

Cross Agency Priority Goal: Entrepreneurship and Small Business

FY2012 Q4 Status Update

Cross Agency Priority Goal Statement

Increase Federal services to entrepreneurs and small businesses with an emphasis on 1) startups and growing firms and 2) underserved markets.

Goal Leaders

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About this document

The Cross-Agency Priority (CAP) Goals were a key innovation introduced in the FY2013 Federal Budget. These goals focus on 14 major issues that run across several Federal agencies. Each of these historic goals has a Goal Leader who is a senior level White House official and is fully accountable for the success and outcomes of the goal.

Historically, areas of shared responsibility for multiple government agencies have been resistant to real progress. Success in these areas requires a new kind of management approach – one that brings people together from across and outside the Federal Government to coordinate their work and combine their skills, insights, and resources. The CAP Goals represent Presidential priorities for which this approach is likeliest to bear fruit.

This report discusses one of these CAP Goals, the Entrepreneurship and Small Business Goal, in detail, describing the plan for achieving the goal and the current status of progress. To see the full list of CAP Goals and to find out more about them, we encourage you to visit performance.gov.

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I. Introduction

“[What] we want to do is to make sure that every single agency, even as they’re tending to their energy initiatives or providing homeland security or transportation or defense, that we’re also thinking about how are we’re advancing the cause of giving small businesses and entrepreneurs opportunities to start creating the next Google or the next Apple or the next innovative company that’s going to create jobs and improve our economy.”

--President Barack Obama, Cabinet meeting, January 31, 2012

Entrepreneurs and small businesses are the engines of American innovation and our economic success, and President Obama is committed to helping them grow and prosper. Our nation’s small businesses employ over 60 million Americans, or half of the private sector workforce, and account for roughly 60 percent of gross job creation. Moreover, expanding enterprises less than 5 years old have been responsible for nearly all net job creation in the United States during the last 30 years, with a relatively small number of rapidly growing companies generating an outsized share of new jobs – in every industry and across the country.

Two of America's greatest assets are the economic dynamism of our small businesses and the diversity of our entrepreneurs. To maximize our competitive advantage as a nation, we must ensure that, with hard work, American entrepreneurs have the opportunity to find the capital, training, and market access they need to start and grow their businesses. This vision of inclusive entrepreneurship is at the core of the President's plan to create an economy built to last.

Across the Federal government, a range of diverse programs already serve the needs of startups and small businesses. The [White House Startup America initiative](#) focuses on accelerating high-growth entrepreneurship throughout the Nation, and the White House report [Moving America's Small Businesses and Entrepreneurs Forward](#) describes the Administration's full spectrum of efforts to promote small business success. Through the Cross Agency Priority Goal, the Administration will work to better coordinate, streamline, and evaluate existing programs, as well as catalyze new efforts to improve support to our entrepreneurs and innovators.

The action plan described below will better serve all of America's small businesses and emphasize those measures that enable a greater diversity of entrepreneurs to start and grow companies faster. For example, many innovative small firms with high growth potential can benefit from faster commercialization of federally funded research or more streamlined Federal procurement. At the same time, Federal agencies will measure their effectiveness in making these and other opportunities available to underrepresented entrepreneurs.

America's entrepreneurial spirit is a beacon of opportunity and prosperity. Last year, entrepreneurs in the United States were more optimistic about their job creation prospects than in any other advanced economy, with entrepreneurial activity on the rise across the country. By focusing on a government-wide strategy to improve services for these job-creating firms, the Administration will help widen America's lead as the most entrepreneurial and competitive country in the world.

II. Strategy Overview

On May 11, 2012, agencies from across the Federal government convened to review their individual efforts and initiate a strategic planning process for a first-of-its-kind, integrated, government-wide approach to achieving this Cross Agency Priority Goal. The strategic plan establishes 10 objectives grouped under four focus areas and builds upon existing interagency working groups in order to decrease redundancy and simplify goal achievement. Over time, this plan will include additional clearly defined deliverables and targets under each objective.

Objectives

1. Reduce barriers and streamline access to information and services

- Improve access to government services and information

- Reduce small business regulatory burdens
- Streamline immigration pathways for immigrant entrepreneurs

2. Accelerate access to markets

- Accelerate commercialization of Federal lab research
- Accelerate commercialization of Federal research grants
- Accelerate commercialization of federally funded university research
- Advance Federal small business procurement goals
- Increase Federal procurement by new innovative firms

3. Increase access to capital

4. Expand access to quality training and mentoring

Agency Leads of each working group are responsible for reporting directly to the Goal Leaders regarding progress toward specific objectives, including reporting metrics, interagency collaboration, and any changes in strategy.

For a goal with this many diverse elements, no performance measure can be one-size-fits-all. In pursuing the milestones and metrics described in detail below, each interagency group will continually assess the most effective ways to benchmark progress, with an emphasis on measuring impact, customer satisfaction, and the diffusion of best practices.

III. Reduce Barriers and Streamline Access to Information and Services

A. Improve access to government services and information

Too often, interactions with the government can be burdensome and frustrating. From seeking out financing opportunities to learning about the latest regulations affecting them, hard-working businesses can spend too much time navigating the Federal bureaucracy.

On October 28, 2011, the President issued a challenge to government agencies to think beyond their organizational boundaries in the best interest of serving America's business community, and start thinking and acting more like the businesses they serve. He directed the creation of [BusinessUSA](#), a centralized "one-stop shop" to make it easier than ever for businesses to understand and access services to help them grow, hire, and compete globally.

BusinessUSA implements a "no wrong door" approach for small businesses and exporters by using technology to quickly connect businesses to the services and information relevant to them, regardless of where the information is located or which agency's website or office they go to for help. Looking forward, Federal agencies will continue to add user-friendly information to BusinessUSA to encompass the full range of Federal programs and services, in order to further

reduce the confusing array of websites that exist today. To ensure that it is oriented toward the needs of the customer, BusinessUSA will be designed, tested, and built with the active feedback of U.S. businesses.

The BusinessUSA interagency effort requires coordination among agencies across the Federal government, including but not limited to United States Departments of Agriculture, Commerce, Labor, and Treasury, and the Veterans Administration, Environmental Protection Agency, Equal Employment Opportunity Commission, Export-Import Bank, General Services Administration, Overseas Private Investment Corporation, Small Business Administration, and U.S. Trade and Development Agency.

Completed Milestones:

- Q1 FY12 - Presidential Memorandum directing the development and implementation of a 90-day solution for BusinessUSA; established BusinessUSA Steering Committee (comprising 10 Federal agencies)
- Q2 FY12 - BusinessUSA Program Management Office established
- Q3 FY12 - High-level strategic plan developed for long-term technology development and customer service enhancements
- Q4 FY12 - Contact center (via 1-800-FED-INFO) initiated

Upcoming Milestones:

- Q1 FY13 - Website update to incorporate feedback from business customers and to add new features and tools

Key Metrics:

- Contact Center – Customer satisfaction each quarter; 90% approval rating or better
- Website – Number of unique visitors with quarter over quarter increase, from 114,000 in Q1 FY13 to 151,800 in Q4 FY13
- Website – Customer satisfaction each quarter – “customer ability to complete purpose”; 70% approval rating or better
- Website – Customer satisfaction per quarter – “customer experience”; 70% approval rating or better
- Website – Number of referrals to other Federal sites with quarter over quarter increase, from 15,700 in Q1FY13 to 21,000 in Q4FY13
- Content – Number of participating Federal agencies providing content, with at least 24 total by the end of FY13
- Links – Number of participating Federal agencies with a widget, button, or link to business.usa.gov, with at least 24 total by the end of FY13
- APIs – Number of participating agencies with an Application Processing Interface (API) that allows electronic consumption of content on business.usa.gov, with at least five total by the end of FY13

B. Reduce small business regulatory burdens

In January 2011, President Obama outlined his [plan to create a 21st-century regulatory system](#) – one that protects public health and welfare while promoting economic growth, innovation, competitiveness, and job creation. Among other things, his [Executive Order 13563 on Improving Regulation and Regulatory Review](#) called for agencies to adopt regulations only if the benefits justify the costs; to choose the least burdensome alternative; to expand opportunities for public participation and public comment; to reduce costs by coordinating and harmonizing rules; to adopt flexible, burden-reducing approaches to regulation; and to ensure that regulations are driven by real science.

Executive Order 13563 also called for an unprecedented government-wide review of regulations already on the books (regulatory “lookback”). As a result of that review, more than two dozen executive agencies identified initiatives to reduce burdens and save money, with over 500 reform initiatives. The [final plans](#) reflect feedback the Administration received from industries, small businesses, and individuals from around the country – and the rules will [save U.S. businesses and the American public billions of dollars in regulatory burdens](#).

In May 2012, the President institutionalized this regulatory lookback with an historic Executive Order requiring Federal agencies to continue to scrutinize rules on the books to see if they really make sense. This [Executive Order on Identifying and Reducing Regulatory Burdens](#) takes three new steps:

1. To promote accountability, the Order requires agencies to report to the public regularly on their past efforts and their future plans – with details and deadlines.
2. To promote public participation, the Order directs agencies to obtain public comments to see which rules should be simplified, improved, or repealed.
3. To promote priority-setting, the Order **requires agencies to identify reforms that will produce significant quantifiable savings, especially for small business.**

To view these agency plans as they are updated, please visit:

<http://www.whitehouse.gov/21stcenturygov/actions/21st-century-regulatory-system>

Upcoming Milestones:

- Q1 FY13 - Publication of agencies’ first draft reports under the Executive Order
- Q2 FY13 - Publication of agencies’ second draft reports
- Q4 FY13 - Publication of agencies’ third draft reports

C. Streamline immigration pathways for immigrant entrepreneurs

President Obama is committed to building a 21st century immigration system that will stimulate economic growth, spur job creation, and promote innovation. The United States has been enriched by a steady stream of hardworking, talented, and entrepreneurial individuals from all over the world. From individual communities to entire industries, the stories of immigrants are woven into

the fabric of the American story. These generations of immigrants have helped make America the engine of the global economy and a beacon of hope around the world.

Immigrants make up 18 percent of our small business owners, employing an estimated 4.7 million people and generating at least \$776 billion, and are nearly 30 percent more likely to start a business in the United States than non-immigrants. Moreover, immigrants have started 25 percent of the highest-growth public companies in the U.S.—including Google, eBay, Yahoo!, Sun Microsystems, and Intel.

President Obama supports legislation to create a visa designed specifically for immigrant entrepreneurs, as part of his vision for a [21st-century immigration system](#). At the same time, there is a great deal the Federal agencies can already do to streamline immigration pathways for entrepreneurs seeking to start companies and create jobs in the United States.

For example, in October 2011, U.S. Citizenship and Immigration Services (USCIS) Director Alejandro Mayorkas announced a new initiative called [Entrepreneurs in Residence](#) (EIR) to harness industry expertise and increase the job creation potential of employment-based and high-skilled visa categories. This initiative supports the [August 2011 announcement](#) by the Department of Homeland Security (DHS) of efforts to grow the U.S. economy and create American jobs through administrative improvements to existing visa programs that could be used by immigrant entrepreneurs.

The following agencies and offices are contributing to this objective: Department of Homeland Security - U.S. Citizenship and Immigration Services (USCIS), U.S. Immigration and Customs Enforcement (ICE), Student and Exchange Visitor Program (SEVP), and U.S. Customs and Border Protection (CBP); Department of Commerce, foreign direct investment office (SelectUSA); Department of State (DOS); Department of Labor (DOL).

Completed Milestones:

- Improve policies and programs to better reflect business realities:
 - Q2 FY12 - USCIS hosted Silicon Valley Information Summit to launch Entrepreneurs in Residence (EIR) initiative and gather stakeholder feedback on USCIS policies and practices related to foreign entrepreneurs.
 - Q3 FY12 - USCIS established its EIR team, comprising outside business experts and USCIS employment-based immigration experts, to optimize a range of existing nonimmigrant visa categories often used by entrepreneurs and provide pathways that are clear, consistent, and aligned with business realities.
 - Q4 FY12 - USCIS developed a training workshop to better equip USCIS immigration officers with tools to understand current business realities for entrepreneurs and the environment for startups.
 - Q4 FY12 - USCIS modified Request for Evidence (RFE) templates for certain nonimmigrant visa categories to incorporate new sources of evidence related to entrepreneurs and startups into the adjudicative process.

- Improve operational performance facilitating entrepreneurs' use of immigration pathways:
 - Q3 FY12 - DOS increased its capacity to process nonimmigrant visas in Brazil by 40 percent, per Executive Order 13597 (issued January 19, 2012).

Upcoming Milestones:

- Educate stakeholders and advocate for use of immigration pathways:
 - Q1 FY13 - SelectUSA – the new cross-governmental business investment promotion and facilitation initiative housed at the Department of Commerce – to develop and participate in at least one investment promotion event per target foreign market, providing potential entrepreneurs with an overview of the U.S. market and available resources, investment assistance from professional service providers, and direct connection with U.S. economic development organizations.
 - Q1 FY13 - USCIS to launch web portal designed to provide foreign entrepreneurs with a high-level overview of the nonimmigrant visa process, a summary of key requirements, and filing tips to help entrepreneurs better understand the evidentiary requirements for nonimmigrant visa categories.
 - Q1 FY13 - ICE SEVP to launch the student entrepreneur web page on [StudyintheStates](#) after the USCIS web content for entrepreneurs has launched.
 - Q1 FY13 - In concert with the USCIS EIR and ICE SEVP initiatives, DHS Office of Academic Engagement to host a webinar for the directors of the top 25 graduate and undergraduate academic incubator programs, as well as their corresponding Designated School Officials.
- Continue to improve policies and programs:
 - Q1 FY13 - ICE SEVP to support an interagency process (with Department of Labor and Department of Commerce) to annually review the STEM OPT extension Classification of Instructional Programs (CIP) codes, so that foreign-born STEM graduates from U.S. universities can rely on an up-to-date set of degrees qualifying them to work in the U.S. for an extra 17 months after graduation.
- Continue to improve operational performance facilitating entrepreneurs' use of immigration pathways:
 - Q1 FY13 - DOS to increase its capacity to process nonimmigrant visas in China by 40 percent, per Executive Order 13597 (issued January 19, 2012).

Longer-Term Milestones:

- Continue to improve policies and programs:
 - Q1-3 FY13 - USCIS to continue utilizing the EIR initiative to identify longer term solutions, such as changes to policies and procedures to further align USCIS with the business realities for foreign entrepreneurs.
 - Q2 FY13 - USCIS to deploy training workshop at all four USCIS Service Centers to better equip employment-based immigration officers with tools to understand current business realities for entrepreneurs and the environment for startups.

- Q2 FY13 - USCIS to publish regulation to provide work authorization for spouses of certain H-1B visa holders.
- Q2 FY13 - USCIS to publish regulation to allow outstanding professors and researchers to present a broader scope of evidence of academic achievement.
- Q2 FY13 - USCIS to publish regulation to allow E-3 and H-1B1 visa holders to continue working with their current employer for up to 240 days while their petitions for extension of status are pending.
- Q2 FY13 - ICE to publish a proposed regulation to authorize more Designated School Officials to facilitate enrollment by international students.
- Q2 FY13 - ICE to publish a proposed regulation to allow spouses of international students to engage in less than full-time studies.
- Q3 FY13 - DHS to issue a proposed rule, expanding eligibility for 17-month extension of optional practical training (OPT) for F-1 international students to include students with a prior degree in Science, Technology, Engineering and Mathematics (STEM), per Homeland Security Academic Advisory Council recommendation.
- FY13 - DHS and DOS to identify reforms needed, consistent with current law, to the treaty trader and treaty investor (E1 and E2) nonimmigrant visa application and adjudication processes to increase efficiency and decrease the public burden. (These visa categories are among those available to certain immigrant entrepreneurs.)
- FY13 - DOS to provide guidance to visa processing posts regarding policy changes in the B, H, L, and O visa categories stemming from interagency immigration policy updates.
- FY14 - CBP to publish Notice of Proposed Rulemaking that clearly enumerates specific permissible activities under B-1 nonimmigrant class of admission, including establishing a new business (not for gainful employment purposes), to improve and facilitate business visitor processing at ports of entry.
- Continue to educate stakeholders and advocate for use of immigration pathways:
 - Q2 FY13 - SelectUSA to conduct follow-up training and engagement with 25 Foreign Commercial Service posts about working with foreign entrepreneurs to invest and/or start a business in the United States and engage with SelectUSA services and other investment-related resources.
 - Q2 FY13 - SelectUSA to deploy a training module for U.S. Export Assistance Centers across the country to equip staff to work with foreign entrepreneurs and provide information about SelectUSA services and referral processes throughout attraction, retention, and aftercare.
 - Q3 FY13 - SelectUSA to expand reach by training six regional offices of the Economic Development Administration (EDA), a Department of Commerce agency. Training will equip economic development officers and representatives to work with foreign entrepreneurs and provide information about SelectUSA services and referral processes throughout attraction, retention, and aftercare.
 - Q4 FY13 - SelectUSA to present investment promotion strategic plans for 25 international priority markets, with a focus on engaging foreign firms, including entrepreneurs.

- Q4 FY13 - SelectUSA to train an additional five Foreign Commercial Service posts in key markets on engaging with foreign entrepreneurs and delivering SelectUSA services.
- Q4 FY13 - SelectUSA to develop and participate in 12 investment promotion events in target markets with a goal of reaching foreign entrepreneurs.
- Q4 FY13 - SelectUSA to launch an updated web portal to provide foreign entrepreneurs and investors with resources including, but not limited to: Information in multiple languages, a searchable guide of Federal programs and services, and a clickable map to link to state incentives and resources.
- FY13 - SelectUSA to establish new and strengthen existing communication channels to collaborate with Federal agencies and offices on enhancing the U.S. investment climate.
- FY13 - USCIS to host quarterly engagements with the entrepreneurial community to further USCIS's understanding of the characteristics and challenges of foreign entrepreneurs and inform its thinking on policies and practices relevant to this community.
- Continue to improve operational performance facilitating entrepreneurs' use of immigration pathways:
 - Q2 FY13 - CBP to establish targets for priority performance metrics, including reduction in traveler wait-times, reduction in administrative secondary referrals, expedited processing at our ports of entry, and increased Trusted Traveler memberships.
 - Q4 FY13 - CBP to complete transition to paperless I-94s (Arrival/Departure Record) in order to reduce traveler wait-times, increase processing efficiency at ports of entry, and enhance border controls and security.
 - FY13 - CBP to continue to engage in formal dialogue and discussions with Canada on the Beyond the Border Initiative to create streamlined and harmonized processes between Canada and the U.S., and better facilitate trade and travel of business visitors.
 - FY13 - CBP to continue to work closely with the airline industry, airport authorities, and travel industry to identify additional solutions and efficiencies to improve the traveler experience, including use of CBP's Info Center site.
 - FY13 - DOS to ensure that consular officers interview 80 percent of nonimmigrant visa applicants worldwide within three weeks of receipt of application, per Executive Order 13597 (issued January 19, 2012). As of July 24, 85 percent of applicants worldwide were interviewed within three weeks of submitting their applications.

IV. Accelerate Access to Markets

A. Accelerate commercialization of federal lab research

Breakthroughs in science and engineering create foundations for new industries, new companies, and new jobs, and America must expand its ability to transfer these breakthroughs into the commercial marketplace. This is especially true for breakthroughs that originate in government laboratories and are then transferred to the private sector through patents, licensing, collaborative agreements, and other technology transfer mechanisms.

To ensure that Federal research is not hindered in this “lab to market” process, the Administration has made the goal of improving and optimizing the Federal technology transfer process a top priority. On October 28, 2011, the President issued a Presidential Memorandum on [Accelerating Technology Transfer and Commercialization of Federal Research in Support of High-Growth Businesses](#), directing all Federal agencies with research facilities to accelerate the lab to market process in three key ways:

1. It directs agencies to streamline and accelerate the process for private-public research partnerships, small business research and development grants, and university-startup collaborations. This will result in grants to startups being made 50% faster.
2. It gives agencies more flexibility to partner with industry, encouraging them to create new partnerships with local communities, support the growth of regional innovation clusters, and share laboratory facilities with local businesses, among others.
3. It will institute more accountability by directing agencies to develop a five-year plan with concrete goals and metrics to measure progress, including keeping track of how many patents each lab is generating.

Accelerating this timeline will help startups and small businesses around the country create new technologies, create new jobs, and grow their companies while making more efficient use of the approximately \$147 billion a year that the Federal government invests in research and development.

This Presidential Memorandum is being implemented by the Interagency Working Group on Technology Transfer, which includes the Department of Defense, Department of Health and Human Services (Centers for Disease Control, National Institutes of Health, Food and Drug Administration), Department of Homeland Security, Department of Commerce (National Institute of Standards and Technology, National Oceanic and Atmospheric Administration, National Telecommunications and Information Administration, U.S. Patent and Trademark Office), Department of Energy, Department of Interior, Department of Justice (Federal Bureau of Investigation), Department of Transportation, Environmental Protection Agency, National Aeronautics and Space Administration, National Science Foundation, Department of Agriculture, and Veterans Administration. Together, these agencies are responsible for [over 300 Federal laboratories](#).

Completed Milestones:

- On October 28, 2011, the President issued the Presidential Memorandum on Accelerating Technology Transfer and Commercialization of Federal Research in Support of High-growth Business. Section 2 of the Presidential Memorandum called for the establishment of performance goals, metrics, and evaluation methods, as well as implementing and tracking progress relative to those goals.
- Draft Agency Reports - Federal laboratories developed plans that establish performance goals to increase the number and pace of effective technology transfer and commercialization activities in partnership with non-Federal entities, including private firms, research

organizations, and non-profit entities. These plans cover the five-year period from 2013 through 2017 and contain goals, metrics, and methods to evaluate progress relative to the performance goals.

- Implemented licensing initiatives at multiple Federal agencies to provide outreach to small businesses.
- On November 10, 2012, issued Final Agency Plans, available at: <http://www.nist.gov/tpo/publications/agency-responses-presidential-memo.cfm>
- Developed cross-agency available technologies website: [http://www.federallabs.org/available technologies/](http://www.federallabs.org/available_technologies/)

Upcoming Milestones:

- By Q1 FY13 - Issue summary reports of agency plans, new opportunities, and metrics.
- By Q2 FY13 - Meet with representatives of the Interagency Working Group on Technology Transfer to evaluate information and data collection mechanisms that are needed to perform economic analysis.
- By Q3 FY13 - Prepare an updated literature review of peer reviewed publications that have assessed the economic impact of recent Federal technology transfer efforts.
- By Q2 FY14 - Report results after implementing these agency plans.

Key Metrics:

1) New Technology and Scientific Work Products

Improvements in the new technology and scientific work products listed below will provide entrepreneurs and small businesses with valuable opportunities to commercialize the results of Federal research, generating leading edge developments and opportunities that will allow innovators to gain competitive advantages in the marketplace. New metrics will be developed to measure the impact of software development and deployment.

Technologies are often found in particular geographic areas because of the local infrastructure, including a pool of qualified employees. Many agencies will take advantage of the place-based aspect of technology to try to leverage growth with Regional Technology Development Organizations (RTDOs). RTDOs know the technology businesses in their respective regions and can facilitate partnership arrangements between small, high-growth businesses and Federal laboratories. RTDOs may also be able to assist small businesses in securing state or regional funding to help in commercialization of newly transferred technologies. Several agencies have long-standing, sometimes informal, relationships with various RTDOs.

Key Metrics:

- The number of invention disclosures prepared
- The number of patent applications filed
- The number of patents received
- The number of licenses fully executed
- The number of invention licenses
- The number of other IP licenses

- License income - earned royalties
- License income - other IP royalties
- Number of startups created
- Breakout of data by large and small businesses
- Characterization of patented technologies by agency and technology area
- U.S Scientific and Engineering articles by selected technology areas
- Data on works in external patent citations

2) Collaborations - Public/Private Partnerships for Research and Development

Collaborations are another key area of technology transfer. Many Federal inventions are possible due to the ability of Federal agencies to effectively partner with the private sector. This allows the direct transfer of knowledge and ideas along with leveraging the mission-focused research and development of Federal laboratories for commercial applications. The measures listed below highlight current collaborative research efforts and emphasize the Federal government's desire to work with entrepreneurs and small businesses on future collaborative efforts.

Key Metrics:

- Total active Cooperative Research and Development Agreements (CRADAs)
- New CRADAs executed in the fiscal year
- Non-traditional CRADAs active in the fiscal year
- Other collaborative R&D relationships active in the fiscal year
- Breakout-out of CRADAs by large and small businesses

3) Process Metrics - Measures of Efficiency

The government's administrative processing of licensing applications and related functions can place major burdens on entrepreneurs and small businesses that do not have the means to endure unnecessary delays. The Presidential Memorandum addresses this problem by directing agencies to review their operations and propose ways to improve the overall customer experience. The process measure listed below will illustrate the progress being made to improve process efficiencies and thereby will encourage the licensing of Federal technologies and promote collaborations between private sector researchers and Federal researchers.

Key Metrics:

- The amount of time that elapses between the date on which a license was requested by a licensee in writing and the date on which the license was executed
- Anecdotal information on agency implementation of streamlining measures to reduce burden and accelerate process times

4) Impact Analysis

The Presidential Memorandum directs agencies to assess the effectiveness and impact that Federal R&D has upon the Nation's economy. Studies that assess the effectiveness and impact of Federal research provide valuable insights for entrepreneurs and small businesses who have never worked with Federal agencies or who do not have the means to assess the net benefits of leveraging their

research capabilities. The measures listed below illustrate the nature and type of technology transfer work that is being performed by different agencies as well as the impact that Federal research can have upon different technologies, companies, and markets.

Key Metrics:

- The annual number of technology transfer impact studies completed by agencies
- Literature reviews and summaries
- Agency collaboration on information and data collection mechanisms

B. Accelerate commercialization of federal research grants

Created in 1982, the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs provide about \$2.5 billion a year in grants and contracts to small research and development (R&D) companies. Through SBIR and STTR, Federal agencies with large R&D budgets provide competitive awards to help small businesses bring their best innovations from the drawing board to the marketplace. SBIR and STTR operate in three phases, providing support for research, development, and commercialization. These programs have been widely praised by groups such as the National Academies and have played a role in the emergence of companies like Qualcomm, Symantec, and many others since the program was created in 1982.

The recent long-term reauthorization of this program focused on:

1. Increasing the set aside award levels to small businesses;
2. Shortening timelines for award decisions;
3. Improving commercialization of funded companies, including setting minimum benchmarks for performance on prior awards; and,
4. Additional reporting and data collection requirements.

Additionally, the Administrative Funds Pilot of the SBIR Policy Directive directs the Small Business Administration (SBA) to allow agencies to use a portion of their SBIR funds to fund administrative initiatives. The statute requires SBA to establish performance criteria for initiatives funded under this provision and identifies broad categories of allowable uses of these funds.

The SBIR working group includes the Department of Agriculture, Department of Commerce (National Institute of Standards and Technology, National Oceanic and Atmospheric Administration), Department of Defense, Department of Education, Department of Energy, Department of Health and Human Services, Department of Homeland Security, Department of Transportation, Environmental Protection Agency, National Aeronautics and Space Administration, and the National Science Foundation.

Completed Milestones:

- Q3 FY12 - SBA published proposed size rule, modifying eligibility requirements for the program
- Q4 FY12 - SBA published SBIR and STTR Policy Directives, including requirements for data and reporting

- Q4 FY12 - SBA established performance criteria for agencies to use in their specific SBIR workplans with the goal of improving overall SBIR performance. These include metrics, goals, and outcomes in six categories:
 - Outreach to under-represented groups
 - Commercialization – getting to market and success in the market
 - Streamlining and simplification – decreasing the duration of time between solicitation close, selection, award notification, and period of performance dates
 - Prevention and detection of fraud, waste, and abuse
 - Administrative, congressional, and interagency reporting – streamlined format that clearly indicates quarterly data and success toward performance goals
 - Administration and implementation of SBIR/STTR policy directives

Upcoming Milestones:

- Q1 FY13 - SBA publishes final size rule for the program
- Q1 FY13 - Agencies publish proposed benchmarks for required performance for past awardees to qualify for new awards
- Q1 FY13 - SBA establishes architecture of overall data collection system to collect and evaluate quarterly data from agencies
- Q1 FY13 - Agencies complete individual workplans, with clear metrics, goals, and outline of activities to improve performance
- Q4 FY13 - Performance management systems are completed, including the ability to capture commercialization history for past awards

Key Metrics:

- Agency timelines between solicitation close, selections, award notification, and period of performance dates
- Awardee commercialization rates, including both success in getting products to market as well as financial metrics
- Number of applicants from under-represented groups, including applicants from underserved regions, as well as companies owned by women, minorities, and other underrepresented groups

C. Accelerate commercialization of federally funded university research

America’s universities play an important role in the national imperative to spur innovation, encourage entrepreneurship, and grow the economy. A wide range of life-changing technologies were nurtured in university labs, from the Internet, to the global positioning system (GPS), to leading-edge vaccines.

In response to the President’s call to action, universities are streamlining their technology-transfer procedures, supporting additional government-industry collaboration, and encouraging the commercialization of novel technologies flowing from their research programs – in short, [accelerating innovation from lab to market](#).

As the chief funder of university research, the Federal government can do more to support these efforts. For example, in 2011 the National Science Foundation (NSF) launched its [Innovation Corps \(I-Corps\)](#) initiative, connecting teams of entrepreneurial scientists with experienced mentors and seed funding to start new companies based on university research. Working collaboratively, those Federal agencies responsible for funding most university research will expand this and other promising programs.

Completed Milestones:

- Q4 FY12 - 100 teams and three university nodes participating in NSF I-Corps program
- Q4 FY12 - Research agencies convene to discuss diffusion of promising practices to accelerate commercialization of university research, including I-Corps

Upcoming Milestones:

- FY13 - 250 teams and nine university nodes participating in NSF I-Corps program

Key Metrics:

- Percent of teams participating in the I-Corps program that have tested the commercial viability of their product or service, with 80% target

D. Advance federal small business procurement goals

Small business contracting is one of the Federal government's most important tools to help America's small businesses grow and create jobs and to bring innovation and competition to the Federal supply chain.

Over 30 years ago, Congress set a goal of having a certain portion of all Federal contracting dollars go to small businesses. Congress later set the government-wide goal at 23% and created a set of sub-goals to support the participation of various segments of the small business community: small disadvantaged businesses (5%), women-owned small businesses (5%), service-disabled veteran-owned small businesses (3%), and small businesses in Historically Underutilized Business Zones (HUBZones) (3%). These goals help ensure that a diverse set of small businesses share in the jobs created by Federal contracting and that agencies benefit from the creativity and technical expertise that small businesses and each of the special segments offer to help agencies accomplish their missions.

SBA's Office of Government Contracting and Business Development negotiates small business goals with each agency on a bi-annual basis and coordinates the preparation of the small business procurement data dashboard (<http://smallbusiness.data.gov/>). The SBA also prepares an annual scorecard on small business procurement performance for each agency (<http://www.sba.gov/content/small-business-procurement-goaling-scorecards>).

In support of achieving these goals, the SBA chairs the Small Business Procurement Advisory Council (SBPAC), which is comprised of Directors of agencies' Office of Small and Disadvantaged Business Utilization (OSDBUs) to ensure collaboration across the government, share small business utilization best practices, and provide support to agencies so that they meet their statutory small business contracting goals.

In 2011, the White House, the SBA, and OMB formed the White House Small Business Procurement Group (WHSBPG) to meet quarterly with senior officials across the Federal government to ensure accountability for small business performance and government-wide small business contracting goals. The WHSBPG outlines best practices and monitors compliance through OFPP and the SBA.

Completed Milestones:

- Q1 FY12 - Negotiated and finalized agency goals for FY2012 and FY2013
- Q1 FY12 - Agencies reviewed the positioning of their OSDBUs within their agencies' organizational structure to determine if they report to their respective Deputy Secretary equivalent or higher authority
- Q3 FY12 - Held Q3 White House Small Business Procurement Group Meeting
- Q4 FY12 - Held Q4 White House Small Business Procurement Group Meeting
- Q4 FY12 - Issued Scorecards for each agency

Longer-Term Milestones:

- By December 30, 2013, negotiate agency goals for 2014/2015
- Continue to issue Scorecards for each agency
- Continue to convene agencies through WHSBPG and SPBAC meetings

Key Metrics:

1) Senior Leadership accountability

Achievement of Federal small business contracting goals depends greatly on effectively communicating those goals throughout agencies and on clear lines of accountability. Agencies that have implemented performance evaluations containing small business contracting goal elements report that senior level leadership accountability plays a critical role in ensuring an agency meets or exceeds its small business contracting and socio-economic goals.

Key metrics:

- Number of agencies that have issued a memo emphasizing Senior Leadership commitment of small business utilization
- Number of agencies that have incorporated small business goals in the Senior Executive Service (SES) performance evaluations for acquisition personnel
- Number of agencies that have incorporated small business goals in the SES performance evaluations agency-wide

2) OSDBU Director Reports to Deputy Secretary or Higher Authority

To achieve these goals, it is essential that advocates for small business within each agency are actively engaged with and have access to senior leadership in accordance with the provisions of the Small Business Act. Section 15(k) of the Small Business Act requires that all Federal agencies with procurement powers establish an Office of Small and Disadvantaged Business Utilization (OSDBU) to advocate for small businesses and mandates that the directors of these offices " ...be responsible only to and report directly to agency heads or deputy agency heads."

Key metric:

- Number of agencies where OSDBU Director reports to Deputy Secretary or higher authority

3) Establishing Small Business Goals for Agency Components/Bureaus

The SBA negotiates and establishes goals with each of the 24 CFO Act agencies. Goals are an important component for measuring progress and holding agencies accountable for maximizing opportunities for small businesses. In order to properly track and implement these goals, it is critical for each agency to delegate goals and responsibilities to individual buying components (which may include centers buying activities, and other organizational units within the agency). A spend analysis of each activities' historical buying patterns and future buying plans can be used to determine small business opportunity and plans can be implemented to achieve identified opportunities. This measure focuses on the seven largest buying agencies – i.e., the Department of Defense, the Department of Energy, the Department of Homeland Security, the Department of Health and Human Services, the Department of Veterans Affairs, the General Services Administration, and the National Aeronautics and Space Administration – establishing and communicating goals for their components. The best practices implemented at the “Big 7” agencies are often implemented throughout the Federal government. In addition, many of the smaller agencies do not have components.

Key metric:

- By end of Q4 FY13, all “Big 7” agencies establish and communicate small business goals to agency components/bureaus

4) Simplified Acquisition Threshold

Pursuant to longstanding statutory requirements in the Small Business Act, agencies are required to automatically set aside work for small businesses that is equal to or less than the value of the simplified acquisition threshold (SAT) (generally \$150,000) unless the contracting officer determines the “rule of two” cannot be met – i.e., there is not a reasonable expectation of obtaining offers from two or more responsible small business concerns that are competitive in terms of market prices, quality, and delivery. Analysis of data in the Federal Procurement Data System suggests that opportunities for small businesses under the SAT are being lost, including for products and services in industries where small businesses are typically well represented. Agencies that did not meet their small business goal last year have been asked to increase small business awards in their SAT acquisitions by 10% (in dollar terms); those that met their small business goal last year have been asked to increase their awards by 5%. Collectively, these efforts

should help the government increase small business participation under the SAT by 9% by the end of FY 2013 from the FY 2012 levels.

Key metric:

- The Federal Government, as a whole, will increase small business participation under the SAT by 9% by the end of FY13 from FY12 level

E. Increase federal procurement by new innovative firms

Despite a number of concerted efforts over the years to streamline Federal acquisition and help agencies gain greater access to commercial solutions and the innovation and synergies generated by the commercial marketplace, the procurement process is highly complex and often an enigma for new entrants and many small businesses – particularly nascent firms with little or no past performance and lack of familiarity with the Federal contracting process. In addition, there are limited government-wide, or agency-wide, efforts to grow new innovative contracting models that might further reduce barriers to entry. As a result, important opportunities are being lost to encourage the participation of non-traditional government contractors, many of whom operate at lower overhead than some traditional government contractors, and can offer agencies valuable new ways of solving long-standing problems and cost-effective alternatives for meeting everyday needs.

This objective seeks to spread the use of innovative contracting models to increase the participation of new entrants and small businesses that can broaden the range of cost-effective solutions available to agencies in meeting their missions. These models include, but are not limited to use of:

1. A new Request for Proposal platform, “RFP-EZ,” that makes it easier for small high-growth businesses to find and submit proposals for small dollar contracting opportunities, and enables agencies to quickly source low-cost, high-impact information technology solutions from small businesses and new entrants;
2. Authority in the America COMPETES Reauthorization Act, to conduct prize competitions to solve long-standing agency challenges; and
3. Broad agency announcements to help new entrants demonstrate their capabilities to support agency missions.

Completed Milestones:

- Q3 FY12 - Agencies that have successfully used innovative contracting tools, such as broad agency announcements and other transactions (OTs) briefed senior Administration officials on possible models for agency pilots.

Longer-Term Milestones:

- Develop background materials (promising practices, case studies, frequently asked questions) to share with potential candidate agencies and agency senior procurement executives

- Identify candidate agencies for conducting pilots of different types of innovative contracting practices (e.g., broad agency announcements, new applications of technology to support an “RFP-EZ” process) and work with agencies to develop appropriate test plans
- Create appropriate tracking and reporting mechanisms (e.g., number of new entrants receiving awards)
- Establish a program to recognize success (individual achievements)

Key Metrics:

- Number of contract innovation pilots established and completed across agencies
- Number of contracts awarded using innovative contracting practice (e.g., RFP-EZ, prize awards, broad agency announcements)
- Number of “new entrants” receiving awards
- Number of agencies that have a program in place to recognize workforce success in use of innovative contracting practices

V. Increase Access to Capital

Since the beginning of the recession and continuing through the recovery, access to credit and capital for small businesses has been an important objective for the Administration. Bank credit – either from community banks or from large banks – is the most important source of external funding for small businesses. Commercial and Industrial (C&I) lending (i.e., lending to businesses) fell during the recession for businesses of all sizes, but small business lending and overall business lending have diverged during the recovery (small business loans under \$1 million are down 7 percent in 2011 while overall business lending is up 14 percent in 2011). These patterns reflect both credit supply and credit demand: the willingness of banks to lend, and the desire of businesses to borrow.

With respect to credit supply, bank officers reported tightening credit standards during the recession, but report that these standards have loosened since then. While the pattern has been broadly similar for large and small businesses, the survey data indicate that during the recovery banks have eased their credit standards for large businesses slightly more than they have for small businesses.

To continue to increase access to credit for our nation’s small businesses, the Administration will:

- Continue to work with and provide economic incentives to financial institutions to increase their lending to small businesses;
- Establish standards, in conjunction with regulatory agencies, for reporting of small business access to credit;
- Develop a coordinated approach that enables small businesses to identify the programs that best meet their needs;

- Streamline paperwork and regulatory burdens involved in Federal loan guarantee programs; and
- Work toward implementation of the Jumpstart Our Business Startups (JOBS) Act to expand the capacity for investments in small business, including through regulated securities-based crowdfunding platforms.

This working group comprises agencies including but not limited to the Export-Import Bank, Small Business Administration (SBA), Treasury Department, and Department of Agriculture (USDA).

Completed Milestones:

- Q2 FY12 - State Small Business Credit Initiative (SSBCI) convened its first national conference of state credit support programs, attended by over 160 state officials, Federal agencies, bank regulators, and financial institutions.
- Q3 FY12 - Small Business Lending Fund (SBLF) participants increased small business lending by \$6.7 billion over baseline levels, with 76 percent of participants reporting increases of 10 percent or more.
- Q3 FY12 – Community Development Financial Institutions (CDFI) Fund investments led to 17,547 loans and investments amounting to \$1.298 billion, including 4,102 small businesses.
- Q3 FY12 - SBA revised and re-launched the Small Loan Advantage (SLA) program resulting in a threefold increase in participating lenders and 197 percent increase in the number of loans approved by fiscal year-end than in the previous 16 months of its existence.
- Q3 FY12 - SBA simplified the disaster loan application from 80 screen shots to just 20 screen shots. The screen shots consist of a simplified three- to four-page application, as well as program background, privacy information, and two-factor authentication. This streamlining has reduced the electronic loan application paperwork by 70 percent and the turn-around time for disaster loans to an average of ten days.
- Q4 FY12 – In 2012 SBA had a second record year supporting over \$30.1 billion in loans to small business, and a record year in 504 loan program dollars due largely to the success of the 504 Refinance program launched under the Small Business Jobs Act of 2010.
- Q4 FY12 - SBA launched “Quick App” for surety bonds, a streamlined application for surety bonds under \$250,000 that eliminates the need for contractors to complete five forms to apply for a bond. This change will provide small firms, particularly in the construction industry, streamlined access to these bonds.
- Q4 FY12 - SBA reengineered the CAPLines Program, a product designed to help small businesses meet their short-term and cyclical working-capital needs. SBA streamlined the paperwork and allowed banks to use more of their own processes. Volumes are up more than 300 percent.
- FY12 - SBA provided \$1.9 billion in Small Business Investment Company (SBIC) support to small businesses, putting the agency on track to reach its goal to invest \$4.3 billion by the end of FY13.
- FY12 - SBA launched the Early Stage Innovation Fund to provide matching capital through the SBIC program to young companies and issued the first six “green light letters” to SBICs.

- FY12 - SBA launched the Impact Investment Initiative with a commitment to invest \$1 billion over five years to “impact investment” funds targeting underserved markets. Two Impact Investment SBICs have been licensed through FY12.
- FY12 - Through the end of the year, \$693 million was invested in rural small businesses through the SBIC program.
- FY12 - For high-growth businesses looking for long-term patient capital, SBA reduced the processing times to license new SBIC funds to just 5.4 months from about 15 months in 2009.
- Q1 FY13 - SSBCI completed the full allocation of over \$1.45 billion to 57 states, territories, municipalities, and the District of Columbia, which is expected to spur at least 10 times that amount of private lending and investing.
- Q1 FY13 - Under SSBCI, over 90 percent of participating states report using funds to support loans or investments.

Upcoming Milestones:

- Q2 FY13 - Treasury will publish the first annual SBLF lending survey, providing additional detail on participants' lending activities.
- Q2 FY13 - SBA will streamline paperwork burdens for its two flagship business lending programs: the 504 Loan Program and the 7(a) Loan Program. The goal is to increase eligibility for loans in these programs and modify certain program requirements. The two major impacts on paperwork and burden reduction relate to the Personal Resources Test and Size Affiliation. The changes will mean that certain businesses and owners will submit fewer tax returns and other documentation in support of program eligibility. SBA is also looking at ways to streamline and simplify the 504 loan closing process.
- Q4 FY13 - SBA anticipates licensing two to six early stage SBICs with \$200 million in leverage commitments by the end of FY13.

Longer-Term Milestones:

- SSBCI funds will support private sector loans and investing of at least 10 times the amount of SSBCI contribution by the end of Q2 FY17.
- SBLF participants project a total increase in business lending of \$9.3 billion over baseline levels by year-end 2013.
- CDFI Fund investments will lead to 16,000 loans and investments totaling more than \$1.15 billion.
- SBA loan programs will provide economic support of over \$23 billion in small business lending per year.
- SBA will work with over 1.2 million small businesses, providing assistance in securing equity, credit, or counseling and technical assistance.
- USDA Rural Development anticipates providing about \$1 billion per year in small business lending through the Business and Industry Guaranteed Loan Program.
- USDA Rural Development anticipates assisting 7,000 businesses per year with technical assistance.

- SBA will explore a new streamlined loan authorization for 7(a) loans originated below \$350,000. If adopted, the agency estimates it would reduce the loan authorization paperwork from an average of up to 12 pages to as few as approximately four pages.
- From FY12 through September 30, 2013, SBA will commit at least \$4.3 billion of capital via the SBIC program in order to facilitate access to capital for high-growth companies and enhance job creation and retention by these companies.
- SBA will continue to support investment in rural small businesses through the commitment to invest \$2.5 billion in rural small businesses through the SBIC program by the end of FY16.
- SBA will continue to provide capital to underserved communities through the expansion of SBA's Community Advantage program, further adoption of SLA, and regulatory improvement to the Microloan program. In addition, SBA will streamline and enhance the Community Advantage program to better serve both lenders and borrowers.

Key Metrics:

- For loan guarantee programs: dollar value of guaranteed loans originated each year
- For capital programs: dollar value of increase in loans over baseline
- For other credit support programs: dollar value of loans supported each year
- Businesses assisted through entrepreneurial assistance programs

VI. Expand Access to Training and Mentoring

This objective will utilize programs and resources across the Federal government to improve and expand the reach of training, counseling, and mentoring services to entrepreneurs and small business owners. Through the work of the interagency group, which includes Department of Commerce, Department of Defense, SBA, and USDA, the Administration aims to streamline existing programs, improve cooperation among and within agencies, ease entrepreneurs' access to the programs that are right for them (as with BusinessUSA), and increase data-based evaluation of program performance.

Mentoring is an essential tool to support entrepreneurs and increases a small business's likelihood of growth and success. Those who receive counseling and training are more likely to start businesses, their businesses are more likely to survive over the ensuing years, and they are better prepared to seek financing and to plan effectively for future business growth.

Currently the Federal government provides training, counseling, and access to resources to help businesses start, grow, and compete in global markets. Programs also provide assistance ranging from vendor or customer development, to web strategy, to receivables management and export readiness. This support is delivered through a variety of programs including:

- Small Business Development Centers (SBDCs): Centers are maintained through partnerships with state governments and institutions of higher education. SBDCs maintain a network of over

900 centers that provide professional and targeted technical assistance to small businesses and aspiring entrepreneurs.

- Women's Business Centers (WBCs): WBCs are a national network of more than 90 educational centers designed to assist women to start and grow businesses. WBCs operate with the mission to level the playing field for women entrepreneurs, who still face a unique set of obstacles.
- Veteran Business Development Centers (VBOCs): Sixteen VBOCs, located in 10 regions across the country, provide entrepreneurial development services such as business training, counseling, and mentoring to eligible veterans owning or considering starting a business.
- SCORE Chapters: These nonprofit chapters comprise over 11,500 volunteer business counselors throughout the U.S. and its territories.
- SBA Innovation Clusters: In September 2010, SBA launched a pilot program for ten clusters that were competitively selected. These clusters provide industry specific and place-based assistance to help small businesses in the ecosystem.
- Interagency Clusters: SBA works with the Economic Development Administration (EDA) at the Department of Commerce, the Employment and Training Administration (ETA) at the Department of Labor, and other agencies through the Taskforce for the Advancement of Regional Innovation Clusters (TARIC) to help launch interagency funding initiatives such as the Jobs and Innovation Accelerator Challenge (JIAC). The JIAC program broke the typical stovepiped business development, economic development, and workforce development Federal grants and instead offered a unique integrated funding opportunity from the EDA, ETA, and the SBA as a single package. The JIAC program funded 20 regional clusters that will develop a skilled workforce, promote sustainable economic growth in the region, advance commercialization, support small business formation, and integrate historically underserved businesses and communities into these economic activities.

Completed Milestones:

- Q4 FY12 - Established and convened interagency working group to review existing programs and best practices for outcomes-based program evaluation

Upcoming Milestones:

- Interagency group will develop an action plan, outlining opportunities to enhance collaboration among programs across agencies and a strategy for increasing data collection and outcomes-based program evaluation
- Launch the second-year evaluation report for the SBA Innovation Clusters
- Create an interagency evaluation framework to measure the impacts of coordinating funding streams through cluster initiatives

Key Metrics:

- Number of entrepreneurs served
- Customer satisfaction (of participating entrepreneurs)
- Jobs created by participating entrepreneurs
- Revenue growth by participating businesses

- Follow-on capital raised by participating entrepreneurs