

Deborah Neuman

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YOUNG ENTREPRENEURS ARE THE FUTURE

Deb Neuman bought an inn in Bar Harbor, Maine, when she was 25. Then she bought a tour-boat company. After running numerous small businesses, she began sharing her expertise with Maine organizations: Washington Hancock Community Agency, Eastern Maine Development Corporation, and now the University of Maine's Target Technology Incubator. She also is a counselor with the Maine Small Business & Technology Development Centers, a columnist for www.themaineedge.com, and the producer and host of a weekly radio show for and about small businesses, "Back to Business." This year, the U.S. Small Business Administration recognized Neuman with the Small Business Journalist of the Year award for both Maine and New England.



Courtesy photograph

How long have you been an entrepreneur?

DN: I think I have always been one. As a child, I played store and gathered everything I could and put on price tags. I sold everything. I found out that selling my sibling's toys went too far. The lesson: Know if your inventory is legal.

I was born in California, grew up in Pennsylvania, and spent summers in Maine. Shortly after college in California, I decided to quit my job in a retail corporation and move to Maine permanently. I had a U-Haul and no idea what I was going to do. I just wanted to be in Maine.

I got a hotel job in Bar Harbor, was promoted to manager, and ended up running the place year-round for a couple years. Before long, I wanted to my own inn. I was 25 and didn't have any money. I found a local inn for sale, created a business plan, and worked out financing with the seller and the bank. It's great to be an entrepreneur when you have the energy and enthusiasm and nothing to lose. Young people haven't acquired much. They're used to eating Ramen noodles every night.

When did you begin advising other entrepreneurs?

DN: In the early 1990s while I was still operating a tour boat company, I took an additional job with the Washington Hancock Community Agency in Milbridge. Washington Hancock had started a micro-loan program for low- to moderate-income folks who couldn't access financing through conventional means. These were microbusinesses with five or fewer employees.

Washington County residents are natural entrepreneurs, although they don't call themselves that. They just want to live here, so they find ways to make it work—piecing together jobs like lobster fishing, blueberry raking, and craft-making.

The agency helped with creating business plans, finding financing, and getting technical assistance for people. Then in 1993, I sold my businesses and took a job with the Eastern Maine Development Corporation, a regional economic development agency that serves six counties. EMDC had just been awarded the SBA microloan program, which was something new for them, and they hired me to manage it.

While there, I partnered with Washington Hancock and other community action agencies to create Incubator without Walls. That initiative brings together very rural small businesses on a monthly basis, provides business education, and helps people connect to resources.

Five years ago, I was hired by the University of Maine, Orono, to run its Target Technology Center. The center is one of the incubators Maine created to assist early-stage technology companies. We work with tech-based businesses and entrepreneurs statewide. Sometimes I help students who want to stay here and work after graduation. Or I may assist faculty and other researchers who are trying to commercialize their innovations.

Certain challenges are sector-related, but many are the same whether you're starting a plumbing service or a high-tech company. You still have to figure out who your customers are, how you are going to make your offering known, what the competitive environment is. I spend much of my time connecting entrepreneurs to the resources they need at different stages—advice on patents, raising capital, and so on.

What businesses are people interested in starting?

DN: We're seeing a lot of young people interested in new media. They not only do web design, but new-media-based trade-show displays and films that companies use for promotion.

One young entrepreneur used GPS to create a patented device that when held up to a building merges location information with public data. A voice then talks about the building. Another guy created a controlled lab for raising saltwater tropical fish indoors. He sells fish to retailers across the country. Unlike sellers who harvest fish in the wild, he doesn't impact any reefs, and his fish are healthier.

It is said that workers in Maine miss the large mills and don't want to go into business. How do you develop an entrepreneurial spirit?

DN: There is some large-company bias in Maine, but not everywhere. Most communities have small businesses. Millinocket was heavily dependent on paper-making mills. But today it promotes ecotourism and its proximity to Mt. Katahdin and white water rafting.

We do encourage self-assessment for potential entrepreneurs. If they want their 9 to 5 and their weekends and their two weeks' paid vacation, being an entrepreneur is probably not a good idea. It's going to be a generational shift—developing a community's entrepreneurial spirit starts with the young. Young people in Maine love to create their own opportunities.

Tell me about your radio show, "Back to Business."

DN: About two years ago, I met with Clear Channel management to develop a radio program that would educate entrepreneurs about business-related topics and resources. We thought a radio program with a positive tone that also addressed the challenges would be great. We would let the entrepreneurs themselves talk about the challenges. Today I produce and host a two-hour weekly talk radio program on 103.9 FM, which is heard north of Augusta and up through Piscataquis and Washington counties. Experts

come from Maine and around the nation. And we have entrepreneurs telling their stories and offering advice and lessons learned. A woman e-mailed me that the show made her aware of opportunities she never knew about. She often thought of starting a business but had been afraid. Hearing entrepreneurs on the radio made her feel hopeful, and she said, "If they can do it, I can, too." That felt good.

I reach even more people with my one-minute daily small-business tip—aired throughout the day on all eight stations that the company owns—very different audiences.

Expand on what you meant about positive messages.

DN: Too often the talk about going into business is negative—costs, taxes, insurance. We do need to have those discussions and work to improve the business climate. But what about the stories of the people who are making it? Positive stories make positive things happen. For example, even if young people are leaving, a lot are staying and others are coming back. We showcase what is working.

How do people get started in business?

DN: When anybody comes to me in my role as a counselor with Maine's Small Business Technology Development Center, we brainstorm first. I never tell anybody they have a bad idea. I get them to start thinking about the questions they should ask. I get them working on the business plan. The woman who contacted me at the radio show wanted to produce and sell baklava.

The group Women Work and Community helped her investigate the viability of the idea. She found out there weren't enough local people who would pay what she would have to charge to make a profit. So she went back to the drawing board. She had always made bread, and with a large family of willing workers, she started a bread business that has taken off.

What happens when entrepreneurs have gaps in their abilities?

DN: We do a lot of matchmaking. For example, we often pair up the person who has technical expertise with someone who has expertise in commercialization, marketing, and sales. I'm currently working with a company that is making a composite product by hand in a basement. Customers want to buy it, but it's taking too long to manufacture. The company has now partnered with a successful serial entrepreneur. He will connect them with people in industry and share what he knows about manufacturing processes.

What are the chances that the start-ups will stay in Maine?

DN: People I work with want to stay. I had a web designer who tried New York but came back. Now he flies down once a month to see clients, but his business is based here in Orono.

There's always a chance companies will leave, but the state has strong programs to encourage folks to stay. The Maine legislature realized the state lacked the right type of financing for a tech-based economy, so it created the Maine Technology Institute to encourage commercialization of innovation (www.MaineTechnology.org). It can take years to move an innovation from the lab to the market. So the Technology Institute set up the SEED Grant program. A company can get up to \$25,000 in grants to move an idea forward through market research, filing a patent, or perhaps developing and testing a prototype—whatever is needed. Later the company can apply for a development loan of up to \$500,000 that doesn't need to be repaid until the offering is fully commercialized.

There are many exciting entrepreneurial things happening in Maine. Individuals are starting tech companies, universities are spinning off research, people who have left are coming back because now they can work from anywhere. Mainers are supportive of any effort to strengthen the state's economy.

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