



**STATEMENT RELATED TO U.S. WOMEN'S BUSINESS CENTERS**

**SUBMITTED TO THE  
U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON SMALL BUSINESS  
SUBCOMMITTEE ON RURAL AND URBAN ENTREPRENEURSHIP  
Wednesday March 12, 2008**

**To the Honorable Nydia M. Velazquez Chairwoman, Honorable Steve Chabot, Ranking Member and other members of the House Committee on Small Business:**

My name is Melinda Rath Sanderson, and I am honored to lead the Canisius College Women's Business Center in Buffalo, New York as the Executive Director, and it is my pleasure to serve as the Chair of the Public Policy Committee of the Association of Women's Business Centers, the national association which supports the 99 federally funded Centers.

The Association of Women's Business Centers (AWBC) is a national not-for-profit organization representing women's business centers and the women and men they serve. The AWBC was founded in 1998 to support entrepreneurial development among women as a way to achieve self-sufficiency, to create wealth and to expand participation in community economic development through educational training, technical assistance, mentoring, development and financing opportunities. **The vision** of AWBC is a world where economic justice, wealth and well-being are realized through the collective leadership and power of successful entrepreneurial women.

**The mission** of the AWBC is to develop and strengthen a global network of women's business centers to advance the growth and success of women business owners. The AWBC builds the capacity of women's business centers, develops public and private resources to support member centers, advocates on behalf of women's business centers and women business owners and otherwise promotes women's business development nationally and internationally.

The Canisius College Women's Business Center was established in 2003 in partnership with the SBA. Canisius College is a private Jesuit institution of higher education founded in 1870 whose **mission** is to espouse the ideal of academic excellence along with a sense of responsibility to use one's gifts for the service of others and the benefit of society. It seeks to promote the intellectual and ethical life of its students, helping to prepare them for productive careers as well as for meaningful personal lives and positive contributions to human progress. **The mission** of the Women's Business Center is to provide entrepreneurs and small business owners, with a focus on women, the critical skills, knowledge, tools and support network to increase their success and positively impact the economic development in their communities. **The vision** of the Canisius College Women's Business Center is to be recognized as a national leader in women's entrepreneurship whose purpose is to accelerate the success of women business owners and women in business. It seeks to create economic opportunities for women through entrepreneurship and to help all women realize their greatest potential. For more than four years the Canisius College Women's Business Center has been proud to serve over 8,000 program participants with significant economic outcomes. Our program and service delivery model focuses on the four core areas of training, counseling, coaching and networking.

*Jennifer is the president of a family-owned business who has been struggling to expand into new markets. Before coming to the Women's Business Center, she sought help from a variety of different organizations but*

*felt that no one truly understood her needs or provided her the support she was seeking as a woman owned business. When she came to the Women's Business Center, she faced difficulties with managing the procurement and government contracting process, finding funding alternatives, and addressing human resource and technology issues. With the support and guidance of the Women's Business Center, Jennifer's business is growing and receiving the recognition it deserves. She participates in many WBC programs, including a one-on-one business coaching program, training classes and networking groups. Combined with the tools and support networks of the Women's Business Center, Jennifer's hard work is finally beginning to pay off. She was recently featured in an article documenting the launch of her newest product and continues to grow and fulfill her business goals.*

I am honored to be invited to testify in this Committee hearing and to provide insight into the SBA Entrepreneurial Development programs, specifically the Women's Business Center program. My comments are from the perspective of a practitioner in the field as a Center Director, as well as a board member of the Association of Women's Business Centers.

We are grateful for the leadership's support for the WBC program and the permanent funding legislation which has made and will continue to make significant differences in the lives of women in the United States.

As you know, the Women's Business Center program has been an important part of the SBA's entrepreneurial development assistance efforts since its establishment in 1989, after the passage of H.R. 5050: The Women's Business Ownership Act of 1988. The program has grown significantly from its original 4 "demonstration sites" in the first year.

Collectively, Women's Business Centers have a remarkable record of achievement over the past 18 years, including impressive results in recent years as the program has matured. Currently, the Women's Business Centers provide entrepreneurial assistance in training and counseling to over 150,000 men and women annually. Of this, approximately 46-52 % annually are socio economically disadvantaged, as defined by the SBA. Furthermore, results from a 2004 National Women's Business Council research study shows a 13 to 1 return on investment on our federal dollars. Economic impact data collected and tracked annually for the WBC program include: jobs created, access to capital and new businesses formed.

We were asked to specifically address the following three SBA areas:

1. The ED portfolio and the capacity to meet the needs
2. The oversight efforts and distribution of Federal resources
3. Recommendations for improving the structure and delivery of the WBC program.

### **1. Evaluate the ED portfolio and the capacity to meet the needs**

The ED portfolio includes the following:

- SBDC, SCORE, WBC (resource partners)
- Technical assistance between capital assess with community express and micro lending
- On line training and the Office of business and community initiatives

In my opinion, the ED programs have been unable to keep pace with the needs. Specifically, the needs for existing small businesses that need help to sustain and grow. Our organizational model includes a core value of collaboration with resource partners to avoid duplication of existing assistance providers or programs. These

cooperative efforts have allowed us to focus on the unmet needs of small businesses; however, it is difficult to keep pace with the growth rate of the needs. Simply stated, the demand for WBC services outpaces the available supply.

Demand for WBC services has grown between 2001 and 2003 alone, the number served *nearly* doubled (a 91% increase) and the number of new firms created by WBCs increased by 376%. Program wide, the number of clients served has increased from 106,000 in 2003 to 144,000 in 2006: a 36% increase. This steady increase in clients has occurred even as funding remained flat during that time period.

## **2. The SBA's oversight efforts and distribution of Federal resources**

The relationship between Women's Business Centers and the SBA is the strongest it has been since my involvement due to solid communication efforts, and a commitment to quality and process improvement at all levels

Distribution of resources (or payment processing) has improved significantly with the implementation of a best practice payment model (HHS). This new model will allow for advance payment of the funds rather than the current system of reimbursement requests, a system that has led to excessive time delays in the past.

There still seems to be some confusion and misunderstanding of performance criteria, expectations and the evaluation process. Milestone projections and economic impact goals are outlined in the grant application process; however, formal feedback or process improvement suggestions are not part of the process.

It is critical that the funding Allocation process continues to be clear, consistent and transparent.

## **3. Recommendations to improve the structure and delivery of the program.**

The Canisius College WBC model is one which focuses on sustainability and the leverage of resources. This has allowed our program to provide significant outcomes and impact. Our public/private partnership is focused on women at all levels, from start-ups to existing businesses with growth-oriented goals. Our strategy for sustainability focuses on new and existing women-owned businesses, including socio-economically disadvantaged women who are struggling to sustain or grow their businesses.

Some additional recommendations for improvement based on successful models in different parts of the nation, including urban and rural areas, may help to provide more significant economic development impact in the communities in which they serve.

We collaborate with other SBA resource partners: SBDC and SCORE who focus on very early stage business development. Our weekly counseling sessions are led by both SBDC and SCORE representatives. In addition the WBC staff provides an orientation and recommendation for next best steps based on an assessment of the client's business goals. Often, the clients do not have a business plan and are in need of funding. Lending institutions representatives are also available to answer questions and to provide guidance.

The city of Buffalo acts as a micro lending arm of the SBA to provide an entrepreneurial assistance program. This program is housed in one of our 25 computer technology labs. This has allowed us to target special markets and levels for programming.

Relative to potential structure recommendations, each District offices could convene with the resource partners on a quality basis for updates and information sharing.

A better depth of collaboration and connectivity could exist between ED and capital access and procurement assistance areas. With an active and involved role in reaching out to those women owned businesses who already have a relationship with the SBA via 7a or 504 lending clients or 8a certification, a stronger role and relationship could provide a higher amount of significant outcome. There should be a stronger relationship between the lending function of the SBA and the technical assistance resource partners. This would allow small business clients to get the critical help they need after completion of the business plan and funding is in place.

The Board of directors for WBC's should be made up of 10 key decision makers who can advise and possibly fund the centers via sponsorships.

We should create strategic partnerships with other community providers of assistance to provide access to training scholarships to WBC programs. This would specifically encourage service for low-income women who are struggling to become economically self-sufficient

The Women's Business Center program should be recognized as an economic development program and not a social service program. This is critical to the delivery of outcomes and results as well as the ability of the program to attract additional resources.

Focus on the building of core business management skills.

We thank the members of the House Committee on Small Business for your support of the Women's Business Center program and for all your efforts in assisting women's enterprise development. Additionally, we appreciate your support for the National Women's Business Council and for increasing access to Federal procurement opportunities to women-owned firms.

We look forward to continuing our work with you to increase the economic and social contributions of this Nation's estimated 10.4 million women-owned enterprises, and to the countless others that are on the drawing board, awaiting support and assistance from Women's Business Centers to move forward.

***Respectfully submitted for the record:***

*Monday March 10, 2008*

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