

INDA's Small Business Newsletter

Covering Issues That Affect You

December 15, 2006

INDA SMALL BUSINESS E-REPORT

Welcome to the INDA Small Business e-Report. This monthly e-publication provides INDA members with insight and advice on operating a successful small business in today's nonwovens industry.

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DAVID VERSUS A FEW GOLIATHS FOR 2007 VISIONARY AWARD

The ultimate David versus Goliath battle will take place at the VISION 2007 Consumer Products Conference as six companies vie for the prestigious 2007 Visionary Award.

Now in its sixth year, the Award – which is given annually to a new consumer product that utilizes nonwoven fabrics in its final form – will be presented at the VISION 2007 Consumer Products Conference, January 21-24, 2007 in Denver, Colo. The finalists will make presentations during VISION 2007 and Conference attendees will vote on the recipient of the 2007 Visionary Award.

Playing “David” is a small company called *Petsleeves Petwear*. *Petsleeves* are part of a unique product category called “*petwear*,” reusable but disposable apparel for dogs and cats. It is also available in a veterinary model and a version for “work dogs.”

It will be going up against five other “Goliaths:”

1. *Cotton Feminine Hygiene Products, Corman SpA, Italy*. These 100% pure cotton napkins and panty liners are designed specifically for women with sensitive skin and for those who prefer a natural alternative.
2. *Cool2Go Insulating Wrap, DuPont, U.S.* Labatt Blue Cold One cans are wrapped with DuPont Cool2Go, a thin, insulating layer that protects beer from warm hands, condensation and the outside temperature.
3. *Johnson Baby Extracare Wipes, Johnson & Johnson Europe*. The construction of J&J’s Baby Extracare Wipes separates the lipid and the aqueous phase of the emulsion.
4. *Pampers Cruisers, Procter & Gamble*. Pampers Cruisers feature a new AbsorbAway Liner with 5 Star Absorbency that helps keep wetness away from a child’s skin, even upside down.
5. *Swim Pants, Tyco Healthcare Retail Group*. The Swim Pant product provides BM containment for babies not yet potty trained.

If you are part of the consumer products industry or supply the segment, your company should be part of the scene at VISION 2007.

For more information on VISION 2007: www.inda.org

AFTER VISION COMES IDEA07 IN APRIL

The big event on the 2007 industry calendar – IDEA07 in Miami Beach, April 24-26 – is a must-attend three days for any company, large or small. Everyone who is anyone in engineered fabrics or nonwovens will be in Miami Beach, and your company needs to be in on the action.

If your company has not reserved IDEA space yet, it is still not too late. Contact INDA's Associate Director of Sales, Marilyn Bellinger, at (919) 233-1210 ext. 118, mbellinger@inda.org or Misty Ayers, Marketing/Sales Manager, (919) 233-1210 ext. 112, mayers@inda.org and let them know what size space you will require.

END-OF-THE-YEAR TAX TIPS FOR GROWING BUSINESSES

The last page of the 2006 calendar is about to be turned, so it is a good time for any small business to make sure its tax house is in order. So here, from the AllBusiness.com Finance & Accounting Center, are the Top 10 Tax Tips for Small and Growing Businesses.

1. ***Writing It Off***: Deductions. Businesses can deduct all "ordinary and necessary" business expenses from their revenues to reduce their taxable income. But don't overlook these potential deductions for business losses or trips that combine business and pleasure.
2. ***Employee Taxes***. If a business has employees, a variety of taxes will have to be withheld from their salaries. Make sure you get it right.
3. ***Quarterly Estimated***. This area trips up many an entrepreneur and is especially vexing for home-based businesses. Failure to keep up with estimated tax bills can create cash flow problems as well as the potential for punishing IRS penalties.
4. ***Sales Taxes***. Most services remain exempt from sales tax, but most products are taxable (typical exceptions are food and drugs). If a business owner sells a product or service that is subject to sales tax, he or she must register with the state's tax department. Then taxable and nontaxable sales must be tracked and included on the company's sales tax return.
5. ***Keep Tax Documents for at Least Seven Years***. Good record keeping saves money.
6. ***Charitable Contributions***. Unless your business is a C corporation, charitable contributions typically "flow through" the business and are claimed as deductions on the individual tax returns of the shareholders of the company.
7. ***Important Tax Deadlines for Businesses***. April 15 isn't the only important tax date for business owners. Consult your tax professional to make sure all the right dates are on your schedule.
8. ***Deducting Loans***. Most business loans are not considered business income. One notable exception is a situation in which you negotiate with a creditor or lender to reduce your debt. In order to take advantage of a tax deduction, you must report the total amount of the loan, and the assets and expenditures financed necessary to operating the business.
9. ***Tax Audits***. The very thought of an IRS audit is enough to make most business owners break into a cold sweat. But not all audits are created alike. Find out what it is all about for taking the appropriate steps.
10. ***The IRS***. The IRS small business website provides a wealth of information to small and growing businesses. There's a section for businesses getting off the

ground that includes a handy checklist and advice on choosing business structure. It's particularly helpful on important topics such as employee taxes and business tax deductions.

GROWTH AND DECLINE TRENDS FOR SMALL BUSINESSES PART OF NEW CENSUS REPORT

Small business growth and decline tends to persist and is not easily reversed, according to a study released today by the Office of Advocacy of the U.S. Small Business Administration.

"We know that overall small business is a dynamic sector of the economy," said Dr. Chad Moutray, Chief Economist of the Office of Advocacy. "This study shows that the growing and declining firms tend to stay in the same mode over time. Consequently, policies that affect growth or decline can have an impact on small businesses over a longer term than originally anticipated."

The report followed up a study from 2005 that examined firm growth rates by size of firm and industry type. That report found that firm growth tends to be relatively more concentrated among fast and slow growth firms. The current study examined growth rates over a five-year period, using special tabulations of the Census Bureau's Business File dataset.

The Office of Advocacy, the "small business watchdog" of the federal government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, and the President. It is the source for small business statistics presented in user-friendly formats, and it funds research into small business issues.

For a complete copy of the report, visit the Office of Advocacy website at www.sba.gov/advo.

NEW YEAR! RENEW YOURSELF AS A LEADER

Finally, as we head into 2007 it is a good time to make a commitment to yourself and your business. Here, courtesy of SCORE "Counselors to America's Small Business," are Five Tips for Renewing Yourself as a Leader

- ☑ Take a time-out each day. Put a "Gone Thinking" sign on your door and don't let anyone disturb you.
- ☑ Pursue hobbies and interests outside your business. They'll provide relaxation and may inspire creative ideas that you can feed back into the business.

- ☞ Take a vacation or a sabbatical. (But first, make sure you leave the company in good hands!)
- ☞ Spend time with your family. Kids provide a refreshing perspective.
- ☞ Do something you've always wanted to do but never did — learn to build a house, or take a course in acting.

INDA CALENDAR OF EVENTS 2007

- **VISION 2007 Consumer Products Conference**, January 21-24, 2007 in Denver, CO
- **Annual Meeting 2007** (For INDA Members Only), February 25-27, 2007, Marriott Marco Island Resort, Golf Club & Spa, Marco Island, FL
- **IDEA 2007**, International Conference & Expo, April 24-26, 2007, Miami Beach Convention Center, Miami, FL
- **Nonwovens Training Course**, May 8-10, 2007, INDA Headquarters, Cary, NC
- **World of Wipes**, July 23-25, 2007, Intercontinental Buckhead, Atlanta, GA
- **Nonwovens Training Course**, August 14-16, 2007, INDA Headquarters, Cary, NC
- **INTC 2007**, International Nonwovens Technical Conference, September 24-27, 2007, Renaissance Waverly Hotel, Atlanta, GA
- **Nonwovens Training Course**, October 16-18, 2007, INDA Headquarters, Cary, NC
- **Filtration 2007**, November 13-15, 2007, Navy Pier, Chicago, IL

To learn more about any meetings, go to www.inda.org

THAT'S ALL, FOLKS

We would love to hear from you. Just email us at [mjacobson@inda.org](mailto:mjacobsen@inda.org) to let us know how you are getting along.

Michael Jacobsen
Editor
INDA Small Business e-Report