



## Economic Development Corporation of Lea County

200 East Broadway  
Suite A201  
Hobbs, NM 88240

Volume 4, Issue 7  
January 2009

*Join Us  
For*

### AN EVENING WITH LEA COUNTY LEGISLATIVE RECEPTION

Tuesday, February 3, 2009  
5:30 pm - 7:00 pm  
Gerald Peters Gallery  
1011 Paseo de Peralta  
Santa Fe, NM

For the fifth consecutive year, the Economic Development Corporation of Lea County will show our appreciation to our New Mexico legislators by hosting our legislative reception *An Evening With Lea County*.

In the past this event has brought together our local Lea County business, government, and education leaders with our state legislators and elected officials from all areas of state government.

This year's reception occurs on February 3, the same day as the Association of Commerce & Industry's Business Day, and EDC of Lea County members are encouraged to take advantage of the two events.

*An Evening With Lea County* has been one of the best attended receptions during the legislative session and has attracted the Governor, Lt. Governor, and many Cabinet secretaries.

The Inn and Spa at Loretto is offering group rates of \$129, plus tax. To reserve a room, call 800-727-5531 and mention the Economic Development Corporation of Lea County.

Another hotel property to consider is The Santa Fe Suites, (505) 989-3600. Their rates are approximately \$75.

For more information, call (575) 397-2039 or email [marilyn@edclc.org](mailto:marilyn@edclc.org).

January Membership Meeting  
January 27, 2009  
11:30 a.m.  
Western Heritage Museum and  
Lea County Cowboy Hall of Fame  
5317 Lovington Hwy.

Come See the New Look of  
The EDC of Lea County

#### January - February Calendar

##### January 27

EDC of Lea County  
Membership Meeting  
11:30 a.m.  
Western Heritage  
Museum

##### February 3

ACI Business Day  
Santa Fe  
*An Evening With Lea County*  
5:30 pm - 7:00 pm

##### February 28

Oil and Gas Day  
NM Capitol Rotunda

## EDC of Lea County To Recognize the Importance of the Oil and Gas Industry

For the first time, the New Mexico oil and gas industry will be recognized for its importance to New Mexicans. On February 28, groups from oil and gas producing counties will take over the state capitol rotunda to demonstrate the statewide impact of the New Mexico oil and gas industry.

Using the theme, "We Are The Oil and Gas Industry," the EDC of Lea County has invited educational institutions, charitable organizations, and economic development

agencies to provide a booth in the capitol rotunda. In addition, a special feature will be the display of poster-size photographs and biographies of people who benefit from the oil and gas presence. Bethe Cunningham states, "These photographs represent the unexpected face of oil and gas in New Mexico. We are photographing a wide variety of individuals - from train conductors to dance instructors - who know the positive impact that our oil and gas producers provide to the quality of life of

the average person."

In addition to the presence of these groups in the Rotunda, EDC of Lea County representatives and other participants will distribute "We Are The Oil And Gas Industry" pamphlets to legislators.

"It is time to get behind our oil and gas producers. As important as it is to diversify our economy, the oil and gas industry provides high-paying jobs to Lea County," Mrs. Cunningham added.



Article 65 December 28, 2008

## **Realistic Expectations Are Central To Obtaining Capital**

*By Paul F. Goblet, Investment Advisor, New Mexico Small Business Investment Corporation*

Finding the money to run a business is a concern that begins at conception and doesn't stop until the business fails or is sold to someone else. Satisfying a healthy business's appetite for capital requires knowing which kinds of investors to approach at each stage of a company's growth and what size of investment to expect at each stage.

Each funding source has its own guidelines for when to help — and how much to give — a company that's hungry for capital. But the first thing all investors want to know is what stage a company has reached and what chance it has to grow and make money.

Few businesses follow a predictable path and timeline from one stage of life to the next. Some linger for a long time as startups, while others dash directly from startup to exit. Knowing the life cycle of a typical business can help an entrepreneur know where to find capital to reach the next stage.

### **Life cycle of a business**

The seed or startup stage starts with an idea or a prototype for a product or service. At this stage, entrepreneurs either tap friends, family members or other personal contacts for funds, or they seek angel investors, grants, micro loans or venture capital.

When a company is preparing its product or service for a market launch, it's in the early stage of life. As it begins to produce products and secure customers, the business might need a cash infusion and is most likely to find it through a bank loan, grant, micro loan, angel investor or venture capitalist.

When the company outgrows its original goals, it's in the expansion or growth stage. Banks, government lenders and venture capitalists are interested in companies like these that are moving into new markets, gaining more market share, introducing new products or services and seeking new customers.

Changes in the economy or market conditions can cause sales to decrease and a company to decline. Faced with a negative cash flow, the owner must decide whether to seek another opportunity or find ways to salvage the business. Possible funders at this point include suppliers, customers, co-owners or partners.

At the exit stage, an owner is either selling or shutting down a business. Accountants and financial advisers can help decide the best exit strategy, but common ways to raise money at this stage are through management buybacks, Employee Stock Ownership Plans or Initial Public Offerings.

### **Finding the money**

The number of business equity funding sources in New Mexico has increased significantly in the past decade. Several companies collaborate with the New Mexico Small Business Investment Corp. to get capital where it's needed. ACCION New Mexico, The Loan Fund and WESST Corp. provide loans to all types of businesses. Flywheel Ventures, the Kickstart Fund and Verge provide early stage venture capital; Flywheel also manages the Gap Fund, which has invested in seven New Mexico businesses in the past 18 months — typically technology companies just getting on their feet. Mesa Partners and New Mexico Community Capital provide growth stage venture capital to manufacturing, distribution and service companies.

More information on the various funds doing business in New Mexico can be found at [www.financenewmexico.org](http://www.financenewmexico.org) or through an online Access to Capital database at <http://accesstocapitalnm.org>.

*Finance New Mexico is an initiative of the New Mexico Small Business Investment Corporation (NMSBIC), New Mexico Small Business Development Center (NMSBDC), Empowering Business Spirit (EBS), the New Mexico Venture Capital Association (NMVCA) and other 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).*



## EDC of Lea County Hosts Area Economic Developers

On Friday, January 9, the EDC of Lea County hosted 24 representatives from economic development, education, and industry to a planning session for Oil and Gas Day. Along with the economic developer from Farmington, economic developers from Eunice, Lovington, Carlsbad, Artesia, and Roswell met with representatives from the EDC of Lea County, New Mexico Junior College, and the NM Center for Energy Policy to develop a plan to promote the impact of the

oil and gas industry.

The group brainstormed ideas on the message to deliver to legislators and the strategies for delivery. Representative Don Bratton visited with the group on major issues facing the legislature. Representatives from Congressman Harry Teague's office in Hobbs and Roswell were also in attendance.

After lunch and discussion, 11 groups committed to participating in Oil and Gas Day on February 28.

## New Mexico Tech's Center For Energy Policy Hosts Petroleum Discussion

By Thomas Guengerich

ALBUQUERQUE – New Mexico Tech's Center for Energy Policy is hosting a special lecture about the global economic crisis and the petroleum industry at 8 a.m. Friday, Jan. 16, at the Hotel Albuquerque at Old Town.

Dr. Daniel Fine is a researcher at New Mexico Tech who supports the Center for Energy Policy. His area of expertise is energy futures and economics. He will present his talk, "The Financial and Credit System 'Crash' and Its Impact on Oil Prices and Investment: What Went Wrong and the Future Fall-Out." The 90-minute presentation will be followed by a brief discussion period.

The event is sponsored by New Mexico Tech and the Association of Commerce and Industry. For reservations to this free event, call Connie Johnson of ACI at (505) 842-0644. The Hotel is at 800 Rio Grande Blvd. NW.

Fine will focus on the circumstances that preceded the crash and the future outlook for the petroleum industry. He will examine the current and short-term business and economic situation of the oil industry, including a special review of President-Elect Obama's administration policies toward energy in the United States. Fine's presentation will also include a discussion on renewable energy and climate change as affected by the end of the "bubble" and the meaning of "energy security" in a low-price oil world.

Fine presented a similar talk in Hobbs to a captivated audience in December. New Mexico Tech launched the Center for Energy Policy in Hobbs in 2007 thanks to a state legislation. Prior to joining the Center, Fine was a research associate at MIT and participated in Harvard Business School's Project Energy Futures. He was also contributing editor for *Engineering and Mining Journal*, and a contributor on natural resources for *Business Week*.

Contact: Thomas Guengerich, New Mexico Tech public information, 575-835-5617



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