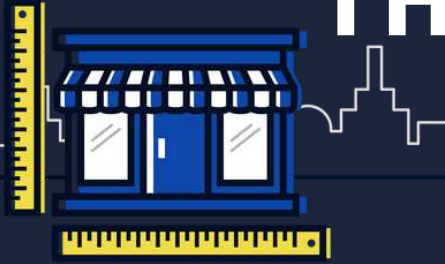


THE BUSINESS LEAD



WINTER 2024

OPEN FOR BUSINESS

WHAT IS AN ANGEL INVESTOR?

Angel investors are often retired entrepreneurs or executives, who may be interested in investing in a business for reasons that go beyond pure monetary return. Reasons may include wanting to keep current on developments in a particular business area, mentoring another generation of entrepreneurs, and making use of their experience and networks on a less than full-time basis.

Compared to venture capitalists, angel investors may also be more patient with entrepreneurs and open to providing smaller dollar amounts for a longer time period. But they do want to see a return on their investment at some point. Learn more about angel investors on page 2.

BY MICHELLE ELLINGSON
ASSISTANT TO THE CITY
CLERK/ADMINISTRATOR

To subscribe to the Business Lead Newsletter, contact City Hall at cityhall@caledoniamn.gov or call 507-725-3450

TABLE OF CONTENTS

The Pros and Cons of Angel Investors	P. 2
Business Spotlight Line Haul Trucking	P. 3
2025 Business Trends and Forecast	P.4
Upcoming Events Business Development	P. 5

The Pros and Cons of Angel Investors

In order to make the best financial decision for one's growing business, it is important to understand the key differences between the types of investors and the advantages and disadvantages of the source of funding. Below is a list of pros and cons for angel investors.

Advantages:

No Obligations: Because most angel investing involves equity deals, business owners don't have to pay the angel funder back. Having an angel investor means your business doesn't have to repay the funds because you're giving ownership shares in exchange for money.

Knowledge and Experience: Angel investing is usually reserved for established businesses beyond the startup phase but they could be considered for new business ventures as well. Tapping into an angel investor's expertise at any point in a business's growth is a plus. Because an angel investor's money is on the line, they can be highly motivated to help you succeed through mentoring or by offering direct management help.

Future Funding: When an angel investor funds a company, they're often in for the long haul. As the business grows and becomes more successful, angel investors are more apt to continue funding for growth and profitability.

Disadvantages:

Ownership: Angel investors typically want 10% to 50% of your company in exchange for funding so it's important to think about how much equity you want to give away to an investor for funding. If you give too much, you may risk the possibility of the angel investor having more ownership than you.

Control: Angel investors may decide they want a bigger role in business decisions. That means some business owners could lose control of the business and if an inexperienced angel investor offers poor advice, the business could fail quickly. In addition, the angel investor will most likely receive a portion of the profits if the business is sold.

Sources of Angel Investing A few sources of funding include:

- **Angel List:** An online platform that helps business owners find investors.
- **Angel Investment Network:** An online network with over 279,000 investors. Business owners can create a profile and promote their business. If there are interested angels, they'll invest.
- **LinkedIn:** Professional social networks, like LinkedIn, can give you a direct way to contact an angel investor.
- **Local business groups or schools:** Check local business schools or organizations in your area to see if they can put you in touch with an angel investor.

Before you reach out to an angel investor, make sure you have your business plan in place. They'll want to make sure your business has the potential for success before investing in your company.

source: forbes.com and thehartford.com

What do Angel Investors look for in a business?

- Passionate, driven entrepreneurs
- A deep understanding of the market and product
- A track record of success
- The ability to adapt to challenges
- The ability to execute your vision
- The ability to lead the company through various growth stages
- A team with complimentary skills
- Relevant industry experience



LINE HAUL TRUCKING IN TRANSPORTATION

The world of logistics, especially line haul transportation, is constantly moving. Freight can be transported from one city to another, one country to another, one mode of transportation to another, from a hub to a sorting facility, and from manufacturers to customers.

Line haul logistics refers to the movement of freight or goods across different modes of transportation--by road, by rail, by air and by waterways.

What is a line haul carrier?

Carriers play an important role in line haul logistics operations. Hence, it's important to select line haul carriers that have knowledge and expertise in managing all types of loads, are experienced in handling time-sensitive goods, and are highly aware of specific regulations and compliance.

The difference between Line Haul vs Long Haul Trucking:

Line haul drivers work in shifts. It's more like a nine to five job. At the end of each day line haul drivers get to go home. Whereas in the case of long haul trucking, the drivers tend to spend days and weeks on the road.

Why transport your goods by truck?

If you need to get your goods from one place to another in a safe, reliable and cost effective way then truck transportation should be considered. Transporting goods by truck is still the most widely used mode of transport in Canada and North America. Using the railways is a popular choice when moving very large loads over long distances, but the truck can't be beaten when it comes to the vast majority of goods which need transporting across the country.

The main benefit of using a trucking service is the fact that a truck can get from point A to point B faster than any other type of vehicle. This is because a truck can take the most direct route possible.

Transport by truck is highly cost effective, regardless of distance, and the goods can be loaded up and off loaded quickly by expert drivers. GPS tracking on board and temperature controlled compartments mean the trucks are versatile and can transport a variety of goods.

Truck transportation, compared to air freight shipping, remains the most appropriate solution for moving small to medium loads from A to B. The nature of road transportation means the most direct route is always taken and the fast loading and unloading, and without the need to change transportation method halfway through the route, mean a faster more effective service. No wonder truck transportation is still the number one choice when it comes to overland goods transportation.

source: getfareeye.com and roadlinx.com



CALEDONIA HAULERS

BUSINESS SPOTLIGHT

Established in 1958 by one of the original founders, Joe Gavin, Caledonia Haulers is currently owned and operated by President and CEO Dennis Gavin.

Since its conception, Caledonia Haulers has grown from hauling canned milk to dozens of food grade products including dairy products, eggs, juices, water, sweeteners, vegetables, and yeast.

Located at 420 W Lincoln, continued growth prompted Caledonia Haulers to expand and include two additional facilities, one in Cedar Rapids, IA in 2012 and another in Janesville WI in 2021.

Caledonia Haulers services include a certified food grade tank washing facility, a specialized bulk-liquid transportation carrier, a milk receiving and transfer service, and full-service vehicle and equipment repair.

What does FTL and LTL mean in trucking?

Depending on the size of your load, there are a few choices when it comes to the type of truck used. A Full Truck Load (FTL) is the perfect choice for hauling loads over 40,000lbs and works most efficiently with goods which can be wrapped and put on to pallets to maximize the space. Bear in mind - if your goods are fragile or awkwardly shaped, this type of trucking is not for you. Goods are generally not handled throughout their journey, which means less delays and less chance of damage.

Alternatively, if your haul is smaller, Less Than Truckloads (LTL) are a better choice. The prime advantage with this choice is the lower price as you can spread the cost with other shipments being moved in the same truck. Not only is it affordable, but it also means you can offload your products in multiple locations. There is no minimum and maximum proportion of the truck which you'd need to fill, so flexibility and speed is the name of the game with this choice.
source: roadlinx.com

2025 SMALL BUSINESS TRENDS

What are the key small business trends and challenges from 2024 that will impact you in 2025? Below are two key areas to be aware of:

Be Digital Forward—With new advances in small business technologies, and the further development of generative AI, it's become more important than ever for businesses to adapt. In the post-pandemic environment, businesses digital interactions have become a part of the “new normal.” As you move forward, customers will continue to expect digital options, so ensure that your business is as digital-forward as possible.

- Review your website (keep your website current and updated, increase search engine optimization)
- Use generative AI and process automation (content creation and customer experience)

Become Competitively Sustainable—Incorporating sustainability into your everyday business practices has moved from a proactive exercise to a competitive advantage in today's economic climate. It's becoming more often that consumers will make their buying decisions based on the more environmentally friendly choice. More and more people are choosing to do what's best for the planet, make sure your business is doing all it can too.

- Eco-friendly product and packaging (look for opportunities in your process to cut down on waste)
- Go paperless (use of cloud storage, automated work flow, digital invoicing)

Source: <https://pursuitlending.com/resources/small-business-trends>

Old Buildings Renewed

The building located at 138 S. Kingston was built by John Boltz in 1877. This was during the “soft brick” era of building materials when early kilns had less control over the firing process. John established a general merchandise and grocery store business that included a millinery department run by his wife. Around 1917/1918, John sold his store to J. V. Meyer who also ran a grocery business. Mr. Meyer did extensive remodeling on the building and moved the main entrance to the south side. He also added plate glass in the front facade. In 1926 it was sold to Ben and Thomas Graf continuing as a grocery store.

Henry Albert purchased the store in 1938 and named the business Albert's Grocery. Henry was followed by his sons Bill and George who took over in 1949. Bill retired in 1984 and George in 1998. Albert's Grocery was then run by Tony and Nancy Albert Denstad until 2000. In 2003, it was sold to Yang Feng Sai who opened the China Buffet. In 2013 Norman and Kate Snodgrass opened their coffee shop, The Coffee House. Then, for a short time it housed Chuck's Old Fashioned Meats, a meat market business run by Charlie Reed. The building was sold in 2021 to Bryan Spier and Tracey Knutson who have been remodeling, with the front façade recently finished. They are planning to open soon as an Italian deli called Frank and Julia's.



DRIVING ECONOMIC GROWTH

Minnesota has a legacy of building and growing businesses here that keep the economy strong and provide a quality of life for our communities. Grow Minnesota!® is the Minnesota Chamber's premier economic development program focused on retaining and growing Minnesota businesses.

The staff helps businesses overcome challenges, make new connections, and grow - in any part of the state. Working with Grow Minnesota! means access to economic data and insights as the state moves toward economic recovery and access to Minnesota-based suppliers on any number of products and services that could help your company grow.

To learn more visit:

<https://www.mnchamber.com/your-opportunity/grow-minnesota>



Frank & Julia's 2004

Brick building on left hand side of photo
138 S. Kingston 1900 circa



Upcoming Events

Caledonia Winter Parade: Friday, December 6 beginning at 7:00pm. Route includes Grant Street to Pine Street then following Main Street to Kingston ending at Merchant's Bank. The parade is sponsored by Caledonia Founders Day.

Caledonia Lions Breakfast with Santa: Saturday, December 7 Caledonia High School 8:00am-11:00am.

Houston County Historical Society Old Fashion Christmas Open House: 104 S. History Lane (near fairgrounds) Saturday December 7 10:00am-3:00pm and Sunday, December 8 12:00pm-3:00pm. Refreshments served.

City of Caledonia Community Coffee Break: Tuesday, December 10 starting at 9:00am-10:00am at The Well 214 E. Main Street. All welcome! (watch for the 2025 quarterly community coffee break schedule)

BUSINESS DEVELOPMENT



Holiday Pop Up Shops The 2024 Holiday Pop Up Shops include Oola Life, Inc. and Country Charm Crafts. Both business are located at 102 E. Grove Street. Oola Life includes advanced nutritional mind and body supplements, health books, and essential oils. Country Charm offers a selection of hand crafted decorative items, craft supplies, candles, melts, ornaments, and magnets. Shop Local!

Ardmore Construction has joined the business community and set up an office at 103 E. Main Street. Admore Construction is a home restoration company offers roofing, siding, gutters, storm damage and drone inspections.

Green Terrace Properties recently purchased the car wash located at 126 Kingston Street with plans to upgrade the car wash to include a touch free automatic system. A monthly membership for customers will be offered.

Warrior Nutrition is under new management bringing back old favorites and offering a health and wellness program. In addition, protein cake pops, puppy chow, and cookie balls are stocked in the fridge along with energizing Jell-O shots. Welcome to the business community Alex and Addie.