



U.S. Small Business Administration

SBA

Your Small Business Resource

Office of Entrepreneurial Development

ANNUAL REPORT

fiscal year 2007

“The more ownership there is in America, the more vitality there is in America, and the more people have a vital stake in the future of this country.”

— President George W. Bush

“Entrepreneurs need to search for the sources of innovation... and they need to know how to apply the principles.”

— Peter Drucker

U.S. Small Business Administration

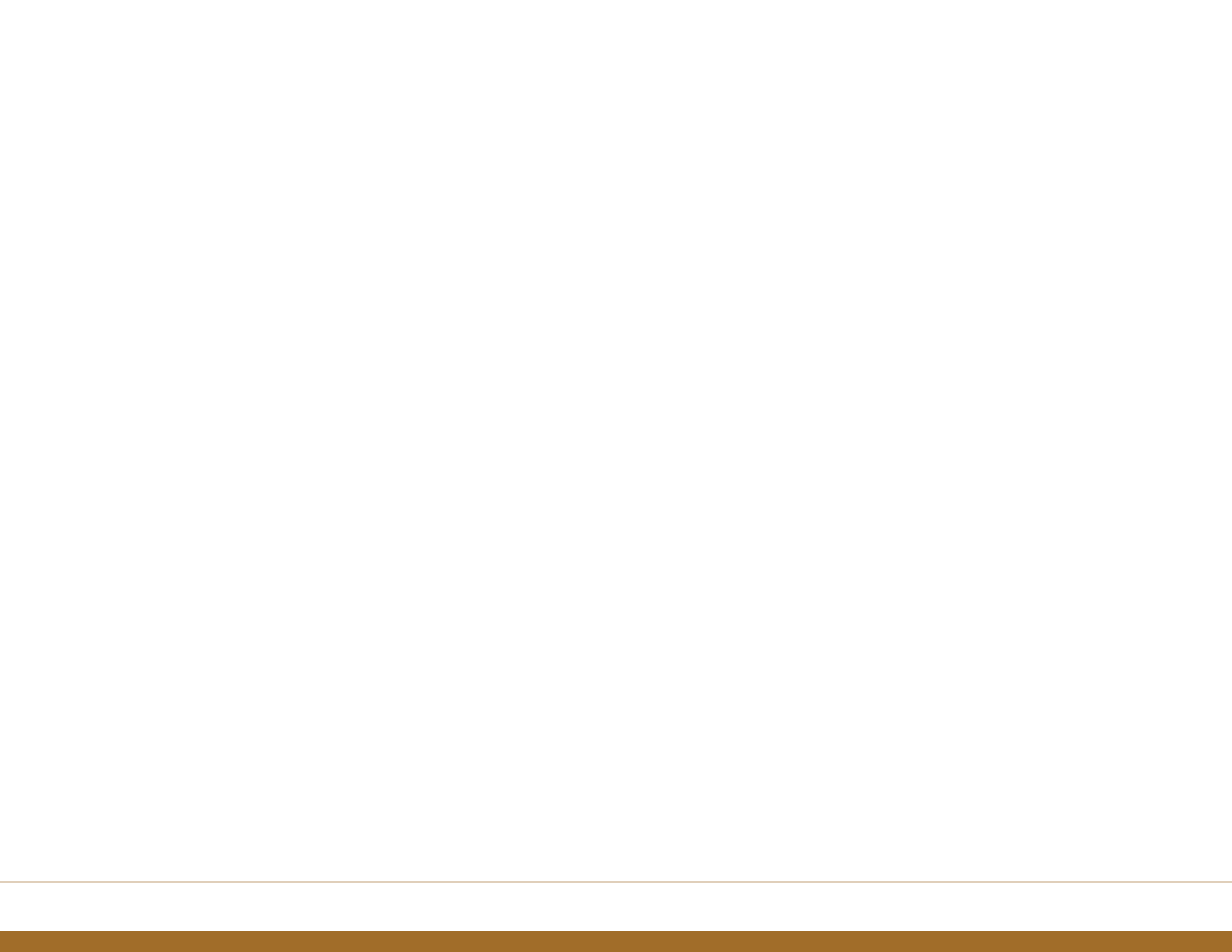


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A Letter from the Administrator

America is a country of entrepreneurs. It was built by entrepreneurs, and over the years, our economy has grown on the strength of our entrepreneurs and small business owners. America has an economy that regenerates, is flexible, and seizes opportunity. This is due in large part to our small business owners and their entrepreneurial spirit.

Small businesses drive our economy today. They account for half of private-sector employment, create between 60 and 80 percent of gross new jobs every year, and represent more than half of our non-farm gross domestic product.

The U.S. Small Business Administration (SBA) has the vital mission of enabling America's entrepreneurs and small business owners. Some of America's corporate icons, in fact, received assistance from SBA along the way – companies like Intel, Apple, Staples, FedEx, Nike, and Under Armour, to name a few.

The SBA helps small business owners succeed by providing counseling and technical assistance, by guaranteeing small business loans, and by helping small businesses compete for federal contracts. In each of the past six years, SBA has guaranteed a record number of small business loans. The agency guaranteed more than 110,000 loans for more than \$20.6 billion in fiscal 2007. Across the United States, entrepreneurs use this financing to start, grow, and invest in their small business. This, in turn, grows our economy, creating jobs and opportunities.

Another important way to invigorate entrepreneurship is through federal procurement. The U.S. government spent more than \$340 billion on goods and services in fiscal 2006, of which small businesses received \$77 billion (22.8%). Working directly with other agencies, we are currently charged with helping the federal government to meet all of its goals for small business procurement. We also protect small businesses from harmful new regulation through our Office of Advocacy. And through our National Ombudsman, we help small businesses deal with the unfair application of existing regulation.

This year, SBA counseling and technical assistance programs will have trained and counseled more than 1.4 million entrepreneurs across the country, both in person and online. These programs deliver current and relevant advice to small businesses, and are a primary vehicle for awareness of SBA lending and contracting programs.

This first-ever Office of Entrepreneurial Development Annual Report captures the efforts and best practices of the Small Business Development Centers (SBDCs), Women's Business Centers (WBCs) and SCORE, as well as our online Small Business Training Network. A primary goal of my tenure at SBA has been to bring greater transparency of our services to our various stakeholders, ensuring we use taxpayer dollars efficiently and manage resources wisely. The Annual Report helps us do just that in our OED programs.

I'm very proud of the great work that the SBA, in tandem with our resource partners, does on behalf of America's small businesses. That work aids thousands of entrepreneurs every day, helping men and women improve their lives and reach for their dreams. The story of their commitment and dedication to small business shines forth from these pages.

Sincerely,

Steve Preston

Administrator - US Small Business Administration

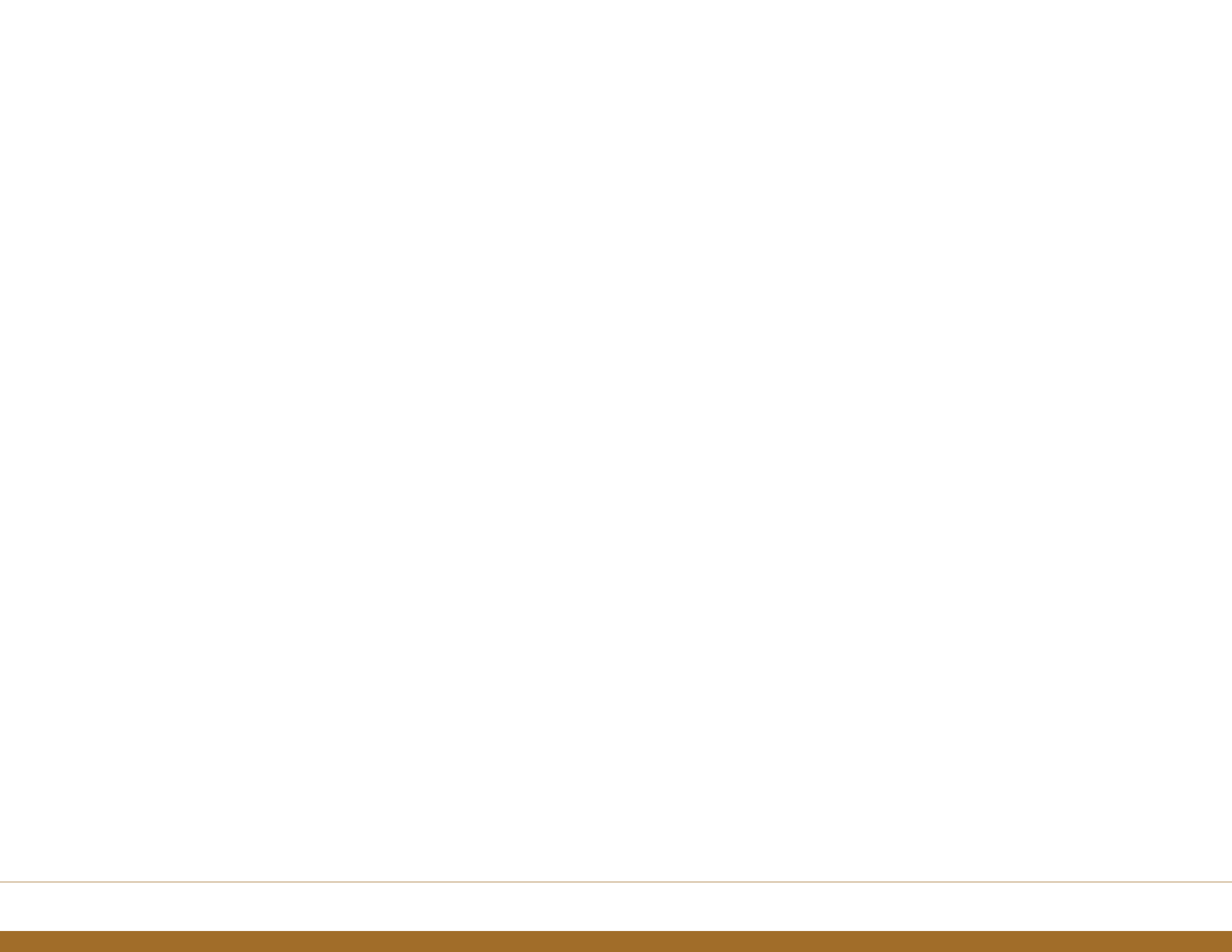


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Introduction to the Fiscal Year 2007 OED Annual Report

On behalf of my colleagues in the Office of Entrepreneurial Development (OED), it is my sincere pleasure and privilege to present this Annual Report on our portfolio of program activities in fiscal year 2007. Our programs

and initiatives are designed to stimulate sustained job creation across the United States by providing a foundation for nationwide access to high-quality counseling, training and guidance directly to would-be and in-business entrepreneurs, particularly those in underserved segments and communities where resources to help overcome business skill gaps do not exist.

Through this Annual Report, we are proud to announce our program achievements and accomplishments, report on our impact and performance metrics, communicate best practices, and acknowledge areas for improvements. We have made major strides in measuring the impact, effectiveness and customer service our programs deliver everyday. In addition, we have launched innovative new programs specifically focused on serving inner-city economic development as part of an agency-wide initiative to accelerate delivery of SBA products and services to underserved markets.

Our organizational innovation and success is widespread. The Small Business Development Center (SBDC) program continues to set an international standard for a distributed network of training and counseling delivery across the US and its territories, reaching more than 600,000 clients in FY 2007. Our Women's Business Center (WBC) network, with 95 centers in operation dur-

ing FY 2007, has provided a community of mutual support for women, the fastest growing segment of entrepreneurs, serving 145,000 clients across their growing network. SCORE continues to deliver great value to the taxpayer, managing an array of more than 10,500 volunteers across the country, and serving 334,000 entrepreneurs annually. We have also made additional investments in our online training capacity, and the Small Business Training Network (SBTN) has now launched more than 23 classes and increased its annual traffic to more than 232,000 clients during FY 2007.

Through matching funds provisions, each of our OED grant programs has regional and local co-investors, who are able to leverage their dollar further by co-investing in our programs. Our stakeholders thus include state, county and city government; regional economic development authorities; public and private corporations; host universities; national, ethnic and local chambers of commerce; federal agencies that join us in having an economic development mission; and legislators at every level who provide oversight and appropriations advice to our programs. It is on behalf of our stakeholders and for our ultimate customer—the American entrepreneur—that we produce this report to demonstrate our commitment and continuously improve upon our program effectiveness by setting benchmarks, ensuring appropriate accountability, and offering an exchange of ideas.

I would also like to acknowledge Cheryl Mills and Wilma Goldstein, who both served in my chair before I joined the agency. Their efforts were instrumental in the achievements of the office this year.

Thank you for your kind consideration and support of entrepreneurship.

Sincerely,

Anoop Prakash
Associate Administrator



Entrepreneurial Development: Strategic Direction

In the Strategic Plan (2008-2013), Agency leadership introduced four core values, intended to guide all organizational goals, objectives, and strategies:

1. *Outcomes Driven.* SBA will clearly define the outcomes it targets and ensure that programs, processes, and policies are aligning in achieving those outcomes.
2. *Customer Focused.* SBA will serve people and will be responsive to their needs, both in the services provided and in how those services are delivered.
3. *Employee Enabled.* SBA's people extend the hand of service to Americans every day, and SBA must ensure they have the tools, the training, and the support to be effective.
4. *Accountable, Efficient, and Transparent.* SBA has a bedrock obligation to the taxpayer to manage efficiently, to invest capital prudently, and to be open and honest about results.

In light of the agency's core values, the following represent SBA's strategic goals for the period covered by the Strategic Plan, 2008-2013:

1. Expand America's ownership society, particularly in underserved markets.
2. Provide timely financial assistance to homeowners, renters, nonprofit organizations, and businesses affected by disaster.
3. Improve the economic environment for small business.
4. Ensure management and organizational excellence to increase responsiveness to customers, streamline processes, and improve compliance and controls.

Embracing these values and goals, the Office of Entrepreneurial Development (OED) developed four priorities that are continuing to drive our activity in 2008:

1. Accelerate delivery of counseling and training in inner-city markets.
2. Achieve a healthy balance between compliance, transparency and customer service for our grantees.

3. Increase investment in online assessment and training capabilities, delivering the highest quality information on SBA programs and basic skills to entrepreneurs wherever they reside.
4. Ensure grant programs are focused on outcomes that are relevant to the current needs of entrepreneurs and align with changing state/local economic development goals.

The publication of this report is an important step in achieving these priorities, particularly in bringing transparency to OED programs. 2008 has already begun with a continued and renewed energy towards these activities, further delivering on the agency's strategic direction and commitment to service excellence for America's entrepreneurs.

Performance, Efficiency, and Impact

Based within SBA headquarters in Washington DC, OED manages and leverages the service of the following offices and programs in pursuit of its objectives:

- Office of Small Business Development Centers (OSBDC)
- Office of Women's Business Ownership (OWBO)
- Office of Business and Community Initiatives (OBCI)
- Small Business Training Network (SBTN)

The activities within these offices serve as one of three major SBA conduits to the entrepreneurial community at large, providing a complement to our networks of lenders and district offices. While each program office's goals and target audiences might vary, a common mission is shared between them: provide a nationwide network of counseling and training centers to American small businesses and would-be entrepreneurs so that all may have an opportunity to pursue their entrepreneurial goals.

Performance and Efficiency Summary

Today, OED's network of service providers assists growing numbers of entrepreneurs in all geographical regions. As an initial step towards managing expectations of performance and efficiency for these widespread service centers, OED carefully developed a set of *Measures of Effectiveness*—or MOEs—that are intended to establish a framework for meaningful performance measurement going forward. Applied to the Women's Business Centers (WBCs) and Small Business Development Centers (SBDCs) for the purpose of this inaugural study, OED has sought to obtain an unprecedented comparative glimpse of nationwide service center effectiveness.

Measures of Effectiveness Analysis

With the assistance of Ambit Group, LLC, an objective third-party consulting group, SBDC and WBC program directors came together to devise a blend of performance and efficiency measures that isolate and encourage the desired activity of the respective centers. It is important to note that the MOEs are not intended to measure a center's compliance with all program objectives or operational requirements; but rather to examine actual, indisputable performance as evidenced by objective statistical data. In this regard, OED recognizes that the MOEs are *benchmarking ratios* and might not consider any number of extenuating environmental circumstances (e.g., leadership changes, market conditions, management choice) that could skew a center's performance during a given year.

MOEs for the SBDCs and WBCs can be found within those programs' respective sections of this report. At a glance, the aggregate performance and efficiency measures of SBDCs and WBCs are presented below.

Performance and Efficiency

Historically, we have focused our attention on the output, or *performance*, metrics for each program. In this report, we have also included a set of resource *efficiency* metrics to gauge center management skill in leveraging

resources available to maximize performance outputs. Note, the difference in metrics being reported for the SBDC and WBC programs are a function of the maturity and nature of each program. We will continue to refine and standardize metrics across the OED portfolio after further testing and evaluation of our current performance metrics. A glossary of definitions for the metrics used in this year's report is included below.

Glossary of Terms for Performance and Efficiency Metrics (see also MOE Charts on pages 6–19)

Small Business Development Centers

- **Extended Engagement Clients:** Current clients who have received 5 hours or more of direct counseling time (excludes preparation or travel time) per individual or business since FY 2005 as recorded by individual counselors on OMB approved form 641, and recorded in recipient organization MIS systems and uploaded to SBA's EDMIS system. With due consideration given to funding disparities, SBA considers SBDCs reporting higher amounts of Extended Engagement Clients to be more effective on this measure.
- **Capital Infusion:** The aggregate total of all forms of capital debt, investments from all sources (SBA, non-SBA loans, and investment capital) obtained by SBDC clients during a fiscal year as reported to SBA's EDMIS system via Form 641 from direct client surveys, client engagements, or other updates. With due consideration given to funding disparities, SBA considers SBDCs reporting higher amounts of Capital Infusion for their clients to be more effective on this measure.
- **New Business Starts:** The number of clients who, when initially counseled, were "not in business" and later established a business as determined by direct client surveys, client engagements, or other updates and recorded in SBA's EDMIS database. With due consideration given to funding disparities, SBA considers SBDCs reporting higher amounts of New Business Starts to be more effective on this measure.
- **Counseling Hours Growth Rate:** Comparison of the year-to-year total

counseling hours provided by an SBDC to its clients, used to assess increase/decrease. SBDCs with higher growth rates are considered to be more effective on this measure.

- **Cost/Counseling Hour:** Calculated by dividing an SBDC's total budget by the number of counseling hours it provided [(Total Match + Federal Funding)/Counseling Hours]. SBDCs with lower Cost/Counseling Hour are considered to be more effective on this measure.
- **Leverage per Federal Dollar:** Calculated by dividing the sum of an agency's Total Match and Program Income by the amount of Federal Funding received [(Total Match + Program Income)/Federal Funding]. SBDCs with higher Leverage per Federal Dollar are considered to be more effective on this measure.

Women's Business Centers

- **Total Clients Served, Percentage of Goal Attained:** The ratio of actual clients served by a WBC in a given year to the amount of clients that WBC was goaled to serve for the year. WBCs with a higher percentage of goal attained are considered to be more effective on this measure.
- **Total Clients Served, Compound Annual Growth Rate ('05-'07):** Assessment of growth in the total number of clients served by a WBC over time—2005 to 2007 for this report—using standard formula for Compound Annual Growth Rate or CAGR [CAGR = {Ending Value/Beginning Value}^(1/# of years) – 1]. WBCs with higher CAGR are considered to be more effective on this measure.
- **Cost/Client Served:** Calculated by dividing a WBC's approved budget by the total number of clients served by the WBC (Approved Budget/Total Clients Served). WBCs with lower Cost/Client Served are considered to be more effective on this measure. ['Approved Budget' represents all sources of financial contributions to the program that have been mutually agreed to by SBA and the WBC at the beginning of the program year.]
- **Clients Served/FTE:** Calculated by dividing the total number of clients served by a WBC by the total number of full-time employees (FTEs) em-

ployed by that WBC [Total Clients Served/FTEs]. WBCs with higher Clients Served/FTE are considered to be more effective on this measure.

MOE Statistics

A summary of the MOE statistics for the SBDC and WBC programs in terms of performance and efficiency for FY 2007 has been included below. The comprehensive MOE Charts for both programs can be found on the pages that follow.

Performance*

Small Business Development Centers**

	Extended Engagement Clients	New Business Starts	Capital Infusion	Counseling Hours Growth Rate ('06-'07)
Mean	702	125	\$58,036,355	-2%
Median	468	100	\$38,696,163	-3%

Women's Business Centers***

	Total Clients Served, Percentage of Goal Attained	Total Clients Served, Compound Annual Growth Rate ('05-'07)
Mean	129%	18%
Median	114%	10%

Efficiency*

Small Business Development Centers**

	Cost/Counseling Hour	Leverage per Federal Dollar
Mean	\$233.33	\$1.56
Median	\$204.38	\$1.37

Women's Business Centers***

	Cost/Client Served	Clients Served/WBC FTE
Mean	\$289.57	581
Median	\$171.48	514

SBDC Measures of Effectiveness

For the SBDC program, the MOEs reflect a best effort to identify criteria from data that has been submitted by SBDCs to SBA and which are indicators of services provided and resources used. These MOEs address the performance and efficiency of the SBDCs. Performance goals for the SBDC program have been redirected from quantity of businesses assisted to quality of the interaction as measured by the extensive nature of the client engagement ("extended engagement") and the intermediate outcomes—capital infusion and new business creation—which result from the assistance provided. Effectiveness of the SBDCs in leveraging federal funds is also a key indicator. Thousands of private and public sector entities provide more than \$111 million in additional non-federal support for the SBDC program through direct cash and in-kind contributions annually.

All data used for this analysis have been collected directly from centers either via inputs into EDMIS or directly from SBDCs.



*All data used for computation of ratios have been collected from input self-reported by individual centers. As per the Award language and SBA policy notice on OED client definitions, individual centers are considered to have validated data upon submission and certification. With the exception of dollar amounts, all figures have been rounded to the nearest whole number.

**Excludes negative growth rate in Connecticut where major programmatic changes during FY2007 have skewed that center's growth-related statistics.

***Figures exclude WBCs in first year of performance.

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SBDC Measures of Effectiveness Chart

SBDC	Federal Funding FY06	% Total Budget ¹	Performance					
			Actuals			Growth		
			Extended Engagement Clients 2007	New Business Starts 2007 ²	Capital Infusion 2007 ³	Counseling Hours 2006	Counseling Hours 2007	Growth Rate
AK	\$ 500,000	0.61%	112	33	\$ 5,792,333	3417.20	3177.41	-7.0%
AL	\$ 1,232,121	1.50%	294	42	\$ 19,429,368	9698.04	10419.84	7.4%
AR	\$ 777,556	0.95%	337	148	\$ 59,430,854	7556	6938	-8.2%
AS	\$ 199,963	0.24%	31	6	\$ 534,298	303.50	529.70	74.5%
AZ	\$ 1,325,591	1.62%	734	259	\$ 76,711,808	13726	14273	4.0%
CA – Fresno	\$ 899,975	1.10%	265	44	\$ 18,157,865	6161.40	5921.20	-3.9%
CA – Los Angeles	\$ 2,104,052	2.57%	351	55	\$ 11,676,000	6872.05	10007.42	45.6%
CA – Sacramento	\$ 1,039,067	1.27%	518	72	\$ 14,168,628	10866	11034	1.5%
CA – San Diego	\$ 780,569	0.95%	310	67	\$ 11,613,800	4852	5988	23.4%
CA – San Francisco	\$ 2,060,617	2.52%	1,136	75	\$ 54,355,708	11742	24512	108.7%
CA – Santa Ana	\$ 1,554,378	1.90%	368	29	\$ 1,337,697	10324.67	7355.34	-28.8%
CO	\$ 1,154,500	1.41%	564	179	\$ 30,806,289	11858	11614	-2.1%
CT*	\$ 877,769	1.07%	5	—	\$ —	5297.90	173.64	-96.7%
DC	\$ 493,717	0.60%	163	20	\$ 1,095,117	2707.92	2849.77	5.2%
DE	\$ 500,000	0.61%	211	26	\$ 6,408,909	7005	6862	-2.0%
FL	\$ 4,399,509	5.37%	1,328	386	\$ 102,488,853	50528	43686	-13.5%
GA	\$ 2,254,072	2.75%	1,662	245	\$ 48,826,780	31931	32613	2.1%
GM	\$ 492,716	0.60%	247	43	\$ 3,506,350	3232	2808	-13.1%
HI	\$ 500,000	0.61%	112	20	\$ 3,195,000	3439.63	2997.13	-12.9%
IA	\$ 820,582	1.00%	426	85	\$ 170,000	16284	13845	-15.0%
ID	\$ 500,000	0.61%	492	100	\$ 38,696,163	14475	17165	18.6%
IL	\$ 3,354,239	4.09%	2,119	411	\$ 143,869,129	65673	66637	1.5%
IN	\$ 1,714,402	2.09%	695	114	\$ 33,674,954	22370	17651	-21.1%
KS	\$ 807,744	0.99%	525	48	\$ —	17669	11112	-37.1%

* The following SBDCs changed hosts: Rhode Island in 2006 and Connecticut in 2007. The data for both hosting lead centers are included in this chart for each of those SBDCs.

¹ Each center's Federal Funding FY 06 was divided by the sum of all Federal Funding FY 06 (\$81,927,037.98) to determine each center's funding as a percentage of the total.

² At the time of this report, New Business Starts had not been uploaded to EDMIS by all SBDCs.

Efficiency							
Cost				Leverage			
Total Budget (Total Match + Federal Funding FY 06)	Total Counseling Hours (2006)	Cost/ Counseling Hour	2006 Total Match (as reported on FY 06 269 schedules)	2006 Program Income (Gross) ⁴	Federal Funding FY 06	Leverage per Federal Dollar	
\$ 1,000,000	3417	\$ 292.64	\$ 500,000	\$ 17,982	\$ 500,000	\$ 1.04	
\$ 2,925,932	9698	\$ 301.70	\$ 1,693,811	\$ 8,614	\$ 1,232,121	\$ 1.38	
\$ 2,460,429	7556	\$ 325.64	\$ 1,682,873	\$ 193,351	\$ 777,556	\$ 2.41	
\$ 199,963	304	\$ 658.86	\$ —	\$ 1,390	\$ 199,963	\$ 0.01	
\$ 3,109,048	13726	\$ 226.51	\$ 1,783,457	\$ 47,667	\$ 1,325,591	\$ 1.38	
\$ 1,990,718	6161	\$ 323.09	\$ 1,090,743	\$ 39,836	\$ 899,975	\$ 1.26	
\$ 4,842,566	5162	\$ 938.18	\$ 2,738,514	\$ 81,354	\$ 2,104,052	\$ 1.34	
\$ 2,584,555	10866	\$ 237.85	\$ 1,545,488	\$ 125,752	\$ 1,039,067	\$ 1.61	
\$ 1,714,799	4852	\$ 353.46	\$ 934,231	\$ 39,753	\$ 780,569	\$ 1.25	
\$ 4,469,014	11742	\$ 380.59	\$ 2,408,396	\$ 425,733	\$ 2,060,617	\$ 1.38	
\$ 3,132,148	10325	\$ 303.37	\$ 1,577,770	\$ 43,024	\$ 1,554,378	\$ 1.04	
\$ 2,437,975	11858	\$ 205.60	\$ 1,283,476	\$ 300,771	\$ 1,154,500	\$ 1.37	
\$ 1,926,638	5298	\$ 363.66	\$ 1,048,869	\$ 7,614	\$ 877,769	\$ 1.20	
\$ 1,261,459	2708	\$ 465.84	\$ 767,741	\$ 10,523	\$ 493,717	\$ 1.58	
\$ 1,212,084	7005	\$ 173.02	\$ 712,084	\$ 59,474	\$ 500,000	\$ 1.54	
\$ 10,751,787	50528	\$ 212.79	\$ 6,352,278	\$ 680,060	\$ 4,399,509	\$ 1.60	
\$ 4,532,584	31931	\$ 141.95	\$ 2,278,512	\$ 304,890	\$ 2,254,072	\$ 1.15	
\$ 1,068,009	3232	\$ 330.41	\$ 575,293	\$ 19,761	\$ 492,716	\$ 1.21	
\$ 1,392,149	3440	\$ 404.74	\$ 892,149	\$ 60,372	\$ 500,000	\$ 1.91	
\$ 1,643,058	16284	\$ 100.90	\$ 822,476	\$ 132,706	\$ 820,582	\$ 1.16	
\$ 1,373,787	14475	\$ 94.91	\$ 873,787	\$ 87,215	\$ 500,000	\$ 1.92	
\$ 10,790,844	65673	\$ 164.31	\$ 7,436,605	\$ 259,673	\$ 3,354,239	\$ 2.29	
\$ 3,673,737	22370	\$ 164.23	\$ 1,959,335	\$ 140,949	\$ 1,714,402	\$ 1.23	
\$ 2,036,315	17669	\$ 115.25	\$ 1,228,571	\$ —	\$ 807,744	\$ 1.52	

³ At the time of this report, Capital Infusion had not been uploaded to EDMIS by all SBDCs. It should also be noted that some SBDCs do not collect this data on a client-by-client basis.

⁴ Not all SBDCs earn program income.

(Chart continued on next page.)

SBDC Measures of Effectiveness Chart (continued)

SBDC	Performance								
	Federal Funding FY06	% Total Budget ¹	Actuals			Growth			
			Extended Engagement Clients 2007	New Business Starts 2007 ²	Capital Infusion 2007 ³	Counseling Hours 2006	Counseling Hours 2007	Growth Rate	
KY	\$ 1,046,295	1.28%	370	188	\$ 47,136,703	9544	9576	0.3%	
LA	\$ 1,171,730	1.43%	697	199	\$ 74,126,868	17689	20854	17.9%	
MA	\$ 1,706,024	2.08%	827	208	\$ 56,144,427	23524	24965	6.1%	
MD	\$ 1,464,186	1.79%	1,035	108	\$ 52,524,290	15269	17268	13.1%	
ME	\$ 500,000	0.61%	557	89	\$ 55,617,366	12767	11929	-6.6%	
MI	\$ 2,736,468	3.34%	1,197	264	\$ 179,514,141	35293	41826	18.5%	
MN	\$ 1,354,538	1.65%	1,389	138	\$ 140,524,396	36934	31759	-14.0%	
MO	\$ 1,557,052	1.90%	468	78	\$ 55,444,816	13629	12726	-6.6%	
MS	\$ 782,918	0.96%	265	109	\$ 112,016,570	8923	7077	-20.7%	
MT	\$ 500,000	0.61%	198	25	\$ 35,122,000	5824	4745	-18.5%	
NC	\$ 2,216,311	2.71%	1,225	102	\$ 78,909,294	52278	48330	-7.6%	
ND	\$ 500,000	0.61%	257	—	\$ 33,233,383	5864	6607	12.7%	
NE	\$ 540,318	0.66%	228	22	\$ 29,902,242	6360	5444	-14.4%	
NH	\$ 500,000	0.61%	186	21	\$ —	6651.07	5319.51	-20.0%	
NJ	\$ 2,316,821	2.83%	427	133	\$ 24,570,590	15209.66	14889.22	-2.1%	
NM	\$ 542,877	0.66%	742	122	\$ 36,028,812	16395	15653	-4.5%	
NV	\$ 550,203	0.67%	220	18	\$ 19,500,900	7349	6199	-15.7%	
NY	\$ 5,082,381	6.20%	4,437	—	\$ 296,082,197	79127	116618	47.4%	
OH	\$ 3,131,542	3.82%	2,558	483	\$ 141,069,348	80406	69784	-13.2%	
OK	\$ 935,654	1.14%	589	290	\$ 40,495,746	11130	9592	-13.8%	
OR	\$ 942,053	1.15%	1,068	251	\$ 34,818,597	20583	21724	5.5%	
PA	\$ 3,357,306	4.10%	2,168	264	\$ 203,217,968	120287	76158	-36.7%	
PR	\$ 1,009,580	1.23%	673	125	\$ 37,161,809	17364	17129	-1.4%	
RI*	\$ 468,559	0.57%	196	24	\$ —	3452.52	4676.15	35.4%	
SC	\$ 1,093,070	1.33%	242	27	\$ 140,045,786	7190	8395	16.8%	

* The following SBDCs changed hosts: Rhode Island in 2006 and Connecticut in 2007. The data for both hosting lead centers are included in this chart for each of those SBDCs.

¹ Each center's Federal Funding FY 06 was divided by the sum of all Federal Funding FY 06 (\$81,927,037.98) to determine each center's funding as a percentage of the total.

² At the time of this report, New Business Starts had not been uploaded to EDMIS by all SBDCs.

Efficiency							
Cost				Leverage			
Total Budget (Total Match + Federal Funding FY 06)	Total Counseling Hours (2006)	Cost/ Counseling Hour	2006 Total Match (as reported on FY 06 269 schedules)	2006 Program Income (Gross) ⁴	Federal Funding FY 06	Leverage per Federal Dollar	
\$ 2,355,177	9544	\$ 246.77	\$ 1,308,883	\$ 100,334	\$ 1,046,295	\$ 1.35	
\$ 2,928,728	17689	\$ 165.57	\$ 1,756,998	\$ 116,516	\$ 1,171,730	\$ 1.60	
\$ 3,437,429	23524	\$ 146.13	\$ 1,731,405	\$ 184,751	\$ 1,706,024	\$ 1.12	
\$ 3,413,513	15269	\$ 223.56	\$ 1,949,327	\$ 100,744	\$ 1,464,186	\$ 1.40	
\$ 1,881,448	12767	\$ 147.37	\$ 1,381,448	\$ 313,891	\$ 500,000	\$ 3.39	
\$ 6,629,917	35293	\$ 187.86	\$ 3,893,449	\$ 312,905	\$ 2,736,468	\$ 1.54	
\$ 3,267,289	36934	\$ 88.46	\$ 1,912,751	\$ 19,227	\$ 1,354,538	\$ 1.43	
\$ 3,342,474	13629	\$ 245.24	\$ 1,785,422	\$ 354,811	\$ 1,557,052	\$ 1.37	
\$ 1,682,563	8923	\$ 188.57	\$ 899,645	\$ 17,878	\$ 782,918	\$ 1.17	
\$ 1,296,275	5824	\$ 222.56	\$ 796,275	\$ 65,766	\$ 500,000	\$ 1.72	
\$ 4,708,168	52278	\$ 90.06	\$ 2,491,857	\$ 87,631	\$ 2,216,311	\$ 1.16	
\$ 1,224,501	5864	\$ 208.83	\$ 724,501	\$ —	\$ 500,000	\$ 1.45	
\$ 1,227,052	6360	\$ 192.93	\$ 686,734	\$ 38,145	\$ 540,318	\$ 1.34	
\$ 1,000,000	6651	\$ 150.35	\$ 500,000	\$ 9,267	\$ 500,000	\$ 1.02	
\$ 4,938,618	15210	\$ 324.70	\$ 2,621,797	\$ 68,562	\$ 2,316,821	\$ 1.16	
\$ 3,161,631	16395	\$ 192.84	\$ 2,618,754	\$ 32,473	\$ 542,877	\$ 4.88	
\$ 1,111,098	7349	\$ 151.19	\$ 560,895	\$ 110,997	\$ 550,203	\$ 1.22	
\$ 12,995,276	79127	\$ 164.23	\$ 7,912,895	\$ 39,746	\$ 5,082,381	\$ 1.56	
\$ 7,119,626	80406	\$ 88.55	\$ 3,988,083	\$ 138,586	\$ 3,131,542	\$ 1.32	
\$ 1,871,308	11130	\$ 168.14	\$ 935,654	\$ 52,521	\$ 935,654	\$ 1.06	
\$ 3,973,273	20583	\$ 193.03	\$ 3,031,219	\$ 1,081,096	\$ 942,053	\$ 4.37	
\$ 7,038,093	120287	\$ 58.51	\$ 3,680,787	\$ 444,827	\$ 3,357,306	\$ 1.23	
\$ 2,267,418	17364	\$ 130.58	\$ 1,257,838	\$ 156,061	\$ 1,009,580	\$ 1.40	
\$ 1,064,512	3453	\$ 308.33	\$ 595,953	\$ 19,729	\$ 468,559	\$ 1.31	
\$ 2,266,157	7190	\$ 315.17	\$ 1,173,087	\$ 68,033	\$ 1,093,070	\$ 1.14	

³ At the time of this report, Capital Infusion had not been uploaded to EDMIS by all SBDCs. It should also be noted that some SBDCs do not collect this data on a client-by-client basis.

⁴ Not all SBDCs earn program income.

SBDC Measures of Effectiveness Chart (continued)

SBDC	Federal Funding FY06	% Total Budget ¹	Performance					
			Actuals			Growth		
			Extended Engagement Clients 2007	New Business Starts 2007 ²	Capital Infusion 2007 ³	Counseling Hours 2006	Counseling Hours 2007	Growth Rate
SD	\$ 500,000	0.61%	296	74	\$ 77,826,353	6902	6977	1.1%
TN	\$ 1,566,497	1.91%	573	103	\$ 19,821,543	17985	13880	-22.8%
TX – Dallas	\$ 1,934,843	2.36%	740	78	\$ 47,312,174	17024	14210	-16.5%
TX – Lubbock	\$ 509,269	0.62%	709	348	\$ 47,181,518	16554	16744	1.2%
TX – Houston	\$ 1,590,361	1.94%	1,217	162	\$ 100,592,230	26508	26167	-1.3%
TX – San Antonio	\$ 1,687,965	2.06%	1,832	206	\$ 159,076,000	53756	52171	-2.9%
UT	\$ 614,885	0.75%	329	187	\$ 22,840,000	7221	8597	19.1%
VA	\$ 1,949,010	2.38%	908	191	\$ 100,413,372	19044	18095	-5.0%
VI	\$ 500,000	0.61%	79	—	\$ 3,720,774	2992.65	2280.75	-23.8%
VT	\$ 500,000	0.61%	353	27	\$ 35,876,500	7101	6418	-9.6%
WA	\$ 1,622,897	1.98%	1,060	100	\$ 103,148,748	23316	25019	7.3%
WI	\$ 1,492,648	1.82%	416	51	\$ 73,631,577	10278	10352	0.7%
WV	\$ 609,639	0.74%	365	5	\$ 13,411,834	11248	7812	-30.5%
WY	\$ 500,000	0.61%	100	67	\$ 10,136,970	7075	4743	-33.0%
TOTALS			44,201	7394	\$ 3,424,143,744			
Mean			702	125	\$ 58,036,335		Mean	-2%
Median			468	100	\$ 38,696,163		Median	-3%

* The following SBDCs changed hosts: Rhode Island in 2006 and Connecticut in 2007. The data for both hosting lead centers are included in this chart for each of those SBDCs.

¹ Each center's Federal Funding FY 06 was divided by the sum of all Federal Funding FY 06 (\$81,927,037.98) to determine each center's funding as a percentage of the total.

² At the time of this report, New Business Starts had not been uploaded to EDMIS by all SBDCs.

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Efficiency						
Cost				Leverage		
Total Budget (Total Match + Federal Funding FY 06)	Total Counseling Hours (2006)	Cost/ Counseling Hour	2006 Total Match (as reported on FY 06 269 schedules)	2006 Program Income (Gross) ⁴	Federal Funding FY 06	Leverage per Federal Dollar
\$ 1,166,042	6902	\$ 168.94	\$ 666,042	\$ 1,710	\$ 500,000	\$ 1.34
\$ 3,678,192	17985	\$ 204.51	\$ 2,111,695	\$ 123,157	\$ 1,566,497	\$ 1.43
\$ 4,683,924	17024	\$ 275.13	\$ 2,749,081	\$ 64,890	\$ 1,934,843	\$ 1.45
\$ 1,205,858	16554	\$ 72.85	\$ 696,589	\$ 12,099	\$ 509,269	\$ 1.39
\$ 4,648,893	26508	\$ 175.37	\$ 3,058,532	\$ 100,383	\$ 1,590,361	\$ 1.99
\$ 3,555,773	53756	\$ 66.15	\$ 1,867,808	\$ 224,419	\$ 1,687,965	\$ 1.24
\$ 1,799,674	7221	\$ 249.22	\$ 1,184,789	\$ 65,842	\$ 614,885	\$ 2.03
\$ 4,470,586	19044	\$ 234.75	\$ 2,521,576	\$ 118,735	\$ 1,949,010	\$ 1.35
\$ 1,025,132	2993	\$ 342.55	\$ 525,132	\$ 13,646	\$ 500,000	\$ 1.08
\$ 1,124,505	7101	\$ 158.36	\$ 624,505	\$ 16,563	\$ 500,000	\$ 1.28
\$ 3,429,604	23316	\$ 147.09	\$ 1,806,707	\$ 253,423	\$ 1,622,897	\$ 1.27
\$ 3,795,611	10278	\$ 369.31	\$ 2,302,963	\$ 1,598,950	\$ 1,492,648	\$ 2.61
\$ 2,298,856	11248	\$ 204.38	\$ 1,689,217	\$ 31,494	\$ 609,639	\$ 2.82
\$ 1,075,140	7075	\$ 151.96	\$ 575,140	\$ 35,474	\$ 500,000	\$ 1.22
	Mean	\$ 233.33			Mean	\$ 1.56
	Median	\$ 204.38			Median	\$ 1.37

³ At the time of this report, Capital Infusion had not been uploaded to EDMIS by all SBDCs. It should also be noted that some SBDCs do not collect this data on a client-by-client basis.

⁴ Not all SBDCs earn program income.

WBC Measures of Effectiveness

For the WBC Program, the MOEs reflect a best effort to quantify criteria from data that has been submitted by WBCs to the SBA and which are indicators of services provided and resource utilization. The data reported here reflects performance and efficiency measures and assumes a center's good standing in the reported time period. Other compliance factors are not reflected in this analysis and ranking.

WBCs that have been in the program for only one year are represented separately, as this year represents a baseline year for their data.

All data used for this analysis have been collected from center inputs into EDMIS or directly to OWBO.

WBC Measures of Effectiveness Chart

State	WBC	Performance						Compound Annual Growth Rate (CAGR) ²
		Goal Attainment			Growth			
		Total Clients Served FY07	FY 07 Goal	Goal Attainment Ratio (%) ¹	Total Clients Served FY 05	Total Clients Served FY 06	Total Clients Served FY 07	
AK	Resource Center of Alaska	94	330	28.5%	551	368	94	-58.7%
AL	Central Alabama Women's Business Center	719	500	143.8%	1114	827	719	-19.7%
AR	Southern Good Faith Fund (previously Good Faith Fund) Business Development	1289	800	161.1%		1019	1289	26.5%
AS	American Samoa Women's Business Center	1157	1235	93.7%	1061	1396	1157	4.4%
AZ	Arizona Self Employment	1416	1235	114.7%	1204	1414	1416	8.4%
AZ	Tucson-Pima County Women's Business Center	733	790	92.8%	712	909	733	1.5%
CA	Valley Economic Development Center	5901	2700	218.6%	1448	2240	5901	101.9%
CA	Anew America Community Corporation	2177	1705	127.7%	395	1465	2177	134.8%
CA	Asian Pacific Islander Small Business Program LTSC	2675	2530	105.7%		2190	2675	22.1%
CA	PACE	3215	3740	86.0%	2669	2843	3215	9.8%
CA	Women's Economic Venture (WEV)	3079	2050	150.2%	2223	2792	3079	17.7%
CA	Renaissance Entrepreneurship Center	1177	815	144.4%	857	943	1177	17.2%
CA	Inland Empire Women's Business Center	1909	1950	97.9%	1726	1948	1909	5.2%
CA	CHARO Community Development Corporation	800	975	82.1%	1862	946	800	-34.5%
CO	Mi Casa Resource Center for Women, Pueblo	891	585	152.3%	282	665	891	77.8%

¹ Goal Attainment Ratio = Actual Total Clients Served in FY 07 divided by the FY 07 Goal.

² CAGR = (Ending Value/Beginning Value)^(1/# of years) - 1

³ The approved budget represents all sources of financial contributions to the program that have been mutually agreed to by SBA and the WBC at the beginning of the program year. Approved budgets were used to calculate this MOE because year-end final expenditures were not available for all centers as of the printing of this report.

Efficiency					
Cost			Staffing		
Approved Budget ³	Total Clients Served FY07	Cost/Client ⁴	Total Clients Served FY07	FTEs (All Personnel)	Clients/FTE ⁵
\$ 229,447.00	94	\$ 2,440.93	94	2.9	32.41
\$ 204,596.00	719	\$ 284.56	719	2.5	287.60
\$ 194,596.00	1289	\$ 150.97	1289	2.28	565.35
\$ 194,596.00	1157	\$ 168.19	1157	2.7	428.52
\$ 194,596.00	1416	\$ 137.43	1416	3.4	416.47
\$ 194,596.00	733	\$ 265.48	733	2.45	299.18
\$ 300,000.00	5901	\$ 50.84	5901	4.55	1296.92
\$ 290,000.00	2177	\$ 133.21	2177	3.78	575.93
\$ 217,500.00	2675	\$ 81.31	2675	2.354	1136.36
\$ 300,000.00	3215	\$ 93.31	3215	3.55	905.63
\$ 727,585.00	3079	\$ 236.31	3079	7.5	410.53
\$ 469,608.00	1177	\$ 398.99	1177	1	1177.00
\$ 319,006.00	1909	\$ 167.11	1909	5.32	358.83
\$ 300,000.00	800	\$ 375.00	800	3.9	205.13
\$ 243,392.00	891	\$ 273.17	891	3.75	237.60

⁴ Cost/Client = Approved Budget/Total Clients Served FY07

⁵ Clients per FTE = Total Clients Served FY07/FTEs (All Personnel)

(Chart continued on next page)



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WBC Measures of Effectiveness Chart (continued)

		Performance						
		Goal Attainment			Growth			
State	WBC	Total Clients Served FY07	FY 07 Goal	Goal Attainment Ratio (%) ¹	Total Clients Served FY 05	Total Clients Served FY 06	Total Clients Served FY 07	Compound Annual Growth Rate (CAGR) ²
CT	SBA's (OWBO-CT) The Entrepreneurial Ctr. At Hartford Colg. for Women	1306	755	173.0%	864	857	1306	22.9%
CT	Women's Business Development Center (WBDC) - Stamford	1005	700	143.6%	933	805	1005	3.8%
FL	Jacksonville Women's Business Center a program of the Jacksonville Regional	1498	1080	138.7%	613	952	1498	56.3%
FL	M/WBE Alliance, Inc.	1499	1240	120.9%	801	1102	1499	36.8%
FL	Florida Women's Business Center Delray Beach	2271	2485	91.4%	1,836	2117	2271	11.2%
GA	WEDA/Metropolitan Atlanta Women's Business Center	5602	3025	185.2%	3621	3429	5602	24.4%
GA	The Edge Connection Women's Business Center, Coles College of Business, Kennesaw State Univ.	1011	750	134.8%	1013	624	1011	-0.1%
HI	Hawaii Women's Business Center	2366	2115	111.9%	1504	2346	2366	25.4%
IA	Iowa Women's Business Center, Iowa Women's Enterprise Center, ISED Ventures	1732	630	274.9%	708	730	1732	56.4%
IL	The Edge Connection	1379	1090	126.5%	888	891	1379	24.6%
IL	WBDC Chicago	1289	940	137.1%	3431	1094	1289	-38.7%
IN	Neighborhood Self-Employment Initiative and The Central Indiana WBC	3275	3435	95.3%	1,117	2704	3275	71.2%
IN	Women's Enterprise, A Program of the Fort Wayne's Women's Bureau	881	855	103.0%	993	1006	881	-5.8%
KS	Enterprise Center of Johnson County/Kansas Women's Business Center	826	795	103.9%	801	903	826	1.5%
LA	ULGNO Women's Business Resource Center	983	780	126.0%	390	755	983	58.8%
MA	Center for Women & Enterprise Worcester	1030	350	294.3%	686	430	1030	22.5%
MD	Women Entrepreneurs of Baltimore, Inc. (WEB)	2520	1460	172.6%	880	1694	2520	69.2%
MI	Detroit Entrepreneurship Institute, Inc.	1918	350	548.0%		403	1918	375.9%
MI	Grand Rapids Opportunities for Women	1945	1450	134.1%	1856	1751	1945	2.4%
MI	Cornerstone Alliance	448	590	75.9%	483	487	448	-3.7%
MN	WomenVenture	3102	3025	102.5%	4162	3459	3102	-13.7%
MN	Northeast Entrepreneur Fund in Minnesota	1892	1835	103.1%	1243	1443	1892	23.4%

¹ Goal Attainment Ratio = Actual Total Clients Served in FY 07 divided by the FY 07 Goal.

² CAGR = (Ending Value/Beginning Value)^(1/# of years) - 1

³ The approved budget represents all sources of financial contributions to the program that have been mutually agreed to by SBA and the WBC at the beginning of the program year. Approved budgets were used to calculate this MOE because year-end final expenditures were not available for all centers as of the printing of this report.

Efficiency					
Cost			Staffing		
Approved Budget ³	Total Clients Served FY07	Cost/Client ⁴	Total Clients Served FY07	FTEs (All Personnel)	Clients/FTE ⁵
\$ 239,798.00	1306	\$ 183.61	1306	1.965	664.63
\$ 206,097.00	1005	\$ 205.07	1005	2.3	436.96
\$ 290,000.00	1498	\$ 193.59	1498	2	749.00
\$ 290,000.00	1499	\$ 193.46	1499	2.25	666.22
\$ 300,000.00	2271	\$ 132.10	2271	3.4	667.94
\$ 303,179.00	5602	\$ 54.12	5602	6	933.67
\$ 300,000.00	1011	\$ 296.74	1011	1.95	518.46
\$ 343,949.00	2366	\$ 145.37	2366	4	591.50
\$ 184,596.00	1732	\$ 106.58	1732	1.45	1194.48
\$ 300,000.00	1379	\$ 217.55	1379	2	689.50
\$ 184,596.00	1289	\$ 143.21	1289	2.8	460.36
\$ 277,719.00	3275	\$ 84.80	3275	4.78	685.15
\$ 242,777.00	881	\$ 275.57	881	3	293.67
\$ 375,000.00	826	\$ 454.00	826	3	275.33
\$ 281,942.00	983	\$ 286.82	983	3.5	280.86
\$ 184,596.00	1030	\$ 179.22	1030	2.5	412.00
\$ 184,596.00	2520	\$ 73.25	2520	1.35	1866.67
\$ 265,385.00	1918	\$ 138.37	1918	4.36	439.91
\$ 204,596.00	1945	\$ 105.19	1945	4.14	469.81
\$ 290,000.00	448	\$ 647.32	448	4.14	108.21
\$ 204,596.00	3102	\$ 65.96	3102	2.55	1216.47
\$ 290,000.00	1892	\$ 153.28	1892	3.72	508.60

⁴ Cost/Client = Approved Budget/Total Clients Served FY07

⁵ Clients per FTE = Total Clients Served FY07/FTEs (All Personnel)

(Chart continued on next page)

Impact Study of Entrepreneurial Development Resources

In accordance with the Government Performance and Results Act (GPRA), the President's Management Agenda (PMA), OMB's Program Assessment Rating Tool (PART), and the agency's strategic plan, SBA sought to measure the economic impact of its technical assistance programs on the clients we serve. Specifically, the agency wanted to determine how effectively its programs and services were helping the economy by creating jobs and increasing business revenues. With OMB's guidance, OED and a panel of distinguished academic and private sector researchers developed the survey instruments and methodology to execute on this objective. The survey was conducted by a third-party contractor, Concentrance Consulting Group based in Washington, DC.

The Impact Study sought to answer the following primary questions:

- What is the relationship between the assistance provided by ED Resources and the client's perception of the usefulness/value of the assistance received?
- What is the relationship between the assistance provided by ED Resources and the client's decision to implement/change management/marketing practices in their businesses?
- What is the relationship between the assistance provided by ED Resources and the client's business having a positive financial impact on job creation and retention and increase in sales?
- What is the relationship between ED Resource clients' survival rates compared to those of the firms surveyed in the Ewing Marion Kauffman Foundation's national Panel Study on Entrepreneurial Dynamics (PSED)?

WBC Measures of Effectiveness Chart (continued)

		Performance						
		Goal Attainment			Growth			
State	WBC	Total Clients Served FY07	FY 07 Goal	Goal Attainment Ratio (%) ¹	Total Clients Served FY 05	Total Clients Served FY 06	Total Clients Served FY 07	Compound Annual Growth Rate (CAGR) ²
MO	Grace Hill Women's Business Center	2038	1650	123.5%	1041	1946	2038	39.9%
MO	Missouri Women's Business Center (WBC at GO Connection, Inc.)	1177	1015	116.0%	891	1126	1177	14.9%
MS	MACE Women's Business Center	384	380	101.1%	135	318	384	68.7%
NC	Mountain Microenterprise Fund	3822	1610	237.4%	1521	1632	3822	58.5%
NC	North Carolina Institute of Minority Economic Development	3027	2345	129.1%	1399	2605	3027	47.1%
NC	The Women's Center of Fayetteville	751	980	76.6%	573	1106	751	14.5%
ND	Center for Technology & Business	1413	1540	91.8%	1855	1756	1413	-12.7%
NE	Rural Enterprise Assistance Project (REAP)	1809	735	246.1%	1067	870	1809	30.2%
NH	Women's Business Center, Inc.	1114	1100	101.3%	1,283	1245	1114	-6.8%
NJ	NJ Assoc. of Women Business Owners Women's Business Center	3122	2285	136.6%	1254	2541	3122	57.8%
NM	WESST Corp Gallup	639	780	81.9%	198	564	639	79.6%
NM	WESST Corp Roswell	198	160	123.8%	257	180	198	-12.2%
NM	WESST Corp Santa Fe	198	315	62.9%	297	340	198	-18.4%
NV	Nevada Micro-Enterprise Development Corporation	939	830	113.1%	1875	820	939	-29.2%
NY	Queens Economic Development Corp. - WBC (Borough Hall)	3018	1910	158.0%	1708	2339	3018	32.9%
NY	Canisius College	3098	1695	182.8%	2656	1593	3098	8.0%
NY	Local Development Corporation of East New York	1315	655	200.8%	957	728	1315	17.2%
NY	Business Outreach Center Network	2491	2045	121.8%	1355	1607	2491	35.6%
NY	The Women's Business Resource Center (Hunts Point)	1382	675	204.7%	857	802	1382	27.0%
NY	Women's Enterprise Development Center, Inc.	1161	790	147.0%	1100	717	1161	2.7%
NY	Women's Business Center of New York State	837	1485	56.4%	1708	1350	837	-30.0%
NY	Community Action Agency of Franklin County, Inc., dba ComLinks	309	450	68.7%	221	340	309	18.2%
NY	Women's Venture Fund, Inc.	258	875	29.5%	872	994	258	-45.6%
OH	Alex Community Development Corporation	1089	1230	88.5%	957	1154	1089	6.7%

¹ Goal Attainment Ratio = Actual Total Clients Served in FY 07 divided by the FY 07 Goal.

² CAGR = (Ending Value/Beginning Value)^(1/# of years) - 1

³ The approved budget represents all sources of financial contributions to the program that have been mutually agreed to by SBA and the WBC at the beginning of the program year. Approved budgets were used to calculate this MOE because year-end final expenditures were not available for all centers as of the printing of this report.

Efficiency					
Cost			Staffing		
Approved Budget ³	Total Clients Served FY07	Cost/Client ⁴	Total Clients Served FY07	FTEs (All Personnel)	Clients/FTE ⁵
\$ 184,596.00	2038	\$ 90.58	2038	2	1019.00
\$ 221,060.00	1177	\$ 187.82	1177	2.5	470.80
\$ 87,346.40	384	\$ 227.46	384	2.75	139.64
\$ 290,000.00	3822	\$ 75.88	3822	2.35	1626.38
\$ 291,380.00	3027	\$ 96.26	3027	3.25	931.38
\$ 257,496.00	751	\$ 342.87	751	2.25	333.78
\$ 194,596.00	1413	\$ 137.72	1413	2.5	565.20
\$ 204,596.00	1809	\$ 113.10	1809	1.7362	1041.93
\$ 184,596.00	1114	\$ 165.71	1114	2.25	495.11
\$ 204,596.00	3122	\$ 65.53	3122	4	780.50
\$ 290,000.00	639	\$ 453.83	639	4.05	157.78
\$ 194,596.00	198	\$ 982.81	198	2.5	79.20
\$ 194,596.00	198	\$ 982.81	198	2.2	90.00
\$ 290,000.00	939	\$ 308.84	939	5.3	177.17
\$ 184,596.00	3018	\$ 61.17	3018	3.6038	837.45
\$ 295,000.00	3098	\$ 95.22	3098	2.69	1151.67
\$ 194,596.00	1315	\$ 147.98	1315	1.236	1063.92
\$ 290,000.00	2491	\$ 116.42	2491	3.35	743.58
\$ 241,521.00	1382	\$ 174.76	1382	3.59	384.96
\$ 404,974.00	1161	\$ 348.81	1161	4	290.25
\$ 205,298.00	837	\$ 245.28	837	1.81	462.43
\$ 300,000.00	309	\$ 970.87	309	3.15	98.10
\$ 194,596.00	258	\$ 754.25	258	1.059	243.63
\$ 300,000.00	1089	\$ 275.48	1089	2	544.50

⁴ Cost/Client = Approved Budget/Total Clients Served FY07

⁵ Clients per FTE = Total Clients Served FY07/FTEs (All Personnel)

(Chart continued on next page)

Released in November 2007, the latest Impact Study of Entrepreneurial Development Resources (focusing on 2003 – 2005) concluded the following:

- FY 05 client respondents gave reasonably high ratings (64%) to the usefulness of the assistance they received from SBDCs, WBCs, and SCORE.
- The financial profile of client firms served by ED resource partners (i.e. SBDCs, WBCs, and SCORE) revealed that clients reported higher revenues in FY 05 than in previous years.
- Both 2003 and 2004 ED resource partner clients saw growth in revenues and many transitioned their business segment.
- ED resource partner clients have higher survival rates than those firms analyzed in the Kauffman Foundation's Panel Study on Entrepreneurial Dynamics.

To view the OED Impact Study in its entirety, please go to: <http://www.sba.gov/ed>.

A Note on Data Collection and Quality Management

OED has implemented a series of rules, policies, and processes that, when combined, provide for a comprehensive process and data quality system. One major component of OED's Quality Management Process is the Entrepreneurial Development Management Information System (EDMIS). A data collection system at its core, EDMIS was developed to enhance OED's ability to manage the quality of data and subsequent service. A Web-based system inaugurated by OED and now also utilized by SBA District Offices, EDMIS captures the quarterly and annual performance activity of SBA resource

WBC Measures of Effectiveness Chart (continued)

		Performance						
		Goal Attainment			Growth			
State	WBC	Total Clients Served FY07	FY 07 Goal	Goal Attainment Ratio (%) ¹	Total Clients Served FY 05	Total Clients Served FY 06	Total Clients Served FY 07	Compound Annual Growth Rate (CAGR) ²
OK	Rural Enterprises of Oklahoma, Inc. Durant	1007	910	110.7%	1380	1100	1007	-14.6%
OR	ONABEN - A Native American Business Network	319	315	101.3%	382	364	319	-8.6%
PA	Community First Fund	481	475	101.3%	606	430	481	-10.9%
PR	Women's Business Institute (WBI)	2608	2250	115.9%	2615	2563	2608	-0.1%
RI	Center for Women & Enterprise	1452	1295	112.1%	903	1463	1452	26.8%
SC	SCWBC	2358	2275	103.6%	2661	2076	2358	-5.9%
SD	Center for Women Business Institute	1488	1350	110.2%	1355	1630	1488	4.8%
TN	Southeast Women's Business Center	783	995	78.7%	1429	1218	783	-26.0%
TX	Women's Business Border Center	2163	5825	37.1%	2417	6346	2163	-5.4%
TX	Southwest Community Investment Corporation	1155	1075	107.4%	769	847	1155	22.6%
TX	Business Investment Growth, Inc. (BiGAUSTIN)	947	890	106.4%	1058	1009	947	-5.4%
UT	Salt Lake Area Chamber of Commerce Women's Business Center	3558	2690	132.3%	2952	3050	3558	9.8%
VA	Women's Business Center of Northern Virginia	2278	2025	112.5%	1547	2171	2278	21.3%
VA	New Visions, New Ventures, Inc.	136	1375	9.9%	1041	1249	136	-63.9%
VT	Vermont's Women's Business Center	1105	940	117.6%	1224	1066	1105	-5.0%
WA	Seattle CCD Women's Business Center	1560	3025	51.6%	2141	5225	1560	-14.6%
WA	Northwest Women's Business Center	1416	3025	46.8%	4331	3021	1416	-42.8%
WI	Western Dairyland Women's Business Center	3637	1050	346.4%	3376	947	3637	3.8%
WV	Region 1 WorkForce Women's Business Center	1099	710	154.8%	560	566	1099	40.1%
				Mean	129%		Mean	18%
				Median	114%		Median	10%

¹ Goal Attainment Ratio = Actual Total Clients Served in FY 07 divided by the FY 07 Goal.

² CAGR = (Ending Value/Beginning Value)^(1/# of years) - 1

³ The approved budget represents all sources of financial contributions to the program that have been mutually agreed to by SBA and the WBC at the beginning of the program year. Approved budgets were used to calculate this MOE because year-end final expenditures were not available for all centers as of the printing of this report.

Efficiency					
Cost			Staffing		
Approved Budget ³	Total Clients Served FY07	Cost/Client ⁴	Total Clients Served FY07	FTEs (All Personnel)	Clients/FTE ⁵
\$ 202,634.00	1007	\$ 201.23	1007	1.84	547.28
\$ 209,718.00	319	\$ 657.42	319	2.1	151.90
\$ 300,000.00	481	\$ 623.70	481	4	120.25
\$ 252,192.00	2608	\$ 96.70	2608	5	521.60
\$ 204,596.00	1452	\$ 140.91	1452	2.25	645.33
\$ 320,000.00	2358	\$ 135.71	2358	3	786.00
\$ 194,727.00	1488	\$ 130.86	1488	2	744.00
\$ 194,596.00	783	\$ 248.53	783	2.38	328.99
\$ 205,298.00	2163	\$ 94.91	2163	3	721.00
\$ 290,000.00	1155	\$ 251.08	1155	5	231.00
\$ 300,000.00	947	\$ 316.79	947	2.05	461.95
\$ 316,998.00	3558	\$ 89.09	3558	4	889.50
\$ 207,298.00	2278	\$ 91.00	2278	2.05	1111.22
\$ 307,190.00	136	\$ 2,258.75	136	5.12	26.56
\$ 194,935.00	1105	\$ 176.41	1105	3.05	362.30
\$ 195,630.00	1560	\$ 125.40	1560	2.55	611.76
\$ 205,235.00	1416	\$ 144.94	1416	2.55	555.29
\$ 207,615.00	3637	\$ 57.08	3637	2.9772	1221.62
\$ 342,170.00	1099	\$ 311.35	1099	5	219.80
	Mean	\$ 289.57		Mean	581
	Median	\$ 171.48		Median	514

⁴ Cost/Client = Approved Budget/Total Clients Served FY07

⁵ Clients per FTE = Total Clients Served FY07/FTEs (All Personnel)

partners, and provides an analysis tool that can be used to identify best practices, performance standards and norms, outliers, and deviations. The primary advantages of EDMIS are transparency, uniformity of reporting, management evaluation, programmatic assessment, and oversight. In an age when data validation has legal consequences (e.g. loss of federal funds under OMB Circulars, debarment from future federal funds, or center/chapter closing), EDMIS is another step that SBA is taking to safeguard its programs so that services can be provided unencumbered to the public.





Office of Entrepreneurial Development Major Program Offices & Initiatives

The Office of Small Business Development Centers (OSBDC)

**OSBDC offers focused, sustainable
support to small business clients**

Program Overview

The Office of Small Business Development Centers (OSBDC) delivers the grant management and financial and programmatic oversight for the Small Business Development Center (SBDC) program. Within this program, individual centers—or SBDCs—provide management and technical assistance through a business education network consisting of 63 Lead Centers and more than 950 service center delivery points throughout the U.S., District of Columbia, Guam, Puerto Rico, American Samoa, and the U.S. Virgin Islands. By promoting economic development through job creation and retention, the SBDC program offers one-on-one, long-term counseling, training, and specialized services that reflect client needs and business trends. Altogether, the SBDC national network constitutes the largest of SBA's entrepreneurial development programs.

SBDC Lead Centers—which manage the SBDC network in a given state or other SBA-designated geographical area—are funded through a combination of SBA dollars and matching state and private sector resources. Supported in cooperation with the private sector, institutions of higher education, and federal, state, and local governments, the SBDCs rely heavily on active partnerships to realize the program's continued success and to serve their small business clients and nascent entrepreneurs.

SBDCs also support District Offices and other SBA programs as effective marketing and delivery channels. Other government agencies utilize the SBDC network to market and assist small businesses in delivering their own products or services. For example, SBA's partnership with and collaboration between United States Export Assistance Centers (USEACs) and the SBDCs promotes small business exports. USAID recently funded the SBDC hosted by the University of Texas at San Antonio for work with Mexico's SBDC network, which is modeled after the SBA's SBDC program. Support for the Mexican SBDC network is provided by several SBDC networks, including those operating in San Antonio, Florida, Mississippi, Arizona and Michigan. The U.S. Department of Defense also relies a great deal on the SBDC network for outreach to the small business community, particularly through the Procurement Technical Assistance Center (PTAC) program.

With an ultimate objective to support and strengthen local economies by adding and creating new businesses entities, the SBDC program exists to offer focused professional technical and managerial assistance to America's small businesses. As a testament to the program's commitment in this regard, long-term counseling is a hallmark of the SBDC program as it is seen to facilitate business growth and a business's economic impact on the country. Accordingly, independent surveys conducted by the Association of Small Business Development Centers (ASBDC) and by SBA have revealed a high rate of client satisfaction among those counseled through the program, especially long-term clients.

Perhaps most importantly, SBDC services are available to all small business populations. Core and specialized programs are offered to minorities, women, veterans, people with disabilities, 8(a) firms in all stages, as well as to individuals in low and moderate income urban and rural areas. Far-reaching, flexible, and accommodating, the SBDC program has managed to maintain since inception its reputation as a premier provider of counseling and training to America's entrepreneurs.

In response to changing times, the increased use of online capabilities has enabled SBDCs to broaden the type and availability of counseling and training provided to the program's primary clients. For example, Maine's SBDC hosts a Website widely acknowledged as one of the best in the network, featuring cutting-edge tools that successfully link business interests across the state. Also, changes in nationwide demographics have resulted in the additional need for services to immigrants with limited English-speaking skills who are starting businesses. SBDC networks have responded by opening centers in areas that have had a large increase in immigrant populations and hiring bilingual counselors to staff those locations. For instance, the Rhode Island SBDC has been working with a group call Progressive Latino to provide the growing Hispanic population in that area with professional business counselors who are bilingual. Many other SBDCs also boast bilingual counselors and trainers, and offer marketing materials in multiple languages such as those provided by centers in the San Francisco and Los Angeles areas that assist the growing Vietnamese communities there.

Salamander Technologies, Inc., (Traverse City, MI)

With assistance from the Michigan Small Business and Technology Development Center (MI-SBTDC), Salamander Technologies, Inc. recently expanded its focus beyond tracking First Responders to also tracking victims of mass incidents, such as patients or evacuees, as well as volunteers who respond to the emergency scene. Over the last six years, Salamander Technologies has grown to 25 employees and \$6.2 million in revenue. Salamander was also recently recognized as one of the nation's fastest growing private companies by Inc. Magazine.

CEO Russ Miller cites the support of MI-SBTDC as an integral component of his company's success:

"The SBTDC has provided direct assistance in formulating and promoting our business plan to the investment community within Michigan. Their efforts had a direct impact on Salamander Technologies."

Maintaining a Focus on Quality: Accreditation

Augmenting the biennial program and financial reviews is the Malcolm Baldrige-based Accreditation review process. These peer reviews, coordinated by the Association of Small Business Development Centers (ASBDC) via an SBA contract, drive the installation and upgrading of systems that lead to continual quality improvement of SBDC leadership, strategic planning and results. Each SBDC is reviewed by a team of accreditation examiners every four years. The continual upgrading of the quality of the accreditation process has been the result of consistent efforts of the ASBDC Accreditation Committee to elevate the program's performance.

SBDCs failing to pass accreditation reviews are afforded an opportunity to correct the noted deficiencies within a defined timeframe and, if unable to do so, are subject to discontinuance of funding and removal from the program,

S.O. Tech – Special Operations Technologies, (Carson, CA)

Ten years ago, with a sewing machine and \$200 worth of cloth, Army Reserve Capt. James Cragg started his business by focusing on military and search-and-rescue gear. Since that time, it has grown into a multi-million dollar manufacturing operation, with more than 900 military and law enforcement products, including packs, medical kits and aviation systems. Now, thanks to key guidance from the SBA's resource partner, Santa Monica College Small Business Development Center (SMC SBDC), Cragg's company, S.O. Tech is headed in an exciting new direction: The Adventure Sports Market. Snow and surf board bags, backpacks and courier bags are just part of the new product lines S.O. Tech has fashioned with help from SMC SBDC counselor Diana Platt. Since Cragg's last session with the SMC SBDC, S.O. Tech has launched 28 new products and increased company sales with new contracts by 520% to \$13 million, and has also added a new factory and increased the number of employees by 180%.

"In a world that feels like your competitors are circling like sharks in the water, access to the SBDC programs gives me the confidence of knowing a great team and a wealth of knowledge are behind me," Cragg said.

at SBA's discretion. In other instances, host institutions periodically will have a strategic change in business model or mission and voluntarily opt out of the program. In these instances, OSBDC immediately works to identify a potential new host. Once a new host is selected, OSBDC provides considerable upfront education and program management assistance. Four programs are operating with relatively new hosts in the Los Angeles area, Northern California, Connecticut, and Rhode Island.

A significant development within the accreditation framework has been the establishment of a Technology designation. Those SBDCs having developed an infrastructure supportive of advising small businesses characterized by science and technology disciplines and high growth profiles, can seek accreditation as Small Business Technology Development Centers (SBTDC). OSBDC continues to encourage SBDCs to build the capacity to address this critical business sector and SBA provides annual recognition to those programs earning the "T" designation. Nine programs have been accredited as SBTDCs with those SBDCs hosted by the Wharton School at the University of Pennsylvania, and by the University of Arkansas being the most recently certified with the "T" designation in 2007.

OSBDC 2007 Accomplishments

- SBDCs counseled 44,201 extended engagement clients and reported that clients receiving their counseling services opened 7,394 new businesses in 2007.
- In FY 2007, OSBDC performed 29 program reviews and 24 financial reviews. As a result of these reviews, OSBDC is able to identify areas where corrective action is required and otherwise ensure that SBDCs are in compliance with the many federal program requirements.
- 15 SBDCs were accredited in 2007 as part of the Malcom Baldrige-

based accreditation review process. Conducted by the Association of Small Business Development Centers (ASBDC), these peer reviews enable the continual upgrading of the quality of the accreditation process to ultimately elevate the program's performance. Designated centers Pennsylvania and Arkansas as SBTDCs to indicate a focus on technology—these new additions bring the total number of nationwide SBTDCs to 9.

Becoming an SBTDC

The SBTDC status is earned by those SBDC programs that have passed a special technology accreditation review. The designation requires SBDCs to have fully integrated into the SBDC network the ability to deliver assistance in areas such as technology transfer, commercialization, research and development funding, intellectual property issues, and equity financing.

SBTDC Hosts

1. Grand Valley State University – Michigan SBTDC
2. Inter American University of Puerto Rico – Puerto Rico SBTDC
3. Lane Community College – Oregon SBTDC
4. North Carolina State University – North Carolina SBTDC
5. Ohio Department of Development – Ohio SBTDC
6. University of Arkansas – Arkansas SBTDC
7. University of Southern Maine – Maine SBTDC
8. University of Missouri – Missouri SBTDC
9. University of Pennsylvania – Pennsylvania SBTDC

SBDCs at a Glance

- **Number of Centers funded in 2007:** 63
- **2007 Appropriation and Match Requirement:** \$89 million*; 1:1
- **Type of Grant Program:** Population-based state block grant; competitive process when selecting new state host
- **Type of Organization:** Most SBDC lead centers are hosted by accredited educational institutions (e.g., University, Community College) and some are hosted by state governments
- **Median Client Revenue**:** \$100,000
- **Median Number of Client Employees**:** 3
- **Client Demographics (Total Counseled):**
 - Women – 90,275;
 - Men – 104,332;
 - Asians – 7,048;
 - Blacks or African Americans – 33,781;
 - Native American or Alaskan Native – 3,230;
 - Native Hawaiians or Pacific Islanders – 1,661;
 - Whites – 141,182;
 - Hispanic Origin – 23,057;
 - Veterans – 17,766;
 - Service-Disabled Veterans – 2,975;
 - Members of Reserve or National Guard – 2,711
- SBDCs confidentially counsel entrepreneurs - by providing extensive one-on-one individualized business counseling, focusing on long-term counseling relationships.
- SBDCs provide convenient free business advice through locations in major business markets in every US state and territory.

* Represents gross amount of funding approved by Congress.

** Median Client Revenue and Median Number of Employees are derived from 2005 figures included in the latest Impact Study of Entrepreneurial Development Resources which focused on impact from 2003-2005.

grow

Three-Year SBDC Funding and Client History

Federal Reporting Period*	Appropriated**	Centers in the Program	Clients Served***
2005	\$83,857,994	63	706,501
2006	\$83,414,380	63	667,660
2007	\$83,414,380	63	600,665

*Reporting periods do not generally coincide with funding years.

**Appropriations include funding for core programs and special grants (e.g. Defense Economic Transition Assistance and Portability).

***Client definitions changed across OED programs between 2005 and 2006 to provide common definitions and uniformity in measurement for OSBDC, OWBO, OBCI, and SBTN. The change resulted in a new baseline for Clients Served figures.

SBDC Counselors Support Innovative Entrepreneurs Pursuing SBIR Awards

SBDCs are supporting entrepreneurs and their pursuit of funding through the Small Business Innovative Research (SBIR) and Small Business Technology Transfer programs. The SBIR-STTR specialists at the Missouri Small Business and Technology Development Center (SBTDC) program have been actively supporting the needs of Missouri's technology-oriented firms. One of the entrepreneurs they helped was Dr. Rusty Sutterlin, co-founder and CEO of Renewable Alternatives™ LLC. Among the assistance his firm received from the Missouri SBTDC was guidance in writing SBIR-STTR proposals, training in marketing, finance, and patent review searches for Phase II proposals and help in creating commercialization plans.

The support provided by the Missouri SBTDC helped Dr. Sutterlin, an analytical chemist, secure a Phase I SBIR award. The funding for the Phase I award coupled with the two-year, \$750,000 STTR Phase II award his company received in June 2007 from the U.S. Army enabled Renewable Alternatives™ LLC to research and produce super-cooling or phase-change materials (PCMs) which enable combat soldiers to maintain a self-contained exterior temperature in the 68-70-degrees Fahrenheit range. Technology advances, such as PCMs stemming from SBIR and STTR funds, initially support the unique needs of government. Some of these new technologies become commercialized and are adopted for other uses. Using this same PCM technology, Renewable Alternatives™ LLC is developing gear that firefighters might wear to enter burning structures.





The Office of Women's Business Ownership (OWBO)

WBCs can be found in the heart of developing communities

Program Overview

The Office of Women's Business Ownership (OWBO) was first established as an advocate and coordinator of the federal response to a major groundswell of women-owned businesses that arose in the 1970s. It now manages one of the SBA's most diverse, far-reaching and effective entrepreneurial development efforts: the Women's Business Center Program. Partnered with nonprofit and business organizations that are aligned with the mission of stimulating women's business enterprise, Women's Business Centers (WBC's) operate at the core of business communities.

The WBCs offer an extensive menu of products and services at each location that includes: financial literacy and self-sufficiency assessment and training; business readiness assessments; and a wide range of business-development topics offered via classroom, individual, or online venues. In addition, WBCs connect customers with sources of capital to start or grow their businesses. They provide specialized products and services to existing women-owned businesses in the areas of government procurement, manufacturing, access to capital, and international trade. WBCs, particularly in rural areas, are using cutting-edge technologies to reach their customers and provide services.

OWBO's primary constituency—women-owned businesses—continues to be the fastest-growing segment of the economy. Today, women are majority owners of nearly one third of all privately held U.S. businesses, and are represented in all industrial categories. However, their businesses are overwhelmingly sole proprietorships and continue to have significantly lower incomes. Although the number of women-owned firms with more than 100 employees and revenues over \$1 million is rapidly increasing, women continue to face barriers to starting and growing successful businesses. By statute, the WBC

Deborah Moore, AccuStat EMR, (Myrtle Beach, SC)

After 13 years in the nursing field, Deborah Moore started her own medical transcription business, AccuStat EMR, out of her home in 2002. Deborah, then a single mother of two, wanted the flexibility and quality of life that the demands of nursing could not afford. She received assistance in expanding her business from the South Carolina Women's Business Center (SCWBC). The SCWBC helped her obtain a business loan, along with the marketing support and market research that has been critical to AccuStat's success as a community-minded business.

In just five years, AccuStat has grown into an electronic medical records (EMR) company with the ability to fulfill EMR hardware, software, networking, training, and support needs for medical facilities, legal offices, and hospitals. In 2005, Deborah moved her business into a 2000 square-foot office in order to hire employees and handle the increasing demand for AccuStat's services. AccuStat has experienced a 508% growth rate since its first year, and now has eight local employees and more than 1,000 independent contractors throughout the nation.

program ensures that each center targets a portion of its services to the greatest opportunity gap: socially and economically disadvantaged women who make up approximately half of all WBC clientele.

As the program celebrates its 20th anniversary, it has grown from a \$2 million pilot program of four centers in 1988 to a national, permanent, full-service business-development program of nearly 120 centers and a budget of \$13 million. The WBCs continue to surpass goals, increase the numbers of clients served, and grow (from 58 centers to 70 in 2000; and to 95 centers in 2007).

OWBO 2007 Accomplishments

- 95 WBCs trained and counseled 148,123 clients whose businesses reported \$10.1 million in gross revenues and \$682,000 in increased profits.
- Current and former clients together reported \$550.2 million in gross receipts in FY 2007, of which \$40.8 million were increased profits. Clients also reported 8,751 new jobs and 3,304 new businesses.
- Legislation was passed that gives the WBC Program ongoing, renewable 3-year grants.
- OWBO initiated major restructuring of its operations and procedures using Lean Six Sigma principles.
- To streamline its grants management process, OWBO began developing a pilot program to automate grant payments by leveraging the payment management system operated by the Department of Health and Human Services. Complete transition to the new system is expected to occur before the end of FY 08's third quarter.
- More than 300 WBC and SBA District Office staff from around the country participated in the program's annual professional development conference, a collaborative effort with the Association of Women's Business Centers (AWBC) created to share best practices, facilitate networking, and teach improved grant management procedures.

OWBO at a Glance

- **Number of Centers funded in 2007:** 95
- **2007 Appropriation*:** \$12 million
- **Match Requirement**:** 2:1 for first two years, 1:1 for following three years (New/Initial Phase Centers); 1:1 (Sustainability Phase); 1:1 (Three-Year Renewable Phase)
- **Type of Grant Program:** Competitive with annual program announcement
- **Type of Organization:** All WBCs are hosted by non-profit organizations (501c(3))
- **Median Client Revenue***:** \$32,500
- **Median Number of Client Employees***:** 2
- **Client Demographics (Total Counseled):**
 - Women – 18,894;
 - Men – 6,933;
 - Asians – 1,453;
 - Blacks or African Americans – 7,590;
 - Native American or Alaska Native – 711;
 - Native Hawaiians or Pacific Islanders – 374;
 - Whites – 12,351;
 - Hispanic Origin – 4,767;
 - Veterans – 957;
 - Service-Disabled Veterans – 233;
 - Members of Reserve or National Guard – 640
- WBCs are established in non-profit organizations that have, as their core mission, a priority to provide entrepreneurial development programs and services to women, with targeted outreach to socially and economically disadvantaged individuals.

- Many WBCs offer services in two or more languages; all provide week-end and evening hours to accommodate women's diverse needs, and many offer on-site child care.
- According to a 2004 study****, the average WBC client visits her center more than seven times a year. Sustained, ongoing relationships of this kind are an integral component of the program's future growth and success as established clients often return as mentors, teachers, and even WBC directors.

*FY06 funds—WBC program is funded forward so that performance in a given year is based on funding from the previous year.

**Up to 1/2 of required match may be in-kind contributions.

***Median Client Revenue and Median Number of Employees are derived from 2005 figures included in the latest Impact Study of Entrepreneurial Development Resources which focused on impact from 2003-2005.

****Source: http://www.womenable.com/userfiles/downloads/ResearchinBrief_WBC_studies.pdf



Three-Year WBC Funding and Client History

Federal Reporting Period*	Appropriated**	Centers in the Program***	Clients Served****
2005	\$12.33 million	99	129,373
2006	\$12.0 million	99	103,498
2007	\$12.0 million	95	148,123

*Reporting periods do not generally coincide with federal funding years.

**Due to budget rescission, received \$12.33 million in FY 2005—a decrease from \$12.5 million.

***Total number of centers decreased due to the "graduation" of those centers that were no longer eligible for federal funding because their initial and/or sustainability grants had expired.

****Client definitions changed across OED programs between 2005 and 2006 to provide common definitions and uniformity in measurement for OSBDC, OWBO, OBCI, and SBTN. The change resulted in a new baseline for Clients Served figures.

Kim Wright, New Blooms Greenhouse, (Glencannon, PA)

New Blooms Greenhouse began as a hobby when Lee Wright built a small greenhouse for his wife, Kim. By 2004, that "hobby" had grown to the point that Kim was ready to launch a full-time business—but her limited income, credit and collateral proved to be issues in securing a loan. Thanks to technical assistance from the Pennsylvania Women's Business Center at Community First Fund in Lancaster and their help in developing a solid business plan, Kim was able to qualify for an SBA Microloan through the Community First Fund—the first of three loans she has secured and repaid.

Today, her greenhouse space has grown from roughly one thousand square feet to more than 7,000, and her company has grown to employ 11 people during the busy season of March to October—including Lee, who quit his job as a computer operations manager to work for the business. In addition to operating her successful business, Kim is committed to supporting local businesses and her community at large, working to create a business-to-business network so that area entrepreneurs can promote each others' businesses.

create



The Office of Business and Community Initiatives (OBCI)

Meeting the challenge of expanding entrepreneurial education

Program Overview

The Office of Business and Community Initiatives (OBCI) serves as the entrepreneurial education and outreach office within OED. OBCI provides entrepreneurs with business management tools and resources. Beyond the creation of new educational resources and private-sector partnerships, OBCI initiatives reach underserved entrepreneurial communities (e.g. youth entrepreneurs and inner-city areas). Examples include the creation of a Website targeted to teen entrepreneurs, and enhancement of SBA's online business basics library which is now available in 10 languages including Arabic, Chinese, Russian, Spanish, and French.

OBCI also manages SBA's grant relationship with SCORE, "Counselors to America's Small Business" (formerly known as the *Service Corps of Retired Executives*). Approved in 1965, Public Law 85-536 mandated that SBA provide technical, managerial, and informational aids to small businesses and that SBA establish and train a corps of volunteers to support SBA's agency mission. From these mandates, SCORE was created.

A network of more than 10,500 volunteer business counselors in 389 chapters and 800 branches, SCORE serves communities through face-to-face and online counseling, training, mentoring, and low-cost business workshops. Driven by individuals with experience in owning, operating, and/or managing a business, SCORE's services lend tremendous value to the small businesses community. The program provided more than 1.1 million hours of volunteer service to America's entrepreneurs in FY 2007. Considering that SCORE counseling is free to clients with the exception of some low-fee workshops, the primary services offered (i.e. the real world expertise of working and retired business advisors) yield a high "return on investment".

OBCI 2007 Accomplishments

- Two public-private partnerships were forged in 2007 to educate entrepreneurs regarding business credit and software licensing strategies, respectively.
- Provided in-depth briefings to 1,094 foreign visitors from 134 countries on the American small business model.
- Received more than 200,000 unique visitors to the teen-focused Website (www.sba.gov/teens) between May and October 2007; and received 131,604 visitors to www.mindyourownbiz.org, a Website co-branded with Junior Achievement.
- Offering 24/7 nationwide counseling, SCORE launched 29 online training workshops and dedicated online communities for women, minorities, veterans and manufacturers.

SCORE at a Glance

- **Number of SCORE Chapters in 2007:** 389
- **2007 Appropriation:** \$5 million
- **Type of Grant Program:** Notice of Award for Grant/Cooperative Agreement
- **Type of Organization:** National non-profit organization, with local chapters
- **Median Client Revenue*:** \$59,000
- **Median Number of Client Employees*:** 2
- **Client Demographics:**
 - Women – 57,800;
 - Men – 63,132;
 - Asians – 5,710;
 - Blacks or African Americans – 25,101;
 - Native American or Alaska Native – 1,535;
 - Native Hawaiians or Pacific Islanders – 1,253;
 - Whites – 75,749;
 - Hispanic Origin – 9,724;
 - Veterans – 10,639;
 - Service-Disabled Veterans – 505;
 - Members of Reserve or National Guard – 1,398
- A national non-profit organization, with a network of more than 10,500 volunteer business counselors in 389 chapters and 800 branches, SCORE serves communities through face-to-face and online counseling, training, mentoring, and low-cost business workshops.

*Median Client Revenue and Median Number of Employees are derived from 2005 figures included in the latest Impact Study of Entrepreneurial Development Resources which focused on impact from 2003-2005.

Three-Year SCORE Funding and Client History

Federal Reporting Period*	Appropriated**	Counseling & Training Clients Served***	Online Counseling Clients Served***	Total Clients Served***
2005	\$5 Million	310,033	93,691	403,724
2006	\$5 Million	241,073	67,637	308,710
2007	\$5 Million	261,328	75,083	336,411

*Reporting periods generally do not coincide with federal funding years.

**Due to budget rescission, received \$4.9 Million in FY 2005-FY 2007.

***Client definitions changed across OED programs between 2005 and 2006 to provide common definitions and uniformity in measurement for OSBDC, OWBO, OBCI, and SBTN. The change resulted in a new baseline for Clients Served figures.

Vera Bradley Designs, (Ft Wayne, IN)

Barbara Baekgaard and Patricia Miller have taken their line of women's luggage, accessories and clothing from trunk sales in their homes to major markets around the globe. With \$500, they developed some prototypes for soft, quilted duffel bags and purses. Their items became the hit of an in-home clothing show, and demand grew. Barbara and Patricia soon found themselves searching for experienced seamstresses, deals on wholesale fabric, and—perhaps most important—sound business advice. The two designing women contacted Ft. Wayne SCORE and found their match in George Cook, who applied his extensive background in corporate finance to help Barbara and Patricia develop a business plan, and establish bookkeeping and an inventory procedure.

In just three years, Vera Bradley Designs topped \$1 million in sales and has enjoyed steady growth ever since. Today, the firm's 75 employees produce more than 800 products from a 25,000-square-foot manufacturing center in Ft. Wayne. The number of buyers has grown from local stores to thousands of retailers throughout the U.S. and overseas. In addition, Vera Bradley products are prominently exhibited at more than 20 industry trade shows each year.

compete

Special Initiatives

SBA Underserved Markets Initiative

As part of the SBA's Strategic Initiative to accelerate delivery of SBA products and services in underserved markets, in 2007 OED established a pilot initiative to drive counseling and training resources into inner-city centers. In October 2007, in partnership with the Initiative for a Competitive Inner-City (ICIC), SBA announced the forthcoming launch of the *SBA Emerging 200*, an initiative that will provide advanced financial and growth strategy support to high-potential, emerging companies in America's inner cities.

The SBA Emerging 200 initiative has a goal to identify 200 inner-city businesses in 11 communities across the country that show a high potential for

MAVERIC Driving Range, (New Jersey)

MAVERIC (Moving American's Veterans into Employment and Residences in the Community) is one of several programs developed by Veterans Industries (VI) to help veterans learn work skills and enable them to once again become part of the community workforce following their service to country.

Despite its noble mission and popularity among area golfers, the MAVERIC golf driving range struggled financially and relied on supplements from VI's limited budget to stay in business. Help arrived when Bill Baldwin—a former business executive, Vietnam-era Navy veteran, and Northwest New Jersey SCORE counselor—applied to become a volunteer at the Lyons Veterans Administration Hospital of the Department of Veterans Affairs New Jersey Health Care System. VI's leaders immediately recognized the potential value of Baldwin's business expertise and asked if he'd be interested in helping their programs—including the MAVERIC range—become more profitable. SCORE counselors immediately began working to identify and correct financial control problems, reduce expenses, and boost revenue.

"We went from a deficit of \$91,000 in 2004 to a projected profit of \$25,000 this year," says Rick Nagle, the MAVERIC business manager and a recovered homeless veteran. *"If SCORE had not come aboard, I do not think we would be where we are today."*

growth—and to provide them the network, resources, and motivation required to build a sustainable business of size and scale within a designated inner-city geographic location. The initiative will enable entrepreneurs from these companies to participate in an intensive and comprehensive curriculum focused on developing winning, local strategies and attracting capital to fuel growth. Participants will also have the opportunity to work with experienced mentors, attend workshops, and develop connections with banks and the private equity community. This element of the overall Underserved Markets Initiative is based on the premise that supporting growth of in-business companies is the most reliable path to sustained job creation in communities that have been experiencing net job loss.

Additionally, through the forging of a co-sponsorship between Operation HOPE, a non-profit, community organization, the SBA District Office in New York, New York SCORE and New York SBDC, SBA provided resources that aided in service delivery at the Operation HOPE Center in Harlem, New York. The consortium now provides small business counselors three days a week to augment the center's other services. Success in both of the underserved market-targeted examples provided here will be measured through increased outreach to new inner-city clients and, ultimately, new business starts and capital infusion.

2007 Public-Private Collaborations

Managing Business Credit

OED saw the need to link entrepreneurs with resources, information and support designed to help small businesses make sound business credit decisions. Managing business credit is an essential, but often overlooked component of a business lifecycle. Through a co-sponsorship with Dunn and Bradstreet, SBA provided small businesses via nationwide live webcast with the opportunity to receive practical assistance on why business credit matters and how to manage this important asset.

Developing Small Business Software Strategies

In today's digital economy, commercial software is indispensable to small businesses. Through a co-sponsorship with the Business Software Alliance (BSA), small businesses have the opportunity to learn through live Webinars and publications about strategies to manage software licenses and to protect their businesses from piracy online or in the workplace.

National Technology Leadership Summit

The inaugural National Technology Leadership Summit took place in 2007 at the National Press Club in Washington, DC to showcase leading economic development technology applications. The event was designed to educate, inspire and influence SBA resource partners in addition to reflecting the continued use of technology to serve entrepreneurs throughout SBA's resource network. Event co-sponsors included the U.S. Small Business Administration, Association of Women's Business Centers, SCORE "Counselors to America's Small Business", Association of Small Business Development Centers, and IBM. Several expert panel sessions were convened to highlight best practices. Panelists included representatives from the following organizations: Oregon SBDC, SCORE, SBA's SBTN, Ohio SBDC, South Carolina SBDC, SBDC Net, WBC of Coastal Enterprises Inc., Kutztown SBDC, Business Gateway, Kauffman Foundation and the James J. Hill Library. Post-summit responses from participants and panelists reflected the event's success in sharing new technologies, building potential alliances and advancing best practices throughout the partner network.



innovate



Small Business Training Network (SBTN)

A virtual toolkit, available wherever and whenever entrepreneurs conduct business

Program Overview

Originally launched in 2000 as the “Small Business Classroom”, SBA’s Small Business Training Network (SBTN) has grown into a customer-centric, online delivery channel that is transforming the way in which the agency connects with its primary stakeholder: American small business. With roots in SBA’s Office of Entrepreneurial Development (OED) as a web-based E-Government initiative to serve more clients, more efficiently, SBTN has helped the agency to grow its client base by expanding its electronic dimension. In FY 07 alone, SBTN served 232,209 people—this represents more than 28% of all clients served by the entire OED network during the same time period.

SBTN operates like an electronic umbrella under which many SBA and agency resource training programs are captured, aggregated, sorted by content, and

made available in multiple formats. The 23 free, self-paced online classes are offered by SBTN directly to small business clients. SBA’s resource partners and district offices also utilize them as training tools.

In August 2007, SBTN took an important step to improve its service by rolling out online assessment tools that channel clients to appropriate courses. SBTN eliminated much of the guesswork by enabling clients to better evaluate their training needs and implementing a process that automatically links those needs with the proper training solutions.

Even over its relatively short lifespan, SBTN provides an excellent return on the investment the SBA has made into the program and has continually improved by adapting to shifting client needs. As an example, client registrations for each course are analyzed on a weekly basis. Accordingly, courses are added and modified, based on client demand. Looking ahead, this flexibility and responsiveness will remain invaluable as online training through SBTN will continue to represent an important growth dimension for SBA.

SBTN 2007 Accomplishments

- After being launched and during a three month period in 2007, more than 50,000 SBA clients completed online, interactive assessment tools that evaluated training needs and directed clients to appropriate SBTN classes.
- SBTN developed a customized online course to help prospective 8(a) Business Development clients understand the program and prepare them for the application process. The course is titled “INSIGHT: Guide to the 8(a) Business Development Program.”
- SBTN, in collaboration with SBA’s Office of Disaster Assistance, developed a customized online course to help disaster victims understand the agency’s disaster programs.
- SBA’s online courses were listed among 15 best products for small businesses in the June 2007 edition of *PC World*.

SBTN at a Glance

- Offers 23 available free online courses covering a variety of business topics to meet specific small business needs.
- More than 232,000 SBA customers registered for SBTN online courses in FY 2007.
- Clients from all over the world are taking SBA's online classes, through SBTN.
- SBTN consistently receives high customer evaluation marks on individual course evaluations and customer web surveys.
- Assessment tools for business readiness and 8(a) program eligibility were introduced in August 2007. In three months, more than 50,000 clients used the online, interactive tools.

"We know small businesses are not run by the clock. That's why we created the online Small Business Training Network available 24/7, wherever and whenever the entrepreneur needs the information"

— Anoop Prakash



strategic



Focus on Customer Service: A Qualitative Assessment

OED contracted with Ambit Group, LLC in Reston, VA to qualitatively assess customer service at a sampling of WBCs and SBDCs throughout the U.S. Utilizing tactics similar to those used by “mystery shopper” programs within the retail industry, the contractor developed and executed on a methodology that enabled the consultants to consistently capture information about various aspects of customer service.

Summary of Findings

- Customer service at six WBCs and twelve SBDCs was evaluated through the following methods of assessment: In-Person visits; Phone inquiries; and Website/email inquiries.
- Of the 54 individual assessments (18 centers x 3 assessments each), the distribution of “grades” is as follows: 36 A’s (Outstanding); 7 B’s/C’s (Passing); and 11 F’s (Failing)
- While this study’s objective was to provide a wholly qualitative assessment, the following quantitative snapshot has been included to accentuate the clearest trend in customer service provided via In-Person vs. Phone vs. Web inquiry. Overall, in-person visits consistently elicited the most positive customer service (94.4% A’s/Outstanding). Phone inquiries (88.8% A’s/Outstanding) yielded far better customer service and responsiveness than did Web-based and/or email inquiries (16.6% A’s Outstanding).
- SBDCs consistently directed visitors to Web-based assessment tools as the starting point for extended engagement. Accordingly, SBDCs fared better on the Web-related grading than WBCs.
- Both SBDCs and WBCs demonstrated shortcomings in their responses to Web-based contacts; in some cases, for example, e-mail inquiries did not receive a response.
- The uniform nature and consistently good quality of customer service received at all centers visited was impressive. This could very well be an indication of effective accreditation standards.
- Signage could be better at some of these sites. As an example, the in-person assess-

ment of the College of Canyons SBDC was nearly abandoned because of difficulty in locating the center.

- Parking is an issue at some of the sites. Difficulty with parking at inner city sites such as Chicago, for example, is no different than what is experienced in any large city. Other examples include: Fairfax SBDC where parking was complicated because on-site lot is restricted to authorized vehicles only; all three downtown Chicago sites required fees; and the Sherman Oaks/Van Nuys WBC made available only metered parking on the streets.

Methodology

Scenarios or “scripts” were developed to ensure consistency in the information that was sought during assessments of each of the centers—one for in-person visits to SBDCs and WBCs, and another for phone/Web inquiries. Also, to ensure consistency and to allow for comparison between WBCs and SBDCs on each of the items to be assessed, separate WBC-specific and SBDC-specific capture templates were developed for in-person visits, and for phone/Web inquiry assessments.

For each visit and phone/Web assessment, the contracted consultant qualitatively assessed and tracked the WBC’s and SBDC’s ability to perform the services laid out in those programs’ respective program announcements. Additionally, the consultant took note of the broader customer service they received from each center with regards to accessibility, availability of information, and general willingness to help. Entry of “raw” information into the designated templates was made immediately following each individual assessment. Analysis of the individual and compiled templates served as the foundation for the findings included in this report.

Report Card

The following criteria were used by the contracted consultant to subjectively administer grades to each of the centers that were assessed.

<i>In-Person Assessments</i>	
Outstanding	
A+/-	Consultant was able to answer “Yes” to most or all questions on the template; the experience was positive; the center was easy to find.
Passing	
B+/-	Consultant was able to answer “Yes” to most questions on the template, the experience was generally positive; the center was reasonably easy to find.
C+/-	Consultant was able to answer “Yes” to some of the questions on the template; the experience as fairly positive; the center was somewhat difficult to find.
Failing	
D+/-	Consultant was able to answer “Yes” to very few questions on the template; the experience was fairly negative; the center was difficult to find.
F+/-	Consultant was able to answer “Yes” to few (if any) questions on the template; the experience was negative; the center was difficult to find.
<i>Phone and Web Assessments</i>	
Outstanding	
A+/-	Center was responsive and thoughtful in their response; consultant was able to answer “Yes” to all questions on template; Contact information was easy to locate.
Passing	
B+/-	Center was responsive and thoughtful in their response; consultant was able to answer “Yes” to most questions on template; Contact information was reasonably easy to locate.
C+/-	Center was fairly responsive in their response; consultant was able to answer “Yes” to some of the questions on template; Contact information was somewhat difficult to locate.
Failing	
D+/-	Center was not very responsive in their response; consultant was able to answer “Yes” to very few questions on template; Contact information was difficult to locate.
F+/-	Center was not responsive.

WBCs

The targeted WBCs were identified to represent a suitable blend of geography, size, and population served. With consideration for time and cost constraints, six WBCs were chosen in three broad geographical regions—West, Midwest, and Mid-Atlantic—to comprise the sample of WBCs that was assessed:

Location	In-Person	Phone	Web	Commentary
WBC NOVA (Springfield, VA)	A (Outstanding)	A- (Outstanding)	A (Outstanding)	This center provided a very positive overall experience. The onsite staff proved to be very knowledgeable and very capably walked the customer through the steps of “getting started.” Phone and Web inquiries received prompt response, even during the holidays. The Website was extensive but contact information proved difficult to find and required registration upon locating — perhaps the only observed weakness in three-pronged assessment of this center.
Women Entrepreneurs of Baltimore, Inc. (Baltimore, MD)	A (Outstanding)	A- (Outstanding)	F (Failing)	The onsite service was receptive and knowledgeable, providing an overall positive experience. Customer service over the phone was also gracious and enthusiastic, but response to email inquiries was non-existent. The contact info on the Web was difficult to navigate and separate emails sent to two listed addresses yielded no response.
Community First Fund (Lancaster, PA)	A (Outstanding)	A (Outstanding)	F (Failing)	Knowledge and the service’s willingness to share information (both conversationally and in the form of printed materials) made for an overall positive visit to this center. Customer service over the phone was equally positive — the phone menu channels the caller to a real person! Further, a call back and in-person appointment were both warmly offered. On the completely opposite end of the spectrum, this center’s Web presence and response to email inquiry is viewed as entirely negative. The Website contained no contact information and an inquiry to the Pennsylvania WBC, asking for direction, yielded no response.
Women’s Business Partner Institute for Women Entrepreneurs (IWE) Rancho Santiago (Santa Ana, CA)	A (Outstanding)	A (Outstanding)	F (Failing)	Onsite customer service was very positive and, beyond provision of general knowledge and information, the staff indicated that the center could assist with the development of a Website once needs were assessed. They also indicated that a lawyer could be provided to ensure that all legal needs were met — these were viewed as impressive and unique components of service. Customer service over the phone was also very strong and the and encouraged an onsite follow-up visit as the best starting point for a sustained working relationship. This center’s Website directed would-be email inquirers to submit contact information — or to actively register for an event — but email inquiries yielded no response.
Valley Economic Development Center (Van Nuys, CA)	A (Outstanding)	A- (Outstanding)	F (Failing)	This center boasted an impressive library and the counselor was prepared to schedule one-on-one counseling and enroll the customer in a half-day workshop. Phone service assumed a lot (e.g. about Web resources) and did not ask much about type of business or planned move, but they called back — long distance — on a Friday afternoon and that should be noted as positive. Two email inquiries, however, yielded no response by way of error message (i.e. the listed contact information appears to be invalid).
Women’s Business Development Center (Chicago, IL)	A (Outstanding)	F (Failing)	F (Failing)	The reception and knowledge provided at this center was very positive overall. The onsite staff provided a number of pertinent Websites, including one with an on-line assessment tool that could serve to “base-line” specific needs. The phone service, however, was unforgiving and is viewed as negative overall. An automated system with extensive phone menus kicked out calls that did not input within 20 seconds — and no call back or other response was ever made. As well, this center gave no response to email inquiry.

experience

SBDCs – Lead Centers

The targeted SBDCs were identified to represent a suitable blend of geography, size, and population served. With consideration for time and cost constraints, four lead centers were chosen in three broad regions—West, Midwest, and Mid-Atlantic—to comprise the sample of SBDCs that was assessed.

Location	In-Person	Phone	Web	Commentary
Los Angeles Region SBDC (Lakewood, CA)	A (Outstanding)	A- (Outstanding)	F (Failing)	The onsite environment was both friendly and professional. A comprehensive array of materials—some of it accessible in the center’s extensive library—was readily available. Assistance with establishing a new business’s Website and other associated marketing was offered. Anecdotally, the onsite staff indicated that equally high-quality service could be offered at any SBDC when it was discovered that an alternate center might be nearer to the assessor’s home. Service over the phone was generally positive and a follow-up visit was encouraged. No responses were provided to email inquiry.
Capital Region SBDC (University of Maryland; College Park, MD)	A (Outstanding)	B+/A- (Passing)	C+ (Passing)	Customer service was very good overall. The staff directed the customer to an assessment tool on the center’s Website (address provided) and then thoroughly walked through available services, classes, etc. It was explained in detail how their on-line assessment tool is the key access point whereby they make a very specific determination about a candidate’s needs and then arrange an initial counseling session to address those needs and lay out an overall plan. (NOTE: A course was being held the evening of the assessment and I was told that they would “fit me in” if I was interested—this was viewed as very positive from a customer service standpoint). Service over the phone was fair—the approach was business-like and helpful but hurried. As for Web presence/email responsiveness, an automated message was generated to indicate that the center was closed during the holidays. To follow-up, an apparent e-form letter, with phone & email contacts—but no name—was provided with an encouragement to register for classes.
Virginia SBDC (George Mason University; Fairfax, VA)	A (Outstanding)	A (Outstanding)	B+ (Passing)	A warm, positive onsite reception was given. An impressive library was noted and, again, onsite staff directed the starting point of the process to an online needs assessment tool. Caller was directed to a local office, where the phone service was helpful, friendly, and informative. Call backs were welcomed. Web service provided a personal response directing further inquiries to 5 local SBDC offices—this was viewed as a polite way of telling the inquirer to talk to somebody else.
Illinois SBDC (Lincoln Land Community College; Springfield, IL)	A (Outstanding)	A (Outstanding)	B (Passing)	Online diagnostics were again discussed at length as the foundation for an extended working relationship with this center. Reception was warm and an array of information was provided. Customer service over the phone was also very positive—the demeanor was business-like but friendly and directions to the site were even offered. Email inquiry prompted helpful, if short, response.



SBDCs – Sub-Centers

The targeted SBDCs were identified to represent a suitable blend of geography, size, and population served. With consideration for time and cost constraints, eight sub-centers were chosen in three broad regions—West, Midwest, and Mid-Atlantic—to comprise the sample of SBDCs that was assessed for this project.

Location	In-Person	Phone	Web	Commentary
College of the Canyons Economic Development Division (Santa Clarita, CA)	B+ (Passing)	A (Outstanding)	B+/A- (Passing)	Onsite reception was very warm, despite the fact that the staff was engaged in an internal strategic planning session. The onsite counselor still took time to walk through available courses and services, and made sure adequate information was provided. She further recommended a counseling session upon completion of the Web-based needs assessment. The biggest drawback of this center was that it was very difficult to find. Level of customer service over the phone was, incidentally, also affected by ongoing strategic planning session but reception was nonetheless warm and informative. Initial response to email inquiry did not directly address questions that were asked but the follow-up was sound.
El Camino College Business Training Center (Hawthorne, CA)	A (Outstanding)	A (Outstanding)	A (Outstanding)	A cordial greeting was provided by the onsite coordinator. She was very knowledgeable about the SDVOSB Set-Aside as well as how to access opportunities in federal government contracting and explained how individual counseling could be offered upon completion of the online needs assessment. She gave a tour of the center and pointed out an on-going workshop that was very well attended (probably 10-12 people)—the observed attendance, along with the coordinator's willingness to personally show the assessor around, speak well of this center's commitment to customer service. Customer service over the phone was well-informed and prompt. As well, response to email was viewed as positive. Responder sent helpful email, offering to sign-up inquirer for counseling and invited call.
Santa Monica College SBDC (Santa Monica, CA)	A+ (Outstanding)	A (Outstanding)	F (Failing)	Considered one of the best centers visited during this assessment, customer service onsite at the Santa Monica SBDC was exceptional. The atmosphere was positive throughout the building and the coordinator and director were willing to engage in fruitful conversation. Other customers at the center on the same day were observed to be visibly excited at the service they were receiving. Phone service was no less impressive—receiving staff had a very pleasant phone manner and served as a good “saleswoman” for the center and for the region. Grading of Web/email service, however, suffers due to no response. Website insists submission of inquiries via contact form, which appears to put one's name on a mailing list. Assessor received auto-acknowledgment and notice that office will respond in 5 business days but no follow-up had been received as of the time of this report.
SBDC of the Blue Ridge Community and Technical College (Martinsburg, WV)	A (Outstanding)	A- (Outstanding)	C (Passing)	Comprehensive brochures and literature were provided onsite in addition to the conduct of a very efficient interview. Phone service was good and business-like. Email response attempted to personally but briefly answer some of the questions asked but the response appeared to assume familiarity with the website and center, and did not invite follow-up.
Lord Fairfax SBDC @ Culpeper (Culpeper, VA)	A (Outstanding)	A (Outstanding)	F (Failing)	Onsite service at this center was notably warm and friendly. Completion of the online needs assessment was once again cited as the optimal starting point for extended engagement. Phone service was friendly and informative with the receptionist inviting a visit, providing contact information, and mailing initial start-up package of materials usually given at intake meeting. Some delay in response was due to the fact that the representative splits time between centers during the week. Poor Website design, however, affected service on that front. Even after locating the supposedly correct contact email address, no response was provided to email inquiry.
Western Maryland SBDC— Washington County Office (Hagerstown, MD)	A (Outstanding)	A- (Outstanding)	F (Failing)	Cordial response was provided by notably knowledgeable onsite staff at this center. The counselor called out appropriate, upcoming classes and provided printed materials associated with these classes. She described the center's Website and instructed about “tools” that could be leveraged in the start-up process. She listed a series of steps that should be taken with an indication to call her to set up an appointment with a counselor who would assist with the creation of a business plan. Phone service was business-like but friendly (though perhaps assumed too much that caller was knowledgeable of the center's Website). The Website, incidentally, proved hard to reach and provided no general email address. Inquiries were steered to online contact form which yielded an error message upon completion.

(Chart continued on next page)

SBDCs – Sub-Centers Chart *(continued)*

Location	In-Person	Phone	Web	Commentary
Illinois SBDC @ Hull House (Chicago, IL)	A (Outstanding)	A (Outstanding)	A (Outstanding)	A visit to this site was met with cordial and professional customer service. The staff seemed knowledgeable and proved to be helpful in providing relevant information. Over the phone, the staff's very helpful attitude came clearly across and they were very conscientious about providing information — even recognizing that the information being over the phone was similar to an email request they had received earlier. Response to Web inquiry was equally positive. The center's email showed effort to respond to questions in an original note, and provided contact info.
Illinois SBDC @ Greater Northern Chicago Development Corp. (Chicago, IL)	A (Outstanding)	A- (Outstanding)	F (Failing)	On the whole, customer service onsite was satisfactory and administered by a knowledgeable staff. During the phone assessment, it seemed as though a manager and not a customer service rep was fielding the call (i.e. someone who was knowledgeable but not necessarily customer-focused). Email inquiries drew no response, despite sending to both addresses listed on the Website. To be fair, an automated "We are on vacation" response was given but no follow-up attempts were ever made by the center.

Recommendations

- OED should work with SBDCs and WBCs to underscore the value of Web and e-mail inquiries and ensure that prompt and appropriate response is given in the future.
- Some of the sites could gain advantage from investing in better signage (noting, however, that there may be an issue with gaining permission from the landlord or building owners).
- Improved parking would undoubtedly enhance accessibility for several of the centers, especially those located within major cities.



aspire



Future Challenges and Opportunities for Continuous Improvement

The portfolio of programs in OED operate under a series of statutory and administrative requirements, largely found in the Small Business Act and the grants management and oversight guidelines of the U.S. Office of Management & Budget. In addition, the programs have been the subject of recent Inspector General and Government Accountability Office audits, each providing their own set of observations and recommendations. While SBA and OED leadership have implemented a number of positive changes in 2007, we also recognize there are several areas that will require our attention as we pursue continuous improvement across the portfolio. In this section we have attempted to outline both legislative and operational challenges which limit program growth, as well as opportunities to further leverage the programs, all of which we hope to make progress against in the coming fiscal year.

Challenges and Opportunities for Policymakers

1. *Leverage established OED program network to deliver business-related information and services efficiently.* As Federal, State, and Local agencies and Congressional committees continue to expand or re-orient marketing, education and outreach programs for American small business owners, we believe the established OED portfolio of programs provides a supportive delivery channel through a network already well-established across the country. Duplicative investments or grants to new regional or state networks may be an inefficient use of taxpayer dollars, as often a disproportionate share of funds is spent on establishing infrastructure and staff, rather than programming. It is also important for OED to continue to help the resource partner networks differentiate their products and services as well as increase coordination to prevent duplication.
2. *Allow the assignment and collection of unique client IDs to improve reporting integrity across OED network while continuing to maintain intended privacy protection.* Annually, OED resource partners convene to assess and establish client definitions – the set of standards by which a center registers a client and can count them as having

been counseled or trained. While the network-wide use of common client definitions have greatly improved data integrity and uniformity, one major gap continues to persist. Because actual individual or company names are not provided to SBA or any central body due to provisions in the law requiring centers to hold this data for privacy purposes, we can only report the total number of counseling and training interactions or hours, and not actual individual clients. For example, an individual who visits a resource partner, and then takes two training courses, and receives a counseling session, would be counted as “three clients served.” To improve performance measurement in OED programs, SBA will be proposing legislative changes to allow OED to establish a client ID system. Under this proposal, SBA will ensure the protection of individual and company names while allowing for a more accurate view of the number of unique businesses accessing the network. Similar processes have been used for years by law enforcement agencies to protect privacy in intra-state information sharing.

3. *Ensure alignment between program economic development mission and the mission focus of host institution.* The SBDC program was created initially with the idea to team the country’s land grant educational institutions with industry, thus providing a level of assistance to entrepreneurs that had formerly only been available to farm owners through the Department of Agriculture’s Extension Program. While entrepreneurship programs are increasingly being established by many colleges and universities, others do not view small business as a key strategic area for their institution. This has been a frequent reason given by higher education hosts who have recently left the SBDC program. As a result, SBA has proposed legislative changes to expand program host eligibility to a wider array of economic development organizations. SBA believes this will increase the level of competition for new host opportunities and potentially bring into the

SBDC program a new cadre of experienced economic development hosts and professionals.

Challenges and Opportunities for SBA and Resource Partner Leaders

1. *Improving center capacity to deliver counseling and training on technology-based business planning and execution.* The economy depends on small business innovation for continued organic growth. Entrepreneurs drive the creation of new technologies and product innovation, and do so in increasingly complex fields (e.g., clean energy, medical devices, software). The SBDC has begun an earnest investment in this area by establishing a “technology” accreditation (see OSBDC section discussion of SBTDCs). However, less than 15% of all SBDCs possess the capacities and capabilities to deliver this kind of counseling. It is unclear as to how many WBCs or SCORE chapters are also qualified in this area. OED acknowledges that more capacity is needed in this critical area to ensure on-going support of the country’s strategic economic development needs.
2. *Embracing Web-based client interaction across the network.* Business information, training and counseling are increasingly being delivered through online and mobile networks that are non-linear, on-demand and entirely self-scheduled. In this new environment, the customer, not the SBA, will decide what content is consumed, when and how. In addition, the capabilities of the Internet promise to transform agency operational tasks and processes. It will also help leverage SBDC, SCORE, WBC and SBTN resources for the ultimate betterment of small firms around the country. A network-wide strategy is essential to ensure efficient investment.



3. *Establishing clear and practical roles and responsibilities between OED and our District Office partners.* SBA District Offices play a complementary role with OED program office staff in the fiscal and program compliance oversight of centers around the country. However, recent GAO and National SBDC Advisory Board reports along with discussions with OED resource partner leadership identified several factors that challenge the reliability and effectiveness of the system currently in place. These factors include: competing priorities at the District Office level to support all SBA programs and confusion of roles and responsibilities for OED staff and District staff. OED has undertaken, in partnership with District Office leadership, an effort to identify and implement alternative solutions.
4. *Developing a national standard for counselor certification.* Extensive, free and confidential business advising is the hallmark of OED programs. Understanding and addressing the often complex business situations facing clients requires a high degree of skill on the part of the counselor. While we are able to measure and monitor overall performance and efficiency of each center (see Measures of Effectiveness earlier in this report) ensuring consistency of individual counseling capability and quality is a challenge. Several individual SBDC programs and SCORE have developed and implemented various forms of counselor certification and professional standards. As well, the Association of SBDCs, the Association of WBCs, and SCORE invest in significant professional development at their annual conferences. However, a national network-wide standard would help ensure clients are able to receive business consulting support from counselors having a core or minimal set of knowledge, skills and abilities, relevant to the changing business environment. Developing such a standard will reduce the variability in the quality of services delivered. OED will work collaboratively the ASBDC, AWBC and SCORE, to further develop this concept.
5. *Achieving an agreed upon baseline set of performance and efficiency metrics for all OED portfolio and SBA technical assistance programs.* This past year we established a baseline year for a set of new metrics for the SBDC program. Each metric was selected for its direct relevance and propensity to impact sustained economic development results (e.g., new business starts, extended engagement with clients, and capital infusion). As we test the validity and capture of these metrics again in FY 2008, we hope to further refine and standardize a set of baseline metrics across the OED portfolio.



Appendix

Succeed

OED Milestones

- 1964 SCORE Program launched
- 1973 Office of Management Assistance created
- 1974 Small Business Institute Program launched
- 1977 SBDC Pilot Program launched with 8 locations
- 1979 Office of Women's Business Ownership created
- 1980 SBDC Program authorized as Section 21 of the Small Business Act
- 1988 Women's Business Ownership Act of 1988 passed by Congress
- 1996 Office of Management Assistance renamed Office of Entrepreneurial Development
- 2000 Small Business Training Network launched
- 2001 Office of Business and Community Initiatives created

SBDC Milestones

- 1976 University Business Development Center pilot program began (became the Small Business Development Center Program)
- 1979 Association of Small Business Development Center (ASBDC) was created
- 1980 SBDC program authorized, Section 21 of the Small Business Act (P.L. 96-302)
- 1982 SBA SBDC National Advisory Board established
- 1994 S. 2060 signed into law which required biennial programmatic and financial examinations
- 2001 Baldrige-based accreditation review program began

OWBO Milestones

- 1979 OWBO and Interagency Committee on Women's Business Enterprise established
- 1988 Women's Business Demonstration Pilot established
- 1991 Program reauthorized for an additional four years through FY 1995
- 1994 Authorization for program funding extended through FY 1997
- 2002 More than 100 centers open nationally; more than 100,000 clients served
- 2007 WBC program authorized to continue on an ongoing basis, and to allow previously funded and existing WBCs to apply for three-year grants on an ongoing basis

OBCI Milestones

- 1964 SBA launches SCORE as a national volunteer group with 2,000 members, uniting independent efforts into a national force.
- 1997 SCORE launches cyber counseling and the national SCORE Small Business Web Site
- 2001 SCORE counselors donate more than 1 million hours of expertise to small businesses
- 2004 SCORE receives an Award of Excellence from the American Society of Association Executives for the positive impact SCORE counseling has on American society
- 2007 OBCI launches OED Underserved Markets initiative; SCORE.org launches 29 online training workshops

SBTN Milestones

- 2001 SBA introduces the Small Business Classroom as an online training environment. Links to online training courses & business information are offered.
- 2002 Small Business Classroom evolves to the E-Business Institute. Co-sponsored classes offered.
- 2004 E-Business Institute re-configured and name changed to the Small Business Training Network (SBTN). Online courses from resource partners are introduced.
- 2004 SBTN features new SBA developed online classes and a new client registration process. FY 2005 ended with 310,787 small business clients registering for SBTN courses.
- 2006 FY ending results showed that 315,154 small business clients registered for SBTN courses.
- 2007 SBTN introduces the online client readiness assessment tool. Within three months, more than 50,000 clients complete the interactive Web application. (Note: as of this writing, six months after being launched, the readiness assessment tool has been used by over 140,000 clients).

Budget Tables

Entrepreneurial Development Funding Summary

(Dollars in Thousands)

Programs

Grant Appropriations	FY '07 Actual
SBDC	\$88,973
SCORE	\$4,936
WBC	\$12,340

Operating Budget

Programs	FY '07 Actual
OED (Includes SBTN)	\$1,366

Source: U.S. Small Business Administration, *Fiscal Year 2007 Annual Performance Report*.

Note of Appreciation

The Office of Entrepreneurial Development appreciates the outstanding and sustained cooperation and assistance of our resource partner network and its leadership:

- Association of Small Business Development Centers (www.asbdc-us.org)
 - Association of Women's Business Centers (www.awbc.biz)
 - SCORE (www.score.org)
-

For their contributions to the FY 2007 Annual Report, OED would also like to thank:

Our colleagues in the Office of the Administrator, Office of Communications and Public Liaison, Office of Field Operations, Office of General Counsel, Office of Policy and Strategic Planning, Office of Congressional and Legislative Affairs, and Office of the Chief Financial Officer;

Members of the National SBDC Advisory Board for their insights and counsel;

The Executive Director of the National Women's Business Council for her support;

We also recognize our private sector partners for their interest and support, and the contributions of hardworking and dedicated SBA staff nationwide who each day contribute to America's small business success.

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Web: <http://www.sba.gov/aboutsba/sbaprograms/ed/index.html>

Office of Business and Community Initiatives: <http://www.sba.gov/aboutsba/sbaprograms/obci/index.html>

Office of Small Business Development Centers: <http://www.sba.gov/aboutsba/sbaprograms/sbdc/index.html>

Office of Women's Business Ownership: <http://www.sba.gov/aboutsba/sbaprograms/onlinewbc/index.html>

Small Business Training Network: <http://www.sba.gov/services/training>



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