

staff

Alison Beauregard
Finance Director

Jane Bymark
Business Developer

Annie Fahrenkrug
Program Director, Women's Business Network

Siiri Gilness
Marketing & Communications Assistant

Susan Martin
CORE FOUR® National Consultant & Trainer

Mary Mathews
President

Dale Porter
Business Development Services Manager

Anita Provinzino
Chief Operating Officer

Brenda Shoberg
Business Developer

Martha van Dyke
Administrative Assistant

Bob Voss
Loan Fund Manager

Shawn Wellnitz
Business Developer

Lynn Wilson
Trainer

...Firelight Galleries, continued...

Tower, co-located with Culbert Realty. Firelight Galleries has also expanded outside of the region in the form of a strategic partnership with another business in Isanti, MN.

Rosie and Jack work full-time in the business, and they employ three full-time and three part-time staff whose dedication has played a major role in the business' success. "We are lucky to have such devoted and valuable employees," remarks Rosie.

Both Rosie and Jack feel that one of the highlights of business ownership is the opportunity to partner with other entrepreneurs in the area.

"We work with a lot of builders," says Jack, who is certified by the National Hearth Foundation—an industry-sponsored organization that regulates the processes and safety measures of fireplace installation. He is often approached by builders for installation of fireplaces in new homes as well as the reconstruction and repair of existing fireplaces, and Rosie provides interior design consulting for new and existing homes. Jack has also served as a consultant to insurance companies on fireplace issues.

Customer service is another aspect of business that the staff at Firelight Galleries takes great pride in. Rosie and Jack stress the importance of helping their customers achieve the look they are dreaming of for their homes and will go out of their way to ensure that their visions are met, from custom installation of a new fireplace to choosing the perfect look and layout of a room. "Our goal is for our customers to be not just happy, but *thrilled* with what they're getting," says Rosie. "We offer a price guarantee," adds Jack. "We will match any quote and lower it by 10% of the difference."

And for those customers eager to tackle their home improvement and decorating projects on their own, the staff at Firelight Galleries will offer their expertise and guidance. "If the customer wants to do it themselves, we will work with them to make sure they follow the proper steps," states Jack, citing the importance of safety when dealing with a home fireplace.

Firelight Galleries takes pride in its service and attention to local customers, and it has also drawn many customers from outside of the area, be it tourists stopping into one of their stores or visitors to the Firelight Galleries website.

"Business increased 40% from 2004 to 2005," says Jack, "and we're on track for at least that in 2006."

"Small towns are great," says Rosie, a strong proponent of the local business community. "I want to thank the people of the Iron Range for keeping business local."

Rosie Gams & Jack Lambert
Firelight Galleries
501 N. Hoover Road
Virginia, MN 55792
218-749-3930
www.firelightgalleries.com

Our Superior office has moved!

*New address as of
January 1, 2006:*

Northeast
Entrepreneur Fund
1401 Tower Avenue
Suite 302
Superior, WI 54880
(old post office building)

Check out our new office at
"Business After Five" on
Wednesday, February 15
from 5:00-6:30!

board of directors

Joe Till, Board Chair
Till, Salzer, & Blank LTD; Superior, WI

Bill Hansen, Vice Chair
Sawbill Outfitters, Tofte, MN

Mark Peterson, Sec./Treas.
US Bank, Duluth, MN

Dawn Cole
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Nancy Norr
Minnesota Power, Duluth, MN

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American Bank, Grand Rapids, MN

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Superior, WI

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calendar of events

Brainerd

April 20: CORE FOUR® Business Planning Course begins, 6:00-9:00 PM, 4 sessions, \$244

Duluth

Feb. 23: CORE FOUR® Business Planning Course begins, 5:30-8:30 PM, 4 sessions, \$244

April 13: CORE FOUR® Business Planning Course begins, 5:30-8:30 PM, 4 sessions, \$244

Ely

March 1: CORE FOUR® Business Planning Course begins, 5:30-8:30 PM, 4 sessions, \$244

Grand Marais

Feb 22: Networking Luncheon for Business Owners, 11:30 AM-1:00 PM, \$15 (*free the first time you attend!*)

Mar 29: Networking Luncheon for Business Owners, 11:30 AM-1:00 PM, \$15 (*free the first time you attend!*)

April 26: Networking Luncheon for Business Owners, 11:30 AM-1:00 PM, \$15 (*free the first time you attend!*)

Grand Rapids

Feb. 21: CORE FOUR® Business Planning Course begins, 4 sessions, 5:30-8:30 PM, \$244

April 25: CORE FOUR® Business Planning Course begins, 4 sessions, 5:30-8:30 PM, \$244

Superior

Feb 15: Business After Five, 5:00-6:30 PM, free and open to the public

Mar 7: Networking Luncheon for Business Owners, 11:30 AM-1:00 PM, \$15 (*free the first time you attend!*)

Mar 21: CORE FOUR® Business Planning Course begins, 4 sessions, 5:30-8:30 PM, \$244

April 4: Networking Luncheon for Business Owners, 11:30 AM-1:00 PM, \$15 (*free the first time you attend!*)

Virginia

Feb 9: Networking Luncheon for Business Owners, 11:30 AM-1:00 PM, \$15 (*free the first time you attend!*)

Feb 16: CORE FOUR® Business Planning Course begins, 4 sessions, 5:30-8:30 PM, \$244

Mar 9: Networking Luncheon for Business Owners, 11:30 AM-1:00 PM, \$15 (*free the first time you attend!*)

Mar 30: CORE FOUR® Business Planning Course begins, 4 sessions, 5:30-8:30 PM, \$244

April 13: Networking Luncheon for Business Owners, 11:30 AM-1:00 PM, \$15 (*free the first time you attend!*)

Online

Mar 13: CORE FOUR® E-learning, \$244

1-800-422-0374
info@entrepreneurfund.org

ENTREPRENEURIAL

spirit

Helping your business succeed

N O R T H E A S T
entrepreneur
 F U N D

8355 Unity Drive, Suite 100
 Virginia, MN 55792

218-749-4191
 800-422-0374

www.entrepreneurfund.org

Offices in Duluth, Grand Rapids, Superior, and Virginia.

Entrepreneurial Spirit Keeps Local Business Thriving Firelight Galleries ~ Virginia

Rosie Gams and Jack Lambert share a genuine entrepreneurial spirit and an appreciation for local businesses – and their own enterprise, Firelight Galleries, is a shining example of small business success!

Rosie, a business-savvy woman with a passion for interior design, first entered the world of entrepreneurship in the mid-1990's, when her love of decorating prompted her to leave her career in the medical field and open a business selling fireplaces and other interior design products and services.



Pictured in the Firelight Galleries showroom, l-r: co-owners Jack Lambert and Rosie Gams, employee Carol Sorcan.

Several years later, a new opportunity presented itself when Rosie met up with Jack Lambert, an expert in the architecture and installation of fireplaces, who was interested in starting a business himself. The two decided to combine their skills and embark on a new business venture.

They began the planning process in 2003, developing a business plan, selecting a location for their store, and securing financing from the Northeast Entrepreneur Fund and Northern State Bank for their building purchase and start-up expenses. By the fall of 2003 they were hard at work converting an empty warehouse on Hoover Road in Virginia into a gorgeous showroom of fireplaces, furniture, and lighting accessories.

Firelight Galleries officially opened its doors in November 2003—the day after Thanksgiving—and Rosie and Jack are grateful for the friends who helped them get their business launched.

“Friends are key when you’re doing this, and our friends were invaluable to us,” says Rosie of their business start-up. “We even had friends here on Thanksgiving night, helping us get ready so we could open the next day.”

The business has experienced great success since its start-up in 2003. In addition to their main location on Hoover Road in Virginia, a second showroom is now located in the Thunderbird Mall, and they’ve recently opened a gift shop in

...continued inside...

total results
 to date...

Program Participants:

7091

Business Started,
 Stabilized, or
 Expanded:

842

Jobs Created
 or Retained:

2105

Dollars Loaned:

\$5,808,746

inside...

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- Soup For Success! Monthly Networking Luncheons in Grand Marais
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- NEF 5-Year Review
- Calendar of Events

thank you to our funders!

- Blandin Foundation
- City of Superior Community Development Block Grant
- Duluth-Superior Area Community Foundation
- Knight Foundation
- Minnesota Department of Employment & Economic Development
- Northland Foundation
- Northwest Area Foundation
- St. Louis County Community Development Block Grant
- US Bank
- US Department of Agriculture
- US Small Business Administration

NEF Staff Announcements

The Northeast Entrepreneur Fund is pleased to welcome Jane Bymark of Grand Rapids to the staff!

Jane has 16 years experience as an entrepreneur, having owned and operated a number of small businesses, including a resort, three restaurants, a marina, a convenience store/ gas station, two bars, and a mobile home community.

Jane is a graduate of the University of Minnesota with a degree in Advertising Management & Marketing and Industrial Psychology. Prior to becoming an entrepreneur, she worked as an Account Executive for two Minneapolis advertising agencies and a radio station, and as a buyer for a wholesale distributor.

Jane has joined our Virginia office as a business developer, providing business planning and development assistance to individuals in the region who wish to start, stabilize, or expand their own businesses.

Dale Porter has been promoted to Business Development Services Manager. In addition to providing business planning assistance to entrepreneurs, he will head training and program development for the Entrepreneur Fund.

Dale has been a business developer and trainer with the Entrepreneur Fund for three years, and has several years experience as a business owner.



Jane Bymark



Dale Porter

DisabilityVENTURE

Entrepreneurial Opportunities for People With Disabilities

The Northeast Entrepreneur Fund and the Center for Independent Living of Northeast Minnesota have recently partnered to provide a regional DisabilityVENTURE program, which will provide opportunities for people with disabilities in northeast Minnesota to start and grow their own businesses.

Thanks to funding from the Minnesota Department of Employment and Economic Development, the two organizations are combining their resources to provide a means for people with disabilities to attain the tools and guidance needed to start their own businesses.

Program participants will receive business training and consulting from the Northeast Entrepreneur Fund while obtaining personal development assistance through the Center for Independent Living to assist them with planning and operating their businesses.

In addition, program participants may apply for business financing through the Entrepreneur Fund, while the staff at the Center for Independent Living can assist with acquiring technology and locating funding sources for other individual needs.

DisabilityVENTURE is open to individuals in Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St. Louis counties. For more information, contact the Northeast Entrepreneur Fund at 1-800-422-0374 or info@entrepreneurfund.org, or the Center for Independent Living of Northeast Minnesota at 1-800-390-3681 or kim@accessnorth.net.

4th quarter 2005 loans disbursed

Absolute Fluid Power, Inc.
Bovey, MN

Alchemy Medicinal Spa
Biwabik, MN

Arrowhead Medical Resources, LLC
Cohasset, MN

Daddio's Take & Bake Pizza
Duluth, MN

Northern Lights Lodge & Resort
Ely, MN

Udeen Trucking, Inc.
Superior, WI

Up North General Store in Deer River
Deer River, MN

Up North Title, LLC
Virginia, MN

Wade's World of Wood
Bigfork, MN

White Wilderness
Ely, MN

~ Women's Business Network Update ~

"Soup For Success!"

Monthly Networking Luncheons Will Begin in Grand Marais

Business Owners in the Grand Marais area are invited to take part in our monthly **Soup For Success** networking luncheons for area business owners! The luncheons are held the last Wednesday of each month at The Birch Terrace from 11:30 - 1:00.

Each month's lunch features a different business-related topic and an interactive discussion led by a guest speaker. **Soup for Success** is FREE the first time you attend, giving you an opportunity to check out our program. After that, the cost is \$15 each time you attend, with discounts available if you bring a friend along!

If you understand the value of business connections, have a willingness to share ideas and learn from others, and desire a network of supportive colleagues in your business community, then the **Soup for Success** luncheon series is for you!

Soup for Success luncheons are also held the first Tuesday of each month in Superior and the second Thursday of each month in Virginia. For more information or to sign up for a luncheon, contact Annie Fahrenkrug at 1-800-422-0374 or annief@entrepreneurfund.org. Topics for each month's luncheon are listed below.

Grand Marais

February: *Accounting 101*
March: *Financial Planning*
April: *Negotiation*
May: *Employment Law*
June: *Challenges of Change*
July: *Expanding Your Services*
August: *Insuring Yourself Against Disaster*
September: *Marketing*
October: *Government Contracting*
November: *Your Business and Your Community*
December: *Exit Strategies*

Virginia

February: *Exit Strategies*
March: *Insuring Yourself Against Disaster*
April: *Financial Planning*
May: *Accounting 101*
June: *Negotiation*
July: *Expanding Your Services*
August: *Government Contracting*
September: *Marketing*
October: *Security Issues*
November: *Your Business and Your Community*
December: *Employment Law*

Superior

February: *Exit Strategies*
March: *Insuring Yourself Against Disaster*
April: *Financial Planning*
May: *Accounting 101*
June: *Negotiation*
July: *Expanding Your Services*
August: *Government Contracting*
September: *Marketing*
October: *Security Issues*
November: *Your Business and Your Community*
December: *Employment Law*

Is There Really Such a Thing as 'Free' Money?

You hear it on the radio. You see it on TV. You read advertisements in the newspapers. Someone says, "Start a business! It's easy! There are free grants to get you started!" As human beings, we want desperately to believe these things to be true, especially if we are struggling with our finances or hitting up against brick walls to get our business idea off the ground.

Our advice? Be savvy. Don't let your desires overshadow the truth. Starting a business takes hard work and perseverance, and 'free money' is seldom what it seems.

Typically, people who will tell you differently are trying to sell you something that you can probably get for free somewhere else. They will offer a book, tape, conference, or seminar for a fee of anywhere from \$30-\$1000+, promising to connect you with organizations that can get you the grants. Then you will receive a pamphlet or book which lists information easily found in any library or on the Internet.

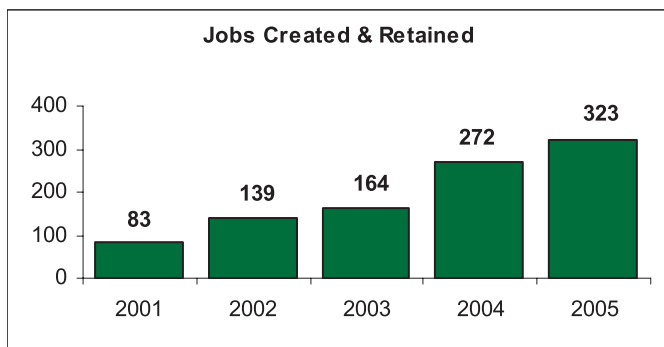
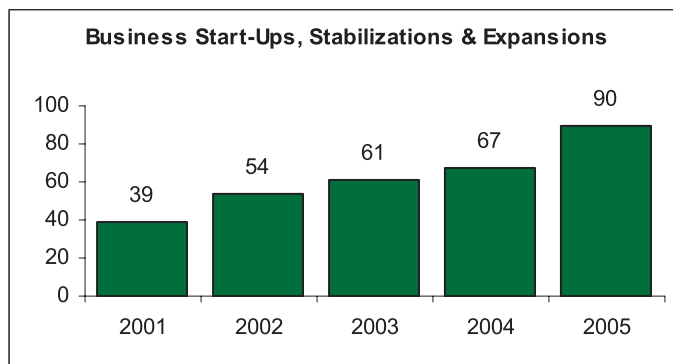
The cold hard truth is that grant money is rarely available to individuals who wish to start for-profit businesses. In fact, just about the only real grants available to small businesses are the Small Business Innovation Research (SBIR) and Small Business Technology Transfer Program (STTR) grants available through the U.S. Small Business Administration (SBA). These grants are strictly for business involved in the research and development of innovative products and technology, and strict criteria must be met in order to apply. (For more information contact your local SBA office or visit <http://www.sba.gov/sbir/>.)

Protect yourself. Before providing your hard-earned dollars to unknown companies for services they promise, be sure to investigate your decision with the Better Business Bureau. But also be warned that many of these 'scams' fall under their radar. The smartest thing you can do is to steer clear of this hype in the first place.

Five-Year Review: 2001–2005

2005 Businesses Started, Stabilized or Expanded

- A record 90 businesses were substantially helped in 2005: 59 businesses started, and 31 were stabilized or expanded.
- 62% of these businesses were at least 50% women-owned.
- 64% of business owners reported low-to-moderate incomes at the time they received assistance.
- 88% of these business owners are white, 2% black, 2% American Indian, 2% other, and 2% did not report.
- 40% were between the ages of 40-49; 20% were 30-39; 19% 50-59; 11% 20-29; 6% over 60; and 1% under 20. 2% did not report.

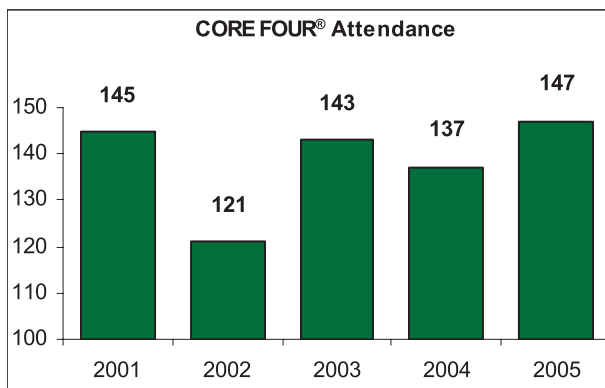
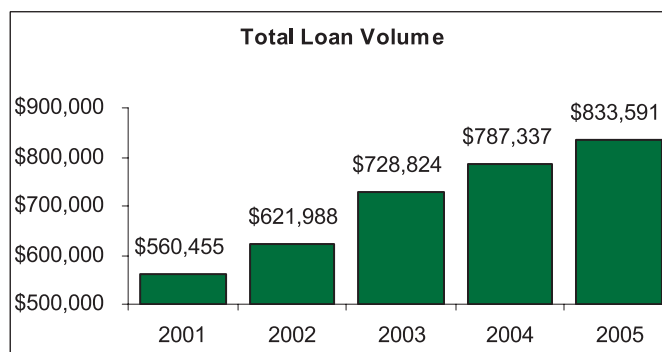


2005 Jobs Created & Retained

- The 90 businesses assisted in 2005 helped to create or retain 323 jobs in the region.
- Average number of jobs per business was 3.6.
- A more formalized process of counting jobs was instituted in 2002.

2005 Total Loan Volume

- A record of \$833,591 in loans were made to business owners across the region in 2005.
- Loans under \$35,000 accounted for 61% of the loans (totaling \$509,672). 67% of these loans were made to individuals of low-to-moderate income.
- Loans between \$35,000 and \$100,000 added \$323,919 to the portfolio. 50% of these loans were made to individuals with low-to-moderate incomes.
- Delinquency at year-end was 1.31%



2005 Program Participants

- A record 1099 people participated in program services in 2005.
- 46% Male, 52% Female, 2% not reported
- 81% White, 3% American Indian, 3% Black, 2% other minority, 11% not reported
- 59% of program participants were low-to-moderate income
- 784 people attended an Introduction to Business Planning Workshop: 573 in person and 211 online
- 147 people completed the CORE FOUR® Business Planning Course

our mission:

Creating economic opportunity through entrepreneurship in northeastern Minnesota and northwestern Wisconsin.