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The following Op-Ed was submitted by Secretary of State John Gale.

Boosting small business growth in Nebraska

As Secretary of State, one of my duties is that of business services officer for Nebraska. My office handles the registration of all company formation documents for business entities including instruments of organization, registration of trade names, trademarks, and service marks. We have the authority to dissolve entities for non-compliance.

The formation of limited liability companies (LLCs) in Nebraska has steadily increased over the past 10 years. In fact, the total number of active LLCs has quadrupled in that time. The number of corporations has generally decreased since 2004.

LLCs are an entity formation that is much more flexible and compatible with small business startups than the formalities required of a business corporation formation. LLCs became available as a business entity in the 1990s. Creation of LLCs will likely continue to outpace business corporations.

According to the U.S. Small Business Administration, 97 percent of all employers in our state are small businesses. They employ 51 percent of the state's private-sector work force. The growth in corporations and LLCs is encouraging news for Nebraska business, since it generally parallels new start-up business growth.

Since domestic corporations and LLCs register with the state and pay their appropriate taxes, the state provides limited liability protection for those entities. Finding the right business entity for a start-up is just one of the many challenges facing new business owners such as: having a sound business operating plan that addresses things like internal controls, tax planning, capital needs, and intellectual property rights; having access to sufficient capital to operate the business until revenues grow sufficiently to cover business needs; and having a sound marketing plan to sell the products or services offered.

While my office provides the statutory references and instructions to business owners about the steps needed to create a variety of business formations, we do not provide the forms nor offer legal advice. These steps require a level of professional advice and help. It is too risky for all involved to suggest that this process is simply one of "checking boxes" without appropriate guidance.

It has been quite amazing to me over the past several years at the number of resources becoming available to new business owners for sound startup help in addition to the advice offered by formation professionals. New businesses definitely need to access these other resources as they begin the process of bringing their dream for a business into reality.

Some of those resources include: business development centers located at our various community colleges and at the University of Nebraska-Omaha, new consulting companies that provide help as start-up company accelerators, U.S. Small Business Administration (SBA) programs and their SCORE advisers, and grant and loan programs through the Rural Development Office of the U.S. Department of Agriculture. There has also been a burst of venture capital and angel capital groups that consult with new businesses and offer investment capital to those who qualify.

For the long term health of Nebraska businesses, and the employment that small businesses provide within their communities, it is essential that good resources are available to help new business start-ups across the state.

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