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## Enterprise Center Nurtures New Businesses

*By Jasper Welch, Director, San Juan College Enterprise Center*

Just as some newborns need extra care before they're ready to go home, some businesses need to be incubated before they're ready for a grand opening. Farmington, N.M., is home to one of the state's seven business incubators: the San Juan College Quality Center for Business. The Quality Business Center offers all the training wheels an entrepreneur could hope for under one roof — an integrated set of business support and development programs such as staff or management training and planning, technical assistance and even a loan fund that provides gap financing for startup and growing companies in northwestern New Mexico.

The hub of the college's business-building effort is the Enterprise Center, a mixed-use incubator that offers office and production space for up to 20 startup and emerging companies at one time. The list of tenants is always changing as some businesses "graduate" from the program and new ventures take root.

The multi-program facility is the only one of New Mexico's business incubators to be organized as a one-stop resource center for entrepreneurs. (The state's other incubators are the Santa Fe Business Incubator, NMSU Arrowhead Business Incubator, Los Alamos Small Business Center, Clovis Business Incubator and South Valley and WESST Corp business incubators in the Albuquerque area.)

### Getting incubated

The Enterprise Center accepts applicants from four business categories: **startups** with one year or less in business and a principal owner/operator and few employees; **emerging companies** that are one to five years old with the owner or owners unable to survive wholly on income from the venture; a **spin-off company or division** of an existing company; and a **branch office or expansion** of a larger company that meets an underserved market need.

The needs of businesses in each of these categories differ dramatically, but they all must meet certain criteria to be accepted for incubation. Each company or individual entrepreneur must have a business plan, though some are accepted with incomplete plans, and must apply to lease space at the Enterprise Center. The Enterprise Center staff reviews the business plan and application and makes its recommendations to the Lease Advisory Committee for approval or rejection.

Besides presenting a well-thought-out business plan, the prospective entrepreneur is more likely to get a lease if he or she can demonstrate how the venture will contribute to the local economy through job creation and providing goods and services to an underserved market. The lease committee is impressed by letters of support from the Quality Business Center's Small Business Development Center or other business consultant and from a bank or other funder, suppliers and potential customers. And committee members look for evidence of the owner/operator's financial, management and organizational capabilities.

## Graduates

One to three companies graduate from the incubation program every year. Since 2002, 18 companies have done so, and most of them are still in business in Farmington or elsewhere in the Four Corners area.

Graduation means different things to different types of companies. In the 1990s, initial public offerings were available for emerging companies in various sectors. Since 2001, the exit strategies for successfully incubated companies include expansion to a larger space and mergers, consolidations or acquisitions by another company. In some cases, a client or local company hires the entrepreneur based on the expertise and business acumen he or she was able to develop at the Enterprise Center.

But some companies fail to launch for reasons that include poor business planning and termination of the lease, the owner's inability to finance the company or generate sustainable cash flows, a decision by the managers or owners to cease operations or the realization that the business model or concept doesn't fit in the Four Corners area.

To apply for a lease at the Enterprise Center, contact [www.sjc-enterprisecenter.com](http://www.sjc-enterprisecenter.com). To learn about New Mexico's other business incubators, go to <http://accesstocapitalnm.org/resources-incubators.php>.

*Finance New Mexico is an initiative of the New Mexico Small Business Investment Corporation (NMSBIC) and its partners to assist individuals and businesses in obtaining skills and funding resources for their business or idea. To learn more about resources available to New Mexicans, go to [www.FinanceNewMexico.org](http://www.FinanceNewMexico.org).*

