

SMALL BUSINESS **BIG** OPPORTUNITY[®]

TRAVELERS INSTITUTE[®] | TRAVELERS^J

Nashville, Tennessee



L to R: Joan Woodward, Travelers Institute; Bob Jackson, The Crichton Group; and Lisa Denson, U.S. Small Business Administration



Ellie Terry, Federal Reserve Bank of Atlanta

Regional executive from Federal Reserve Bank of Atlanta Nashville Branch headlines the *Travelers Institute*[®] small business education symposium with economic forecast

Entrepreneurs and industry advocates joined the Travelers Institute in Nashville on March 31, 2016, for a *Small Business – Big Opportunity*[®] symposium, which is part of a national series focused on major challenges facing small business owners and solutions to help them succeed.

Economic outlook

The Federal Reserve Bank of Atlanta Nashville Branch, the Nashville Area Chamber of Commerce and the National Association of Women Business Owners (NAWBO) Nashville Chapter participated in the event, which featured a keynote address by **Lee Jones**, Vice President and Regional Executive, Federal Reserve Bank of Atlanta Nashville Branch.

Jones delivered an upbeat outlook on the national and Nashville economies.

“Economic activity has been expanding at a moderate pace,” Jones said of the national economy, noting increased household spending, a positive housing sector and a lower rate of unemployment.

As for Nashville: “We are on a roll ... ‘Nashville is on fire,’ I have even heard,” said Jones, noting that Nashville’s job growth has exceeded that of the U.S. and regional averages during the past five years, and “the outlook is pretty good for continued growth.”

Small business climate

During a panel discussion, attendees learned that small businesses nationally were hit hard by the recession and their recovery has been slow. **Ellie Terry**, Economic Policy Analysis Specialist,

Research Department, Federal Reserve Bank of Atlanta, said that small businesses are still working to regain their footing and increase their employee numbers to prerecession levels.

Terry explained that the recession hurt small business owners from “both the business and personal side.” The business side refers to external sources of financing, and the personal side encompasses a business owner’s personal savings and assets, she explained.

She said a Federal Reserve Bank survey found that small business owners typically secure their debt using both business and personal assets. Specifically, 63 percent of those surveyed reported using personal resources, which concerned Terry.

“It means that if you do not repay your bills, it is going to hurt not only your business credit but your personal credit, too,” she said.

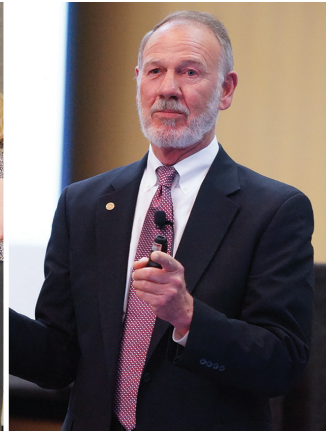
The survey also investigated whether small businesses have succeeded in getting external financing. About half of business owners reported that they received the full amount of credit they requested, and only 18 percent said they received none. While financing conditions are gradually improving, the smallest firms continue to face challenges, and younger businesses struggle as well, especially in terms of bank financing, Terry said.



Julie Mix McPeak, Commissioner, Tennessee Department of Commerce and Insurance



L to R: (back row) Michael Echols, U.S. Department of Homeland Security; Bob Jackson, The Crichton Group; Henry Furtick, Regional President, Travelers; Lee Jones, Federal Reserve Bank of Atlanta Nashville Branch; (front row) Joan Woodward, Travelers Institute; Ellie Terry, Federal Reserve Bank of Atlanta; Lisa Denson, U.S. Small Business Administration; Jacqueline Hayes, President, NAWBO Nashville Chapter; Colleen Perlmutter, Regional Vice President, Travelers; Chris Cotton, Director of Business Growth Initiatives, Nashville Area Chamber of Commerce; Julie Mix McPeak, Tennessee Department of Commerce and Insurance; and Julie Lilliston, President-elect, NAWBO Nashville Chapter



Lee Jones, Federal Reserve Bank of Atlanta Nashville Branch

Terry noted that small business owners have had more success obtaining funding from smaller banks than from larger financial institutions. The survey found that three-quarters of the respondents who applied for loans at small banks received approval, while only 58 percent of businesses that applied to large banks were successful.

Lisa Denson, Lender Relations Specialist, U.S. Small Business Administration (SBA) Tennessee District Office, said that small loans may be more difficult to get than large, million-dollar loans. She recommended that business owners explore SBA loans if they have not been able to secure a small loan conventionally.

Cybersecurity

During live audience polling, very few attendees indicated that they had an incident response plan in place for a cybersecurity attack, and of this group, only one said the plan had been exercised or tested.

Michael Echols, Director, Joint Program Management Office, Office of Cybersecurity and Communications, U.S. Department of Homeland Security, said awareness was the “biggest hurdle and obstacle” for small business owners, and he urged them to stay updated on cybersecurity practices.

“The internet is the wild, Wild West,” Echols said. “The internet was never meant to be secure.”

Noting that most small businesses are not able to recover after a major cyber incident or breach, Echols stressed the importance

of preparation in preventing a cyber attack. He advised the audience to “think of cybersecurity as risk management,” by backing up information ahead of time and investing in cybersecurity protocols to mitigate risk.

Bob Jackson, Co-Chairman, The Crichton Group, said business owners should identify their cyber risks and then conduct a business impact analysis to determine the severity of a cyber incident. Once the risks and impact are determined, explained Jackson, the company should develop a risk management plan that is practiced and updated regularly. Jackson suggested that business owners explore cyber liability insurance to help protect their business in the event of a cyber attack.

Business continuity planning

“If something happened to your business today, would you know what to do tomorrow?” **Joan Woodward**, President of the Travelers Institute and Executive Vice President of Public Policy at Travelers, asked the audience. Polling revealed that only a few attendees had a business continuity plan in place.

Jackson said that a business continuity plan is an employee playbook to help keep the company operating if it is hit by a disaster.

Denson stressed that such a plan was especially important for small businesses, because being out of commission for even just a few days could create a significant cash flow gap and impact their ability to recover.

To learn more about the *Small Business – Big Opportunity* symposium series, visit travelersinstitute.org/smallbusiness.



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