



Santa Fe

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**November-December
2011**

HAPPY HOLIDAYS!
SCORE Santa Fe and Northern New Mexico

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SCORE National Leadership Conference

The SCORE National Leadership Conference held in Las Vegas, NV October 18-20, 2011 was attended by 350 representatives from 250 SCORE Chapters, including the three New Mexico chapter. Richard Meyer represented the Santa Fe and Northern New Mexico Chapters.

National President Ken Yancey introduced SCORE's new motto:

*"Helping Our Country's Economy, One Small Business
At A Time"*



CINDY MOTTLE, New Mexico District Director; **RICHARD MEYER**, Santa Fe; **PETER MIKELSON**; Chair Albuquerque Chapter



ELLEN THRASHER, Director, Office of Entrepreneurship Education, US SBA; **CINDY MOTTLE**



KEN YANCEY, National President

Educational training sessions related to recruitment of new mentors and clients; techniques for creating and supporting new and existing small businesses, and strategies for expanding community awareness and participation.

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FALL 2011 SMALL BUSINESS MANAGEMENT SEMINAR SERIES

The Fall 2011 SCORE Santa Fe Seminar Series, conducted at the Santa Fe Business Incubator, and sponsored by the City of Santa Fe Economic Development Division, was held from September 20 to October 6. The content of the seminars relates directly to that which SCORE volunteer mentors help local businesses address in individual mentoring sessions: Developing effective business plans and strategies, managing money, accessing capital and financing sources, establishing proper legal structures and compliance and developing successful marketing plans.

Again this term, we included these specialty seminars:
Basic bookkeeping/accounting using QuickBooks software; website development and internet marketing strategies.

All seminars were developed and presented by volunteer SCORE mentors with several invited outside guest presenters to provide local business oriented attendees with their unique perspectives of the matters discussed.

Nine seminars were presented for 215 attendees composed of separate 91 individuals. Average attendance was 24 persons per seminar.

The next Seminar Series is scheduled for the Spring 2012.

The Seminar Series is funded by the City of Santa Fe Economic Development Division.

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Success Story

KERNEL'S KETTLE CORN

LEIGH & MICHAEL MURPHY

"My husband and I developed a "passion" for Kettle (pop) Corn; and, when we decided to try it as a business a friend felt it would be advantageous for us to attend the SCORE® seminars on how to start a new business. This resulted in an on-going series of meetings with SCORE®



counselors, each time benefiting from the advisors' invaluable experience and knowledge. Today Kernel's Kettle Corn is a reality! We have a business location on the Santa Fe Plaza, and we could not be more grateful for the excellent direction and advice that we received from the SCORE® counselors along the way. From help in setting up our basic "business structure," to doing the necessary research to "vet" our idea, thru the implementation of our business plan, the thing we found unique about SCORE® was their ability to stick with time-proven, good business sense, while continuing to incorporate practical suggestions for navigating through the ever changing economic times in which we live today. Having mentors who have been there "first hand," and understand the needs of a small business is a real plus for anyone needing direction. As we learned from our time with SCORE®'s counselors, many small businesses have failed simply for not doing the basic planning and investigative work needed to be successful. Even with something as simple as popcorn we can honestly say that, had we not followed through on the approaches suggested by SCORE®'s advisors, we might not be in operation today. We are now completing our first year in business and are making preparations to expand. Even now that we have started our business, SCORE® counselors continue to give support. My husband and I have also attended additional seminars this past year, to learn about websites and the internet, as this will be a next step for our continued success. SCORE® has been a great experience for me and I recommend it for anyone who wants to start or cultivate their small business. Best of all, Its FREE!!!"

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SCORE Executive Roundtables

Two Roundtables have been held so far for existing small businesses: one on October 12th and one on November 17th; both at the **offices of HD3** in the Sanbusco Center. A total of 22 enterprises were represented in the two meetings.

Both Roundtables were oriented on the topic of how to grow their companies in the present

SCORE Santa Fe and North New Mexico

Richard Stranger, Chapter Chair

SCORE Santa Fe is initiating a regular newsletter to keep you up to date with news and activities at Santa Fe SCORE. At least bimonthly, we will publish a newsletter highlighting Client successes, answering questions, letting you know about programs and events to help you improve your effectiveness.

The Santa Fe chapter of SCORE is one of three chapters in New Mexico. The others are in Albuquerque and Las Cruces.

Our offices in downtown Santa Fe are at:

Montoyo Federal Building
120 Federal Place, Suite 307
Santa Fe, NM 87501
505-988-6302

and in the Santa Fe Business Incubator at:

3900 Paseo del Sol @ Airport Road
Santa Fe, NM 87507
505-424-1140

Check out our website:
www.santafescore.org

Our Partners

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economy. Actual discussions focused on marketing problems and solutions; but competition and financing were also discussed.

Based upon evaluation forms from the Nov. 17th event, most all attendees indicated they will attend future Roundtable events and several requested mentoring appointments.

The next event will be after the holidays in mid-January.

The High Desert Discovery District (HD3), a 501(c)(3) public charity, is hosting fundraising event on December 4, with Kim Richards, CEO Allied Artists International as Special Guest. Contact Michelle Hoelt at 505-310-5711.

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RoundTable Participants
**MICHAEL MURPHY,
ANN ORGEGA, MICAH
ORTEGA, LIANE
BROWN**

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New Volunteer Counselors

PATRICIA JOHNSTON Worked for Equity Trading on the Mutual Fund, International, and Institutional side of the Money Management business for 27 years. Retired in 2009 as Head of Equity trading, Global Partner, and Head of Trading for all of North America with a Money Manager with 500 billion dollars under management.

MARYANNE M. MOWEN Ph.D., CMA spent 33 years teaching cost and management accounting at Oklahoma State University. She is the author of a number of textbooks, including: Cornerstones of Managerial Accounting, 4th edition, and Cornerstones of Cost Accounting. She has also taught classes in accounting information systems, ethics, and the impact of the Sarbanes-Oxley Act on accountants. Maryanne has served as a consultant to mid-sized and Fortune 100 companies, and has worked with corporate controllers on management accounting issues.

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Pro Bono Professionals

Some SCORE chapters around the country have observed that professionals who offer an hour or two free consulting through the local SCORE chapter reap benefits. A referral for pro bono services can often result in new clients or customers, and the SCORE image benefits.

In our mentoring of new SCORE clients, we frequently are asked for referrals to lawyers, accountants, bookkeepers, bankers, marketing specialists, internet service providers, etc.

We would, therefore, encourage professionals in Santa Fe and Northern New Mexico to sign up with SCORE for pro bono services. Our practice will be to provide to our clients three names of specialty professionals and leave it to the client to select the professional of their choice.

This could be mutually beneficial -- to the pro bono professional and SCORE.

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Advisory Board

The SCORE Santa Fe Advisory Board is an experimental new program to assess whether SCORE professional members can expand our consulting services to well-established small businesses. The concept is to provide informal strategic review and financial guidance much as a formal board of directors would to an enterprise, but at no cost to the company's CEO or President and with no legal standing.

SCORE Advisory Boards of three selected and agreed-upon members would be created with each matched to a specific company's field of activity and business requirements. The CEO and the SCORE Leader would hold regularly scheduled quarterly meetings and extras as may be desirable on topics as agreed-upon in advance. All meetings would be kept confidential by both parties. An informal Memorandum of Understanding between the Advisory Board and the Company will be prepared at the outset of the service program.

SCORE's professional members represent an entire spectrum of highly trained and experienced executives of successful domestic and international companies. Please visit www.scoresf.org for a list of the SCORE Counselors and their backgrounds. They are donating their services to the Santa Fe community of growing small businesses at no charge.

For more information, contact the SCORE office at 505-988-6302.

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Is Forming An LLC The Way To Go?

Information on how to obtain a Limited Liability Corporation (LLC) status in New Mexico can be found [here](#).

[NM LLC Application](#)

Is forming an LLC the way to go?

You should get legal and accounting advice before you do this. Perhaps one of the other common business structures (sole proprietor, partnership, or corporation) would be a better route.

For most businesses, the two biggest reasons to operate as an LLC are liability issues and income tax matters. There are other considerations as well, but let's deal with these two for now. First, as to liability, the LLC can be a "backstop" which shields you from having personal liability. If things went haywire, and the LLC ended up with debts or lawsuit judgments, your personal assets enjoy some protection from being grabbed. Remember that you must keep the LLC's financial and other dealings separate from your personal activities, or you risk losing the liability protection.

Here are some examples of why a sole proprietor should look at an LLC (or a corporate) business structure. These are activities which have inherent risk. Analyze your business to see if it has anything to do with:

- * Food products or service
- * Children
- * Personal services
- * Alcohol sales or service
- * Chemicals or hazardous or flammable materials
- * Construction, or the use of heavy equipment
- * Any other activities where there is above-average chance of harm to people or property.

You should talk with your insurance agent about your particular exposures. Some of them can be addressed with a business owner's policy package.

Second, as to federal income taxation, your LLC business can choose to be taxed as a "pass-through." This means that you report your business income directly on your personal tax return. A one-owner LLC does not file a separate tax return.

A common misconception about LLCs goes like this: "I'll get a bank loan as the LLC, and then if I have trouble paying it back, I'm not on the hook." That doesn't happen. In reality, you would have to sign personally for the loan, even if it were in the LLC's name. Your LLC will need an Operating Agreement (Google "free LLC operating agreement"). This document spells out the structure and operations of the company. It doesn't need to be filed or recorded with anyone, but take a copy of it to the bank when you set up the LLC accounts.

There is often confusion, with good reason, between "member-managed" and "manager-managed" LLCs. If you manage the LLC, then it's member-managed.

Other pros of the LLC business structure are the minimal formalities and reporting requirements when compared to a corporation. There is no traditional board of directors, required annual meetings or a minutes book. The LLC files a one-page annual report with the Secretary of State and pays a \$59 renewal fee.

On the Con side, a full-service LLC setup with legal and accounting services could run around \$1,500. If you're converting from a proprietorship, the LLC will need all new accounts with the various state and local governmental agencies, a new taxpayer identification number with the IRS, and of course new bank accounts. You will need to redo all of your printed materials with the new name, and update your website and logo as well.

Now it's time to talk with your advisory team, and decide what's best for your particular situation.

[credit: BOB DAHMS / FOR THE BELLINGHAM Washington HERALD - May 2, 2011]

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association of more than 13,000 business experts who volunteer as mentors. SCORE offers free mentoring and low-cost workshops nationwide. A resource partner with the [U.S. Small Business Administration](#), SCORE has helped more than 9 million entrepreneurs since 1964. Call 1-800/634-0245 for the SCORE office near you or visit online at <http://www.score.org>.

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