

# Executive Breakfast Opens HIA-LI's 1<sup>st</sup> Annual Small Business Summit with Spotlight on Finance

By Christine Datz

June 27<sup>th</sup> marked another milestone in HIA-LI's drive to provide members with relevant, helpful and informative information as they strive to succeed. Formerly the "Workforce Development Conference," the inaugural Small Business Summit highlighted the needs and issues faced by small business owners.

The Executive Breakfast of the Summit addressed something that's paramount in the minds of most small business owners: financing! Who, especially in our still shaky economy, is not worried in some way about receivables, payables and how to grow their revenue stream or protect what they already have?

After acknowledging the contributions of host, St. Joseph's College, and sponsors Factxback.com, NST, PAFCU and Stony Brook University, Terri-Alessi Miceli, President HIA-LI, introduced Moderator Joe Campolo, whom she noted is also the newest HIA-LI Board Member, as well as being Partner at Campolo, Middleton, McCormick LLP.

Alessi-Miceli credited Campolo with the concept of the morning's panel and assembling the experts on it. "It was Joe's idea to come up with something that will help small businesses to grow in this economy," said Miceli, adding "the biggest part of that is giving businesses the ability to navigate their options, like financing."

Campolo, in turn introduced his panel. "I have done business with, or referred clients to, every person on this panel. They know how to close deals and get things done." The panel experts were: Ken Cerini, Cerini & Associates, LLP; Susan Kiesel, Market Sales Executive, Capital One Bank; Peter Klein, Financial Advisor, UBS Wealth Management; John Mallano, Lead Lender Relations Specialist, Small Business Administration; and Neil Seiden, CPA, Asset Enhancement Solutions LLC.



Panelists L to R: Neil Seiden - Asset Enhancement Solutions, LLC, John Mallano - Small Business Administration, Peter Klein - UBS Financial Services, Susan Kiesel - Capital One Bank, Ken Cerini - Cerini & Associates, LLP and Moderator: Joe Campolo - Campolo, Middleton & McCormick, LLP

The panelists represented a spectrum of resources for approaching financing solutions: private and public banking, accounting, government programs and alternative financing. Campolo deftly led the panelists through a series of questions that illustrated how companies at different stages of growth and facing differing types of issues could find assistance and, ultimately, the right solutions for their needs.

In spite of their varied backgrounds and fields of expertise, each of the panelists stressed the importance of having a team of experts behind your business. Cerini likened the team concept to a three-legged stool, "For it to work, you need all three components: Accountant, Attorney and Banker."

Kiesel emphasized the importance of not just having a banker, but developing a relationship and engaging them early and often; "Don't just open an account, build a relationship, because it allows the banker to be your advocate." She

counseled, "The better we know you and the more we know about your situation, the easier it will be to come up with a financing solution."

While most are familiar with the traditional commercial banking relationship, Klein was able to point out the advantage of working with a private bank. Klein explained the differences, "private banks are able to provide security based funding by loaning money against the value of your non-securitized assets." Simply put, owned assets are used for collateral and this allows business owners to preserve their assets and take advantage of interest rates that are lower than commercial rates. However, he cautioned, "Leverage may not always be the right answer. You need to continually re-assess your position and your objectives when making a decision to leverage."

Seiden described himself as "the last hope a company may have for financing," and can offer solutions that conventional lenders cannot. He's very proud to have

facilitated growth in companies that were not able to secure traditional financing without sacrificing equity or assets to do so. Coming up with a way to lend a franchise owner the money needed to expand, rather than the owner have to sell equity in his businesses, or just stagnate because he wasn't able to get a bank loan, was one example he cited.

As the representative of the Small Business Administration—a governmental organization dedicated to helping small businesses – Mallano is able to add another layer of help and alternative financing. "Banks *want* to make a loan, but if they go through the process and can't meet their criteria, we can help." Mallano then explained the SBA funding programs available to eligible businesses with borderline risk which enable banks to mitigate risk and make a loan.

However, Mallano warned of the negative consequences of not reporting income to avoid paying taxes. "It's short-sighted," said Mallano, "because when you need financial assistance, if your tax returns do not match your application forms, you will not be able to get the financing you need even if your business is strong." Cerini and Kiesel agreed that under-reporting income, while lowering taxes, could also lower your chances of getting financing from lenders.

Overall the panel and Campolo had many interesting and useful insights as to how to approach finance as a small business owner and have it work for you in the way you need. Knowing your "team," your position and objectives is one part of finding the right solution and source for your financing. Ensuring your team is smart, creative and flexible is the other piece of the puzzle.

**Please join us for the next Executive Breakfast "Long Island Travel" scheduled for July 25th, 9 am – 10:30 am at Islip MacArthur Airport, Ronkonkoma.**

*Thank you to HIA-LI's Small Business Summit Sponsors:*

