

Great Lakes Champions

SBAM advocates for small businesses in Michigan and across the U.S.

By Rob Yunich

Director of Communications

The auto industry dominates the Michigan economy. Ford, General Motors and DaimlerChrysler usually dictate business in the Great Lakes State. Fortunately, the Small Business Association of Michigan (SBAM)—an NSBA affiliate—advocates on behalf of business owners who, individually, do not have the same clout as the Big Three American automakers.

In recent years, the downturn in the auto industry—coupled with tax policies designed for an era of industrial prosperity—have led to Michigan suffering from the nation's worst business climate and near-worst unemployment rate.

SBAM has been successful in getting many public officials to recognize that Michigan's future prosperity depends on creating opportunities for small businesses—which are responsible for most of the recent employment growth in the state.

"It only makes sense to nurture the entrepreneurs who will develop the businesses of tomorrow that will again lead Michigan to prosperity," SBAM President and CEO Rob Fowler said.

SBAM (via its Small Business Foundation) has fortified its stature as the leader of Michigan small businesses by issuing a comprehensive *Michigan Entrepreneurial Score Card* for the second consecutive year. The *Score Card* has substantially raised the awareness among the media and lawmakers of the importance of creating a tax and regulatory climate that encourages entrepreneurial risk taking and business formation.

Additionally, SBAM continues to work closely with lawmakers on both sides of the aisle to implement fundamental tax reform. SBAM joins NSBA in support of the Fair Tax, and remains at the forefront in calling for



NSBA FILE PHOTO

SBAM members greet Rep. John Linder (third from right), who spoke at NSBA's 2005 Small Business Congress about the federal Fair Tax legislation he proposed.

repeal of Michigan's Single Business Tax (SBT). Largely due to SBAM's efforts, the SBT is scheduled to expire in 2009—if not sooner. SBAM hopes the Michigan Fair Tax will replace the SBT, the state income tax and personal property tax.

SBAM proposes that the lost revenue would be replaced by an increase of the state sales tax from the current six percent to eight or nine percent, depending on which exemptions were included in any final legislative agreement. Much like the national Fair Tax proposal, the sales tax also would be expanded to cover services, but only at the point of final sale. Business-to-business sales transactions would be exempt.

FIGHTING FOR INDEPENDENCE

SBAM's journey to creation, much like NSBA's, centered on one central issue—the difficulty of running a successful small business and the need for an organization that would represent only small businesses. In Michigan, this realization was made by Dick Sanford, who founded SBAM (then called the Independent

Businessman's Association) in 1969 after two years of hard work.

Since that time, the organization's name has changed, its membership expanded from a base in western Michigan to a strong statewide presence, and its headquarters moved from Kalamazoo, Mich., to its current home in Lansing. But one thing remained—SBAM's commitment to serving its members and the state's small-business community.

Today, SBAM is one of the few business organizations in Michigan that boasts a growing membership.

"That's a remarkable accomplishment, considering Michigan is suffering from one of the worst economic climates in the nation," Fowler said. "Small businesses are choosing to be a part of SBAM thanks to our high visibility as the voice of small business in the halls of the legislature, and because we offer an innovative package of member-benefits dubbed the 'power suite.'"

The "power suite" aims to provide small-business owners with the same range of benefits and services that are available to the heads of big compa-

nies: human resources, financial operations, government relations, marketing, legal counsel and technology.

SBAM is moving to bring the “power suite” to its members in a dynamic and tangible way by doing the research, vetting the partners and negotiating on its members’ behalf. Last year, participating members saved an average of \$2,000 each by utilizing “power suite” products and services.

MUCH IN COMMON

In addition to sharing similar legislative goals, NSBA and SBAM also share other similarities. SBAM has a long history of involvement with NSBA, but that involvement deepened during the 1986 and 1995 White House Conferences on Small Business—when a group of SBAM leaders served as conference delegates. Then-SBAM President and CEO Gary Woodbury served as one of 11 representatives to the White House Conference on Small Business Commission. Subsequently, he chaired 10 state conferences that preceded the 1995 national event.

SBAM remains especially active with NSBA on national tax issues, such as the Fair Tax. Three key SBAM members—current NSBA chair Paul Hense and former NSBA chairs Sharon Miller and Gary Kushner—lead this effort.

Hense, a certified public accountant, has testified numerous times before Congress on the negative impact the federal tax code has on small business formation and growth. (A complete biography of



SBAM President and CEO Rob Fowler

COURTESY SBAM



Hense is available at nsba.biz/board.)

“SBAM’s close partnership with NSBA gives our members a megaphone to make their voices better heard on the national level,” Fowler said.

In addition to Hense and Fowler, the SBAM contingent on the NSBA board includes John Christopher Holman and Deleski “Dee” Smith.

Fowler, who has served in his current role since 2003, has been working for small business for many years. Before joining SBAM in 2001, Fowler previously served as president and CEO for the Council of Smaller Enterprises, another NSBA affiliate. He is a graduate of Ball State University with a degree in political science and business administration.

Holman, SBAM’s immediate past

chair, is the owner and publisher of *The Greater Lansing Business Monthly* and also owns other small businesses. He is the long-time host of the eponymous “The Chris Holman Morning Show,” a daily program, as well as “Michigan Business Beat,” and “Business Today with Chris Holman,” a weekly television program. After graduating from Eastern Michigan University, Holman was a high school teacher, coach, athletic director and assistant principal before serving as director of sales and marketing for Laboratory Services, Inc.

Smith, a member of the SBAM board, started his first business in real estate, which grew into a construction company.

After a few years in business, Smith was recruited to teach at Lansing Community College, where he served as regional director for the Small Business Development Center for 12 of his 25 years there. He founded his current company, Cherdeco LLC, with his wife, Cheri, in 2004. He recently renovated and opened a bed and breakfast, Baughman Manor, in his hometown of Charlotte, Mich.

Smith is the chair of NSBA’s 2006 Washington Presentation and served as co-chair of the 2005 event.

Bill Largent also has served on the board of both organizations.

For more information about SBAM, call 888-GET-SBAM, e-mail sbam@sbam.org, or visit sbam.org.

SBAM Vice President of Communications Michael Rogers contributed to this story. ★