE5\T04N910D\clinton \[1\].zip](C:\Documents and Settings\W0427701\Local Settings\Temporary Internet Files\Content.IE5\T04N910D\clinton [1].zip).

U.S. Small Business Administration. Mentor-Protégé Facts Sheet. Retrieved January 28, 2006, from <http://sba.gov/8abd/mentorfactsheet.html>.