

**For Minority Groups—**

# **SBA's 'Operation Business Mainstream' Ready to Help**

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A middle-aged native couple living in rural Alaska had been wanting to set up the first general store in their village for several years, but, until recently, all efforts to do so had been in vain.

The husband had been able to find employment only several months out of the year because the town offered few job opportunities. And, the wife had never been employed outside the home.

Having very little cash on hand and very little property to offer as collateral, the couple had tried but been unsuccessful in obtaining a loan from a bank to finance their idea.

Then they were approached by Small Business Administration representatives and matters seemed to take a turn for the better.

Several months later they were well on their way to becoming owners and managers of a general store.

The example is fictional but the circumstances very similar to those found by Max Dolchok and Leonard Brinson.

Dolchok, an Aleut, and Brinson, a Negro, are the staff members for Operation Business Mainstream, an SBA program designed to provide business opportunities for minority individuals—including Eskimos, Indians, and Aleuts.

Working out of Anchorage, they are charged with the responsibility of locating minority group people throughout the State who are interested in setting up a small business.

"We are in business to create opportunity," Dolchok said in his Anchorage office, "We are looking for people and a region where a business can grow and prosper and will try to match these two."

Having been on the job only about four months, both Dolchok and Brinson have begun covering the state—trying to spend at least 80 per cent of their time out in the field.

Having located an interested person, the first step is to schedule an interview with them.

During this interview, the minority enterprise program is explained and business prospects and ideas discussed.

If the interested individual has not sought a loan from a bank, then he must do so and must be turned down in writing before the SBA can consider loaning him money, Brinson explained.

Having done this the individual then submits a preproject proposal. Brinson and Dolchok explained that they have received such proposals from several areas of the state for general stores, beauty shops, and child care centers.

As in the fictional example, the applicant might lack adequate management training and experience.

In such a case, Brinson explained, the SBA might require the applicant to attend a training course such as those offered at the Seward training center or it might require the applicant to get on-the-job training. For instance, a potential store owner might be temporarily placed in a business similar to that which he plans to set up.

After such training the applicant might even discover that he doesn't like the store business and at least would not have a \$20,000 loan hanging over his head.

About 90 per cent of business failures in the first year are due to poor management practices, Brinson said, and SBA, a federally-funded program, is trying to improve upon that percentage.

If, after the training period, the individual still wants to pursue his idea, he then fills out a regular application.

Assuming that he has potential to manage a business and a good idea, another area of concern is the proposed location.

If the chosen locality could not support the business, the SBA representatives help him choose another location, or even possibly another business in the same location.

Finally, to receive approval for a loan, the applicant must be able to furnish about 20 per cent of the total proposed investment from his own resources.

Interest rates on SBA's portion cannot exceed 5½ per cent. Most minority enterprise loans are for about \$20,000 and for a five to six year period.

Before and after the loan is made, Brinson explained, SBA representatives counsel the client as much as possible and refer him to other agencies for further assistance.

Both Dolchok and Brinson urged anyone interested in the program to contact them in Anchorage at 632 W. 6th Street. Assistance, they stressed, is not limited to those wanting to start a new business but is also available to those wanting to expand or improve a current business.

According to Senator Ted Stevens office, 38 minority enterprise loans—37.2 per cent of the total SBA loans in Alaska—have been granted through March, 1970.