

Bloomberg Direct SME Report

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The Startup Shrink Will See You Now

By David Gauvey Herbert

(Bloomberg Businessweek) -- Julia Derndinger is Berlin's startup therapist. Each week, she sees a dozen company founders at her apartment on Oranienburger Street, where €200 (\$224) an hour buys advice on spending, expansion, and hiring, plus hot tea and, occasionally, relationship counseling. Derndinger also helps clients navigate the extra layers of danger and anxiety that come with running a fledgling business in Germany. The local financial press has dubbed her die Gründertrainerin, "the founder trainer."

As many as 1,000 startups have begun life in Berlin in the past year, and the local tech industry employs about 60,000 laptop jockeys in conventional offices or huddled at cafes and co-working spaces with Fritz-Kola and craft beer. But the "fail fast, fail often" ethos of Silicon Valley is at odds with the notoriously cautious German business culture. Germany ranks 25th out of 29 high-income countries in new-business formation, according to the World Bank. Among other factors, shuttering the local equivalent of a limited liability company takes a year or more and lands directors on a banking blacklist.

Discretion is paramount for Derndinger, a startup veteran who began taking on clients two years ago after encountering a wave of founders in need of hand-holding. She says most are in their early 30s, manage at least 50 employees and €10 million in annual revenue, and take more than a year to publicly admit they meet with her. "We don't talk about problems in Germany," Derndinger says. "It's just not sexy to be coached."

Sessions are typically in the morning, before her clients head to work. Tea and flowers set the mood, and there's a fluffy white sofa, but Derndinger prefers to sit at her massive walnut dining table. Her style lands somewhere between sympathetic ear and drill sergeant. During a March session a reporter sat in on, the words ein Problem popped up throughout, and Derndinger peppered her questions with Scheiße, Arslloch, verdammt, and other profanities while her client repeatedly massaged his face. The matter was less dire than all that: She was urging her client to save on lodging for the annual South by Southwest Conference in Austin, Texas, by crashing with local Germans.

"Julia gives me one hour per week where I can actually drop my issues," says Christoph Behn, founder of online stationery shop die Kartenmacherei, who began visiting Derndinger last year. "It helps, having someone rationalize and take the emotion out." Derndinger says she recently stopped booking clients back-to-back because many were lingering to discuss personal problems.

Derndinger, 39, worked in customer retention, including for Bertelsmann's e-commerce arm, before co-founding mobile accessories maker Trendwerk77 in 2004. After selling that company to her business partner for "less than seven figures" at the end of 2007, she helped launch Circus Internet, an online toy-rental company. In 2013 she cashed out of Circus, where she was managing director, for a sum she wouldn't disclose. She says brashness helped her stand out as a manager and sell her companies.

Christian Lindner, chairman of Germany's Free Democratic Party, was speaking before state legislators earlier this year, asking them to treat failed business owners with more sympathy, when a heckler mocked the 2001 collapse of Lindner's former tech company, Moomax. His angry, three-minute response racked up more than 2 million views online. "What sort of impression does this kind of

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interjection make on some young person interested in starting a business?” Lindner said. “If one succeeds, one ends up in the sights of the Social Democratic redistribution machinery, and if one fails, one can be sure of derision and mockery.”

All of Derndinger’s clients, and a disproportionate number of Berlin startup founders, have backgrounds in business rather than programming, yet many are convinced they need to build their own software for everything instead of using ready-made tools such as WordPress and Excel. Derndinger tells them that’s dumb. “It’s not magic,” says Felix Schlegel, the co-founder and managing director of online retailer Monoqi, who’s been meeting with the therapist every Friday morning since late last year. Like most of her advice, he says, “it’s just common sense.”

The bottom line: The bustling startup scene in Berlin has created a €200-an-hour business for a veteran who’s a good listener.

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Bloomberg Direct SME Report

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Saudi Banks Pull Welcome Mat for SMEs Seeking Loans: Arab Credit
(To be sent this story daily, click here. For more credit market news TOP CM.)
By Deema Almashabi

(Bloomberg) -- Hasan Al-Hazmi knew he couldn't depend on Saudi Arabian lenders when opening his business last year even with the kingdom's drive to boost credit to small- and medium- sized companies.

"Banks are not lending to any startups without providing annual financial statements audited by licensed entities in Saudi Arabia," said Al-Hazmi, co-founder of Riyadh-based Supply & Logistics Solutions that started operations last year providing storage and cargo services. "How would I be able to provide a bank with statements if I just started?"

Lending under the nation's SME Loan Guarantee Program, also known as Kafalah, plunged 76 percent to 572 million riyals (\$153 million) last year as banks tightened rules, according to data from the Saudi Industrial Development Fund. That compares with a 12 percent increase for total bank credit last year to 1.25 trillion riyals, according to Saudi central bank data.

"Banks in Saudi Arabia find it challenging servicing the SME market," Yahya Alyahya, chief executive officer of Bahrain- based Gulf International Bank, which is majority owned by Public Investment Fund of Saudi Arabia, said in an e-mail on Feb. 24. "SMEs tend not to have reliable financial information, specifically audited financial accounts."

SME Contribution

The difficulties in obtaining credit may be an obstacle in the country's efforts to create jobs and diversify the economy away from oil, which brings about 90 percent of government revenue. The kingdom, the world's biggest crude exporter, is investing \$500 billion on industry, transportation and housing, a program the government expanded after watching revolts sweep across other high-unemployment Arab countries three years ago.

Saudi Arabia's unemployment rate was 11.7 percent last year, according to the Central Department of Statistics & Information. Employment growth for Saudi citizens was 4.6 percent between 2010 and 2012 compared with 8.5 percent for all jobs created in the kingdom, according to data on the International Monetary Fund's website.

Small- and mid-sized enterprises' contribution to Saudi Arabia's gross domestic product was 33 percent last year compared with 64 percent in Japan, 57 percent in Spain and 50 percent in the U.S., data from World Bank's International Finance Corp.

"Lower lending to SMEs will have a medium- to long-term effect on job creation but the effect isn't immediate as jobs are also being created for Saudis outside the Kafalah program," John Sfakianakis, head of Middle East at Ashmore Group Plc, said in an e-mail on Feb. 24. "Banks could be lending less due to a temporary shift as it's a buyers market, with more competition and yield compression."

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The three-month Saudi interbank offered rate, the benchmark used by banks to price loans, has tumbled 16 basis points since the end of 2013 to 0.8 percent yesterday, according to data compiled by Bloomberg. That's the lowest since January 2012.

Audit Hurdle

Saudi banks tightened lending criteria after two family- owned businesses defaulted on at least \$15.7 billion of loans in 2009 and the global credit crisis hurt the economy. Growth slowed to 1.8 percent in 2009 from 8.4 percent the previous year, according to data compiled by Bloomberg. The economy grew 4.6 percent last year.

The number of loans from National Commercial Bank, the kingdom's biggest lender to SMEs through the Kafalah program fell to 232 last year from 1,048 the previous year. Saudi British Bank and Banque Saudi Fransi approved only two loans each.

"I was told by a bank to come back after a year with audited financial statements for a loan," Al-Hazmi of Supply & Logistics Solutions said. "Unfortunately, my business is less than a year old and I can't provide a bank with an annual financial statement even if I could afford it."

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Cracks Forming in Canada Small Business Confidence on Oil Drop
By Greg Quinn

(Bloomberg) -- Canadian small business optimism declined to the lowest since mid-2009 as the drop in energy prices weighs on Alberta's oil-heavy economy.

The Canadian Federation of Independent Business Barometer fell to 59.1 in February from 63.5 the month before, the Toronto-based group said Thursday. Alberta had the lowest reading at 48.2, while the highest among Canada's largest provinces was British Columbia at 69.1.

"Weak energy prices continued to deflate business optimism in Alberta," Ted Mallett, the group's chief economist, said in a statement. "We are seeing foundation cracks in a number of other indicators as well" in the survey, including hiring plans.

Bank of Canada Governor Stephen Poloz has said a drop in crude oil prices hurting business investment and lowering household incomes led him to make a surprise interest-rate cut on Jan. 21. Some investors are betting he will cut rates again as soon as the next decision on March 4, swaps trading shows.

The CFIB Barometer works on a scale from zero to 100 and readings greater than 50 shows on balance business owners predict a stronger economy over the next year. The index often generates readings between 65 and 70 when the economy is "growing at its potential," the group said.

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Turkey Small Businesses Struggle to Repay Debts, Trade Body Says
By Ali Berat Meric

(Bloomberg) -- Turkish companies lacking access to export markets are struggling to repay debts and access financing, with many of them struggling to stay afloat, according to Nurettin Ozdebir, head of the Ankara Chamber of Industry.

Manufacturers supplying the domestic market are making losses and their capital is eroding as the lira slides, Ozdebir said in an interview in Ankara on Wednesday. That's pushing many of them into higher-risk financing methods including factoring, he said. Factoring companies typically lend at higher costs to companies that can't get bank loans, in exchange for a claim on the borrowing company's receivables.

"Lack of financing with suitable conditions could prove to be fatal for small producers," Ozdebir said. "Companies, except exporters, are in trouble."

The government's focus on cutting interest rates to boost the economy may not help the majority of small businesses, Ozdebir said. Instead, measures are urgently needed to ease their access to bank financing, he said.

President Recep Tayyip Erdogan has led the charge in urging the central bank to cut rates, a move that has so far been resisted by Governor Erdem Basci as inflation hovers above 7 percent. The conflict has heightened investor concerns about the bank's independence, helping push the lira down to successive records versus the dollar this month.

'Partially Right'

"The president is partially right in his calls for lower interest rates, but the problem can't be solved through rate cuts alone," Ozdebir said. "There is a need to look at the problems of the industry as a whole; there's a need to reshape the banking system, which is getting syndicated loans at 1-2 percent and selling to investors at 6-7 percent."

As investors focus on the benchmark one-week repo rate, local companies would see a bigger boost from cuts to the top of the so-called lending corridor, he said. Banks typically base their lending rates to local companies on the top end of the corridor, also known as the overnight lending rate.

Loan growth across the nation's approximately 3 million SMEs was around 23 percent last year, according to data from the banking regulator. The economy probably grew about 3 percent, according to government forecasts.

The central bank's next rate meeting is scheduled for Feb. 24.

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Small Companies Now Have No Excuse for a Lousy Retirement Plan

By Ben Steverman

(Bloomberg Business) -- How good is your retirement plan? This Bloomberg data visualization lets you figure that out by comparing your plan with those offered by the largest companies in the U.S.

If you work at a small company, you're likely to have a lousy 401(k). Small plans often charge savers fees that are five or six times as great as those that workers at large companies pay.

But it's no longer necessary for workers to be stuck in these high-cost 401(k) plans. Cheaper plans are rapidly signing up new employers, and 401(k) fees for even the smallest businesses are plunging.

Smaller companies pay more for 401(k) plans because of the costs of setting up and administering the plans. These companies don't have the option of spreading the costs out over thousands of workers.

Smaller businesses are also less likely to have an employee who knows how to set up a 401(k). The same person who chooses the retirement-plan provider may be doing payroll or ordering supplies. He or she might have no idea of how to pick a fund provider.

So small businesses pay a wide range of fees. While the average small 401(k) pays annual fees of 1.5 percent to 2 percent of its assets, data from BrightScope show that some small plans pay less than 0.5 percent a year and others pay more than 3 percent or even 4 percent. Even a fee of a couple of percentage points "makes investing prohibitively expensive," BrightScope President Ryan Alfred warns. "The sheer number of plans paying north of 2 percent a year in fees was shocking to us."

If you don't think two percentage points will make a big difference to your retirement, check the math. Say you invest \$10,000 in a 401(k) that returns 6 percent a year, in a plan with a 1 percent fee. Two decades later, you'll have \$26,000 in the plan. In a plan that charges a 3 percent fee, you'll wind up with just \$17,440.

Business owners might pay more attention to these fees if they were coming directly out of the company coffers. Instead, the fees are often passed on to workers in the form of higher mutual fund expenses. "If it's not affecting your company bottom line, you don't pay attention to fees," said Eric Droblyen, president of Employee Fiduciary, a 401(k) provider started in 2004. Employee Fiduciary charges a flat annual administrative fee of \$1,500 (which can be passed on to the employees) for companies with up to 30 employees, plus 0.08 percent of assets.

Small businesses now have more cheaper options because some players—both large investment companies and smaller firms like Employee Fiduciary—are finding more efficient ways to set up their plans. Technology can make administering the plans much easier than in the past. And these low-cost 401(k) providers are embracing simplicity. Rather than spending time setting up a custom plan for each small business, business owners can go online and pick a simple default option.

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Ubiquity Retirement & Savings, for example, offers an “Express(k),” a basic plan that charges a flat fee starting at \$105 a month. A more customized plan starts at \$175 a month. Ubiquity is still relatively small, serving about 85,000 employees, but it has doubled its revenue since 2010.

The giant index fund provider Vanguard Group has also gotten in on the small business 401(k) market. Its small business 401(k) offering, Vanguard Retirement Plan Access, was started in 2011. “We noticed that small businesses were underserved and getting overcharged,” said Crystal Hardie Langston, the head of the program. Last year it more than doubled in size, from 60,000 to 130,000 participants. The price of Vanguard’s plans can vary, but a hypothetical plan with \$1 million in assets and 25 participants might pay about 0.5 percent a year in administrative fees, the provider said.

Shopping around for a 401(k) plan can still be confusing, because there’s no standard way that providers describe their fees. In high-priced plans, the administrative costs of setting up the plan are often included in the mutual fund fees. That makes it hard to figure out how much of your fee is ultimately going to the adviser who set up the plan and how much is going to the funds that manage your investments.

Low-cost providers like Vanguard, Ubiquity, and Employee Fiduciary generally try to be more transparent, with administrative and investment fees charged separately. But there is still a variety of ways those administrative fees can be charged—as flat fees, as a set fee for each employee who participates, or as a percentage of assets. Droblyen suggests business owners compare plans by focusing on the total dollar amount in fees they and their participants would pay each year.

Competition from lower-cost 401(k)s seems to be having an effect. According to a December report from BrightScope and the Investment Company Institute, total plan costs for plans with less than \$1 million in assets fell 20 percent in three years: Small-401(k) costs fell from an asset-weighted 2.04 percent in 2009 to 1.64 percent in 2012.

That’s still pricey. In the same period, the costs for plans with more than \$1 billion in assets fell 12.5 percent, to an asset-weighted cost of 0.28 percent a year.

For more, read this QuickTake: [America's Retirement Gap](#)

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How California's Drought Is Reshaping Small Businesses

By Willem Marx (Bloomberg Business) --

As the drought in California enters its fourth year, businesses up and down the state are increasingly feeling the impact. From family-owned almond farms in the Central Valley to private hydroelectric power operators in the high Sierras, margins are being squeezed by low rainfall, minimal snowmelt, and the corresponding high water prices.

The region's incredibly complex system of dams, reservoirs, and canals, created piecemeal over the better part of the past century, is also beginning to show its age. Dozens of the state's vast artificial lakes and reservoirs are at lower-than-usual levels for this time of year, even before the start of summer, and government hydrologists say their forecast models are being shattered as current conditions continue to stray far outside normal parameters.

Even as some water-dependent businesses—especially in the agricultural sector—face a potentially ruinous year with record high prices, enterprising companies have seized on opportunities that large-scale public conservation programs provide in the form of municipal and regional rebates and incentives. The question now is whether many of the responses from municipal districts from local authorities are coming as too little, too late.

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Japan's Small Companies Are Borrowing From JBIC to Expand Abroad
By Masaaki Iwamoto and Kyoko Shimodoi

(Bloomberg) -- Japanese small and medium-sized companies are boosting borrowing to expand abroad as opportunities at home dry up, according to the Japan Bank for International Cooperation.

"They're not just following their large partners in developing business overseas," Hiroshi Watanabe, 65, governor of the state-run lender, said in an interview in Tokyo on Wednesday. "They're also seeking to diversify their business locations because the domestic market is shrinking."

The number of loans and investments by JBIC for small and medium-sized companies for operations abroad jumped to 82 in the 9 months through December, with a total value of 105 billion yen (\$880 million), according to the Tokyo-based institution. That compares with 54 worth 18 billion yen in the fiscal year through March 2014. Data for the last three months isn't available yet.

With Japan's population in decline, inflation stalling and growth uncertain, smaller firms are treading a path set by the nation's largest corporations, with a focus on Asian countries including Vietnam, Thailand, Indonesia and China, according to JBIC. Components makers in the auto industry are among the most active smaller companies seeking funds to build facilities outside Japan, along with firms in the food industry, JBIC said.

The yen, which has weakened 22 percent against the dollar in the past two years, hasn't been a driver of the trend, according to Watanabe.

He expects the yen to remain near its current level for the rest of the year. It traded at 119.53 per dollar at 3:31 p.m. on Thursday in Tokyo.

Watanabe said he welcomed the establishment of the China-led Asian Infrastructure Investment Bank because it would add more funds to finance infrastructure projects in the region.

Cooperation between JBIC and the AIIB on loans and investment was unlikely unless the new lender adopted strict criteria for governance, he added.

Japan and the U.S. have held out from joining the AIIB, even as nations from the U.K and Germany to South Korea and Australia plan to become founding members.

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Bloomberg Direct SME Report

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Hiring Spurt in U.S. Fueled by Small Businesses Adding Workers
By Steve Matthews

(Bloomberg) -- Sterling Risk Advisors, an Atlanta-based property and casualty insurance broker with 86 employees, has added 13 workers since June and will probably hire 10 to 15 more this year.

"We are committed to growing," said Doug Rieder, 50, president and co-founder. "We feel a lot better about business. We are pretty bullish right now."

Small business, responsible for most American job creation, is finally gaining momentum, giving an expansion approaching its sixth anniversary some legs and leading an acceleration in job creation. Confidence is near a post-2007 peak for small companies, construction is recovering and credit conditions are easing.

"Small businesses are now doing better than big business" with a "fairly positive" outlook for growth and employment, said Jim O'Sullivan, chief U.S. economist at High Frequency Economics in Valhalla, New York. "In general, small businesses were hurt more by the credit crunch than big firms and that headwind for the recovery has become a tailwind as the banking sector has strengthened and eased lending standards."

Companies with 499 or fewer employees added 81 percent of the new private-sector jobs in January and averaged 83 percent over the past four months, figures from Roseland, New Jersey- based ADP Research Institute showed. While smaller firms typically provide two thirds of new jobs, hiring by such companies has been erratic and sluggish since the recession ended in June 2009, and accounted for as little as 38 percent of private-sector jobs added in September 2010. Payroll Gains

Overall payroll gains averaged 336,000 over the last three months, the strongest since a comparable period ended in November 1997, U.S. Labor Department data showed Feb. 6. Private payrolls, which exclude government agencies, soared 414,000 in November, the biggest advance since September 1997.

Hiring plans in January remained near seven-year highs reached in December, according to the National Federation of Independent Business's survey. The group's small business optimism index in December reached the highest level since 2006.

By contrast, larger multinational companies such as Coca-Cola Co. and Procter & Gamble Co., which get a majority of sales outside the U.S., are facing pressure. They have been hurt by a stronger U.S. dollar, which reduces the value of overseas earnings, and slowing global growth. Most U.S. small businesses don't get any sales abroad, according to the NFIB. Loan Conditions

Loan conditions improved in the fourth quarter for a third consecutive quarter to a record, according to the Experian/Moody's Analytics Small Business Credit Index, reported Feb. 18. The index reports the lending environment for companies with fewer than 100 workers, based on credit scores and economic data.

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“The fundamentals are continuing to strengthen,” said Dan Meder, vice president of Experian’s Business Information Services unit, in Parsippany, New Jersey. “The recovery has really started to take hold for small business.”

An estimated 27 percent of small businesses increased full-time employment in the past 12 months, and a majority of those who applied for credit got it, according to a report this month by the Federal Reserve banks of New York, Atlanta, Cleveland and Philadelphia.

Such ventures are benefiting from consumers’ improved outlook with the drop in gasoline prices and from a slow recovery in housing that is gaining momentum, said Mark Zandi, Moody’s Analytics chief economist in West Chester, Pennsylvania. New-home sales in January held close to the fastest pace in more than six years.

‘More Gusto’

“Small businesses sell most of their wares to U.S. households who are spending more, and given the plunge in gasoline prices, likely to spend with even more gusto in coming months,” he said. “The improving housing market will also help, as many small businesses are tied into the construction cycle.”

Small and large firms tend to expand and contract at different rates at various points of the business cycle, research by Yale University economist Giuseppe Moscarini found in a 2012 paper. Large firms typically grow more rapidly when unemployment is low, which can make it difficult for smaller firms to hang onto workers, he said.

The expansion since 2009 has been so sluggish that it’s benefited small businesses by allowing them to retain and attract talent, Moscarini said.

“The usual job ladder mechanism, through which job upgrading especially after a recession hollows out the ranks of small firms, this time seems to be kicking in much later.”

Established Businesses

The hiring gains reflect mainly established businesses rather than a surge in startups, which over time can account for most of new employment, according to Zandi.

The number of new firms in 2012 was 27 percent below 2006, according to Census Bureau data cited by the Ewing Marion Kauffman Foundation, which promotes entrepreneurial activity.

“There is some evidence of a secular decline in dynamism” with Americans avoiding taking big risks of starting their own establishments, said E.J. Reedy, director of research and policy for the Kauffman Foundation in Kansas City, Missouri.

Some business groups have expressed concern that the Affordable Care Act’s mandate for employers with 50 or more full-time workers to provide insurance could deter hiring. A Congressional Research Service report Jan. 15 noted a 2013 survey of small employers found most misunderstood the rules on what size companies were required to provide coverage, the deadlines and penalties. The report said the law would result in “a negligible change in the labor force.”

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An increased number of commercial projects for Wilson- Covington Construction Co. in Winston-Salem, North Carolina, is leading to new hiring, said Hayes Wauford, 32, co-owner and executive vice president of the 68-year-old family business. The company, which operates in the Carolinas and Virginia, cut its staff from 40 to a low of 28 in mid-2009.

It's since rebounded to 52 employees after adding 12 people in the past year and "we might add five more this year," he said.

'Solid Ground'

"We are definitely on the upswing," Wauford said. "Things are definitely getting better and I think they will continue to improve. We are on pretty solid ground now."

In Atlanta, Sterling Risk's sales have improved with rebounding fortunes for commercial construction, transportation and professional services such as physicians, Rieder said. Sterling didn't cut staff during the recession.

"Most businesses are back to growing again" and need insurance, he said. "The recovery has finally broadened out to a point you feel it across small business and not just in pockets."

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--With assistance from Catarina Saraiva in Washington. <

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Bloomberg Direct SME Report

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Hillary Clinton Pivots from Big Money to Small Business
By Jennifer Epstein

(Bloomberg Politics) -- Three days after revealing that her own husband-and-wife cottage industry brought in more than \$30 million since the start of 2014, Hillary Clinton arrives in Iowa on Monday to pitch herself as an advocate for small business.

For Clinton, who has not answered media questions in a month and who spent much of the last two weeks in New York and California raising millions of dollars for her presidential campaign from wealthy donors, including Beyonce, it's an opportunity to showcase her humble heartland roots and to reconnect with the "everyday people" that her campaign says are at the core of her candidacy.

Her financial disclosure form filed with the Federal Elections Committee late Friday showed how far she and her husband, former President Bill Clinton, have moved from that category, thanks largely to the couple's ability to command six-figure speaking fees.

Clinton's father, Hugh Rodham, owned a drapery business just outside Chicago, something she often mentions to remind voters that she wasn't always the person who until less than two months ago was taking in more than \$200,000 a speech.

The trip to Iowa, as well as a return visit to New Hampshire on Friday, are chances for Clinton to appeal to Main Street and the centrist voters she'll need in the general election, after tacking left earlier this month on immigration and hinting that she plans to press for aggressive regulations on Wall Street.

Clinton, her campaign said, plans to outline ideas for cutting red tape for small businesses, expanding access to capital, finding tax relief for business owners and stimulating exports.

"We glad that she's focused on small business as a presidential candidate and we're eager to find out what she has in mind," said Jack Mozloom, the communications director of National Federation of Independent Business.

The group, which generally endorses Republican candidates, said that Clinton voted with its interests 25 percent of the time during her eight years in the Senate. "It's not the worst but she could do better from our perspective," Mozloom said. Avoiding trade

But it's all while avoiding the issue Clinton has been dithering over for months: where she stand on the Trans-Pacific Partnership. The former secretary of state worked on the development of the TPP while serving in the Obama administration and wrote about it in positive terms in *Hard Choices*, the 2014 memoir for which she's earned at least \$5 million and likely much more. On the campaign trail, however, Clinton has ducked the issue at every turn, aware that continued support would upset important Democratic constituencies on left, while opposition could undermine her former boss, President Barack Obama.

But the trade issue may prove difficult for Clinton to avoid, especially when discussing exports, and with the Senate slated to debate TPP this week.

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Democrats on both sides of the issue aren't exactly aiding in her continued dodge. On ABC's This Week Sunday, Senator Dianne Feinstein, an early backer of Clinton's presidential bid, argued that TPP will help the small businesses Clinton is touting this week. "I want to straighten one thing out, and that is that most people think this is a bill for corporate America," said the veteran Democrat, citing her home state. "In California, 95 percent of the trade is carried out by companies and business of less than 500 people."

Feinstein added that "it would be very helpful" for Clinton to take a position.

Clinton's challengers are piling on, too. Clinton should "absolutely" take a position, Senator Bernie Sanders, a Vermont independent who is seeking the Democratic party's presidential nomination, said on CNN's State of the Union. "You can't be on the fence on this one. You're either for it or you're against it." Sanders is against. Not meeting the press

Finding out where Clinton stands hasn't been easy: The last time the Democratic frontrunner took questions from the press was four weeks ago today — April 20 in Keene, N.H. When she has spoken to reporters, it has been for a question or two at a time, generally shouted at the end of one of her roundtables. Her refusal to do the kind of extended press conference that would allow for follow up questions has led to protests from journalists and gibes from her Republican rivals. At an Iowa Republican dinner over the weekend Senators Rand Paul and Lindsey Graham and former Hewlett Packard CEO all mocked Clinton for refusing to meet the press.

Fiorina said she's taken more than 300 on-the-record questions from the media since launching her campaign two weeks ago. Clinton, according to media accounts, has taken somewhere between nine and 13.

Correct the Record, the new super-PAC supporting Clinton's campaign, has issued a tally documenting more than 100 questions Clinton has asked of "everyday people."

"The Republican candidates are spending their time talking to reporters with cameras, while Hillary Clinton is talking to people across the country about the issues that affect them every day, all to figure out how she can help make their lives better. That's what leaders do," said the group's Mary Jennings.

But thus far, Clinton's interlocutors have been members of the small, carefully vetted audiences at her heavily stage- managed events.

On NBC's Meet the Press Sunday, fellow Democrat, longtime Obama adviser David Axelrod, urged his party's would-be standard-bearer to hold a press conference.

"She has to do it quickly and she has to start getting into the rhythm of a campaign where she's out there, she's answering questions," Axelrod said. "It would be a terrible mistake not to do that."

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Most Chinese Stocks Advance as Small Companies Rally to Record
By Bloomberg News

(Bloomberg) -- Most Chinese stocks rose as a rally by smaller companies overshadowed concern that a flood of new share sales will lure funds from existing equities.

v The ChiNext index of smaller companies surged 3.8 percent, helping the Shenzhen Composite Index advance to a record. Both Shenzhen Tempus Global Travel Holdings Ltd. and Beijing Cisri- Gaona Materials & Technology Co. jumped by the 10 percent daily limit. Aluminum Corp. of China Ltd., also known as Chalco, retreated 5.9 percent after saying it wasn't involved in a revamp of rare-earth companies linked to the parent.

More than two stocks rose for each that fell on the Shanghai Composite Index, which added 0.2 percent to 4,318.62 at 1:13 p.m. The China Securities Regulatory Commission hasn't conducted an investigation or offered window guidance to some mutual funds on their exposure to ChiNext stocks, the commission said on Friday after the market closed. Twenty companies are scheduled to sell initial public offering shares from Tuesday to Thursday, which may freeze 2.8 trillion yuan (\$451.1 billion).

"After the denial from the regulator, investors have again become confident in smaller companies, believing that they represent China's new economy," said Wang Zheng, the Shanghai-based chief investment officer at Jingxi Investment Management Co. "The IPO sales will have some impact of draining funds from the market."

Hang Seng

Shenzhen Composite gained 2.3 percent to 2,499.43, while the CSI 300 Index was little changed. Hong Kong's Hang Seng China Enterprises Index fell 0.8 percent, while the Hang Seng Index slipped 1 percent. The Bloomberg China-US Equity Index, the measure of the most-traded U.S.-listed Chinese companies, added 0.6 percent in New York on Friday.

The Shanghai Composite has jumped 112 percent over the past year amid speculation the government will take steps to boost economic growth and speed up mergers of state-owned firms. The gauge is valued at 16.5 times 12-month projected earnings, compared with the five-year average of 10.2, according to data compiled by Bloomberg.

Trading volumes in the index were 37 percent lower than 30-day average for this time of day, Bloomberg data showed.

The ChiNext index was 0.12 point away from its record close set on May 12. Leshi Internet Information & Technology (Beijing) Co., the biggest mainland-listed Internet video provider, gained 4.3 percent while Huayi Brothers Media Corp., China's largest listed film maker, added 1.5 percent.

Chalco Drops

Chalco, the nation's largest aluminum producer, headed for the biggest decline since May 5. China Northern Rare Earth Group High-Tech Co. lost 3.4 percent, while China Minmetals Rare Earth Co. dropped 4.3 percent.

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Banks fell on speculation the central bank will accelerate the pace of removing the cap on the deposit rate. Industrial & Commercial Bank of China Ltd. retreated 0.8 percent, while Bank of China Ltd. dropped 1.4 percent.

Conditions are "ripe" for China to fully liberalize deposit interest rates, Lu Lei, the head of the research department at the People's Bank of China, was quoted by China News Services as saying on Saturday.

Margin traders reduced holdings of shares purchased with borrowed money on Friday, with the outstanding balance of margin debt on the Shanghai Stock Exchange falling from a record to 1.27 trillion yuan.

Home prices in China dropped in fewer cities last month as demand got a boost from the removal of property curbs and three interest-rate cuts since November. New-home prices fell in 47 of the 70 cities tracked by the government from a month earlier, the National Bureau of Statistics said Monday, compared with declines in 49 in March.

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Javid to Cut U.K. Regulation and Help Businesses Pursue Payment
By Robert Hutton

(Bloomberg) -- U.K. Business Secretary Sajid Javid will pledge to reduce regulation and make it easier for small companies to claim money they're owed as he promises an Enterprise Bill will be included in the government's legislative program.

Javid, scheduled to speak in Bristol on Tuesday, will commit to extending the government's deregulation program to about 60 independent regulators, including the Office of Fair Trading and the Food Standards Agency, according to an e-mailed statement from the Department for Business. He'll say that the Enterprise Bill, to be announced in the Queen's Speech on May 27, will create a Small Business Conciliation Service to deal with disputes over payments between companies.

The reduction in as-yet-unidentified regulations will save businesses 10 billion pounds (\$16 billion) by 2020, according to the statement.

"Small businesses are Britain's engine room," Javid said. "As Business Secretary I will always back them."

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