

Small Business Advocacy Council

October 7, 2008

Meeting minutes

Attendees: Ed Mazze, Miriam Ross, Mark Deion, Lauren Slocum, Darlene Evans, Gip Cabral, Robert Boisselle, Amintha Cinotti, Ted Almon, Paul Grimaldi, Denise Barge, Tracy Baran, Don Nokes, Jerry Meyer, Kelly Carello, Elizabeth Perry, Sherri Carrera, Bob Lafond, Linda Lulli, Phil Papoojian, David Lucier, Mark Hayward, Claudia Cardozo, Ganesh van Ziden

Lt. Governor Roberts called the meeting to order at 8:37 a.m.

Lt. Governor Roberts noted that as a result of the turmoil on Wall St. and the credit crunch she wanted to provide for the Small Business Advocacy Council a panel that could speak to the impacts on small businesses and the steps small businesses can take to weather the storm.

Lt. Governor Roberts introduced the panel: Jim Vesey, Chief Credit Officer, Washington Trust Company, Mark Murphy, Editor, Providence Business News, and Mark Hayward, Regional Director, U.S. Small Business Administration.

Jim Vesey stated that there was a crisis of confidence and that people needed to try and relax and take a deep breath. He said that now is the right time to stay in close contact with your lawyer, banker and accountant and to discuss issues as they arise, not when it is too late to act.

Jim Vesey also indicated that it is very important for small businesses to try and maintain liquidity if they can.

Mark Murphy said it appears that local banks are faring better so far than big national institutions.

He stated that his paper attempts to get readers to ask themselves questions about their own businesses and lives by providing examples of innovation, cost cutting and success.

Mark Hayward noted that there has been a precipitous drop in SBA backed loans over the past year. He stated that one way to loosen up the lending would be for banks to focus on small businesses cash flow rather than the amount of collateral they post.

Michael Saul of the Economic Development Corporation stated that he believes a lot of capital is currently sitting on the sidelines waiting for things to sort themselves out. He also said that Rhode Island has a capital crisis and needs investors who understand the value of

“soft” and “intellectual” capital. He noted Rhode Island has a big deficit in this area compared to Boston.

Mark Deion noted that the lack of investment by Congress and the State in institutions like the SBA means fewer small businesses have access to capital.

Phil Papoojian stated that for the average person the scare is largely media induced. He felt it was best for businesses to stay the course and not to panick.

Mark Hayward reminded businesses that tools like the Small Business Development Center at Johnson & Wales, the Center for Women & Enterprise and SCORE are available to help them make good decisions and to plan for the future.

Ed Mazze stated that the two great lessons from this downturn are that we are truly in a global economy and that going forward everyone will be more leery of the financial world. He also said the biggest mistakes small businesses could make right now would be retreat or isolationism.

He also advised that now is the time for businesses to stick with what they do best.

Lt. Governor Roberts noted that Rhode Island must have a vision not just for austerity, but also for prosperity. She indicated that

government and businesses must come together around priorities and say yes to the things we critically need.

Lt. Governor Roberts adjourned the meeting at 10:00 a.m.