BUSINESS

A SMALL BUSINESS HATCHERY

A NEW INCUBATOR IN CARENCRE WILL SERVE START-UP ENTERPRISES.

About five years ago, LERMCRO began looking for an economic development project. It could not do what a lot of similar community-driven businesses can do from start-up. But it did want to be different.

There had been a lot of talk around Alexandria about the possibility of starting up a business incubator, says J.U. Gaus, assistant general manager of Siemon. "It seemed that there was a need," he says. "We decided we would see what we could do.

And in about a month, Siemon will see what it did. Some six businesses are ready to be incubated, and others are waiting to be approved for admission.

They will be entering the Enterprise Center of Louisiana Inc., a $1 million project located on the campus of Louisiana State University in the Frontage Road. This incubator, which is capable of housing 21 businesses, helps to jump-start small businesses by providing manufacturing and office space, as well as sturdy services and management assistance. Incubators are designed so that a start-up business can work in and begin producing its goods without having to pay large outlay for support services. SCELE will offer a receptionist, telephone, use of conference rooms, etc., and assist in other services such as word processing, accounting and marketing.

Before it could get the ball rolling, or even secure whether in Alexandria or elsewhere, a viable project, Siemon scored an interesting surprise. He coined the idea of the idea in a meeting with the Louisiana Rural Development Agency—

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Half of the financial assistance—$500,000—comes from the Economic Development Administration in Washington, D.C. The city of Alexandria, which owns the building, put up $250,000, and the Louisiana Public Facilities Authority gave Carencro another $250,000. The board of the Enterprise Center was given $50,000 by the Lafayette Economic Development Authority, which assisted in the building.

Although the company will pay rent, Siemon also convinced the Louisiana Legislature to allow the company to use some of the company’s unobligated capital credit funds—traditionally have gone to the state—for operating capital. Unused funding that had been obtained for the feasibility study was also approved for use as an operating capital, Gaus says.

Gaus says the incubator operates under the philosophy that it’s a small business can be assisted through its first few years (businesses should “graduate” within three years), it is in a much better position to become generating a profit in a non-competitive environment. Gaus says this allows businesses with fewer than 30 employees access to the rate majority of new jobs in the country, and he believes that the incubator’s businesses will increase the job base in Alexandria while helping to diversify the economy.

One of the requirements for entry into the business is for new businesses to complete Croatia’s incubator fees. This includes the cost of the incubator’s fees, including equipment, and the cost of the incubator’s current rates. For the first six months after entering the incubator, the business will be assessed a fee of $60,000. After this, the business will be assessed a fee of $80,000. After this, the business will be assessed a fee of $80,000.
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by themselves to agree to doing flat. The basic impact is the creation of jobs in the Amherst area.”

Gujas says small businesses account for more than half of the nation’s jobs and some 47 percent of private output. But they’re prone to failure. However, those included in facilities similar to the Enterprise Center have an 80 percent survival rate, he says.

Some members, including Wells, say the structure of the incubator and the fact that it is privately owned are advantages some of the nation’s other approach- ing 100 incubators don’t have.

"It is not an arm of the university per se," says Wells. "One of the advantages is it is a private body." Wells notes the overall environment is more restricted and that there is virtually no red tape.

Wells, "In most things, I can make a decision. We do have rules. They might need an employee that they need in two days. They must one week from now, not a week from now, not a month from now. All the rules and regulations that employ in two days. In a public agency, that would be an impossibility, unless it were a temporary position."

Besides the in-house status, another program, "Incubate Without Walls," is offered for businesses that may not be suitable candidates for incubator resid- ence or that may be waiting for space.

Some businesses set to be housed or to receive assistance through the supplemental program include:

- "Coca-Cola’s Inc., which designs Y-
- stem, which offers all kinds for children, is starting its first stage, which includes the owner’s special recipe and lemon
- "President’s Desk, a remote control sent to belongings;
- "Certified Public Accountant, Gerald Jones, and
- "Kolpack Corporation, a company which has developed a process using carbohydrates in protecting the life of equip- ment such as ball bearings."

"The one major problem in the preproduc- tional type of businesses " would be very concerned in the start-up and small- owned businesses, Wells says. That does not mean, however, that a service-oriented business would not be accepted. Potential clients must meet a number of requirements.

The environment is not conducive to retail sales, although some retailing will likely be done, Wells says. "It’s not like a little mall," she says.

In addition to the training and support services, Gujas says, the center will also help a company case if it so desires. "We even financial institutions look favor- ably on businesses coming out of the incubator. That puts a high degree of pressure on center employees to acquire businesses to go into them." We have met with the banks in town, and they know if we bring a business to them, they’re going to have a lot of confidence in it." The center also assists the business in getting its paperwork in order so that it can obtain a loan.

"We have our reputation on the line," Gujas says. "We want to make sure they succeed."

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