

## Money Talk

# THE INFORMATION AGE OF BUSINESS & INVESTMENT

Thursday, January 18, 1990

Stephen N. Blaising

In his explosive new book, "Microcosm," George Gilder contends the biggest mistake people will make about wealth is to conclude that it resides in physical things like land, labor and raw materials.

The key to wealth is recognizing that it lies in the intangible world of ideas.

Wealth lies in information. And those who use information as a strategic advantage in their investment and business decisions will prosper during the new decade.

## Information is opportunistic

Every piece of information coming your way is opportunistic. That's why it's crucial to tap into "information streams" that empower success for achieving financial goals in 1990.

Nowhere is that more true than when shopping for lending sources. Financing is a common obstacle to dream ventures. Allow me to introduce you to the new era of "small business development centers."

Such centers offer ready access to more than 100 volunteer entrepreneurs who are already successful in their own businesses. These experts offer professional counseling for constructing that all-important business plan, and they do it for free!

Instead of paying \$1000 to \$10,000 for your attorney or banker to put the proposal together for the big loan, get hands-on training at the Bill J. Priest Center, Dallas' Small Business Development Center.

The staff is supported with valuable resources from the Small Business Administration and the Dallas County Community College District. Whether you need to package a loan request or a bailout plan for a struggling business, the Priest Center is a wealth of information for the entrepreneur seeking a financial foundation.

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### The Information Age of Business & Investment

In his explosive new book, "Microcosm," George Gilder contends the biggest mistake people will make about wealth is to conclude that it resides in physical things like land, labor and raw materials. The key to wealth is to recognize that it lies within ideas that are invisible. Wealth lies in information. And those who use information as a strategic advantage in their investment and business decisions will prosper during the new decade.

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Contact Neil Small or Geney Tipton at 565-5831, and they'll construct a research plan and tell you if your idea will work. If you already have a business and it's not doing well, the center will utilize a computer and a small business workbook to evaluate your sales, marketing strategy and everything that may be causing problems.

These advisors then provide an outline strategy for improving your business as well as develop the financial statements and business plan necessary to obtain financing.

The primary importance of a small business development center, however, is its resource for obtaining current and correct information. Having the right information is a towering priority before having the right strategy. Information is a strategic advantage.

#### The Money Store

Let's say you've hammered out the concept and business plan for a car wash with a few new marketing twists. It'll be the first car wash that changes oil and provides a complete lube job while the mats are vacuumed.

Who's lending money for car washes? Your "friendly banker," now more congenial after a decade of banking debacles? You'll want to check attitudes there, but don't overlook comparison shopping, even for capital.

The Money Store, the largest packager of SBA loans in the nation, has a reputation of being more generous and easy on their terms than commercial banks. Its only Texas office is in Austin (512-478-1530), or if you prefer, you can call the headquarters in Sacramento at 916-446-1829.

Did you know 38% of all businesses in the U.S. qualify for Small Business Administration loans? In fact, the SBA will fund hard-to-finance businesses like restaurants. They will lend at replacement value on equipment, not just salvage value — which is much less than replacement value. You can even get 100% financing on raw land. The Money Store is a specialist at getting a loan guarantee for your new business, even if you're looking for financing under \$1 million.

The more alternatives for financing, the more advantages you will have in negotiating favorable terms with a lender. Your odds of failure to obtain the money will be lower than others. You know more.

#### Logisomechanophobia

Equipping your 21st century car wash is no small task. But once again, using all the information networks available, it can be done inexpensively. And one of the indispensable expenses of any business in the Information Age is computerization. A-h-h-h, computers.

Skimming through the "People's Almanac" recently, I encountered a section called, "Find Your Phobia." Therein psychologists have identified a new phobia, "logisomechanophobia." I'm not sure what the fear of long words is, but this particular anxiety is the fear of turning on a computer.

Obviously, new and small business owners will have to clear this hurdle to succeed in the '90s.

After identifying the kind of equipment you need, you can save a bundle by avoiding the high price of new computers. Call the Boston Computer Exchange at 617-542-4464, and they will quote you a price that's hard to beat.

This incredible network of computers for sale uses an electronic trading system modeled after the New York Stock Exchange. More than 120 licensed affiliates around the country list used computer equipment at prices second to none. To protect both parties in a sale, the Boston Computer Exchange takes the money from a buyer and places it in an escrow account. The seller sends the computer to the buyer who has 48 hours to inspect it. When both are satisfied, the seller receives the money less a 10% commission. This also is a great way to sell your used equipment, if you're trying to upgrade.

Magazines like *Computerworld* and *PC Week* run a Boston Computer Exchange index of closing prices on every model imaginable, from Apple II's to Zenith 386s. Take your pick.

Network marketing will become a dominant channel for distributing goods and services in the '90s. The quality of your information sources, your network knowledge, is the key to wealth.

Spend as much time developing your information network as you do the tasks of your business. Then you will do more with every opportunity that comes your way in 1990. You may even become the car wash mogul of the decade, which could have you bubbling all the way to the bank.

Stephen N. Blaising, president of Financial Dynamics, Inc. of Dallas, is a private economist and financial planner. He is a registered investment advisor. If you have a financial question for Mr. Blaising, please submit it to Stephen Blaising,

People Newspapers, 6106 N. Central Expressway, Suite 200, Dallas, TX 75206 or contact him directly at 361-6291.

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Stephen N. Blaising, President of Financial Dynamics, Inc. of Dallas, is a University Park resident.