

**Small Business Administration**  
**Initial Impact Study of**  
**Entrepreneurial Development Resources**

**SBAHQ03M0583**

**Concetrance Consulting Group, Inc.**

**Submitted November 29, 2004**



**Small Business Administration  
Office of Entrepreneurial Development**

**Initial Impact Study of  
Entrepreneurial Development  
Resources**

**November 29, 2004**

**Final Report**

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## Introduction

## Introduction

The Small Business Administration's (SBA) Office of Business and Community Initiatives designed a multi-year study to assess the impact of the Entrepreneurial Development (ED) programs that it offers to small businesses. This study is part of the process of meeting the President's Management Agenda and subsequent evaluative processes such as the Office of Management and Budget's (OMB's) Program Assessment Rating Tool (PART) evaluation. SBA hired Concentrance Consulting Group to assist it in administering the study, to analyze the findings, and write this report. This report presents the findings of the initial year of a multi-year study.

This study is based on a survey, known as the Initial Impact Study. This survey measured attitudinal assessments, improvements in management/marketing skills, and business growth for those clients who utilized SBA's ED Resources during the ninety-days prior to survey mailing. SBA's ED Resources studied included: Small Business Development Centers (SBDCs), SCORE, Women Business Centers (WBCs) and Business Information Centers (BICs).

This report details our research as follows:

- ◆ Executive Summary
- ◆ Methodology
  - Resource impacts
  - Sampling and data collection
  - Survey administration
  - Analysis of non-response
- ◆ Findings
  - Impact of SBDC Resources and comparison with overall ED Resources
  - Impact of SCORE Resources and comparison with overall ED Resources
  - Impact of WBC Resources and comparison with overall ED Resources
  - Impact of BIC Resources and comparison with overall ED Resources
  - Impact of total ED Resources combined
  - Demographic analysis
- ◆ Summary of Findings
  - Quantitative
  - Qualitative
- ◆ Limitations
- ◆ Further Research and Recommendations
- ◆ Appendix A-1: Survey Response Values by Research Topic
- ◆ Appendix A-2: Miscellaneous Survey Response Values
- ◆ Appendix B: Quantifiable Survey Question Results
- ◆ Appendix C: Survey Instruments





Concetrance would like to thank the SBA Office of Business and Community Initiatives as well as the Office of Entrepreneurial Development (Program Offices: Small Business Development Centers, Business and Community Initiatives, Women-owned Businesses, and SCORE) for their assistance in conducting this research. Headquarter and local ED Resources spent considerable effort to ensure that surveys and follow-ups were conducted. The rich dataset that now exists is in no small measure due to those efforts.





## Executive Summary

## 1. Executive Summary

The Small Business Administration’s (SBA) Office of Business and Community Initiatives designed a longitudinal/panel study to assess the impact of its Entrepreneurial Development (ED) Resource assistance on small business clients and hired Concentrance Consulting Group to conduct the study. This report presents our findings of the initial year’s study.

### ED Resource Clients Studied

Three ED Resource Partners and one ED Resource outreach activity were studied comprising:

- ◆ Small Business Development Centers (SBDCs),
- ◆ SCORE,
- ◆ Women Business Centers (WBCs) and
- ◆ Business Information Centers (BICs).

Within each ED Resource, three small business client segments were studied including:

- ◆ Nascent - Kauffman definition – those individuals who have taken one or more positive steps to start a business.
- ◆ Start-Up - Those individuals who have been in business six months or less.
- ◆ In-Business – Those individuals who have been in business more than six months and are classified as small by the SBA.

We analyzed the impact of ED Resource assistance on **key demographic groups**: gender, race/ethnicity and veteran, as well as the relationship of these groups to the impact of ED Resource assistance.

### Quantitative Findings

Data were collected, coded, and analyzed from 4,718 respondents with an overall response rate of 23.6 percent. The table below provides the number of respondents and the business segment composition of each ED Resource.

	Respondents	Nascent %	Start-up %	In-Business %
<b>SBDC</b>	2,251	30.3	3.8	65.9
<b>SCORE</b>	1,371	38.2	4.2	57.6
<b>WBC</b>	593	22.4	2.4	75.2
<b>BIC</b>	503	48.9	2.6	48.5

Interestingly, WBC response rates were the highest among the ED Resources at 45.8 percent.

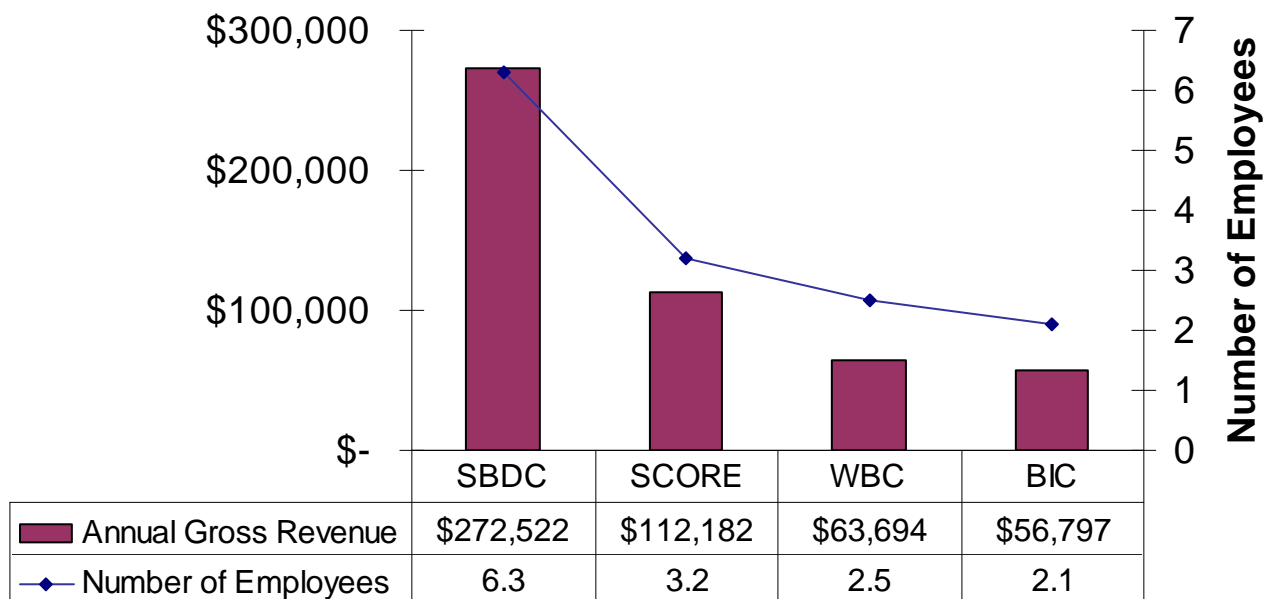
We examined five key impact areas or perceived outcomes of service/assistance on each small business segment for each ED Resource and for total ED Resources combined.

Although the demographics of surveyed firms and impacts of ED Resource assistance on these firms suggest many similarities, there were a few important differences.

**ED Resources served a broad spectrum of clients with respect to demographic, financial and business characteristics.**

- ◆ ED Resources had a diverse client base: females (46.6%), Black/African American (13.2%), Veteran (12.1%), Hispanic/Latino (5.8%), Asian (4.1%), American Indian/Alaskan Native (2.8%), and Native Hawaiian/Pacific Islander (0.7%).
- ◆ The financial profile of client firms suggests that SBDC, SCORE, WBC, and BIC served firms of varying size as shown in the figure below.

## Firm Sizes Served by ED Resource



- ◆ The top three types of businesses for each ED Resource were wholesale, service, and retail. There were over 800 write-in responses (17% of total respondents). The top ten write-ins included: consulting, restaurant, publishing, education, entertainment, medical, software, health care, day care, and engineering. The large number of write-ins suggests that respondents desired the ability to describe their “service” business more specifically.
- ◆ In-Business clients (62%) comprised the largest group served among total ED Resources. Nascent (34%) and Start-Up (4%) clients comprised the remaining sample. This relationship is true for SBDC, SCORE, and WBC, whereas BIC’s Nascent (48.9%) and In-Business (48.5%) client-bases were of comparable size.

**All business segments served, regardless of ED Resource, perceived the assistance received as valuable.**

- ◆ Over 70% of SBDC, WBC, and BIC clients from each business segment rated the usefulness and value of the service/assistance received as ‘Extremely Valuable’ or ‘Valuable’. SCORE Nascent and In-Business clients perceived the assistance slightly less valuable with ratings of 67.4 percent and 69.1 percent respectively. BIC clients ascribed the highest values to the assistance they received.

**ED Resource assistance affects clients’ decisions to start a business or NOT to start a business.**

- ◆ Start-Up segments of all ED Resources gave higher ratings than the In-Business or Nascent segments to the effect assistance had on their starting a business. The BIC In-Business segment (84.6%) rated this dimension higher than SBDC, SCORE, or WBC In-Business segments.
- ◆ The Nascent segments of all ED Resources gave higher ratings than the Start-Up or In-Business segments to the effect assistance had on their NOT starting a business. In this case, the SBDC Nascent segment (28%) rated this dimension higher than SCORE, WBC, or BIC Nascent segments.

**ED Resource assistance affects clients’ decisions to implement and/or change management and/or marketing practices in their business.**

- ◆ Both Start-Up and In-Business segments reported that they changed management practices as a result of the assistance they received. Marketing strategy, financial management, and promotional strategy were the areas most often selected by WBC and BIC respondents, whereas SBDC and SCORE respondents selected general management *in lieu* of promotional strategy.
- ◆ Both Start-Up and In-Business segments of every ED Resource cited “Business Plans” most often as the business initiative they felt most able to “conduct or develop” after receiving assistance.

**All business segments served, regardless of ED Resource, reported positive financial impact in terms of job creation, job retention, and sales.**

- ◆ ED Resource respondents reported that the assistance provided had a positive impact on key financial and economic outcomes including hiring and retaining employees and on financial performance. Amongst the impacts cited, ED Resources had the greatest impact on “increased sales”.

## Demographic Analysis

Following the discussion of findings by ED Resource and segment, we present more in-depth analyses of selected demographic characteristics including gender, race/ethnicity, and veteran status. Key findings included:

- Veteran clients had the largest revenues and largest number of employees of all demographic groups studied.
- The groups most likely to change management practices as a result of the assistance they received were female, Hispanic, Black/African American, Asian, and Native Hawaiian/Pacific Islander as compared to Whites and veterans.

**Is there any difference in impact or perception of the usefulness of service delivered by the ED Resource Partners or ED outreach activity by clients segmented by race, ethnicity, or veteran status?**

We performed a series of regression analyses to understand the effects of gender, race, ethnicity and veteran status on key ED Resource outcomes. In the case of SBDC, SCORE, and WBC, our analyses showed **no significant relationship between clients' demographic characteristics and the impact of the ED Resource on the following:**

1. Perception of the usefulness and value of the services/assistance received.
2. The clients' decision to start a business.
3. The clients' business having a positive financial outcome.

**However, in the case of BIC, there were a few significant differences:**

1. Black/African-American and American Indian/Alaskan Native respondents were significantly more likely than White respondents to report that assistance resulted in increased market share, increased sales, or increased profits.
2. Female respondents were significantly less likely than male respondents to report that assistance resulted in increased market share, increase sales, increased cash flow, or increased profits.
3. American Indian/Alaskan Native respondents were significantly less likely to report that assistance resulted in hiring new staff.
4. Black/African American respondents were significantly more likely than their White counterparts to report that assistance helped them to start a business.

## Qualitative Findings

A number of respondents (32) sent in letters or brief notes in addition to or *in lieu of* responding to the survey questions. This type of response may suggest a heightened desire to provide more in-depth information on the part of the client.

These additional data revealed a mix of positive and negative reactions to the information and assistance from ED Resources.

- ◆ Comments about SCORE assistance were generally positive.
- ◆ Negative comments essentially related to disconfirmation of expectations of ED Resources or a misunderstanding of the types of services and assistance available. There was an indication in the qualitative findings that the more experienced the client, the greater they perceived the value to be of the assistance received.

### Limitations

There are limitations to be considered when assessing the findings presented. These limitations are essentially inherent in the research design.

- ◆ Measures are self-reported and attitudinal in nature.
- ◆ ED Resource utilization is not measured, limiting the ability to develop causal relationships between usage and impact.
- ◆ Data collected measures impacts at a particular point in time limiting trend analysis.
- ◆ Not all respondents utilized the same survey limiting analysis of certain variables, e.g. respondent age.

### Further Research

This study is the first year of a multi-year, panel study. Information in subsequent years will be collected to facilitate trend analysis, particularly on financial growth of small businesses assisted by SBA. This research will facilitate comparisons to the Kauffman Panel Study of Entrepreneurial Dynamics (PSED) and the Federal Reserve Board's Survey of Small Business Finances.

There is evidence, based on the respondents' supplying additional qualitative information, that a separate qualitative study could be very valuable to SBA, enabling ED Resources to target their services more specifically to the needs and expectations of their individual client bases. For example, additional research into the 'other' industries served might provide direction for different types of assistance that might be beneficial to clients. Another area of further research should focus on the stage of the clients' careers which could be a key determinant in perceived value and financial outcomes.



## Methodology

This study was quantitative in nature, based upon responses to mail and telephone surveys at one point in time. Statistical analyses utilized frequency distributions, mean comparisons, cross tabulations, and regression models.

The mail and follow-up phone survey resulted in a total of 4,718 survey respondents (out of a sample of 20,000) with an overall response rate of 23.6 percent. Several specific steps were taken to maximize the response rate, which in turn reduced the potential for non-response bias.

1. Resource centers mailed the questionnaires to their clients and resent questionnaires 10 days after the initial mailing to those clients who had received the initial mailing, but who had not yet responded.
2. A phone survey follow-up was conducted for those who did not respond to either of the mailings. Analysis of demographic characteristics of the follow-up group revealed no substantial difference from the clients who responded to the initial survey; therefore, we concluded that there was no non-response bias.





## Methodology

## 2. Methodology

### Research Topics

The following questions were the focus of this study and are addressed in the 'Findings' section of this report. The last two questions posed for study by the SBA (#6 & #7) will be dealt with separately in the limitations section of this report because they address trend analysis and as such require multi-year data.

1. What is the demographic, financial, and business profile of firms who utilize SBA ED Resources?
2. Is there a positive relationship between the services/assistance provided by SBA ED Resources (SBDC, SCORE, WBC and BIC) and the clients perception of the usefulness and value of the services/assistance received?
3. Is there a positive relationship between the services/assistance provided by SBA ED Resources (SBDC, SCORE, WBC and BIC) and the client's decision to start a small business?
4. Is there a positive relationship between the services/assistance provided by SBA ED Resources (SBDC, SCORE, WBC and BIC) and the client's decision to implement and/or change management and/or marketing practices in their business?
5. Are the services/assistance provided by SBA ED Resources (SBDC, SCORE, WBC and BIC) having a positive impact on the client's financial position in terms of job creation, job retention and sales?
6. How do the results of this survey compare with the Panel Survey of Entrepreneurial Dynamics database (Kauffman study)?  
(This question will be discussed in the limitations section)
7. For those clients provided services/assistance by SBA ED Resources (SBDC, SCORE, WBC, and BIC) was the impact on financial position greater than or equal to a representative small business population?  
(This question will be discussed in the limitations section)

## Sampling and Data Collection

We examined these research questions by SBA ED Resource and by clients in various stages of business formation:

- ◆ Nascent - Kauffman definition – those individuals who have taken one or more positive steps to start a business.
- ◆ Start-Up - Those individuals who have been in business six months or less.
- ◆ In-Business – Those individuals who have been in business more than six months and are classified as small by the SBA.

Table 2.1 below depicts the sampling frame developed by SBA. It is representative of the distribution of clients served in 2003 across ED Resources. Furthermore, this sampling frame provided a large enough sample to achieve a statistically significant number of respondents by ED Resource.

**Table 2.1-Sampling Frame**

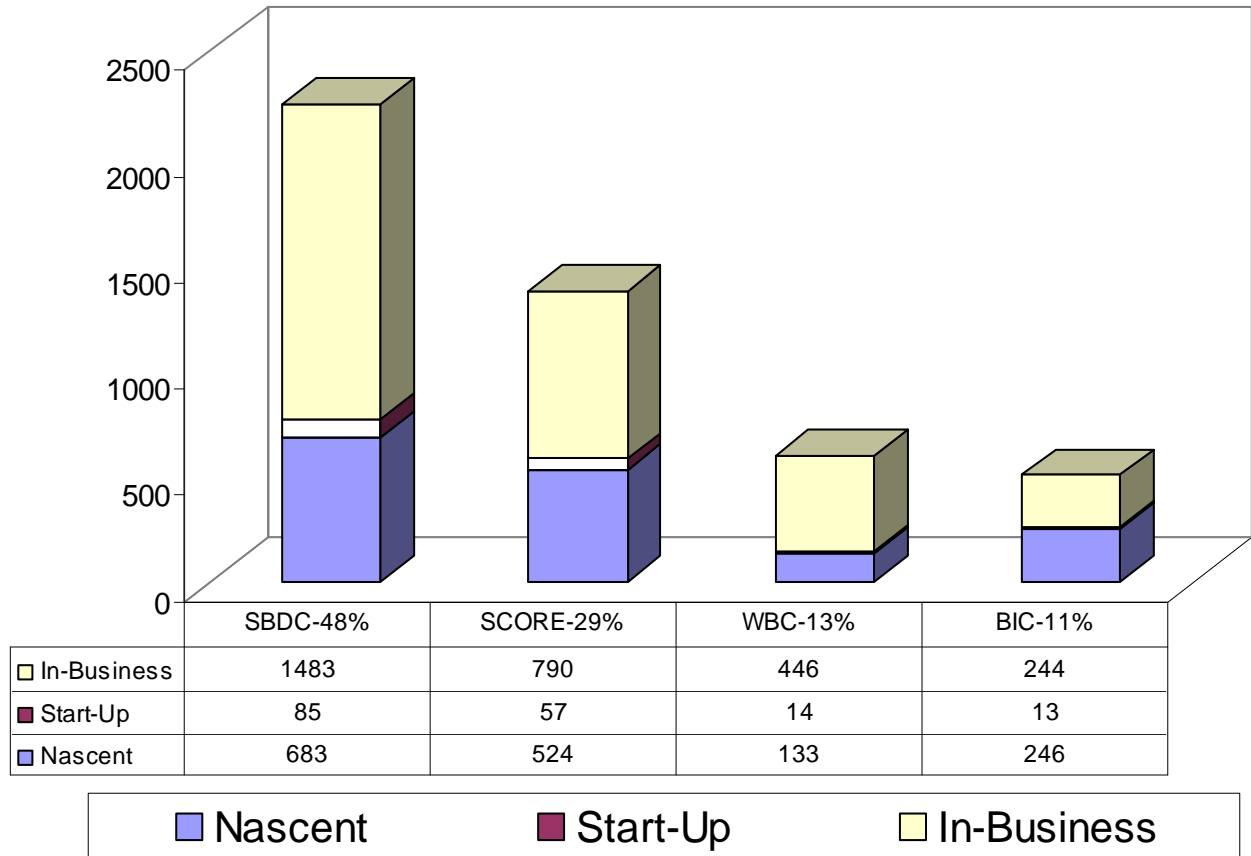
<b>ED Resource</b>	<b>Number of Clients Served FY 2003</b>	<b>% Distribution</b>	<b>Sample</b>
SBDC	651,421	49%	9,810
SCORE	444,293	33%	6,691
WBC	85,748	6%	1,291
BIC	146,658	11%	2,209
<b>Total</b>	<b>1,328,120</b>	<b>100%</b>	<b>20,001</b>

To determine if the sample size for this study was sufficient, we computed sample size on the basis of the mean and standard deviation of sales revenues, a desired confidence level of 99 percent, and assumed an allowed error of plus or minus \$50,000. Based on our sample, the standard deviation of sales revenues was approximately \$1.1 million. In order to be accurate within plus or minus \$50,000 and have 99 percent confidence, we required 3,209 respondents. Our sample size of 4,718 is therefore sufficiently large enough for accuracy within plus or minus \$41,235 in reported annual sales revenues and has 99 percent confidence in the interval estimate.

Figure 2.1 shows the distribution of the respondents by Resource and business segment. The number of respondents was 4,718 and this number was divided as follows: SBDC respondents comprised 48 percent, SCORE 29 percent, WBC clients 13 percent, and BIC clients 11 percent of the total respondents. The In-Business segment was the largest segment served for all Resources except for BIC.

Figure 2.1

**Survey Respondent Sizes by ED Resource and Segment**  
**Total N=4,718**



## Survey Administration

1. Concentrance developed a random sample table for each ED Resource.
2. ED Resources, using the random sample table, selected clients served within a ninety-day time period (Fiscal Year 2003 - Fourth Quarter) and mailed out surveys to the designated stratification (Nascent, Start-up and In-business). See Appendix C for survey instruments.
3. SBA developed, printed, and distributed cover letters and survey instruments, approved by OMB, with instructions for mailing and returning survey. All surveys were coded to ensure that addresses and contact information remained confidential. This information was used later for non-response follow-up.
4. Completed surveys were mailed back to each ED Resource, national SCORE office, or program outreach activity BIC to increase the likelihood of response. The ED Resources forwarded their responses to Concentrance and, in most cases; responses were accompanied with client contact information for follow-up.
5. Each ED Resource mailed follow-up surveys to non-respondents 10 days after the initial survey mailing. To measure potential non-response bias, telephone surveys, distributed proportionately across ED Resource, were conducted with non-respondents. Table 2.2 depicts the composition of telephone surveys across ED Resource. Telephone surveys were limited by the actual contact information provided by each ED Resource and the Resource distribution in the original sample.

**Table 2.2-Distribution of Phone Surveys**

<b>ED Resource</b>	<b>Client Contact Information Provided</b>	<b>% of Sample</b>	<b>Possible Phone Surveys</b>
SBDC	5,635	49%	2,761
SCORE	5,168	33%	1705
WBC	575	6%	35
BIC	304	11%	33

6. Concentrance logged-in all received surveys, entered the responses into a database for analysis, and developed an electronic database list of non-respondents for telephone follow-up.

Table 2.3 below presents the total number of surveys mailed and received and the attempted and completed telephone surveys. It also depicts the distribution of surveys across ED Resource and the response rate by ED Resource for mail and telephone surveys.

**Table 2.3-Response Rate**

Resource Center	Sample Size	Returned Surveys	Mail Response Rate	Call Attempts	Phone Surveys <sup>1</sup>	Phone Response Rate <sup>2</sup>	Survey Respondents	Final Response Rate
SBDC	9,810	1,857	18.9%	2,761	293	10.6%	2,251	22.9%
SCORE	6,691	1,080	16.1%	1,707	394	23.1%	1,371	22.0%
WBC	1,291	568	44%	35	23	65.7%	593	45.8%
BIC	2,209	483	21.9%	33	20	60.6%	503	22.8%
<b>Total</b>	<b>20,001</b>	<b>3,988</b>	<b>19.9%</b>	<b>4,536</b>	<b>730</b>	<b>22.6%</b>	<b>4,718</b>	<b>23.6%</b>

<sup>1</sup> Nineteen phone surveys were completed in Spanish

<sup>2</sup> Total phone response rate is represented as a weighted average



## Analysis

Our analysis included the following methods: frequency distributions, mean comparisons, cross tabulations, and regression analysis. We used frequency distribution for Likert scales where respondents answered on a scale of 1 to 5. We used mean comparisons to analyze continuous variables, e.g., annual sales revenues. We used cross tabulations to compare responses across segments. These analyses were selected in order to reflect the objectives of each research question and to facilitate the interpretation of the findings.

## Analysis of Non-Response

SBA's research plan for this study included a methodology for estimating potential non-response bias, which was highlighted above in step #5 of the survey administration section. Non-response bias was minimized by the second mailing of the survey and further reduced by telephone follow-ups.

Non-response bias may occur in survey research if respondents differ substantially from those who do not respond. The best way to protect against this bias is to improve the response rate. The most consistently effective method for achieving high response rates is follow-ups and reminders. Research in this area suggests that the optimum number of follow-up mailings or reminders is two.<sup>3</sup>

We assessed the extent and direction of potential non-response bias by studying the differences between those who responded and those who did not respond. Our approach was to conduct a phone survey from a sub-sample of the non-respondents and then conduct a comparative analysis of the responses of two groups, second mailing and telephone respondents. Since the non-respondents and mail/telephone respondents compared similarly, we concluded that there was no significant non-response bias.

A total of 730 phone surveys were conducted with mail non-respondents. We used analysis-of-variance to compare mail respondents with phone respondents in terms of average revenues and firm size. Results of these analyses indicated that the differences between the mail and phone samples were not statistically significant.<sup>4</sup>

Since we found no evidence of non-response bias, our analysis does not distinguish between mail versus phone response.

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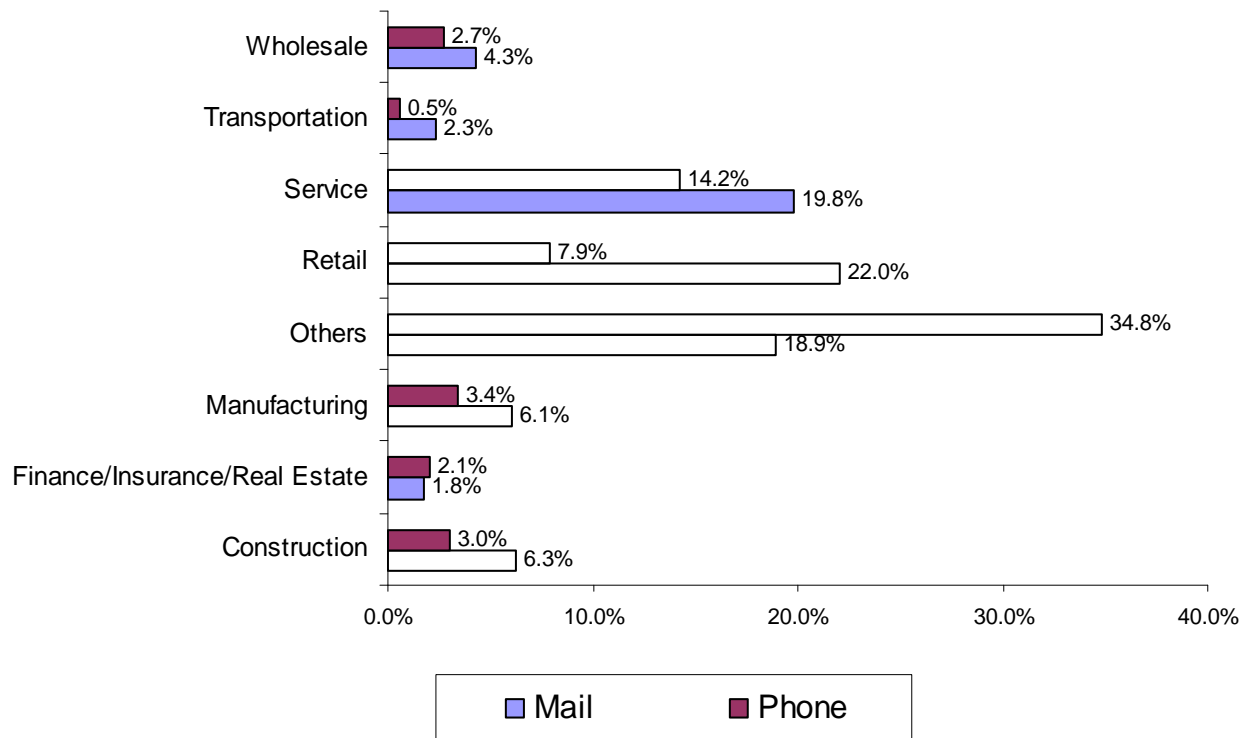
<sup>3</sup> James, Jeanine M and Richard Bolstein, "The Effect of Monetary Incentives and Follow-Up Mailings on the Response Rate and Response Quality in Mail Surveys," *Public Opinion Quarterly*, 54, Fall 1990, 346-61.

<sup>4</sup> These findings were based on results of a one-way analysis-of-variance (ANOVA) to determine whether mail versus phone respondents differed significantly in terms of sales revenues ( $F=2.3569$ ,  $dfs=1;3524$ ;  $p=0.1248$ ). We tested the null hypothesis that the average sales revenues were the same between these groups. A p-value greater than 0.01 suggested that the null hypothesis should not be rejected and that no evidence of significant differences between mail and phone respondents existed. A second ANOVA was conducted to determine whether mail versus phone respondents differed significantly in terms of number of FTEs ( $F=0.9582$ ,  $dfs=1;3524$ ;  $p=0.3277$ ). We tested the null hypothesis that the average number of FTEs was the same between these groups. A p-value greater than 0.01 suggested that the null hypothesis should not be rejected and that there was no evidence of significant differences between mail and phone respondents.

Mail and phone respondents are compared in terms of type of business in Figure 1.2. These results indicated that respondents to the mail survey were more likely to be in service, retail, construction, and manufacturing businesses. On the contrary, phone respondents were more likely to report that their primary type of business was ‘Other.’ This response category allowed for an open-ended description of the type of business. An analysis of these open-ended responses revealed nearly 800 different types of businesses. The top ten business categories included consulting, restaurant, publishing, education, entertainment, medical, software, health care, day care, and engineering.

**Figure 1.2**

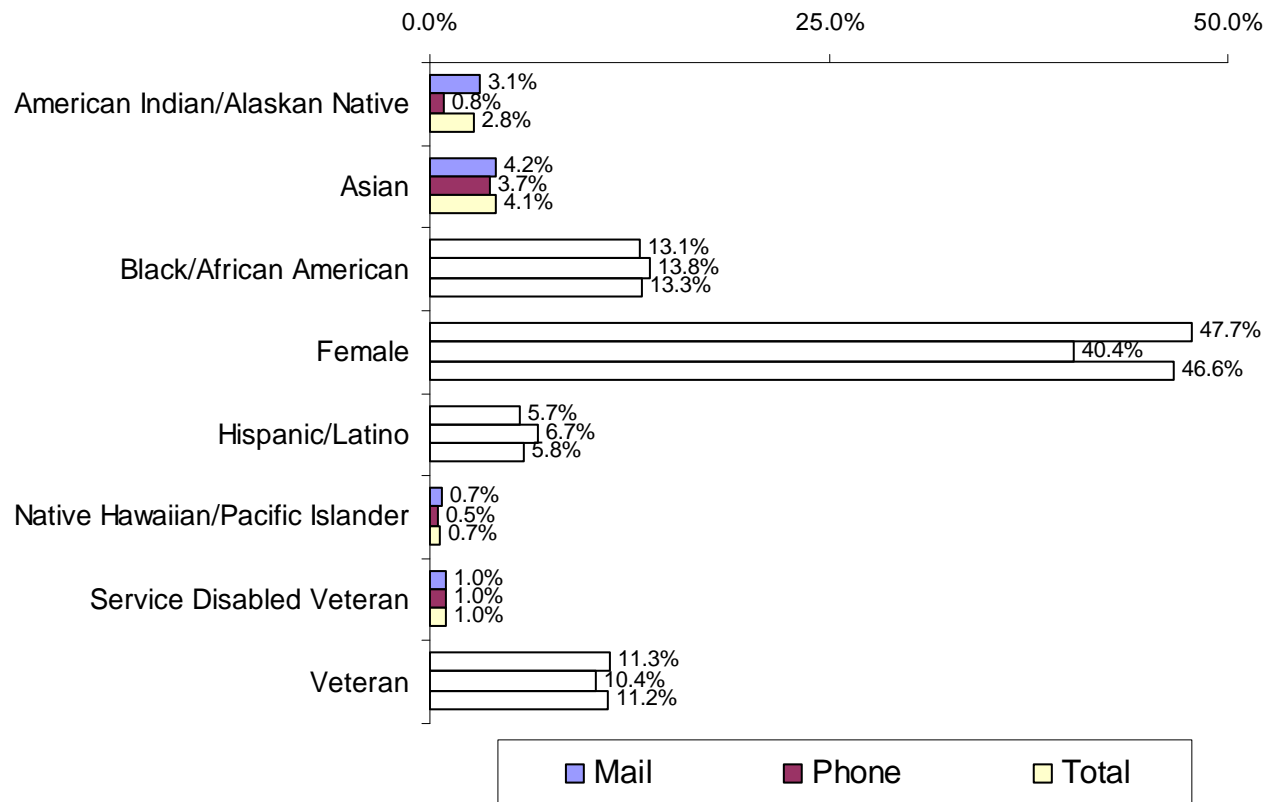
### Comparison of Mail vs. Phone Respondents by Business Type



A comparison of demographic characteristics of mail and phone respondents is presented in Figure 2.3. This figure shows that 11.3 percent of mail respondents were veterans, compared to 10.4 percent of phone respondents. A greater proportion of Hispanic/Latino individuals responded via the phone versus the mail survey, which may have been due in part to that language barrier that existed in the mail survey but was absent in the phone survey. Responses were relatively similar across most demographic categories with the exception of gender. There was a significantly higher share of female respondents in the mail survey relative to the phone survey.

**Figure 2.3**

### Mail versus Phone Survey Characteristics



To gain further perspective into possible non-response bias, we compared differences in revenues and number of full-time equivalents (FTEs) between mail and phone non-respondents. These differences were not statistically significant. Mail survey respondents were somewhat more likely to be female and were concentrated in service and retail businesses. However, these differences were small and did not pose any risk of systematic bias in the results.



## Findings:

### Small Business Development Centers

### 3. SBDC

The following section presents results from the Initial Impact Survey of SBDC clients. These results are presented for the Nascent, Start-Up, and In-Business segments, where appropriate. In addition, demographic data and results for SBDC segments are compared with those of all ED Resource respondents combined. This section begins with a discussion of the demographic data and subsequently presents additional findings organized by research question:

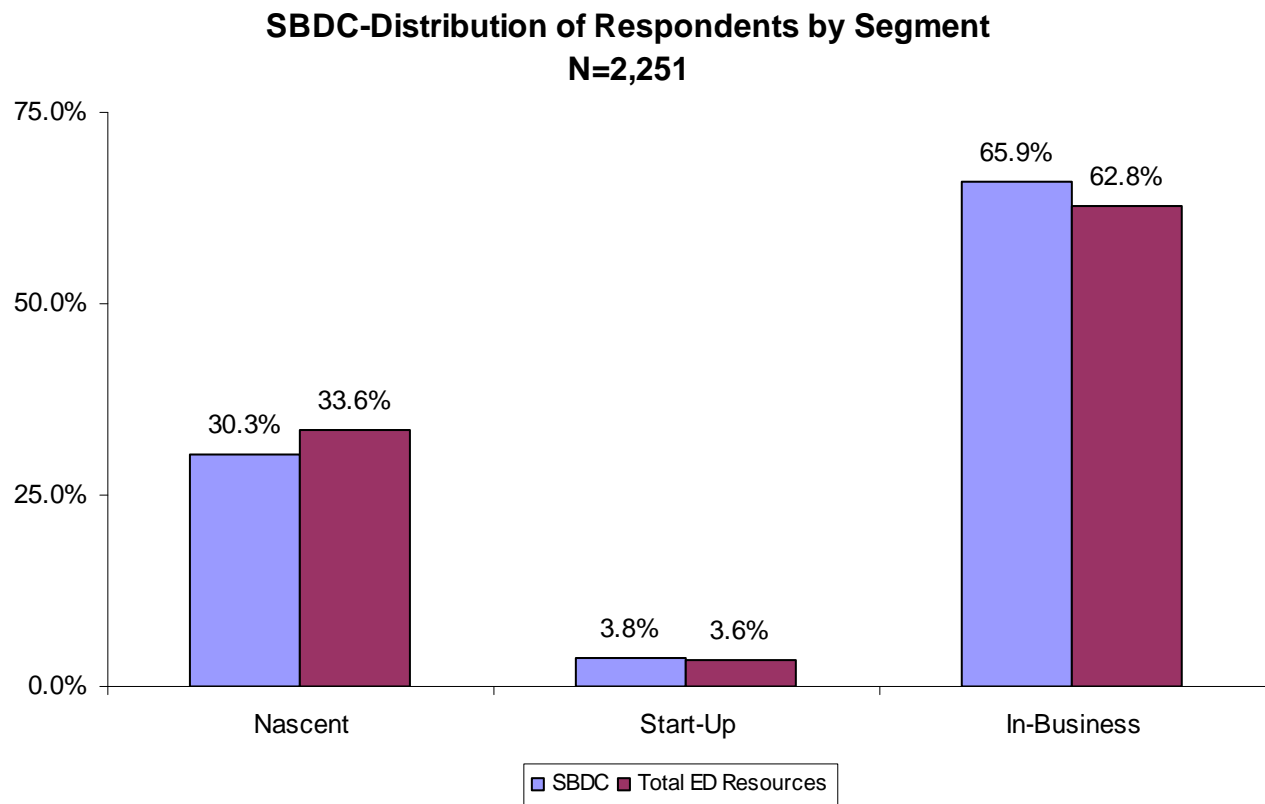
1. Is there a positive relationship between the services/assistance provided by SBDC Resources and the client's perception of the usefulness and value of the services/assistance received?
2. Is there a positive relationship between the services/assistance provided by SBDC Resources and the client's decision to start a business?
3. Is there a positive relationship between the services/assistance provided by SBDC Resources and the client's decision to implement and/or change management and/or marketing practices in their business?
4. Is there a positive relationship between the services/assistance provided by SBDC Resources and the client's business having a positive financial impact on job creation and retention and increase in sales?

**Demographic Characteristics**

This section describes the general demographic and financial characteristics of SBDC respondents, and compares these characteristics with those of all ED Resource respondents combined. These results are based on an analysis of 2,251 completed surveys.

Figure 3.1 shows the proportion of SBDC respondents in the Nascent, Start-Up, and In-Business segments. This figure also compares these proportions with the total for all ED Resources combined. According to these results, In-Business firms were the largest segment served by SBDC. Specifically, 65.9 percent of SBDC respondents were In-Business clients. Nascent firms comprised 30.3 percent of the respondents while the remaining 3.8 percent were Start-Ups. A large number, 27.0 percent, of SBDC respondents did not provide an answer to this question.

**Figure 3.1**



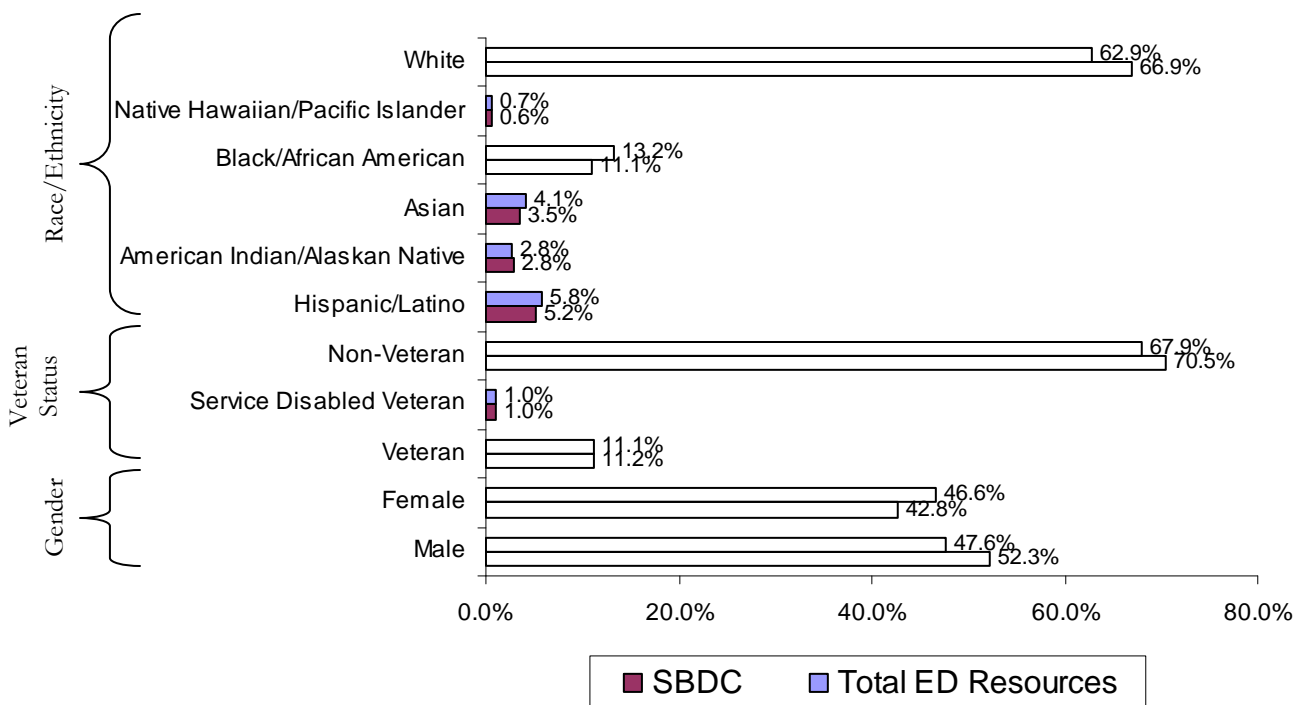
Respondents were asked to report their gross revenues, as well as the number of full and part-time employees in their business at the time they received SBDC assistance. Average revenues and number of employees are reported in Table 3.1 for SBDC clients as well as for all ED Resources. SBDC clients were substantially larger in terms of revenues and number of employees than the clients served by all ED Resources combined. SBDC clients had average revenues of nearly \$273,000 with 6.3 employees, compared to \$175,076 with 4.5 employees for all ED Resources combined.

**Table 3.1-Annual Revenues and Number of Employees**

	SBDC	Total ED Resources
Average Gross Revenue	\$272,552	\$175,076
Average Number of Employees	6.3	4.5

Selected demographic characteristics of SBDC and combined ED Resource respondents are presented in Figure 3.2. In general, the demographic characteristics of SBDC respondents were very similar to those found in the overall sample of all ED Resource clients. Female clients represented 42.8 percent of SBDC clients, compared to 46.6 percent across all ED Resources. The proportion of SBDC clients that were veterans was 11.2 percent while only 1.0 percent of the total respondents were service-disabled veterans. Approximately 23 percent of SBDC clients were Native Hawaiian/Pacific Islander, Black/African American, Asian, Native Indian/Alaskan Native, or Hispanic/Latino compared to a 26.6 percent share for all ED Resource clients. No response was indicated by 21.8 percent of SBDC survey respondents.

**Figure 3.2 SBDC-Respondent Demographic Characteristics**

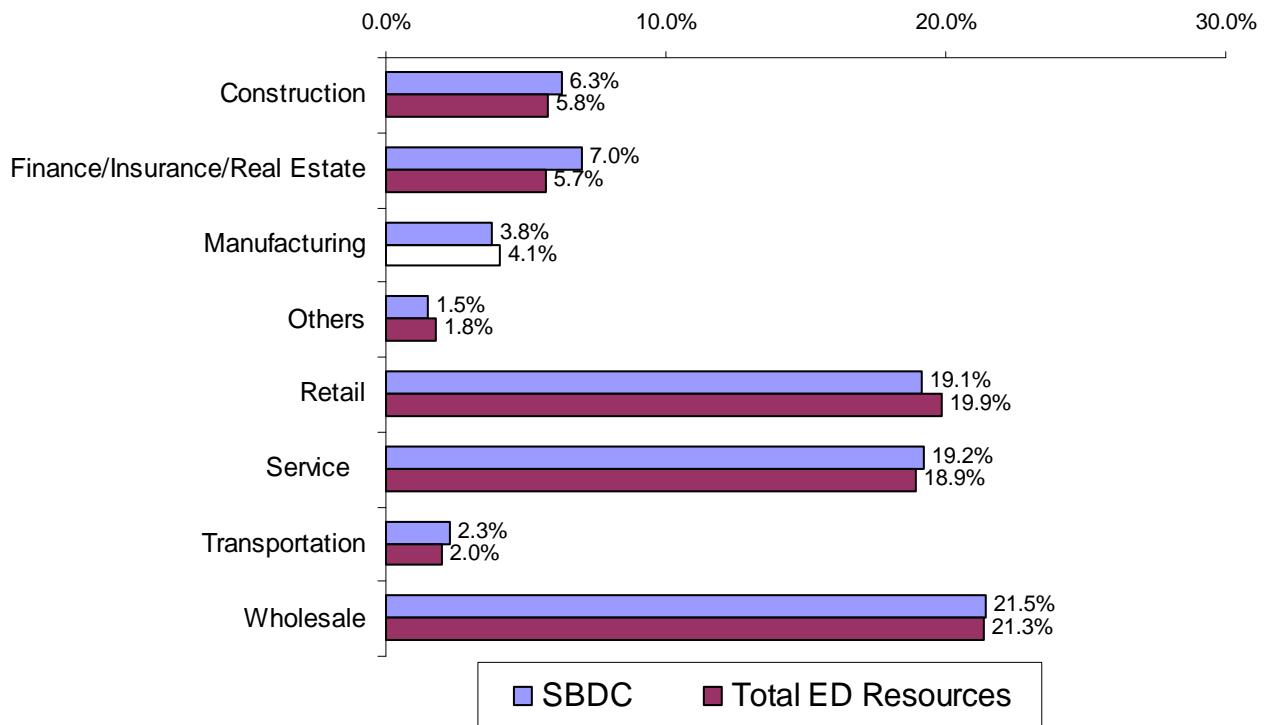




Respondents were asked to report their primary type of business or industry. These results are reported in Figure 3.3 for SBDC and combined ED Resource respondents. The most common business categories reported were wholesale, retail, and service, which represented 21.5, 19.1, and 19.2 percent of the SBDC respondents respectively. The ‘Transportation’ and ‘Other’ business categories were the smallest business categories of the SBDC respondents. In general, the distribution of SBDC clients by type of business was similar to the overall respondents of ED Resource clients, except that SBDC clients were slightly more likely to be in construction or financial services. Approximately 28.5 percent of SBDC respondents did not answer this question.

Figure 3.3

### SBDC-What is your primary type of business?



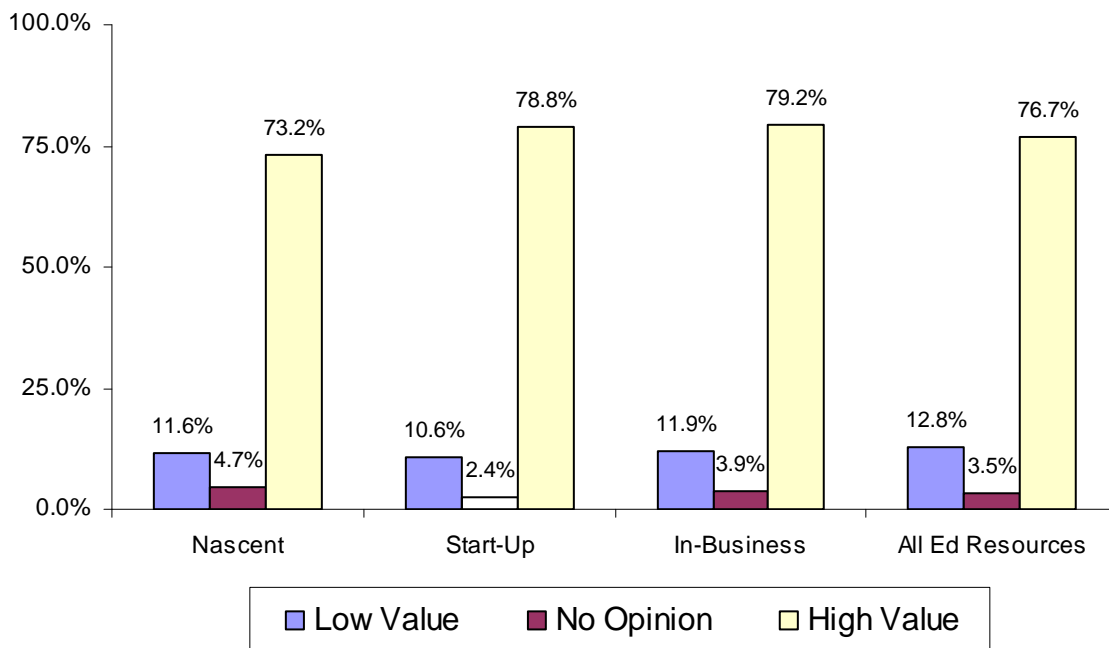
## Resource Impacts

The first resource impact measured the relationship between the services/assistance provided by SBDC and the client’s perception of the usefulness and value of the services/assistance received. Respondents were asked to indicate the value of the information they received from the SBDC counselor that they visited in terms of the usefulness, relevancy, and timeliness of information. They were also asked to indicate how effective their counselor was in assisting them.

In response to the questions regarding the value of information received, SBDC clients, in all segments, perceived the information they received from counselors to be valuable. Figure 3.4 shows the percentage of respondents in the Nascent, Start-Up, and In-Business segments who reported that this information had low value or high value, as well as the proportion that had no opinion. This figure also compares responses of each segment with the responses for all ED Resources combined.<sup>5</sup>

Approximately 73.2 of SBDC Nascent clients reported that the information they received from the SBDC counselor that they visited was valuable. In contrast, 11.6 percent of SBDC Nascent clients reported that the information they received had low value. Start-Up and In-Business clients were slightly more likely to assign a high value rating than Nascent clients and were more likely to assign high value to the information received compared to all ED Resources combined. No response was indicated for Nascent, Start-Up, and In-Business clients at the rates of 10.5, 8.2, and 5.0 percent, respectively.

**Figure 3.4 SBDC: How useful was the information you received?**



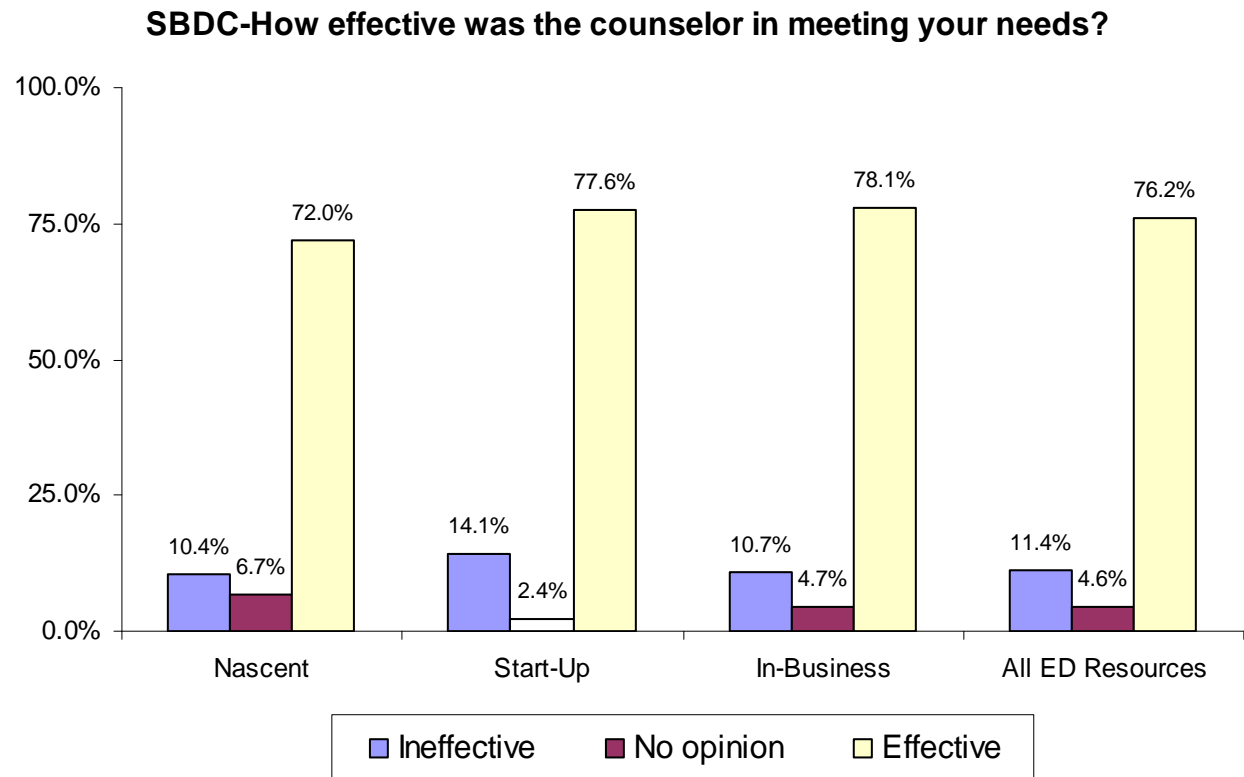
<sup>5</sup>Low value includes the ‘Somewhat Valuable’ and ‘Not Valuable’ response categories. High value includes the ‘Extremely Valuable’ and ‘Valuable’ response categories.

Responses to the question on the effectiveness of the SBDC counselor in meeting the client needs are summarized in Figure 3.5, which shows the percentage of each segment that assigned high versus low value scores. This figure also includes high and low value and no opinion ratings across all ED Resources.<sup>6</sup>

A large proportion of SBDC clients, regardless of segment, rated their counselors as high in effectiveness. Nascent clients gave their counselors high value ratings 72.0 percent of the time while only 10.4 percent gave their counselors low value ratings. Start-Up and In-Business respondents were more likely than Nascent clients to report high counselor value.

The SBDC Start-Up clients had the highest incidence of low value ratings relative to the other segments. Approximately 14.1 of this group reported that their counselors were ineffective compared to 11.4 percent for all ED Resources combined. Nascent, Start-Up, and In-Business SBDC clients did not answer this question at the rate of 10.9, 5.9, and 6.5 percent respectively.

Figure 3.5



<sup>6</sup>‘Effective’ and ‘Somewhat Effective’ response groups are defined as high value responses and ‘Somewhat Ineffective’ and ‘Ineffective’ response groups are defined as low value responses.

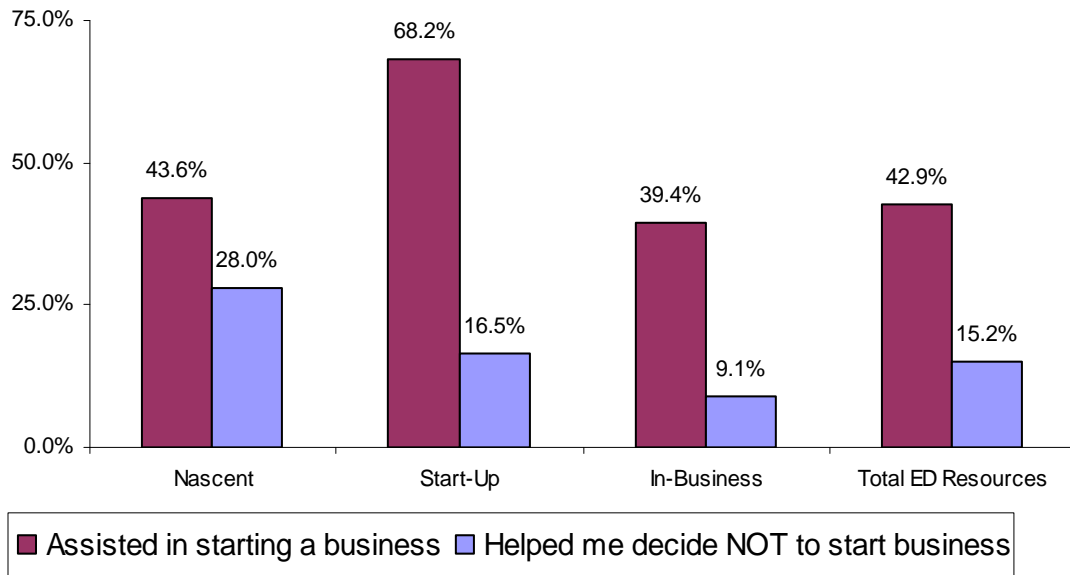
The second resource impact measured the extent to which there was a positive relationship between the services/assistance provided by SBDC Resources and the client’s decision to start a business.

SBDC clients were asked to rate the usefulness of their counselor in assisting them in starting a business. Figure 3.6 shows the percentage of respondents in the Nascent, Start-Up, and In-Business segments that reported that these services were useful. This figure also compares responses of each segment with the responses for all ED Resources combined.<sup>7</sup>

Approximately 43.6 percent of SBDC Nascent respondents reported that the services they received helped them to start a business. This proportion was 68.2 percent for Start-Ups and 39.4 percent for In-Business respondents. In general, Start-Ups perceived SBDC assistance to be more useful than Nascent or In-Business clients with respect to starting a business. For the Nascent and Start-Up segments, assistance in starting a business received higher ratings than the average rating for all ED Resources. SBDC In-Business respondents had lower ratings than the average for all ED respondents.

Figure 3.6 also shows the percentage of respondents in the Nascent, Start-Up, and In-Business segments that reported that SBDC services helped them decide not to start a business. In the case of the Nascent segment, 28.0 percent reported that their SBDC counselor helped them to decide not to start a business. These proportions were 16.5 and 9.1 percent for the Start-Up and In-Business segments, respectively. These results could be due to the fact that many members of the Start-Up and In-Business segment by definition were already in business or decided not to start a new business.

**Figure 3.6 SBDC-Were these services useful in starting or NOT starting a business?**



<sup>7</sup>‘Useful’ includes the ‘Very Useful’ and ‘Useful’ response categories. Response categories for ‘No Opinion,’ ‘Somewhat Useful,’ and ‘Not Useful’ are not shown here.

The third resource impact measured the extent to which there was a positive relationship between the services/assistance provided by SBDC Resources and the client’s decision to implement and/or change management and/or marketing practices in their business.

Survey respondents were asked if they had made any changes in their management practices or strategies as a result of the assistance they received. Those that indicated that changes were made were also asked which management practices or strategies they had changed as a result of the assistance they received from SBDC. Table 3.2 below shows the percentage of respondents in each segment that indicated that changes were made as a result of the assistance received. As illustrated, 63.5 percent of In-Business respondents reported that they changed management practices or strategies as a result of SBDC assistance while only 62.4 percent of Start-Ups had done the same. This proportion was 64.4 percent for all ED Resource respondents combined.

**Table 3.2-SBDC Impact on Managerial Practices**

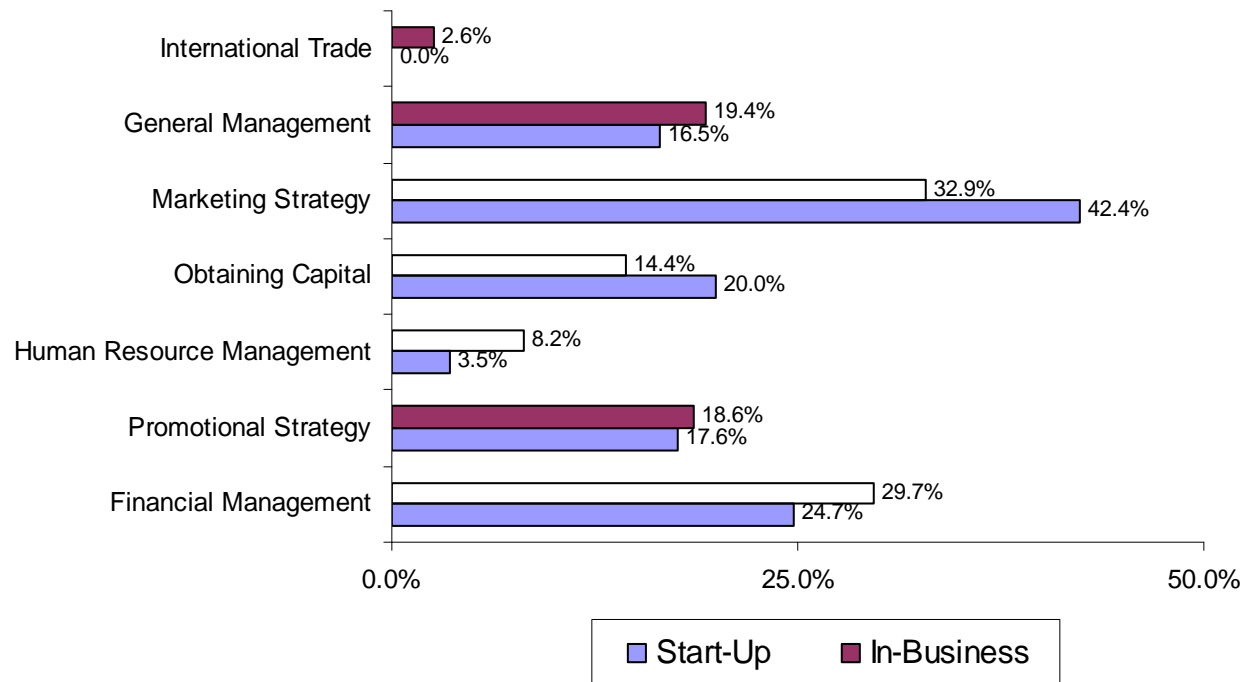
	<b>Changed management practices/strategies</b>
SBDC Start-Up	62.4%
SBDC In-Business	63.5%
<b>Total ED Resources</b>	<b>64.4%</b>

Figure 3.7 shows several types of management practices and strategies, such as financial management, human resource management, and marketing strategy, and the proportion of respondents who made changes in these areas. This figure also compares management changes of Start-Ups with those of In-Business firms. Nascent firms, by definition, are not in business yet and have not been included.<sup>8</sup>

SBDC clients were more likely to have made changes in their marketing strategy than any other management area. While 42.4 percent of Start-Ups changed their marketing strategy, only 32.9 percent of In-Business clients did the same. The second most prevalent change was in the area of financial management. Approximately 24.7 percent of Start-Ups and 29.7 percent of In-Business firms made changes in the financial management practices as a result of the assistance they received from SBDC. International trade and human resource management practices were least likely to be changed due to SBDC assistance.

**Figure 3.7**

**SBDC-As a result of this assistance, which practices have you changed?**



<sup>8</sup>These percentages include the ‘Strongly Agree’ and ‘Agree’ response categories.

An additional question was asked to measure the plans, strategies and/or analysis SBDC clients were able to conduct or develop in order to start or better manage their businesses as a result of assistance received. Table 3.3 below, lists various plans, strategies, and analysis clients developed as a result of the assistance they received from SBDC. Examples include business plans, loan packages, and training plans for staff. Business plans were the most frequently cited area of improvement for both Start-Up and In-Business firms, 64.7 and 42.1 percent respectively. Marketing plans and cash flow analysis were the second most common types of assistance provided. E-commerce, procurement and staff training were the least common types of business activities facilitated by SBDC.

**Table 3.3-SBDC Management and Tactical Areas of Improvement as a Result of Assistance Received**

Resource: SBDC	Start-Up	In-Business
<b>Area of Improvement</b>		
Business Plan	64.7%	42.1%
Cash Flow Analysis	34.1%	21.8%
Distribution Plan	4.7%	3.9%
E-Commerce Strategy	1.2%	5.4%
Feasibility Plan	11.8%	7.1%
Financial Management Strategy	14.1%	13.3%
Hiring Plan	4.7%	6.3%
Loan Package	17.6%	16.3%
Marketing Plan	35.3%	30.7%
Pricing Strategy	18.8%	14.4%
Procurement Strategy	1.2%	3.8%
Production Plan	7.1%	4.7%
Promotional Plan	18.8%	13.3%
Training Plan for Staff	1.2%	4.5%

The fourth resource impact measured the extent to which there was a positive relationship between the services/assistance provided by SBDC Resources and the client’s business having a positive financial impact on job creation, retention, and increase in sales.

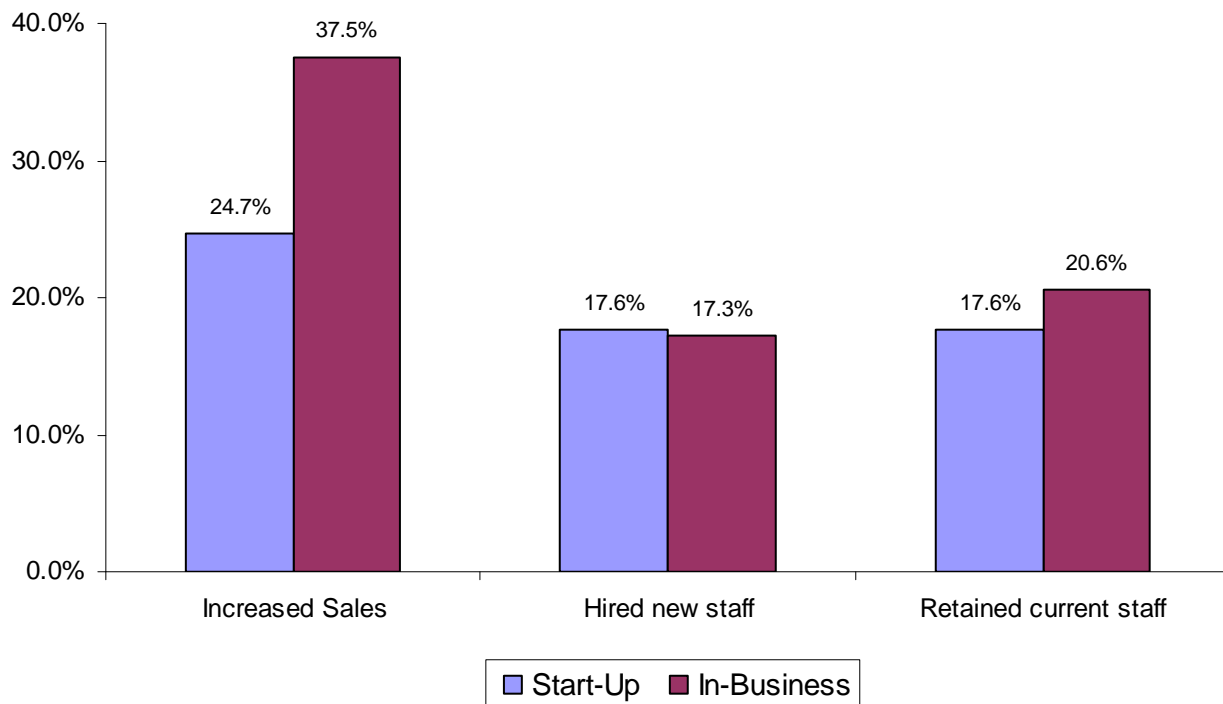
Respondents were asked to rate the extent to which SBDC assistance resulted in increased sales, hiring of new staff, and retention of current staff. Figure 3.8 illustrates the proportion of respondents who reported that SBDC assistance resulted in these outcomes. This figure compares results reported by Start-Up versus In-Business clients.

SBDC assistance had a larger impact on increases in sales for In-Business firms relative to Start-Ups, because Start-Ups, by definition, have had a shorter time to implement assistance or realize these outcomes. Approximately 24.7 percent of Start-Ups reported that this assistance resulted in increased sales.

Similarly, in terms of In-Business clients, SBDC assistance had the greatest impact on sales increases. Approximately 37.5 percent of this segment reported that SBDC assistance resulted in their hiring new staff. At the same time, 20.6 percent of In-Business firms reported that SBDC assistance led to retention of current staff.

Figure 3.8

**SBDC-How have these changes had an impact on your firm?**



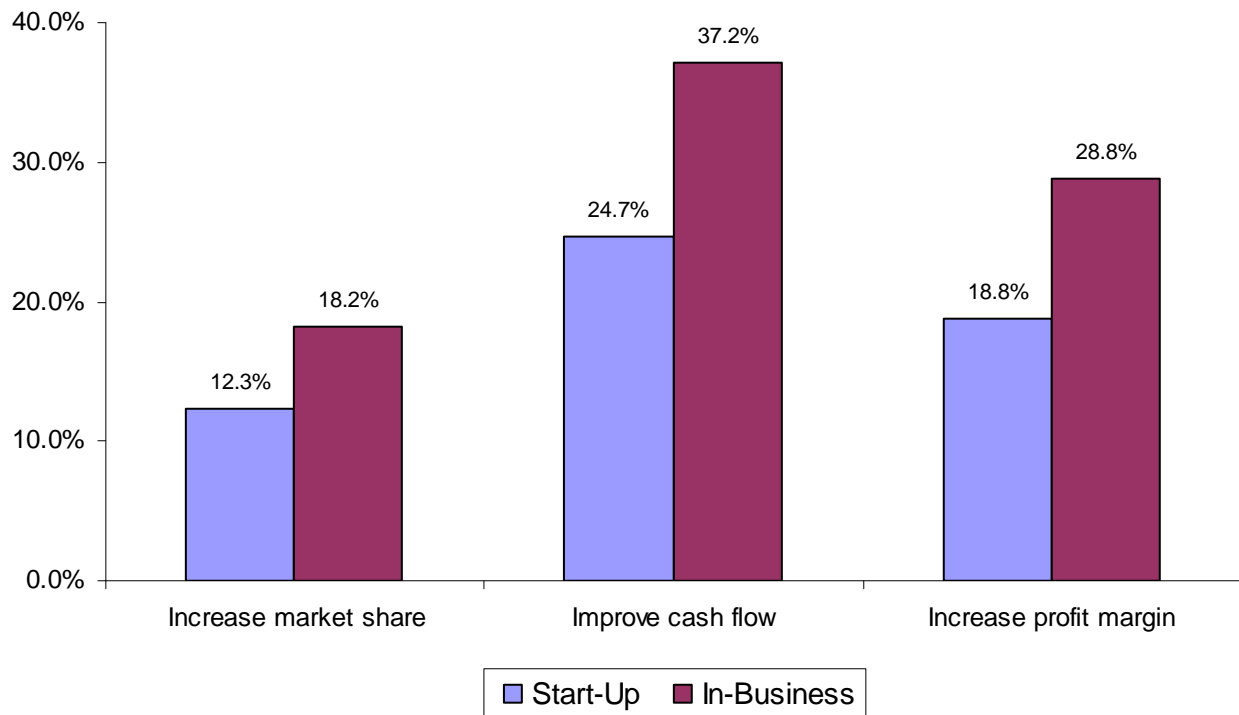
<sup>9</sup>Percents comprise ‘Strongly Agree’ and ‘Agree’ response categories. Response categories for ‘No Opinion,’ ‘Disagree,’ and ‘Strongly Disagree’ are not shown here.



In addition to effects on sales, job creation, and retention, respondents identified several other areas in which SBDC information was helpful. Figure 3.9 shows the proportion of respondents in Start-Up and In-Business segments that saw improvements in market share, cash flow, or profits as a result of their counselor’s assistance. Approximately 37.2 percent of In-Business respondents reported that SBDC assistance helped them to improve cash flow. Another 28.8 percent of In-Business clients reported that SBDC assistance resulted in increased profit margin.

Figure 3.9

**SBDC-How have these changes had an impact on your firm?**





Findings:

SCORE

## 4. SCORE

The following section presents results from the Initial Impact Survey of SCORE clients. These results are presented for the Nascent, Start-Up, and In-Business segments, where appropriate. In addition, demographic data and results for SCORE segments are compared with those of all ED Resource respondents combined. This section begins with a discussion of the demographic data and then presents the additional findings organized by research question:

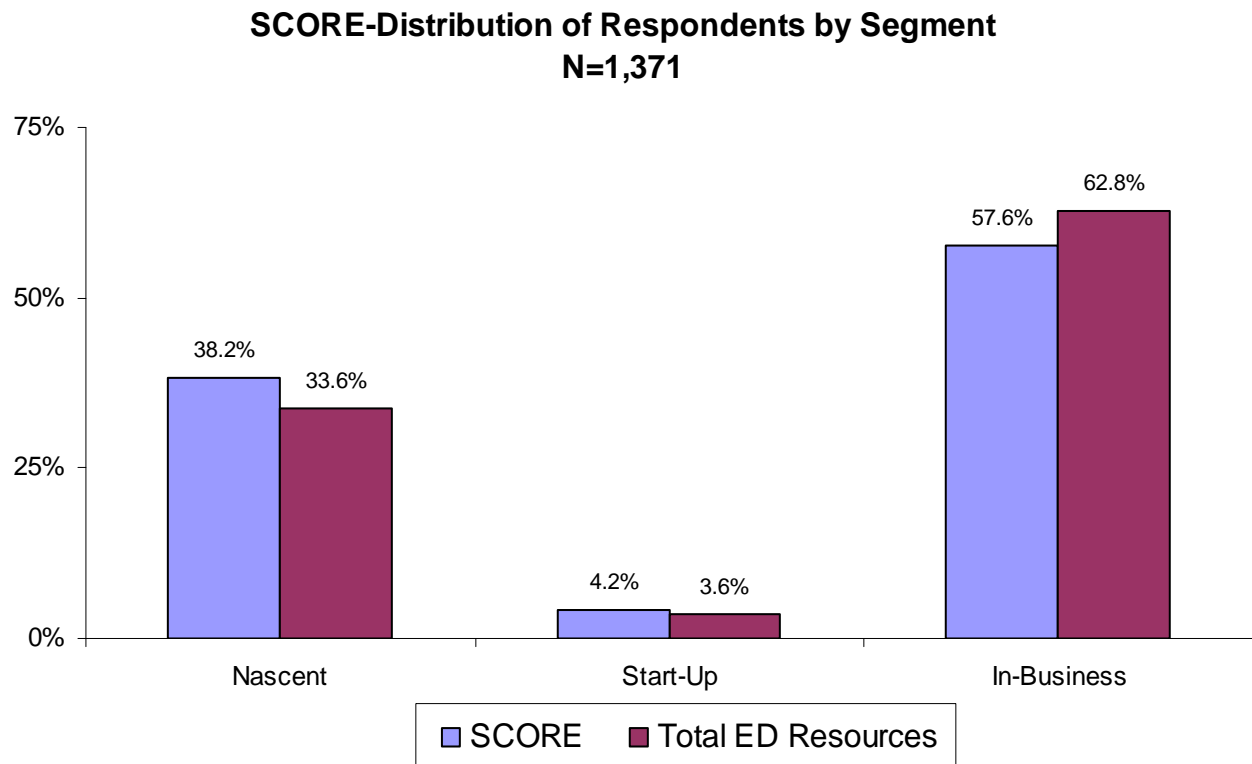
1. Is there a positive relationship between the services/assistance provided by SCORE Resources and the client's perception of the usefulness and value of the services/assistance received?
2. Is there a positive relationship between the services/assistance provided by SCORE Resources and the client's decision to start a business?
3. Is there a positive relationship between the services/assistance provided by SCORE Resources and the client's decision to implement and/or change management and/or marketing practices in their business?
4. Is there a positive relationship between the services/assistance provided by SCORE Resources and the client's business having a positive financial impact on job creation and retention and increase in sales?

**Demographic Characteristics**

This section describes the general demographic and financial characteristics of SCORE respondents, and compares these characteristics with those of all ED Resource respondents combined. These results are based on an analysis of 1,371 completed surveys.

Figure 4.1 shows the proportion of SCORE respondents in the Nascent, Start-Up, and In-Business segments. This figure also compares these proportions with the total for all ED Resources combined. According to these results, In-Business firms are the largest segment served by SCORE. Specifically, 57.6 percent of SCORE respondents were In-Business clients. Nascent firms comprised 38.2 percent of the respondents while the remaining 4.2 percent were Start-Ups. Only 2.0 percent of SCORE respondents did not answer this question.

**Figure 4.1**



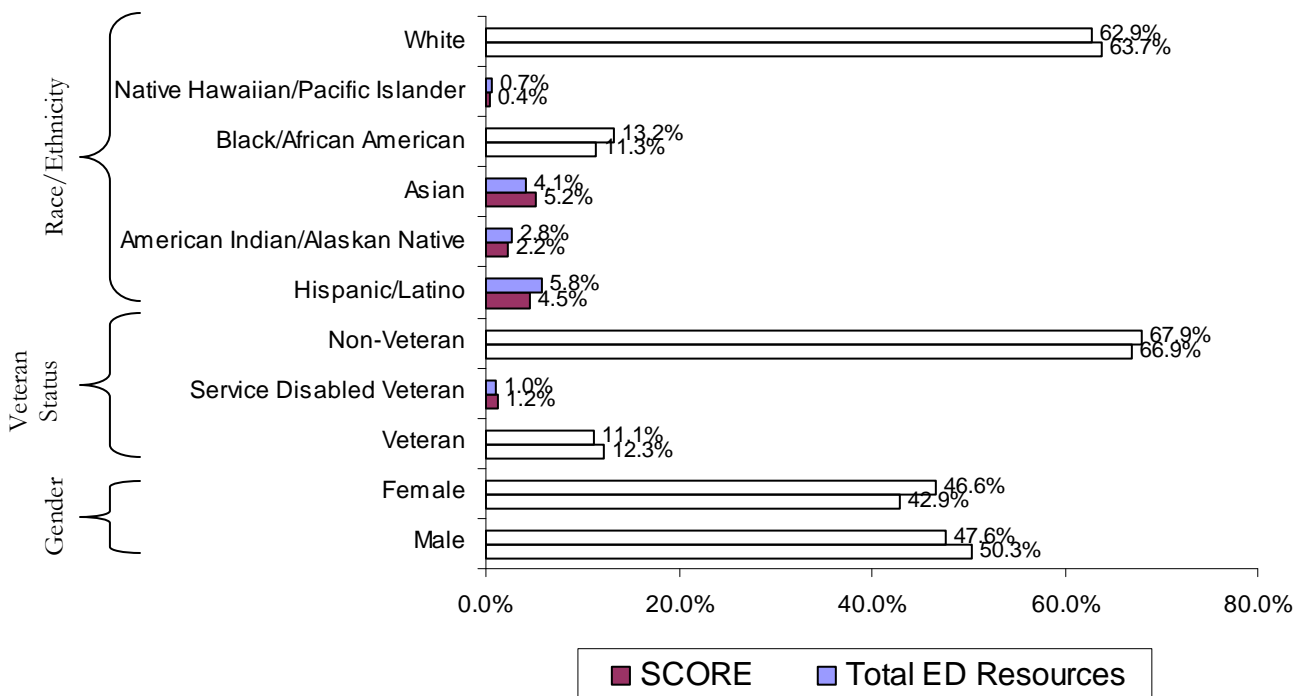
Respondents were asked to report their gross revenues, as well as the number of full and part-time employees in their business at the time they received SCORE assistance. Average revenues and number of employees are reported in Table 4.1 for SCORE clients as well as for all ED Resources combined. SCORE clients were substantially smaller in terms of revenues and number of employees than the clients served by total ED Resources. Average revenues for SCORE clients were \$112,182 with 3.2 employees, compared to \$175,076 with 4.5 employees for all ED Resources combined.

**Table 4.1-Annual Revenues and Number of Employees**

	SCORE	Total ED Resources
Average Gross Revenue	\$112,182	\$175,076
Average Number of Employees	3.2	4.5

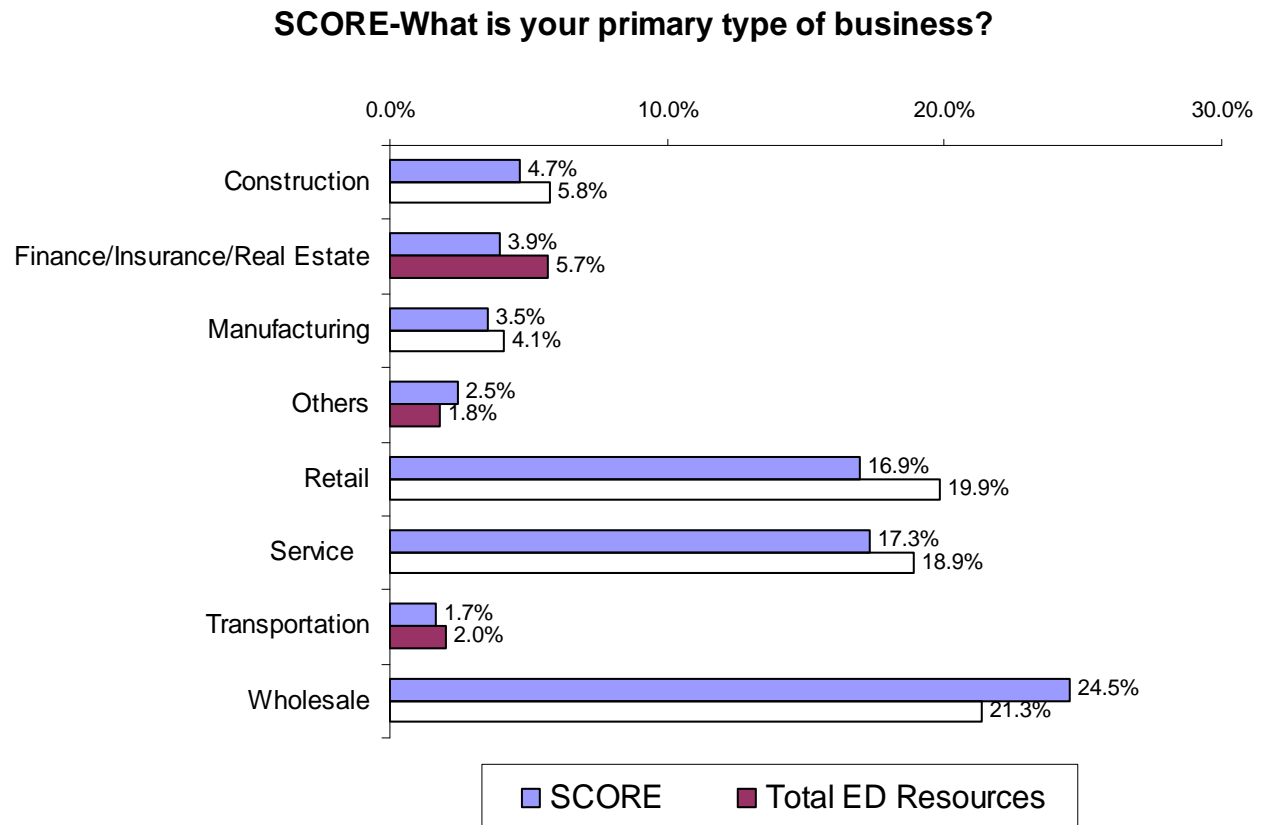
Selected demographic characteristics of SCORE and combined ED Resource respondents are presented in Figure 3.2. In general, the demographic characteristics of SCORE respondents are very similar to those found in the overall respondents of all ED Resource clients. Female clients represented 42.9 percent of SCORE clients, compared to 46.6 percent across all ED Resources. The proportion of SCORE clients that were veterans was 12.3 percent while only 1.2 percent of the total respondents were service-disabled veterans. Approximately 24 percent of SCORE clients were Native Hawaiian/Pacific Islander, Black/African American, Asian, Native Indian/Alaskan Native, or Hispanic/Latino, compared to a 26.6 percent share for all ED Resource clients. No response was indicated by 20.0 percent of SCORE respondents.

**Figure 4.2 SCORE-Respondent Demographic Characteristics**



Respondents were asked to report their primary type of business or industry. These results are reported in Figure 4.3 for SCORE and combined ED Resource respondents. The most common business categories reported were wholesale, retail and service, which represented 24.5, 16.9, and 17.3 percent of the SCORE respondents, respectively. The Transportation and ‘Other’ (unspecified) categories had the smallest shares of the SCORE respondents. In general, the distribution of SCORE clients by type of business was similar to that for the overall respondents of ED Resource clients, except that SCORE clients were slightly more likely to be in the wholesale business. Approximately 25.0 percent of SCORE clients did not answer this question.

Figure 4.3



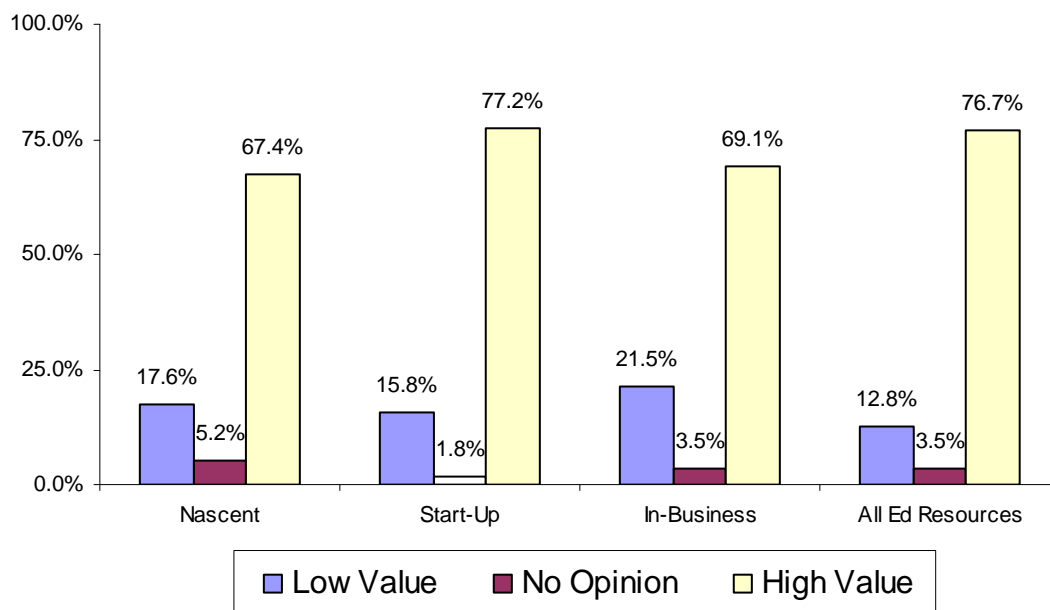
## Resource Impacts

The first resource impact measured the relationship between the services/assistance provided by SCORE and the client’s perception of the usefulness and value of the services/assistance received. Respondents were asked to indicate the value of the information they received from the SCORE counselor in terms of the usefulness, relevancy, and timeliness of information. They were also asked to indicate how effective their counselor was in assisting them.

In response to the questions regarding the value of the information received, SCORE clients, in all segments, perceived the information they received from counselors to be valuable. Figure 4.4 shows the percentage of respondents in the Nascent, Start-Up, and In-Business segments who reported that this information had low value or high value, as well as the proportion that had no opinion. This figure also compares responses of each segment with the responses for all ED Resources.<sup>10</sup>

Figure 4.4 shows that more than two-thirds (67.4 percent) of SCORE Nascent clients reported that the information they received from the SCORE counselor they visited was valuable. Approximately 17.6 percent of SCORE Nascent clients reported that the information they received had low value. Compared to the Nascent and In-Business segments, SCORE Start-Up clients were more likely to report that information was valuable. In addition, the SCORE Start-Up segment was the only SCORE segment with higher value ratings than the average for all ED Resources. These results imply that Start-Up clients have benefited most from SCORE assistance. No response was indicated for Nascent, Start-Up, and In-Business clients at the rates of 9.8, 5.2, and 5.9 percent respectively.

**Figure 4.4 SCORE-How useful was the information you received?**



<sup>10</sup>Low value includes the ‘Somewhat Valuable’ and ‘Not Valuable’ response categories. High value includes the ‘Extremely Valuable’ and ‘Valuable’ response categories.

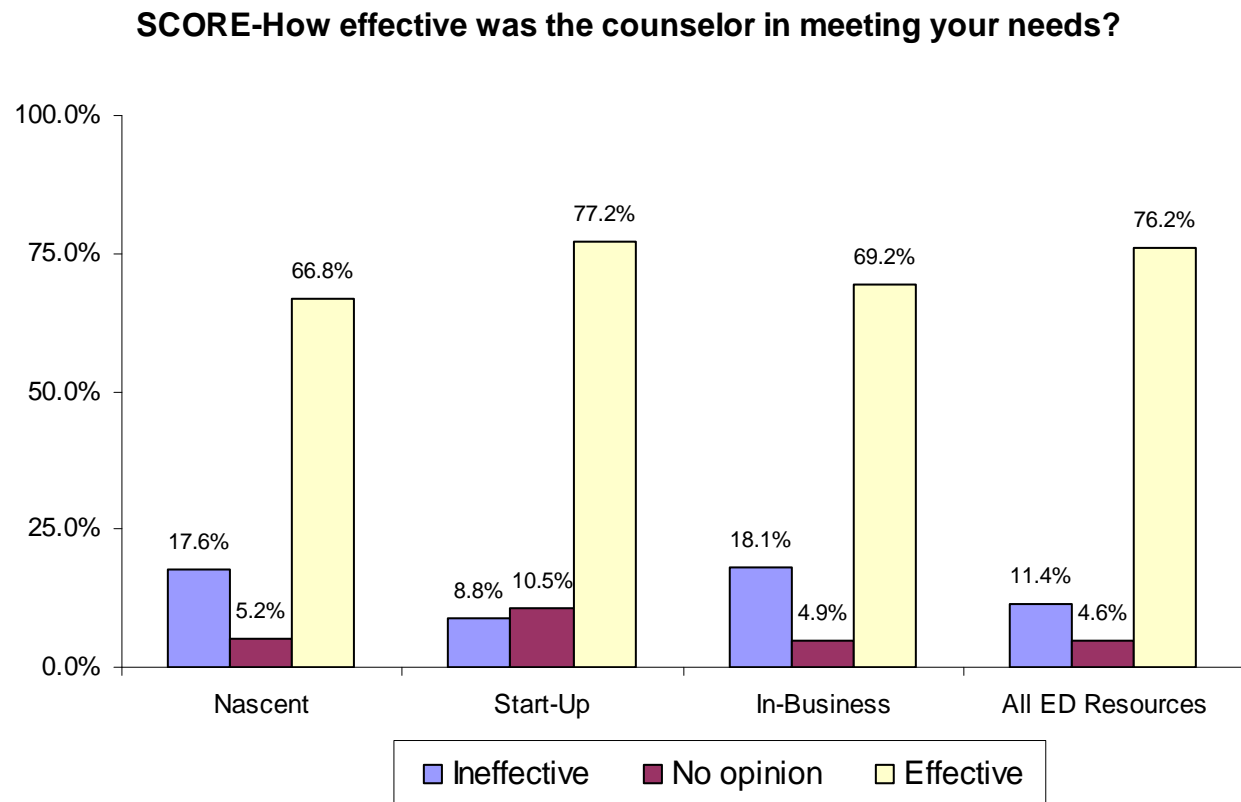


Respondents were also asked to rate the effectiveness of their SCORE counselor in meeting their needs. Responses to this item are summarized in Figure 4.5, which shows the percentage of each segment that assigned high versus low value scores.<sup>11</sup>

A large share of SCORE clients, regardless of segment, rated their counselors as high in effectiveness. For example, 66.8 percent of Nascent clients gave their counselors high effectiveness ratings. At the same time, 17.6 percent gave their counselors low effectiveness ratings. SCORE Start-Up respondents had much higher counselor effectiveness ratings than Nascent or In-Business respondents.

The SCORE Nascent and In-Business clients also had the highest incidence of low effectiveness ratings relative to the other segments, 17.6 and 18.1 percent respectively. These numbers are substantially higher than the 11.4 percent average for all ED Resources combined. Nascent, Start-Up, and In-Business SCORE clients did not answer this question at the rate of 10.4, 3.5, and 7.8 percent respectively.

**Figure 4.5**



<sup>11</sup>Low value includes the ‘Somewhat Ineffective’ and ‘Ineffective’ response categories. High value includes the ‘Effective’ and ‘Somewhat Effective’ response categories.

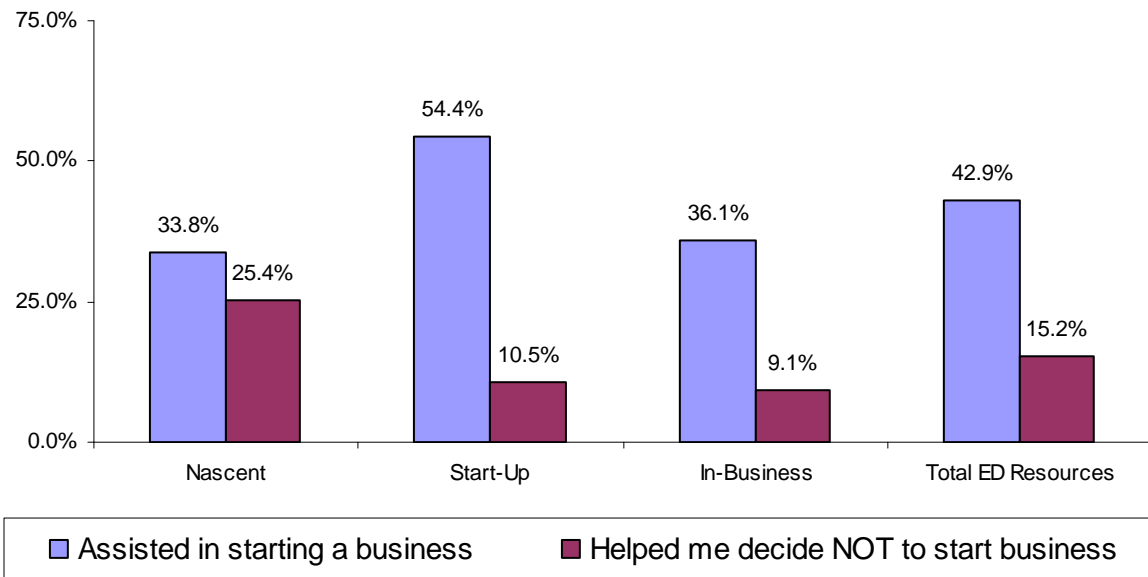
The second resource impact measured the extent to which there was a positive relationship between the services/assistance provided by SCORE Resources and the client’s decision to start a business.

SCORE clients were asked to rate the usefulness of their counselor in assisting them in starting a business. Figure 4.6 shows the percentage of respondents in the Nascent, Start-Up, and In-Business segments that reported that these services were useful. This figure also compares responses of each segment with the responses for all ED Resources combined.

Nearly 33.8 percent of SCORE Nascent respondents reported that the services they received helped them to start a business. This proportion was 54.4 percent for Start-Up and 36.1 percent for In-Business respondents. For the Start-Up segment, assistance in starting a business received higher ratings than average for all ED Resources. In fact, 54.4 percent of SCORE Start-Up clients rated this assistance to be useful compared to an average of 42.9 percent for all ED Resources combined. SCORE Nascent and In-Business respondents reported lower ratings of assistance for starting a business as compared to SCORE Start-Up clients and the total ED Resources combined.

Figure 4.6 also shows the percentage of SCORE respondents in the Nascent, Start-Up, and In-Business segments that reported that SCORE services helped them decide not to start a business. In the case of the Nascent segment, 25.4 percent reported that their SCORE counselor helped them to decide not to start a business. These proportions were 10.5 and 9.1 percent for the Start-Up and In-Business segments, respectively. This result could be due to the fact that many members of the Start-Up and In-Business segment, by definition, have already decided to start a business.

**Figure 4.6 SCORE—Were these services useful in starting or NOT starting a business?**



<sup>12</sup>‘Useful’ includes the ‘Very Useful’ and ‘Useful’ response categories. Response categories for ‘No Opinion,’ ‘Somewhat Useful,’ and ‘Not Useful’ are not shown here.

The third resource impact measured the extent to which there was a positive relationship between the services/assistance provided by SCORE Resources and the client’s decision to implement and/or change management and/or marketing practices in their business.

Survey respondents were asked if they had made any changes in their management practices or strategies as a result of the assistance they received. Those that indicated that changes were made were also asked which management practices or strategies they changed as a result of the assistance they received from SCORE. Table 4.2 below shows the percentage of respondents in each segment that indicated that changes were made as a result of the assistance received. As shown, 57.9 percent of SCORE In-Business clients reported that they made changes to their management practices or strategies, compared to 64.4 percent of clients from all ED Resources combined.

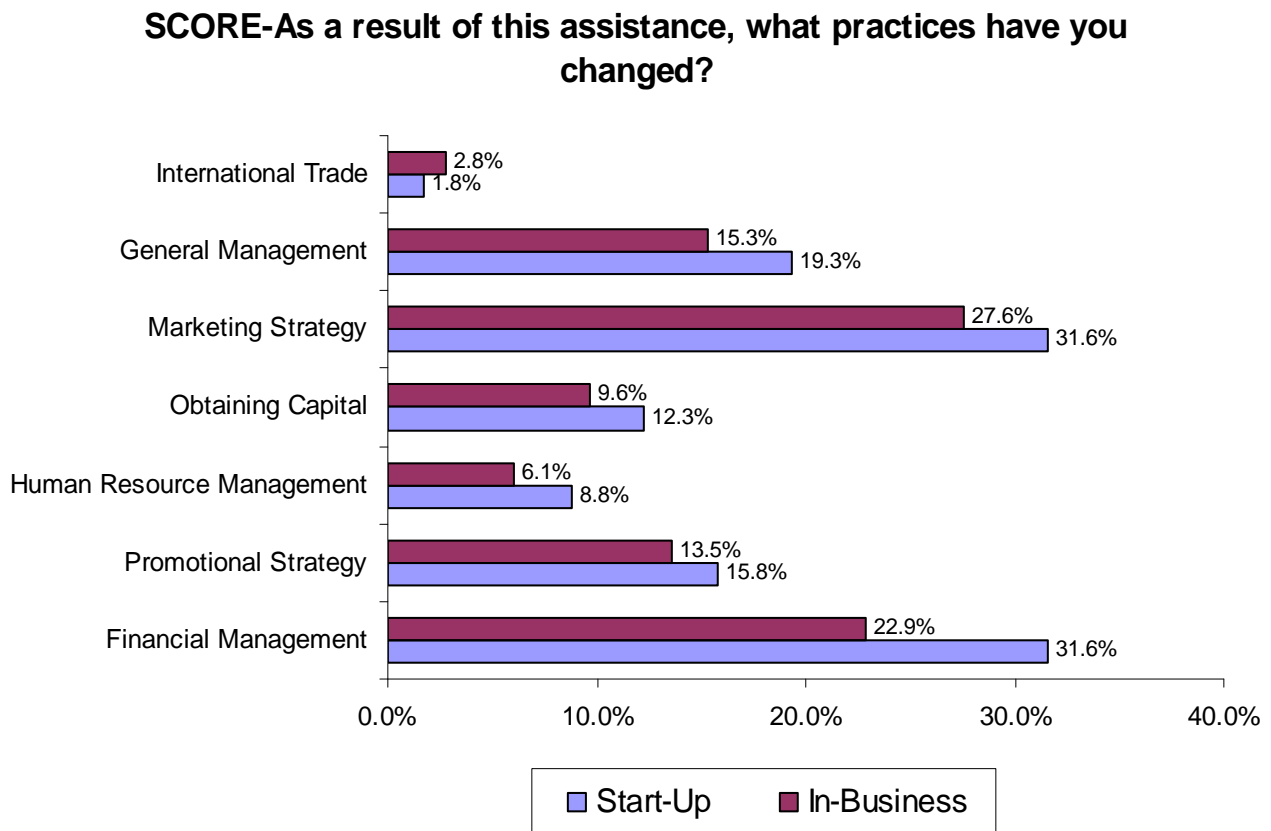
**Table 4.2-SCORE Impact on Managerial Practices**

	<b>Changed management practices/strategies</b>
SCORE Start-Up	55.3%
SCORE In-Business	57.9%
<b>Total ED Resources</b>	<b>64.4%</b>

Figure 4.7 shows several types of management practices and strategies, such as financial management, human resource management, and marketing strategy, and the proportion of respondents who made changes in these areas. This figure also compares management changes of Start-Ups with those of In-Business firms. Nascent firms, by definition, are not in business yet and have not been included.<sup>13</sup>

SCORE clients were more likely to have made changes in their marketing strategy or financial management strategy than any other area. For example, 31.6 percent of Start-Ups and 27.6 percent of In-Business firms made changes to their marketing strategy as a result of SCORE assistance. In addition, 31.6 percent of Start-Ups and 22.9 percent of In-Business firms made changes in the area of financial management. International trade and human resource management practices were least likely to be changed due to SCORE assistance.

Figure 4.7



<sup>13</sup>These percentages include the ‘Strongly Agree’ and ‘Agree’ response categories.

An additional question was asked to measure the plans, strategies and/or analysis SCORE clients were able to conduct or develop in order to start or better manage their businesses as a result of assistance received. Table 4.3 below lists various business plans, strategies, and analysis developed by clients as a result of SCORE assistance. Examples include business plans, loan packages, and training plans for staff for Start-Up and In-Business clients. Business plans were the most frequently cited area of improvement for both Start-Up and In-Business clients, 52.6 and 33.3 percent respectively. Marketing plans were the second most common type of assistance provided. Cash flow analysis and promotional plans were also significant areas of improvement for In-Business clients. Both In-Business and Start-Up firms were least likely to use SCORE assistance for procurement and staff training.

**Table 4.3-SCORE Management and Tactical Areas of Improvement as a Result of Assistance Received**

Resource: SCORE Area of Improvement	Segment	
	Start-Up	In-Business
Business Plan	52.6%	33.3%
Cash Flow Analysis	14.0%	11.3%
Distribution Plan	1.8%	3.0%
E-Commerce Strategy	3.5%	3.3%
Feasibility Plan	10.5%	6.1%
Financial Management Strategy	8.8%	9.0%
Hiring Plan	1.8%	3.5%
Loan Package	8.8%	7.6%
Marketing Plan	28.1%	22.3%
Pricing Strategy	14.0%	8.1%
Procurement Strategy	1.8%	1.9%
Production Plan	3.5%	3.3%
Promotional Plan	8.8%	10.3%
Training Plan for Staff	1.8%	2.3%

The fourth resource impact measured the extent to which there was a positive relationship between the services/assistance provided by SCORE Resources and the client’s business having a positive financial impact on job creation, retention, and increase in sales.

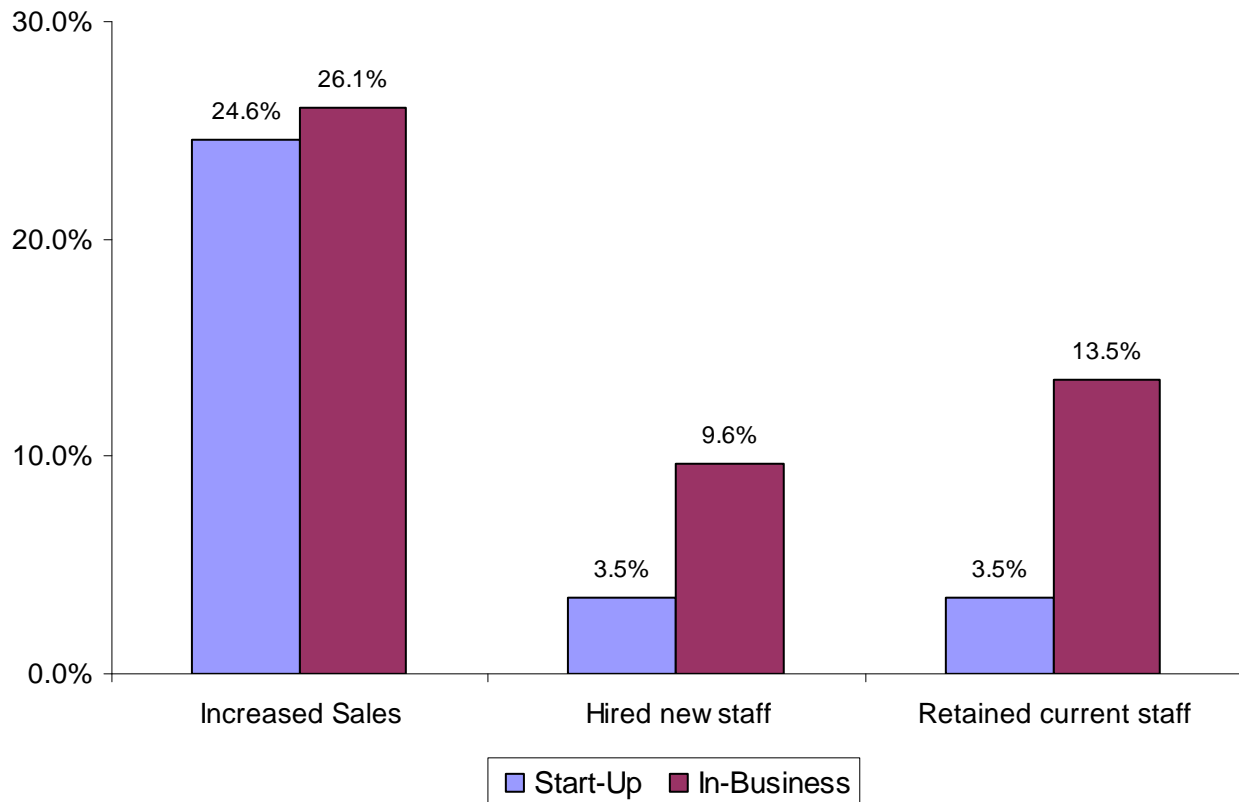
Respondents were asked to rate the extent to which SCORE assistance resulted in increased sales, hiring of new staff, and retention of current staff. Figure 4.8 illustrates the proportion of respondents who reported that SCORE assistance resulted in these outcomes. This figure compares results reported by Start-Up versus In-Business clients.<sup>14</sup>

SCORE assistance had a larger impact on job creation, retention, and increases in sales for In-Business firms relative to Start-Ups, because Start-Ups, by definition, have had a shorter time to implement assistance or realize these outcomes.

Approximately 24.6 percent of SCORE Start-Up and 26.1 percent of In-Business clients reported that Score assistance resulted in increased sales.

Figure 4.8

**SCORE-How have these changes had an impact on your firm?**

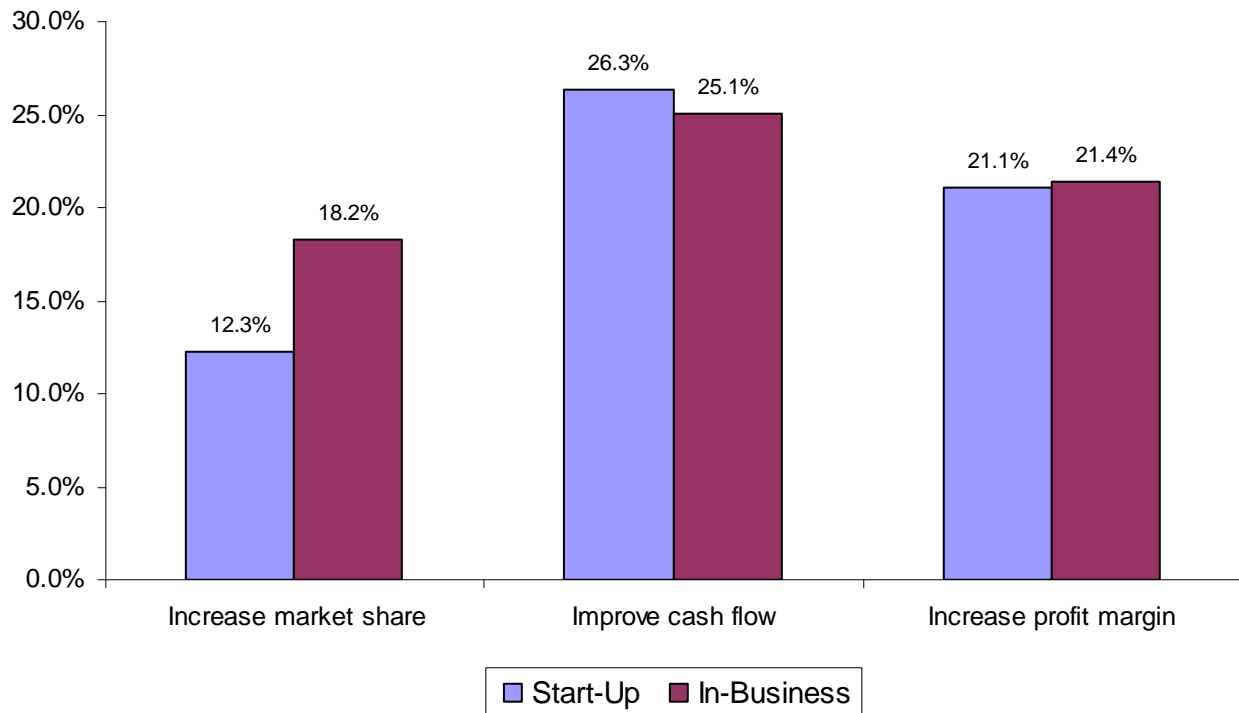


<sup>14</sup>Percents comprise ‘Strongly Agree’ and ‘Agree’ response categories. Response categories for ‘No Opinion,’ ‘Disagree,’ and ‘Strongly Disagree’ are not shown here.

In addition to effects on sales and job creation and retention, respondents identified several other areas in which SCORE information was helpful. Figure 4.9 shows the proportion of respondents in Start-Up and In-Business segments that saw improvements in market share, cash flow, or profits as a result of their counselor’s assistance. Approximately 26.3 percent of Start-Up respondents reported that SCORE assistance resulted in improved cash flow. Another 21.1 percent of Start-Ups reported that SCORE assistance helped to increase their profits, compared to 21.4 percent of In-Business clients.

Figure 4.9

**SCORE-How have these changes had an impact on your firm?**







## Findings:

### Women Business Centers

### 5. WBC

The following section presents results from the Initial Impact Survey of WBC clients. These results are presented for the Nascent, Start-Up, and In-Business segments, where appropriate. In addition, demographic data and results for WBC segments are compared with those of all ED Resource respondents combined. This section begins with a discussion of the demographic data and then presents the additional findings organized by research question:

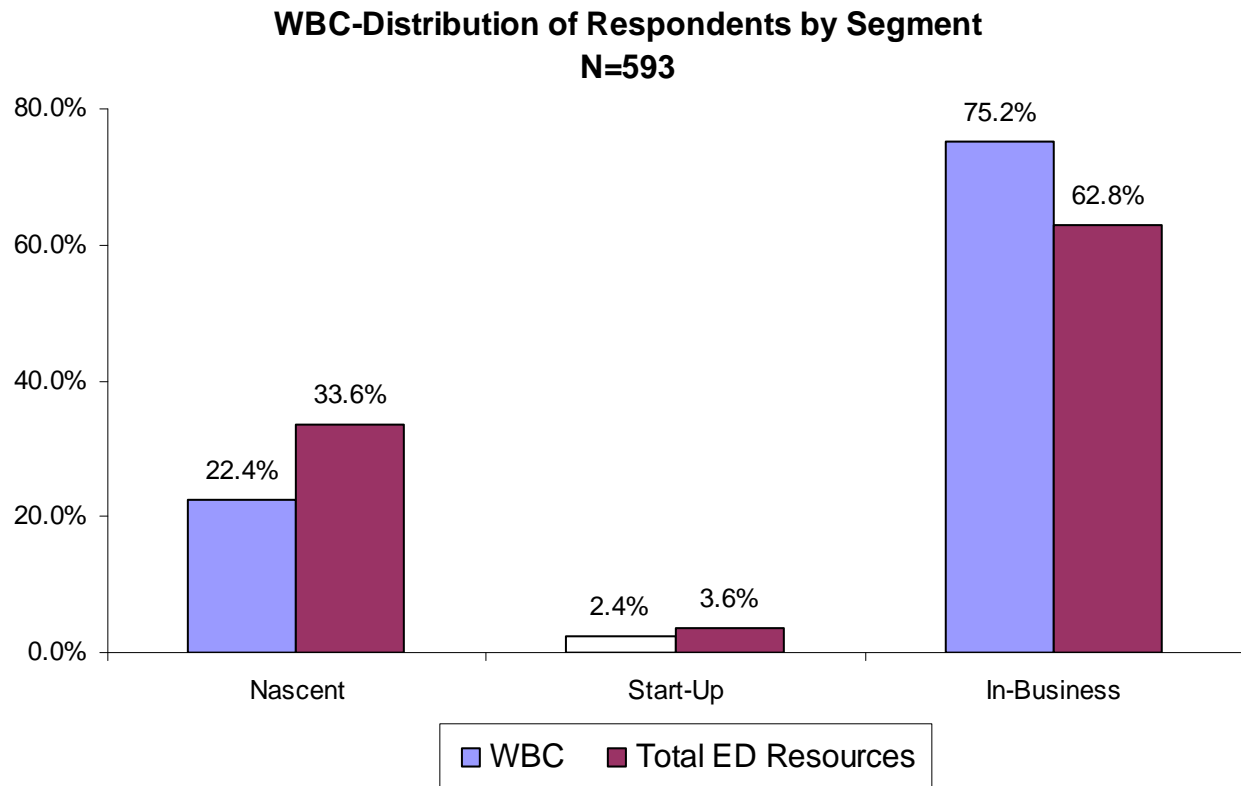
1. Is there a positive relationship between the services/assistance provided by WBC Resources and the client's perception of the usefulness and value of the services/assistance received?
2. Is there a positive relationship between the services/assistance provided by WBC Resources and the client's decision to start a business?
3. Is there a positive relationship between the services/assistance provided by WBC Resources and the client's decision to implement and/or change management and/or marketing practices in their business?
4. Is there a positive relationship between the services/assistance provided by WBC Resources and the client's business having a positive financial impact on job creation and retention and increase in sales?

**Demographic Characteristics**

This section describes the general demographic and financial characteristics of WBC respondents, and compares these characteristics with those of all ED Resource respondents combined. These results are based on an analysis of 593 completed surveys.

Figure 5.1 shows the proportion of WBC respondents in the Nascent, Start-Up, and In-Business segments. This figure also compares these proportions with the total for all ED Resources combined. According to these results, In-Business firms were the largest segment served by WBC. Specifically, 75.2 percent of WBC respondents were In-Business clients. Nascent firms comprised 22.4 percent of the respondents while the remaining 2.4 percent were Start-Ups.

**Figure 5.1**



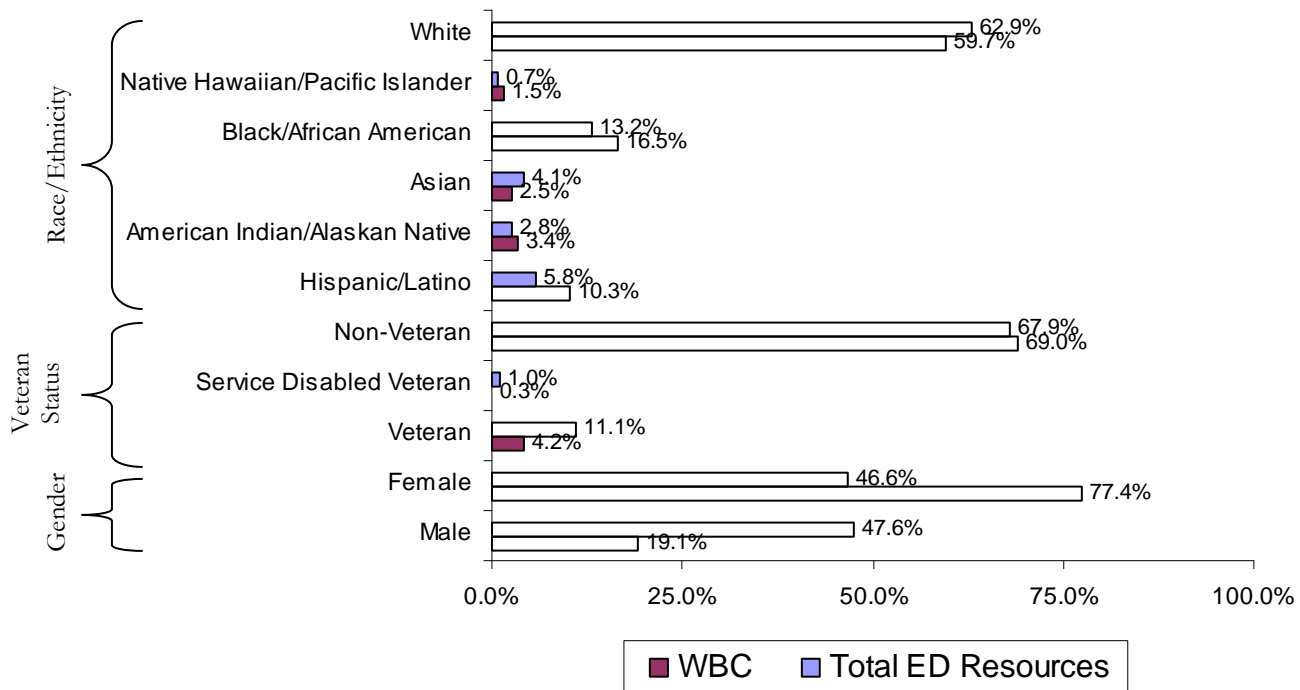
Respondents were asked to report their gross revenues as well as the number of full and part-time employees in their business at the time they received WBC assistance. Average revenues and number of FTEs are reported in Table 5.1 for WBC clients as well as for all ED Resources. WBC clients were substantially smaller in terms of revenues and number of employees than the clients served by all ED Resources combined. WBC clients had average revenues of \$63,694 with 2.5 employees, compared to \$175,076 with 4.5 employees for all ED Resources combined.

**Table 5.1-Annual Revenues and Number of Employees**

	WBC	Total ED Resources
Average Gross Revenue	\$63,694	\$175,076
Average Number of Employees	2.5	4.5

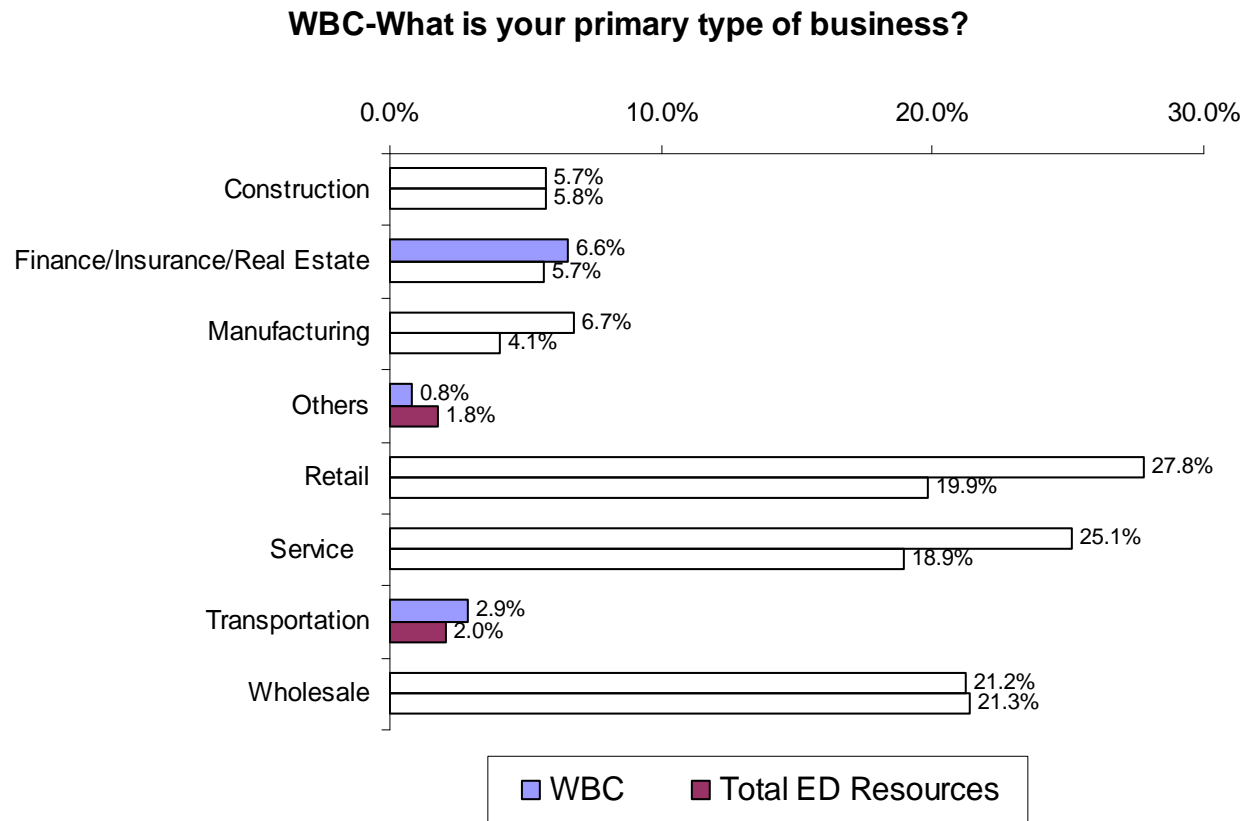
Selected demographic characteristics of WBC and combined ED Resource respondents are presented in Figure 5.2. In general, the WBC clients were more likely to be females or minorities than clients of all other ED Resources. For example, 77.4 percent of WBC clients were female, compared to 46.6 percent across all ED Resources. Similarly, 34.2 percent of WBC clients were Native Hawaiian/Pacific Islander, Black/African American, Asian, Native Indian/Alaskan Native, or Hispanic/Latino, compared to a 26.6 percent share for all ED Resource clients. The proportion of WBC clients that were veterans was 4.2 percent while only 0.3 percent of the total respondents were service-disabled veterans.

**Figure 5.2 WBC-Respondent Demographic Characteristics**



Respondents were asked to report their primary type of business or industry. These results are reported in Figure 5.3 for WBC and combined ED Resource respondents. The most common business categories reported were wholesale, retail, and service, which represented 21.2, 27.8, and 25.1 percent of the WBC respondents respectively. The ‘Transportation’ and ‘Other’ business categories were the smallest business categories of the WBC respondents. The distribution of WBC clients by type of business was dissimilar to the overall respondents of ED Resource clients in that WBC clients were more likely to be in retail, service, manufacturing, and financial service categories than clients of all other ED Resources. No answer to this question was given by 3.2 percent of WBC respondents.

Figure 5.3



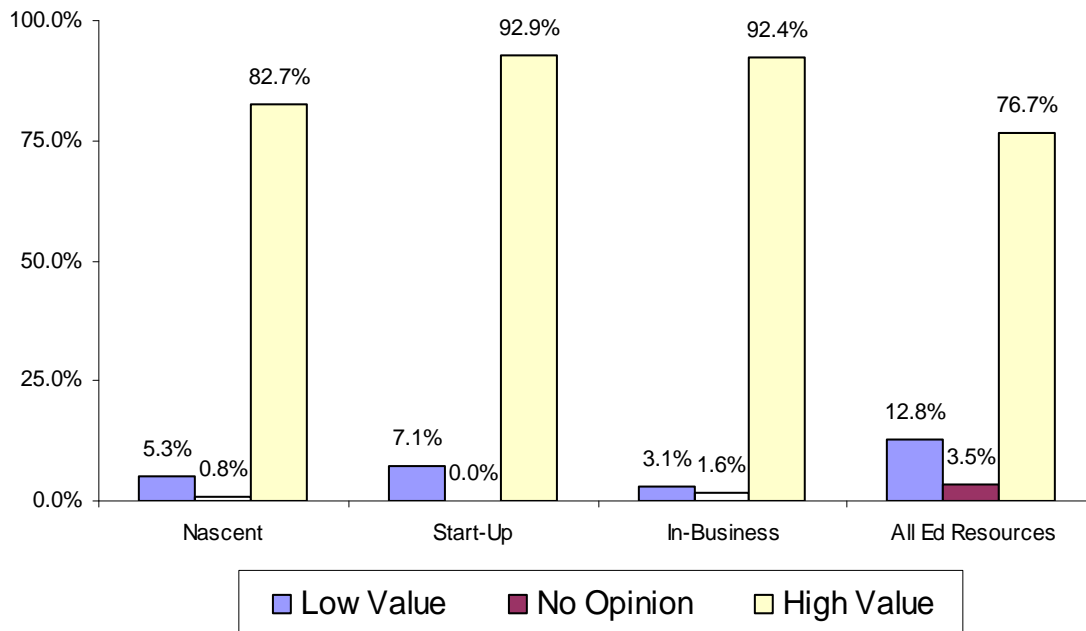
## Resource Impacts

The first resource impact measured the relationship between the services/assistance provided by the WBCs and the client’s perception of the usefulness and value of the services/assistance received. Respondents were asked to indicate the value of the information they received from the WBC counselor that they visited in terms of the usefulness, relevancy, and timeliness of information. They were also asked to indicate how effective their counselor was in assisting them.

In response to the questions regarding the value of information received, a large proportion of WBC clients in all segments perceived the information they received from counselors to be valuable. Figure 5.4 shows the percentage of respondents in the Nascent, Start-Up, and In-Business segments that reported that this information had low value or high value, as well as the proportion that had no opinion. This figure also compares responses of each segment with the responses for all ED Resources combined.<sup>15</sup>

Approximately 82.7 percent of WBC Nascent clients reported that the information they received from the WBC counselor that they visited was valuable. In contrast, 5.3 percent of WBC Nascent clients reported that the information they received had low value. WBC Start-Up and In-Business clients were more likely to assign a high value rating than Nascent clients while all three were more likely to assign high value to the information received compared to all ED Resources combined. No response was indicated for Nascent, Start-Up, and In-Business clients at the rates of 6.7, 0.0, and 2.9 percent respectively.

**Figure 5.4 WBC-How useful was the information you received?**

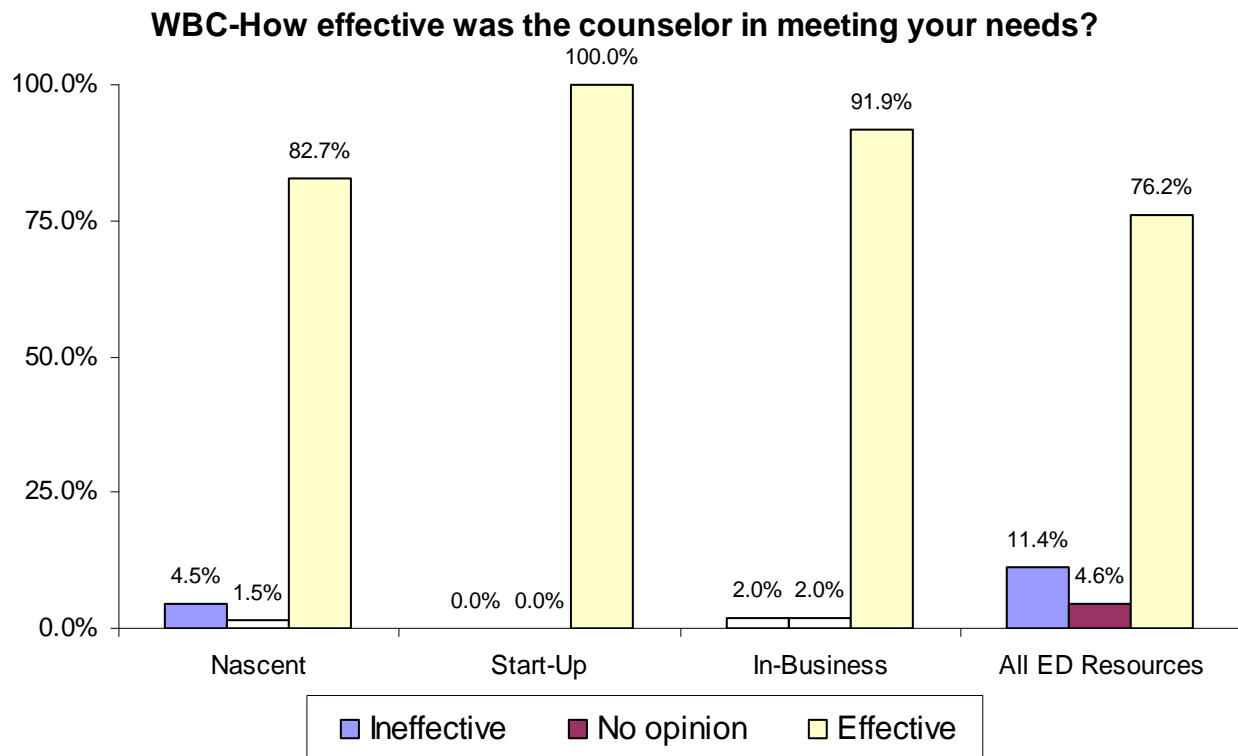


<sup>15</sup>Low value includes the ‘Somewhat Valuable’ and ‘Not Valuable’ response categories. High value includes the ‘Extremely Valuable’ and ‘Valuable’ response categories.

Responses to the question on the effectiveness of the WBC counselor in meeting the client needs are summarized in Figure 5.5, which shows the percentage of each segment that assigned high versus low value scores. This figure also includes high and low value and no opinion ratings across all ED Resources.

A very large proportion of WBC clients, regardless of segment, rated their counselors as high in effectiveness. Nascent clients gave their counselors high value ratings 82.7 percent of the time while only 1.5 percent gave their counselors low value ratings. Remarkably, 100.0 percent of Start-Up clients and 91.9 percent of In-Business clients rated their counselor as effective. For all WBC segments, clients were more likely to assign ‘Effective’ and less likely to assign ‘Ineffective’ rankings as compared to all other ED Resources. Nascent, Start-Up, and In-Business WBC clients did not answer this question at the rate of 11.3, 0.0, and 4.1 percent respectively.<sup>16</sup>

**Figure 5.5**



<sup>16</sup>‘Effective’ and ‘Somewhat Effective’ response groups are defined as high value responses and ‘Somewhat Ineffective’ and ‘Ineffective response’ groups are defined as low value responses.

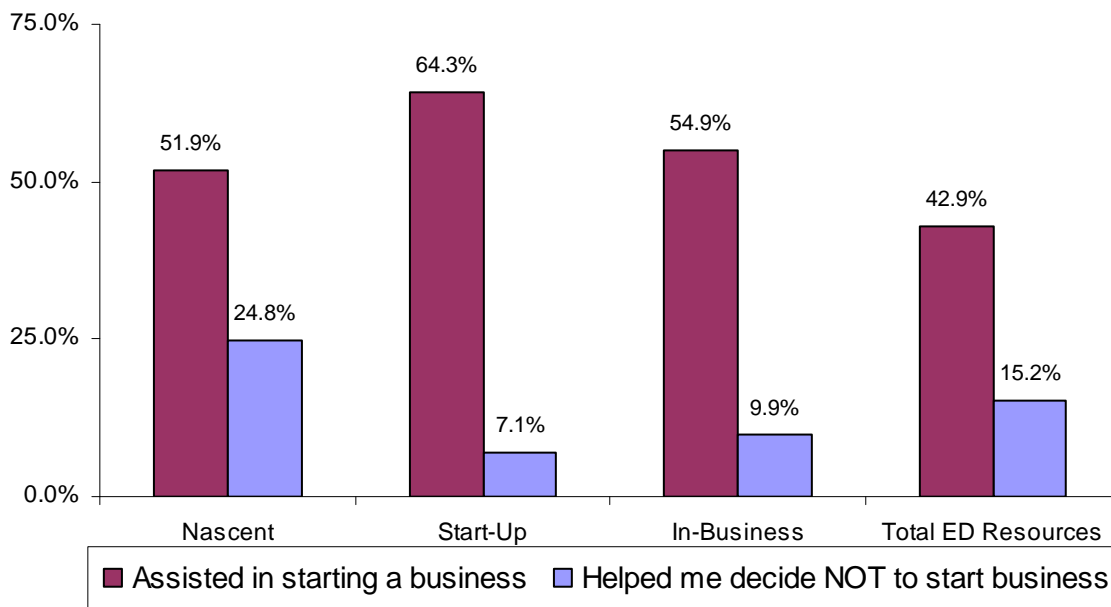
The second resource impact measured the extent to which there was a positive relationship between the services/assistance provided by WBC Resources and the client’s decision to start a business.

WBC clients were asked to rate the usefulness of their counselor in assisting them in starting a business. Figure 5.6 shows the percentage of respondents in the Nascent, Start-Up, and In-Business segments that reported that these services were useful. This figure also compares responses of each segment with the responses for all ED Resources combined.<sup>17</sup>

Approximately 51.9 percent of WBC Nascent respondents reported that the services they received helped them to start a business. This proportion was 64.3 percent for Start-Ups and 54.9 percent for In-Business respondents. In general, Start-Ups perceived WBC assistance to be more useful than Nascent or In-Business clients with respect to starting a business. For all three segments, assistance in starting a business received higher ratings than the average rating for all ED Resources.

Figure 5.6 also shows the percentage of respondents in the Nascent, Start-Up, and In-Business segments that reported that WBC services helped them decide not to start a business. In the case of the Nascent segment, 24.8 percent reported that their WBC counselor helped them to decide not to start a business. These proportions were 7.1 and 9.9 percent for the Start-Up and In-Business segments, respectively. These results could be due to the fact that many members of the Start-Up and In-Business segment by definition were already in business or decided not to start a new business.

**Figure 5.6 WBC-Were these services useful in starting or NOT starting a business?**



<sup>17</sup>‘Useful’ includes the ‘Very Useful’ and ‘Useful’ response categories. Response categories for ‘No Opinion,’ ‘Somewhat Useful,’ and ‘Not Useful’ are not shown here.



The third resource impact measured the extent to which there was a positive relationship between the services/assistance provided by WBC Resources and the client's decision to implement and/or change management and/or marketing practices in their business.

Survey respondents were asked if they had made any changes in their management practices or strategies as a result of the assistance they received. Those that indicated that changes were made were also asked which management practices or strategies they had changed as a result of the assistance they received from WBC. Table 5.2 below shows the percentage of respondents in each segment that indicated that changes were made as a result of the assistance received. As illustrated, 78.6 percent of In-Business respondents reported that they changed management practices or strategies as a result of WBC assistance while 80.5 percent of Start-Ups had done the same. This proportion was 64.4 percent for all ED Resource respondents combined.

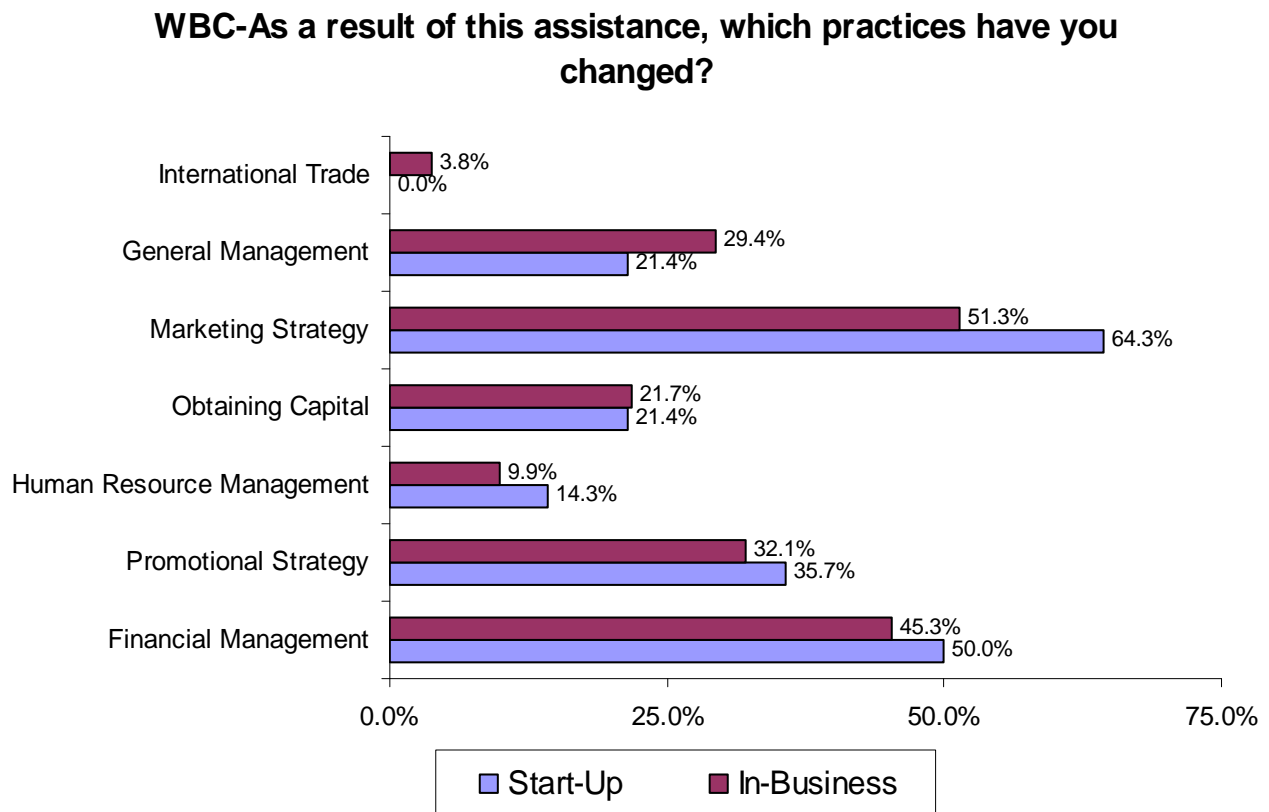
**Table 5.2-WBC Impact on Managerial Practices**

	<b>Changed management practices/strategies</b>
Start-Up	80.5%
In-Business	78.6%
<b>Total ED Resources</b>	<b>64.4%</b>

Figure 5.7 shows several types of management practices and strategies, such as financial management, human resource management, and marketing strategy, and the proportion of respondents who made changes in these areas. This figure also compares management changes of Start-Ups with those of In-Business firms. Nascent firms, by definition, are not in business yet and have not been included.<sup>18</sup>

WBC clients were more likely to have made changes in their marketing strategy than any other management area. While 64.3 percent of Start-Ups changed their marketing strategy, only 51.3 percent of In-Business clients did the same. The second most prevalent change was in the area of financial management. Approximately 50.0 percent of Start-Ups and 45.3 percent of In-Business firms made changes in the financial management practices as a result of the assistance they received from WBC. International trade and human resource management practices were least likely to be changed due to WBC assistance.

**Figure 5.7**



<sup>18</sup>These percentages include the ‘Strongly Agree’ and ‘Agree’ response categories.

An additional question was asked to measure the plans, strategies and/or analyses WBC clients were able to conduct or develop in order to start or better manage their businesses as a result of assistance received. Table 5.3 below, lists various plans, strategies, and analysis clients developed as a result of the assistance they received from WBC. Examples include business plans, loan packages, and training plans for staff. Business plans were the most frequently cited area of improvement for both Start-Up and In-Business segments, 71.4 and 56.5 percent respectively. Start-Up clients selected cash flow analysis and pricing strategy development as the next most common types of assistance provided, while the In-Business segment was more likely to improve marketing plans along with cash flow analysis. Procurement was the least common type of WBC area of improvement.

**Table 5.3-WBC Management and Tactical Areas of Improvement as a Result of Assistance Received**

Resource: WBC Area of Improvement	Segment	
	Start-Up	In-Business
Business Plan	71.4%	56.5%
Cash Flow Analysis	42.9%	33.4%
Distribution Plan	14.3%	9.0%
E-Commerce Strategy	7.1%	11.7%
Feasibility Plan	7.1%	14.6%
Financial Management Strategy	21.4%	22.6%
Hiring Plan	7.1%	7.8%
Loan Package	21.4%	25.3%
Marketing Plan	28.6%	44.4%
Pricing Strategy	42.9%	28.9%
Procurement Strategy	0.0%	6.1%
Production Plan	7.1%	9.4%
Promotional Plan	28.6%	26.0%
Training Plan for Staff	7.1%	6.7%

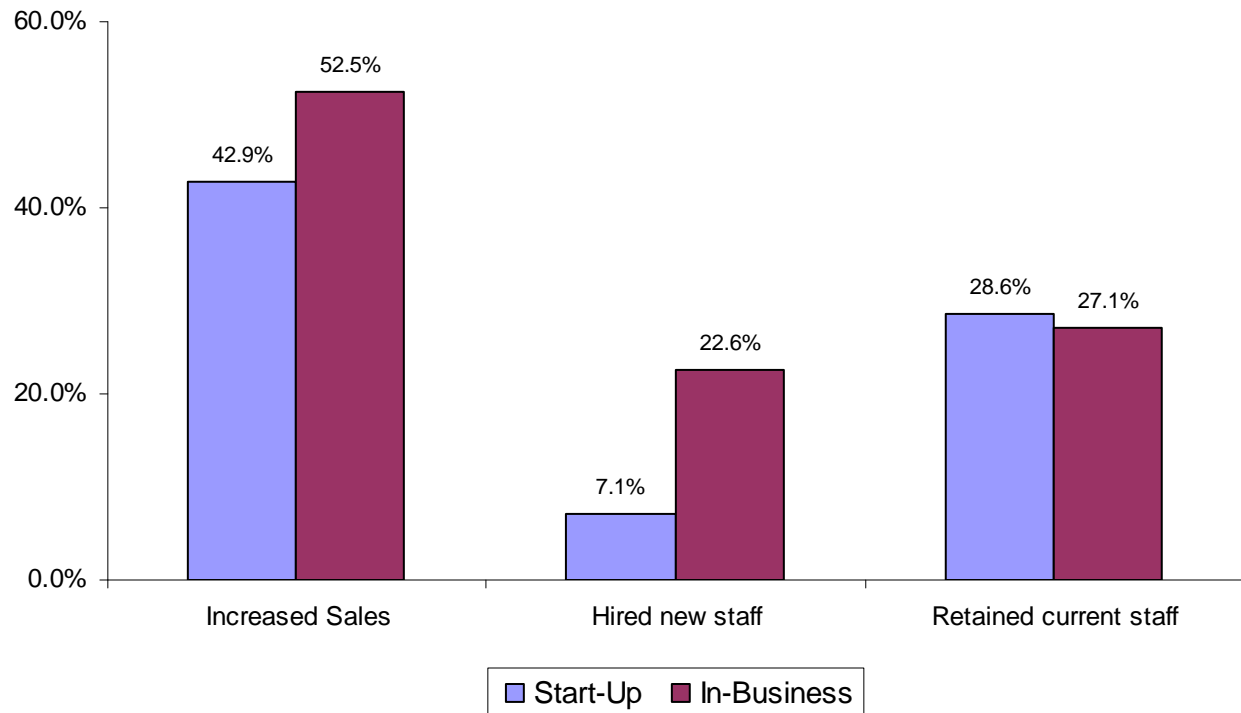
The fourth resource impact measured the extent to which there was a positive relationship between the services/assistance provided by WBC Resources and the client’s business having a positive financial impact on job creation, retention, and increase in sales.

Respondents were asked to rate the extent to which WBC assistance resulted in increased sales, hiring of new staff, and retention of current staff. Figure 5.8 illustrates the proportion of respondents who reported that WBC assistance resulted in these outcomes. This figure compares results reported by Start-Up versus In-Business clients.<sup>19</sup>

In terms of Start-Up and In-Business clients, WBC assistance had the greatest impact on sales increases with 42.9 percent and 52.5 percent respectively. Job retention was comparable among segments. It is important to note that there were only 14 Start-Up respondents.

Figure 5.8

**WBC-How have these changes had an impact on your firm?**

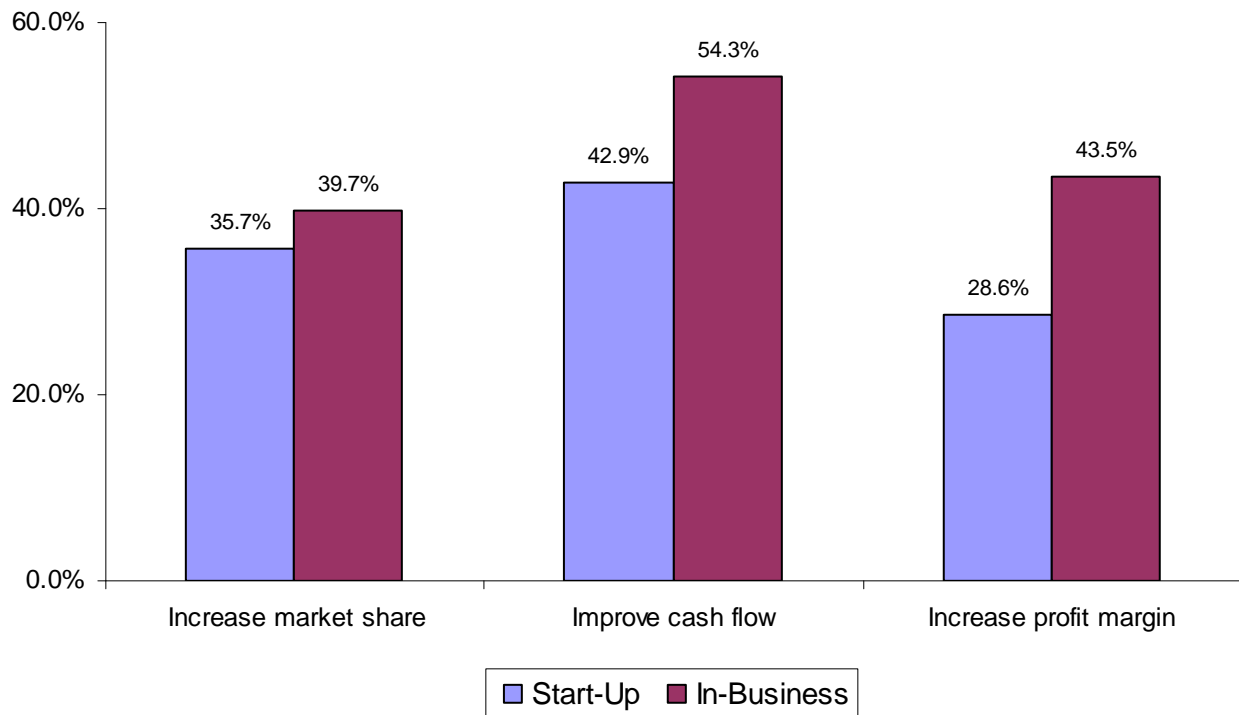


<sup>19</sup>These percentages include the ‘Strongly Agree’ and ‘Agree’ response categories. Response categories for ‘No Opinion,’ ‘Disagree,’ and ‘Strongly Disagree’ are not shown here.

In addition to effects on sales, job creation, and retention, respondents identified several other areas in which WBC information was helpful. Figure 5.9 shows the proportion of respondents in Start-Up and In-Business segments that saw improvements in market share, cash flow, or profits as a result of their counselor’s assistance. Approximately 54.3 percent of In-Business respondents reported that WBC assistance resulted in improved cash flow. Another 43.5 percent of In-Business clients reported that WBC assistance helped them to increase profits. These results indicate that increases in market share, profit margin, and improved cash flow were more common for WBC In-Business than Start-Up clients.

Figure 5.9

**WBC-How have these changes had an impact on your firm?**





## Findings:

### Business Information Centers

### 6. BIC

The following section presents results from the Initial Impact Survey of BIC clients. These results are presented for the Nascent, Start-Up, and In-Business segments, where appropriate. In addition, demographic data and results for BIC segments are compared with those of all ED Resource respondents combined. This section begins with a discussion of the demographic data and then presents the additional findings organized by research question:

1. Is there a positive relationship between the services/assistance provided by BIC Resources and the client's perception of the usefulness and value of the services/assistance received?
2. Is there a positive relationship between the services/assistance provided by BIC Resources and the client's decision to start a business?
3. Is there a positive relationship between the services/assistance provided by BIC Resources and the client's decision to implement and/or change management and/or marketing practices in their business?
4. Is there a positive relationship between the services/assistance provided by BIC Resources and the client's business having a positive financial impact on job creation and retention and increase in sales?

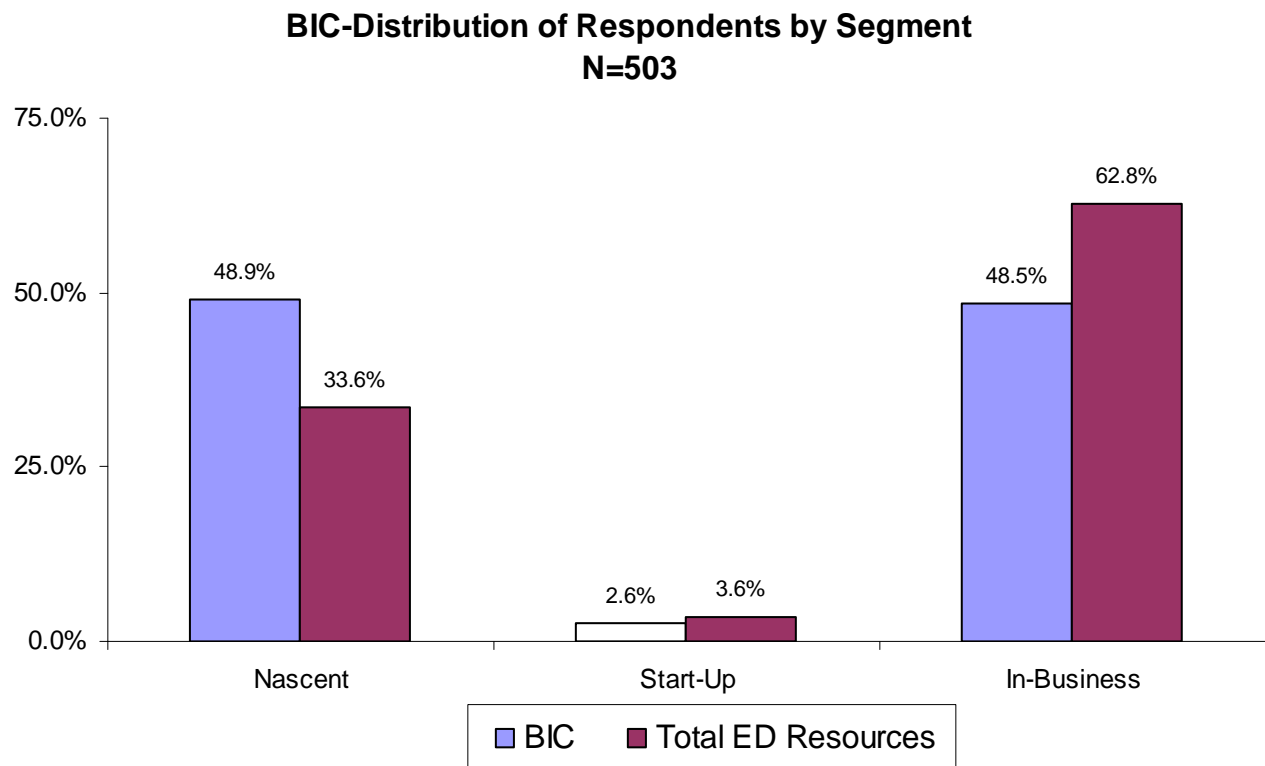


**Demographic Characteristics**

This section describes the general demographic and financial characteristics of BIC respondents, and compares these characteristics with those of all ED Resource respondents combined. These results are based on an analysis of 503 completed surveys.

Figure 6.1 shows the proportion of BIC respondents in the Nascent, Start-Up, and In-Business segments. This figure also compares these proportions with the total for all ED Resources combined. According to these results, Nascent and In-Business firms were the largest segments served by BIC. Specifically, 48.5 percent of BIC respondents were In-Business clients. Nascent firms comprised 48.9 percent of the respondents while the remaining 2.6 percent were Start-Ups.

**Figure 6.1**



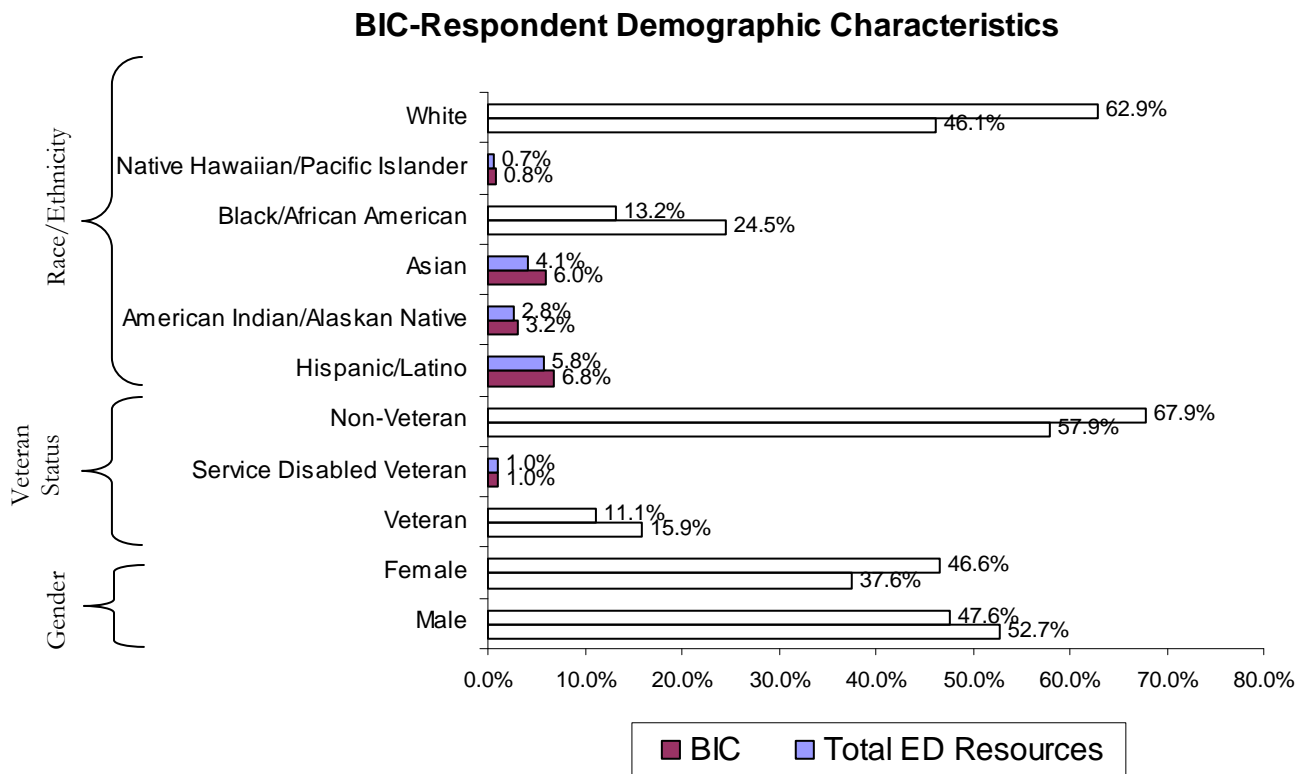
Respondents were asked to report their gross revenues as well as the number of full and part-time employees in their business at the time they received BIC assistance. Average revenues and number of employees are reported in Table 6.1 for BIC clients as well as for all ED Resources. BIC clients were substantially smaller in terms of revenues and number of employees than the clients served by all ED Resources combined. BIC clients had average revenues of \$56,797 with 2.1 employees, compared to \$175,076 with 4.5 employees for all ED Resources combined.

**Table 6.1-Annual Revenues and Number of Employees**

	BIC	Total ED Resources
Average Gross Revenue	\$56,797	\$175,076
Average Number of Employees	2.1	4.5

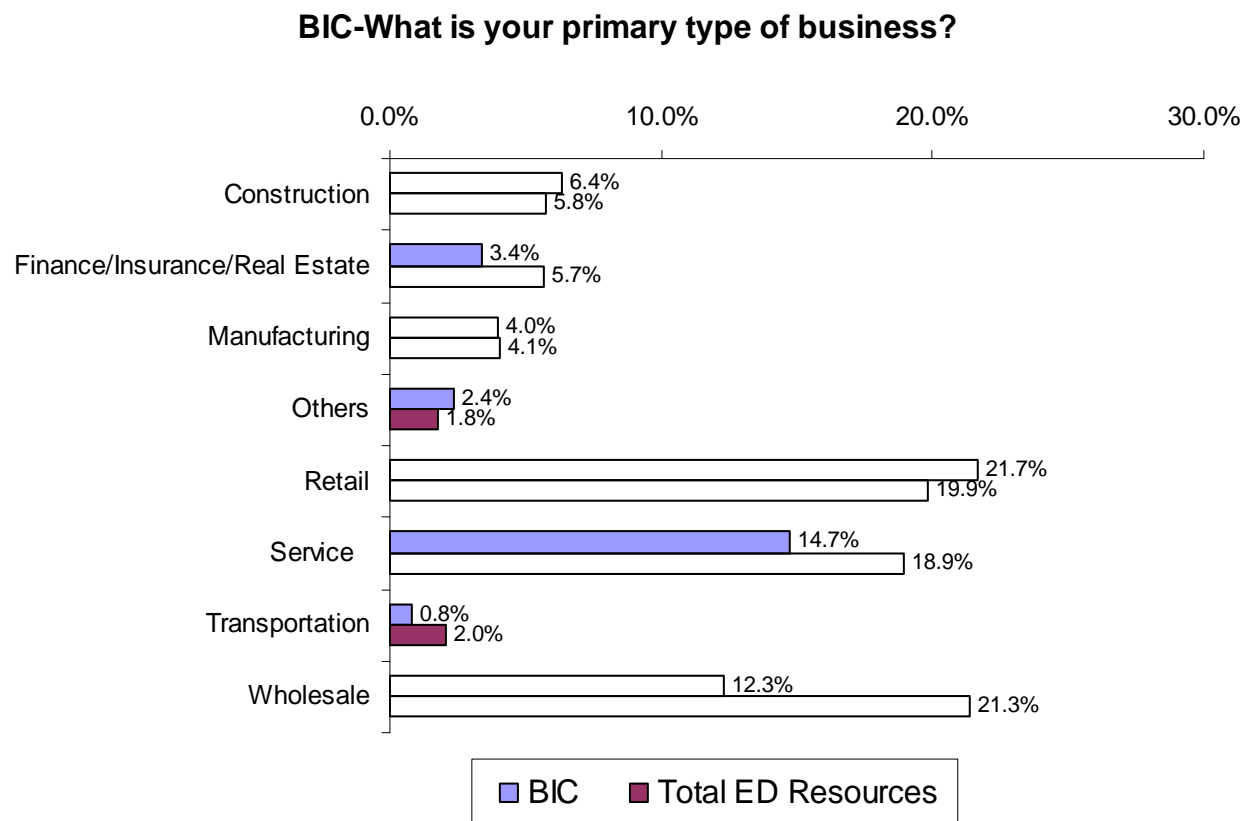
Selected demographic characteristics of BIC and combined ED Resource respondents are presented in Figure 6.2. In general, the BIC clients were more likely to be minorities or veterans than clients of all other ED Resources. For example, 41.2 percent of BIC clients were minorities, compared to 26.6 percent across all ED Resources. Similarly, 15.9 percent of BIC clients were veterans, compared to an 11.1 percent veteran proportion for all ED Resource clients. Females only comprised 37.6 percent of BIC clients while 46.6 percent of all ED Resource clients were female.

**Figure 6.2**



Respondents were asked to report their primary type of business or industry. These results are reported in Figure 6.3 for BIC and combined ED Resource respondents. The most common business categories reported were wholesale, retail, and service, which represented 12.3, 21.7, and 14.7 percent of the BIC respondents respectively. The ‘Transportation’ and ‘Other’ business categories were the smallest business categories of the BIC respondents. The distribution of BIC clients by type of business was dissimilar to the overall respondents of ED Resource clients because BIC clients were more likely to be in retail and construction than clients of all other ED Resources. No answer to this question was given by 34.3 percent of respondents.

**Figure 6.3**



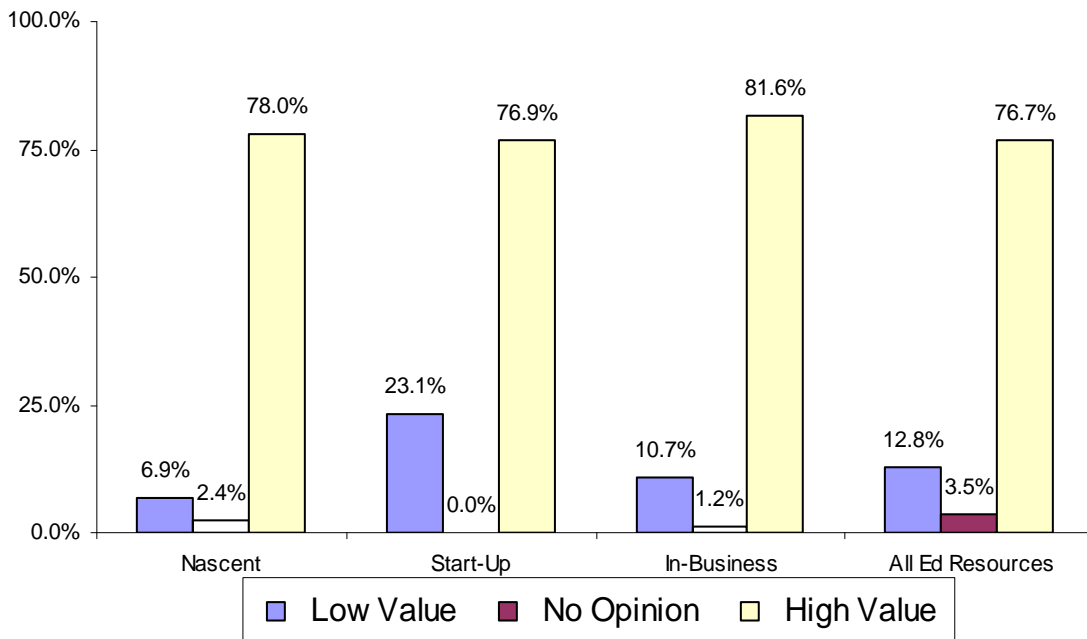
## Resource Impacts

The first resource impact measured the relationship between the services/assistance provided by the BICs and the client’s perception of the usefulness and value of the services/assistance received. Respondents were asked to indicate the value of the information they received from the BIC counselor that they visited in terms of the usefulness, relevancy, and timeliness of information. They were also asked to indicate how effective their counselor was in assisting them.

In response to the questions regarding the value of information received, a large proportion of BIC clients in all segments perceived the information they received from counselors to be valuable. Figure 6.4 shows the percentage of respondents in the Nascent, Start-Up, and In-Business segments that reported that this information had low value or high value, as well as the proportion that had no opinion. This figure also compares responses of each segment with the responses for all ED Resources combined.<sup>20</sup>

Approximately 78.0 percent of BIC Nascent clients reported that the information they received from the BIC counselor that they visited was valuable. In contrast, 6.9 percent of BIC Nascent clients reported that the information they received had low value. BIC In-Business clients were more likely to assign a high value rating than Nascent and Start-Up clients while all three were more likely to assign high value to the information received compared to all ED Resources combined. No response was indicated for Nascent, Start-Up, and In-Business clients at the rates of 11.7, 0.0, and 6.5 percent respectively.

**Figure 6.4 BIC-How useful was the information you received?**

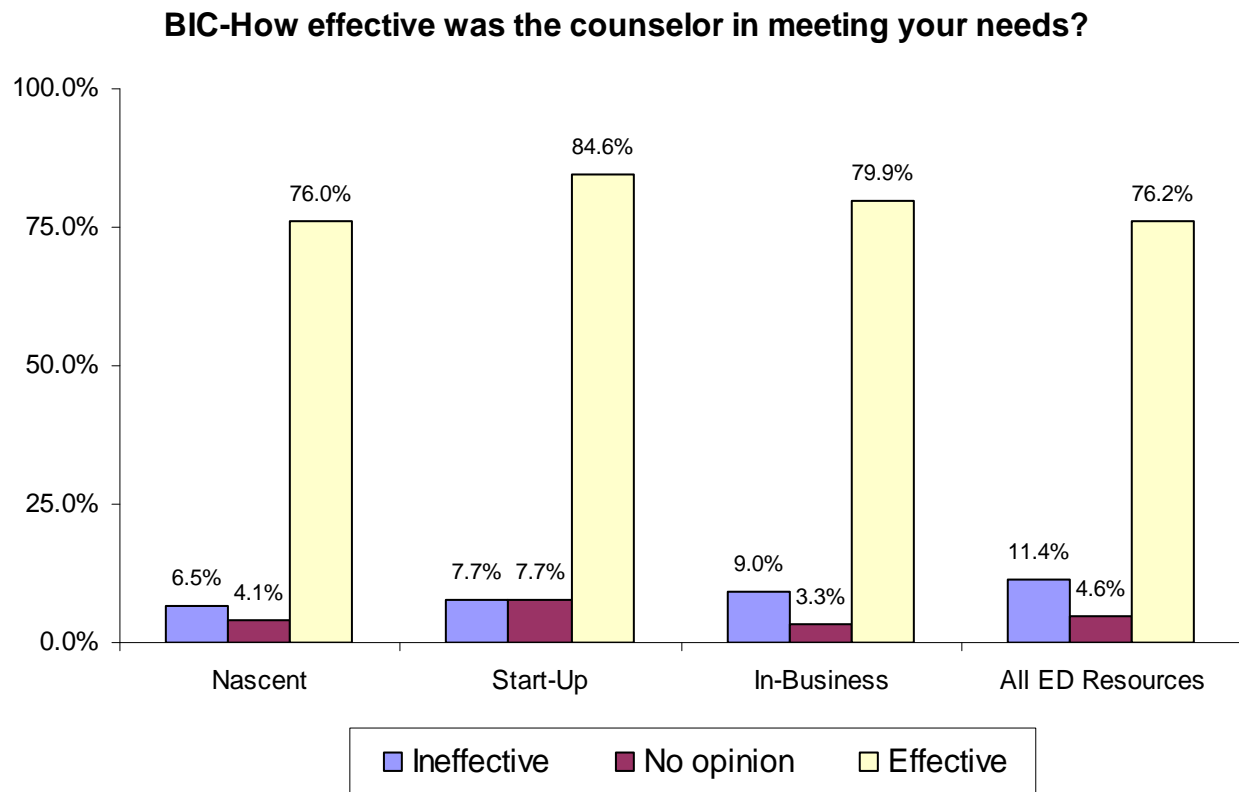


<sup>20</sup>Low value includes the ‘Somewhat Valuable’ and ‘Not Valuable’ response categories. High value includes the ‘Extremely Valuable’ and ‘Valuable’ response categories.

Responses to the question on the effectiveness of the BIC counselor in meeting the client needs are summarized in Figure 6.5, which shows the percentage of each segment that assigned high versus low value scores. This figure also includes high and low value and no opinion ratings across all ED Resources.

A large proportion of BIC clients, regardless of segment, rated their counselors as high in effectiveness. Nascent clients gave their counselors high value ratings 76.0 percent of the time while 6.5 percent gave their counselors low value ratings. The most frequent ‘Effective’ rating was given by Start-Up clients at 84.6 percent. For Start-Up and In-Business BIC segments, clients were more likely to assign ‘Effective’ and less likely to assign ‘Ineffective’ rankings as compared to all other ED Resources. While Nascent clients did not assign the ‘Effective’ rating as often as all ED Resources combined, their respective ‘Ineffective’ rating was much lower than all ED Resources combined. Nascent, Start-Up, and In-Business BIC clients did not answer this question at the rate of 13.4, 0.0, and 7.8 percent respectively.<sup>21</sup>

Figure 6.5



<sup>21</sup>‘Effective’ and ‘Somewhat Effective’ response groups are defined as high value responses and ‘Somewhat Ineffective’ and ‘Ineffective’ response groups are defined as low value responses.

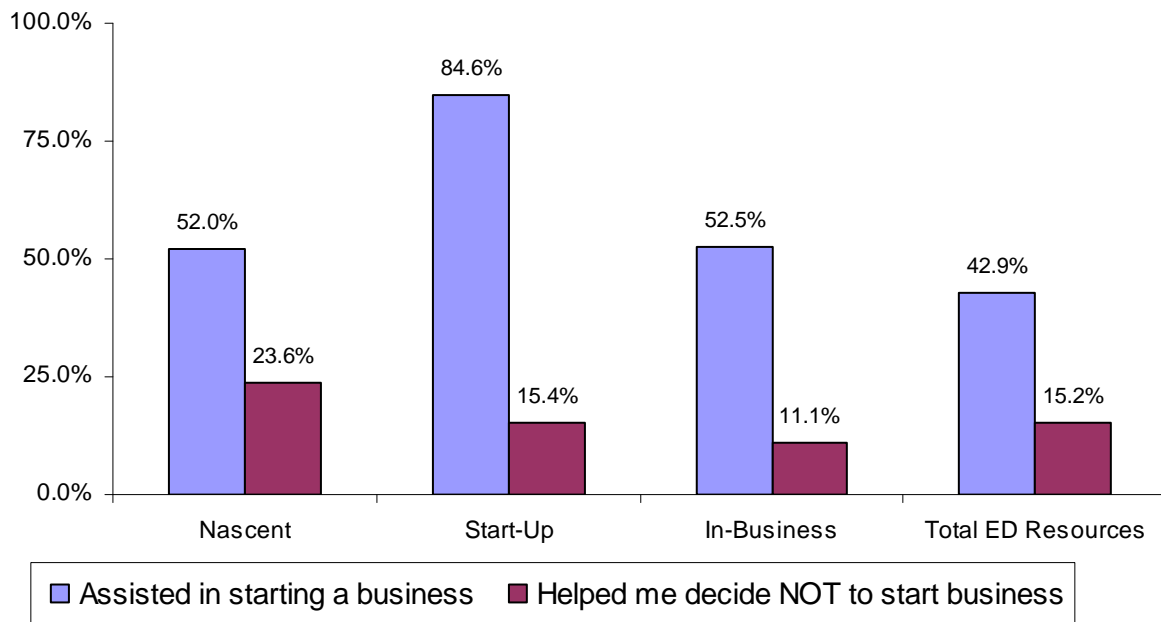
The second resource impact measured the extent to which there was a positive relationship between the services/assistance provided by BIC Resources and the client’s decision to start a business.

BIC clients were asked to rate the usefulness of their counselor in assisting them in starting a business. Figure 6.6 shows the percentage of respondents in the Nascent, Start-Up, and In-Business segments that reported that these services were useful. This figure also compares responses of each segment with the responses for all ED Resources combined.

Approximately 52.0 percent of BIC Nascent respondents reported that the services they received helped them to start a business. This proportion was 84.6 percent for Start-Ups and 52.5 percent for In-Business respondents. In general, Start-Ups perceived BIC assistance to be more useful than Nascent or In-Business clients with respect to starting a business. For all three segments, assistance in starting a business received higher ratings than the average rating for all ED Resources.<sup>22</sup>

Figure 6.6 also shows the percentage of respondents in the Nascent, Start-Up, and In-Business segments that reported that BIC services helped them decide not to start a business. In the case of the Nascent segment, 23.6 percent reported that their BIC counselor helped them to decide not to start a business. These proportions were 15.4 and 11.1 percent for the Start-Up and In-Business segments, respectively. These results could be due to the fact that many members of the Start-Up and In-Business segment by definition were already in business or decided not to start a new business.

**Figure 6.6 BIC-Were these services useful in starting or NOT starting a business?**



<sup>22</sup>‘Useful’ includes the ‘Very useful’ and ‘Useful’ response categories. Response categories for ‘No Opinion,’ ‘Somewhat Useful,’ and ‘Not Useful’ are not shown here.

The third resource impact measured the extent to which there was a positive relationship between the services/assistance provided by BIC Resources and the client's decision to implement and/or change management and/or marketing practices in their business.

Survey respondents were asked if they had made any changes in their management practices or strategies as a result of the assistance they received. Those that indicated that changes were made were also asked which management practices or strategies they had changed as a result of the assistance they received from BIC. Table 6.2 below shows the percentage of respondents in each segment that indicated that changes were made as a result of the assistance received. As illustrated, 69.2 percent of In-Business respondents reported that they changed management practices or strategies as a result of BIC assistance while 68.9 percent of Start-Ups had done the same. This proportion was 64.4 percent for all ED Resource respondents combined.

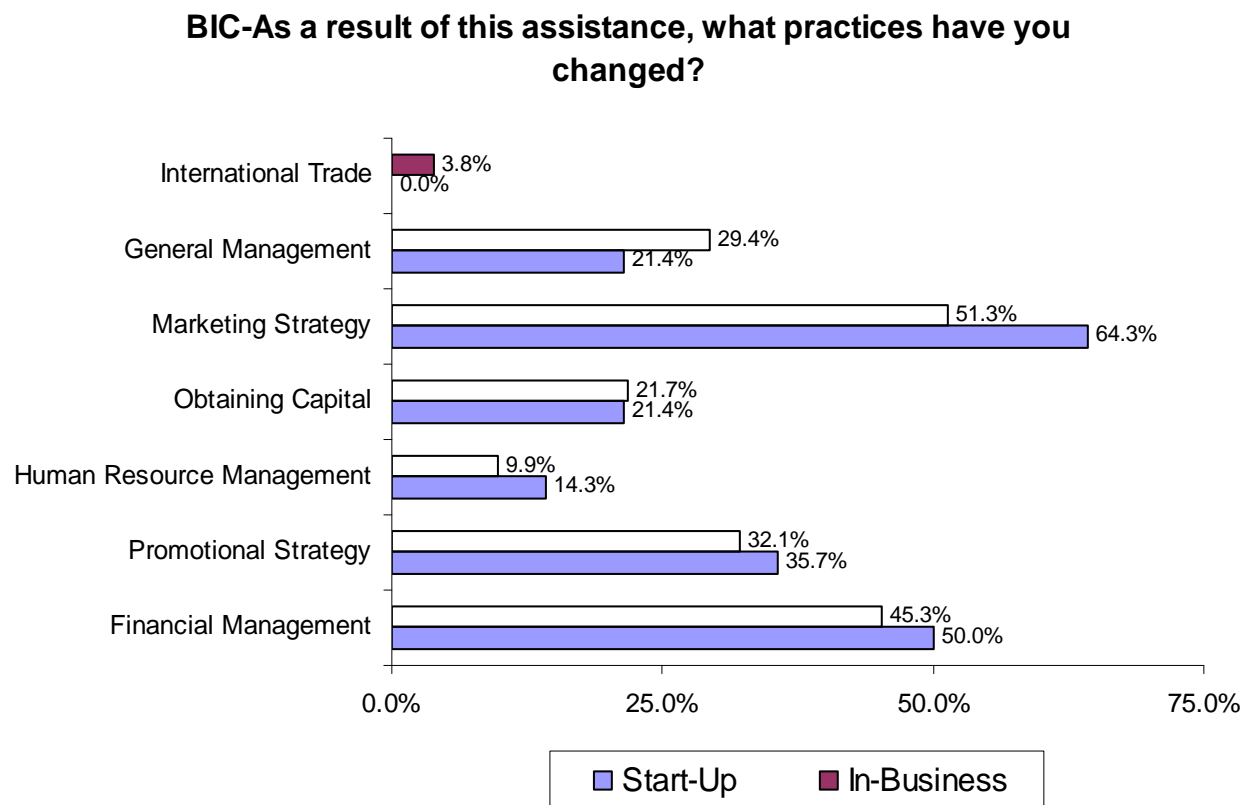
**Table 6.2-BIC Impact on Managerial Practices**

	<b>Changed management practices/strategies</b>
Start-Up	68.9%
In-Business	69.2%
<b>Total ED Resources</b>	<b>64.4%</b>

Figure 6.7 shows several types of management practices and strategies, such as financial management, human resource management, and marketing strategy, and the proportion of respondents who made changes in these areas. This figure also compares management changes of Start-Ups with those of In-Business firms. Nascent firms, by definition, are not in business yet and have not been included.<sup>23</sup>

BIC clients were more likely to have made changes in their marketing strategy, obtaining capital, and financial management arenas. While 64.3 percent of Start-Ups changed their marketing strategy, 51.3 percent of In-Business clients did the same. The second most prevalent change for Start-Up and In-Business clients was in the area of financial management. Approximately 50.0 percent of Start-Up and 45.3 percent of In-Business clients changed their financial management practices as a result of the assistance they received from BIC. International trade and human resource management practices were least likely to be changed due to BIC assistance.

Figure 6.7



<sup>23</sup>These percentages include the ‘Strongly Agree’ and ‘Agree’ response categories.



An additional question was asked to measure the plans, strategies and/or analyses BIC clients were able to conduct or develop in order to start or better manage their businesses as a result of assistance received. Table 6.3 below, lists various plans, strategies, and analysis clients developed as a result of the assistance they received from BIC. Examples include business plans, loan packages, and training plans for staff. Business plans were the most frequently cited area of improvement for both Start-Up and In-Business firms, 76.9 and 49.2 percent respectively. Start-Up clients selected marketing plan as the next most common type of assistance provided, as did In-Business clients. Start-Up clients selected E-commerce, hiring plan, procurement strategy, production plan, and training for staff as areas that did not improve. In-Business clients noted that training for staff was the least often improved area of their business after receiving BIC assistance.

**Table 6.3-BIC Management and Tactical Areas of Improvement as a Result of Assistance Received**

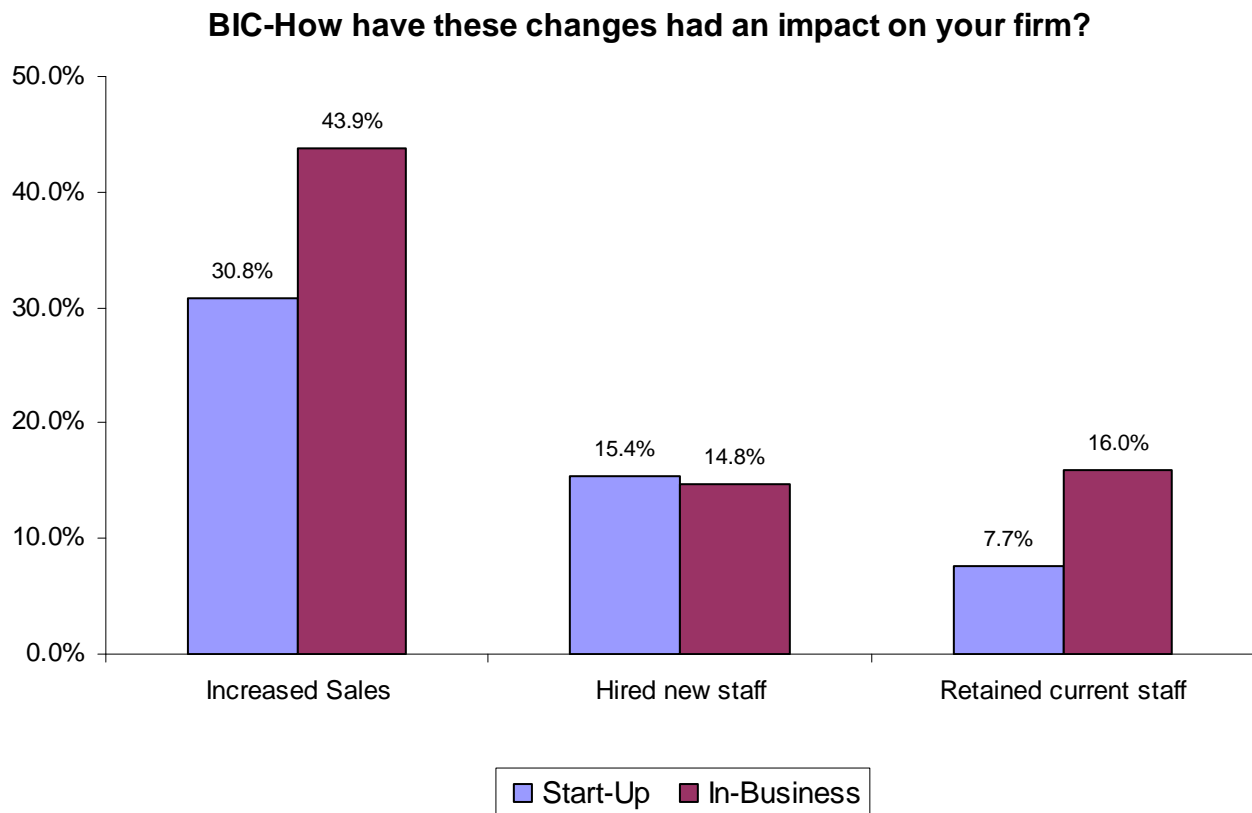
Resource: BIC Area of Improvement	Segment	
	Start-Up	In-Business
Business Plan	76.9%	49.2%
Cash Flow Analysis	15.4%	25.4%
Distribution Plan	15.4%	4.1%
E-Commerce Strategy	0.0%	3.7%
Feasibility Plan	7.7%	5.7%
Financial Management Strategy	15.4%	11.5%
Hiring Plan	0.0%	4.9%
Loan Package	7.7%	25.4%
Marketing Plan	38.5%	40.2%
Pricing Strategy	7.7%	11.5%
Procurement Strategy	0.0%	11.1%
Production Plan	0.0%	2.9%
Promotional Plan	7.7%	19.3%
Training Plan for Staff	0.0%	2.9%

The fourth resource impact measured the extent to which there was a positive relationship between the services/assistance provided by BIC Resources and the client’s business having a positive financial impact on job creation, retention, and increase in sales.

Respondents were asked to rate the extent to which BIC assistance resulted in increased sales, hiring of new staff, and retention of current staff. Figure 6.8 illustrates the proportion of respondents who reported that BIC assistance resulted in these outcomes. This figure compares results reported by Start-Up versus In-Business clients.<sup>24</sup>

BIC assistance had a larger impact on increases in sales for In-Business firms relative to Start-Up clients, while Start-Ups realized slightly greater changes in hiring new staff. It is important to note that there were only 13 Start-Up clients respondents. In terms of both Start-Up and In-Business clients, BIC assistance had the greatest impact on sales increases at 43.9 percent and 30.8percent respectively.

Figure 6.8



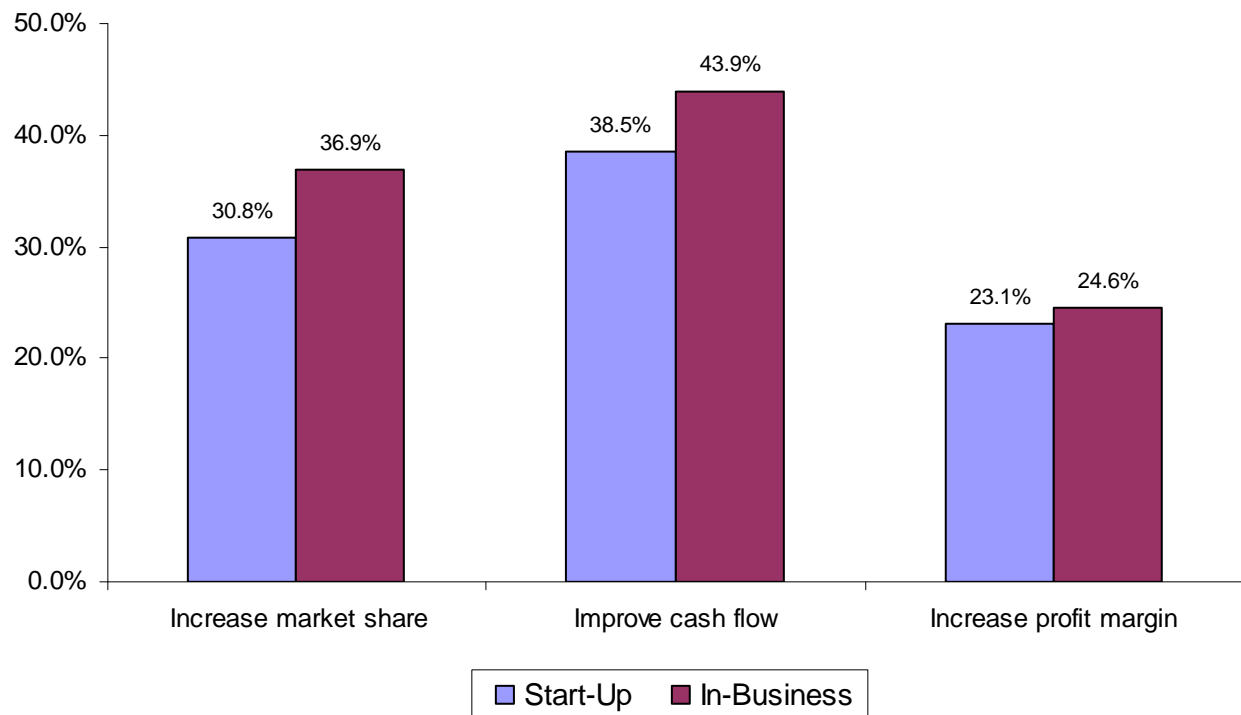
<sup>24</sup>These percentages include the ‘Strongly Agree’ and ‘Agree’ response categories. Response categories for ‘No Opinion,’ ‘Disagree,’ and ‘Strongly Disagree’ are not shown here.

In addition to effects on sales, job creation, and retention, respondents identified several other areas in which BIC information was helpful. Figure 6.9 shows the proportion of respondents in Start-Up and In-Business segments that saw improvements in market share, cash flow, or profits as a result of their counselor’s assistance. The greatest impact was on improved cash flow, as 38.5 percent of Start-Up respondents and 43.9 percent of In-Business clients noted change.

At the same time, 30.8 percent of Start-Up and 36.9 percent of In-Business respondents reported that BIC assistance resulted in increased market share.

Figure 6.9

**BIC-How have these changes had an impact on your firm?**





## Findings:

### Total Entrepreneurial Development Resources Combined

### 7. Total ED Resource Centers Combined

The following section presents results from the Initial Impact Survey of ED Resource respondents combined and by Nascent, Start-Up and In-Business segments, where applicable. This section begins with a discussion of the demographic data and then presents the additional findings organized by research question:

1. Is there a positive relationship between the services/assistance provided by ED Resources and the client's perception of the usefulness and value of the services/assistance received?
2. Is there a positive relationship between the services/assistance provided by ED Resources and the client's decision to start a business?
3. Is there a positive relationship between the services/assistance provided by ED Resources and the client's decision to implement and/or change management and/or marketing practices in their business?
4. Is there a positive relationship between the services/assistance provided by ED Resources and the client's business having a positive financial impact on job creation and retention and increase in sales?

### Demographic Characteristics

This section describes the general demographic and financial characteristics of all ED Resource respondents combined. These results are based on an analysis of 4,718 completed surveys.

Figure 7.1 shows the proportion of respondents in the Nascent, Start-Up and In-Business segments. According to these results, Nascent and In-Business clients were the largest segments served. Approximately 62 percent of respondents were In-Business clients while another 34 percent were Nascent. The remaining 4 percent were Start-Up clients.

Figure 7.1

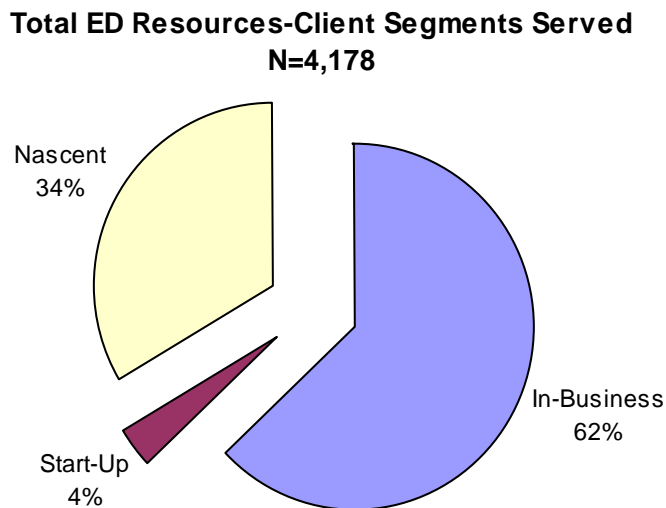
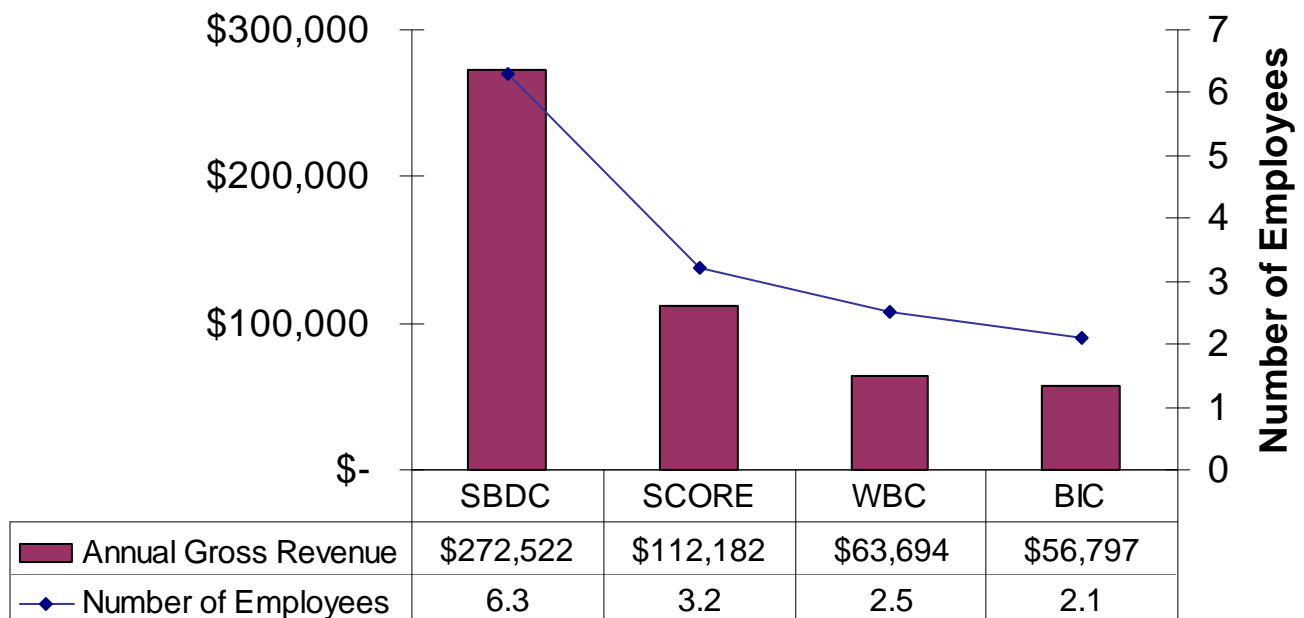


Figure 7.2 below presents the average revenues and number of employees for the respondents of each ED Resource. While SBDC’s clients had the greatest revenue and number of employees, BIC’s clients were, on average, much smaller with respect to both revenue and FTE employment. The numbers below indicate that each of the four ED Resources deal primarily with clients at different stages of business development, helping explain the variations in areas of improvement shown in Table 7.3. The diverse clients of the four ED Resources indicate the need for different ED Resources that are capable of adapting and catering to their client’s specific needs.

Figure 7.2

## Firm Sizes Served by ED Resource





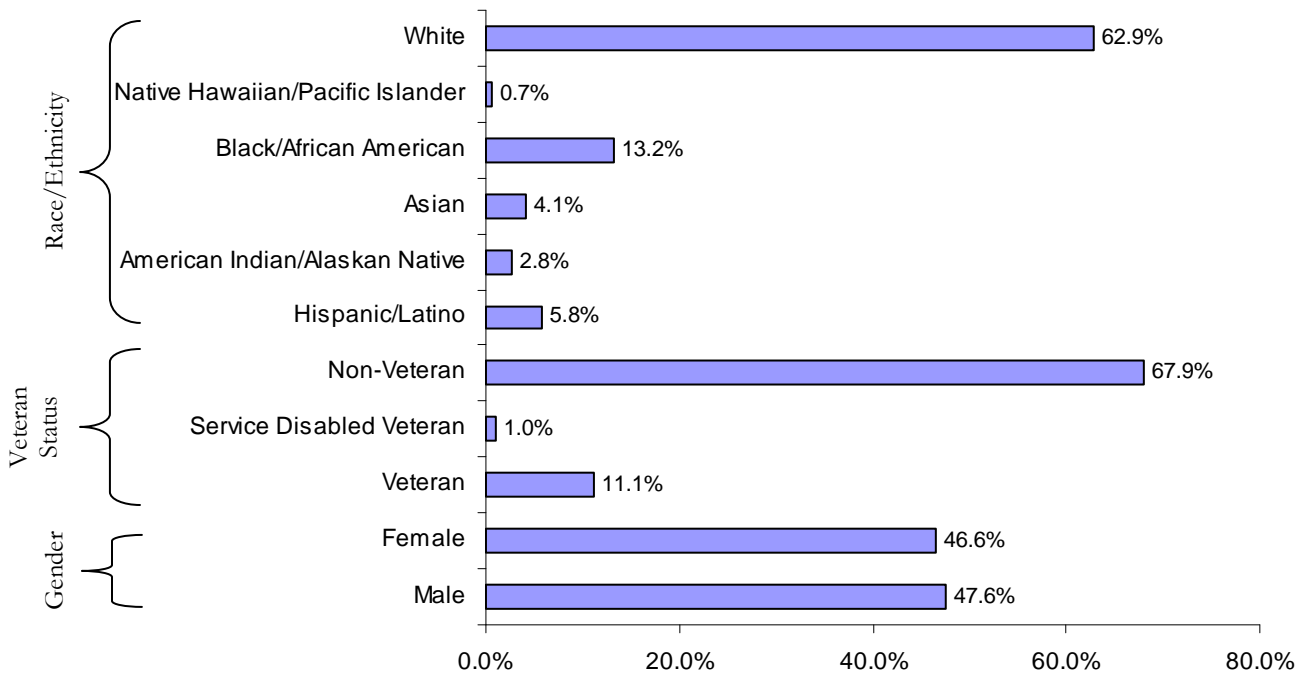
Respondents were asked to report their gross revenues and the number of full-time equivalents employed by their business at the time they received assistance. Average revenues and number of employees are reported in Table 7.1 for each segment. Not surprisingly, Nascent clients had the smallest sales and employees average of all segments, \$5,272 and 0.7 employees.

**Table 7.1 - Annual Revenues and Number of Employees**

	Nascent	Start-Up	In-Business	Overall
Average Gross Revenue	\$5,271	\$32,514	\$207,424	\$175,076
Average Number of Employees	0.7	1.3	5.2	4.5

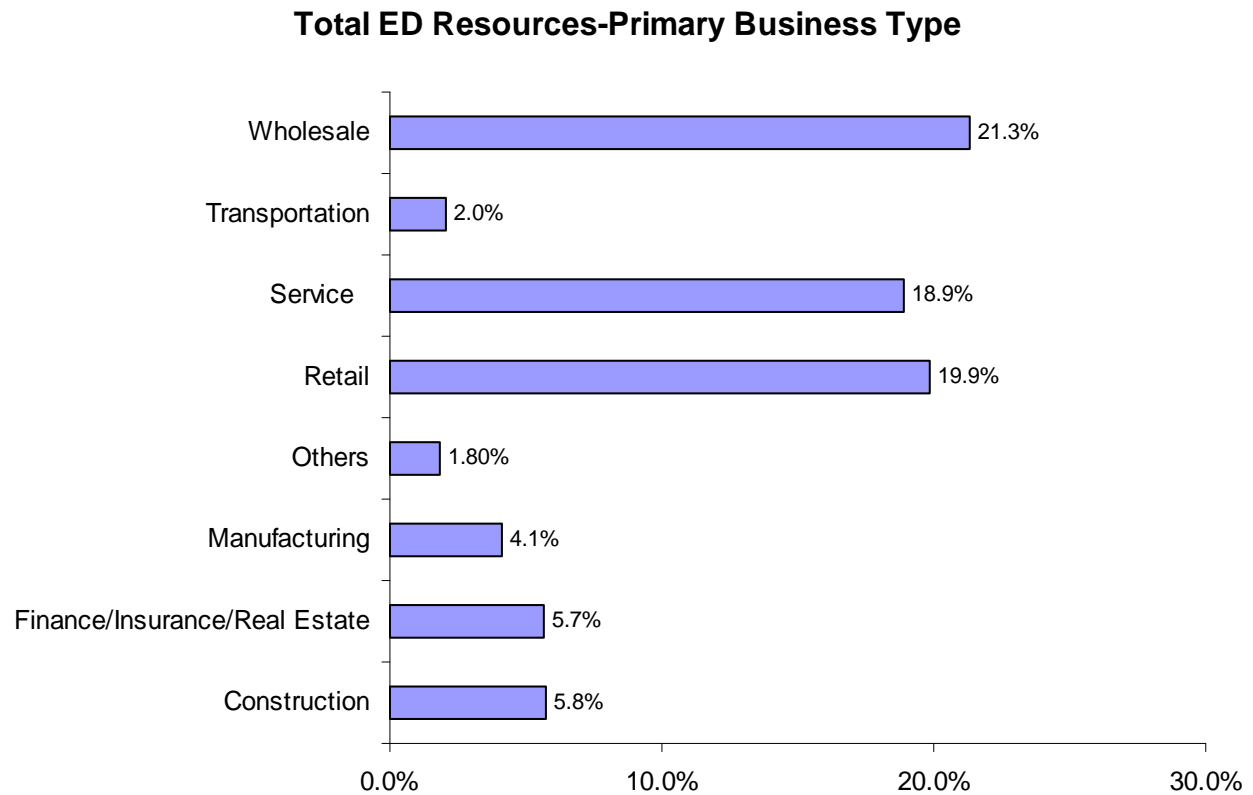
Selected demographic characteristics of combined ED Resource respondents are presented in Figure 7.3. Approximately 46.6 percent of clients were female and 26.6 percent were minorities. African Americans represented the largest proportion of non-White population. About 11.1 percent were veterans and 1.0 percent of the total was service-disabled veterans. The breakdown by client segment is not shown here because the proportions of Nascent, Start-Up, and In-Business clients were similar with respect to most demographic characteristics. Interestingly, the largest share of female clients was in Start-Up segment while the greatest proportion of African American clients reported in the Nascent segment.

**Figure 7.3 Total ED Resources-Demographic Characteristics**



Respondents were asked to report their primary type of business or industry. Figure 7.4 depicts the most common business categories reported as retail, service, and wholesale, which represented 19.9, 18.9, and 21.3 percent of the total ED Resource respondents, respectively. The ‘Other’ (unspecified)<sup>5</sup> and ‘Transportation’ categories represented the smallest proportions of respondent clients.

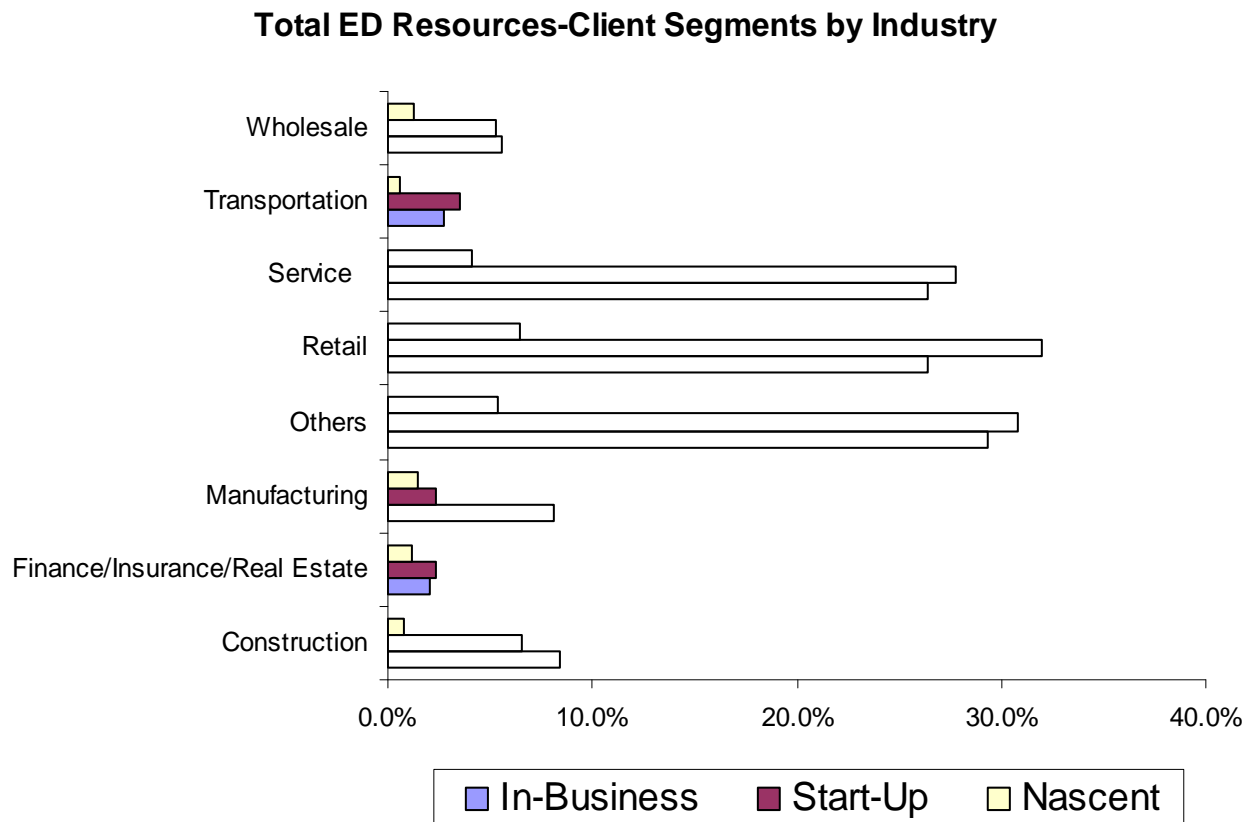
Figure 7.4



<sup>5</sup>Respondents were permitted to complete an open-ended question to describe their primary type of business once they selected the ‘other’ category. An analysis of these open-ended responses revealed nearly 800 different categories. The top 10 types of businesses listed included the following: consulting, restaurant, publishing, education, entertainment, medical, software, health care, day care, and engineering.

Figure 7.5 below shows the distribution of primary type of business for the overall ED Resource respondents by segment. Retail, service, and other categories were the most prevalent primary industry for all three segments respectively. While Start-Up clients represented the greatest proportion of the retail category, In-Business clients represented greater than 50 percent of the manufacturing industry. With the exception of Finance/Insurance/Real Estate industries, Nascent clients comprised only a minor share of all clients across many industries.

Figure 7.5



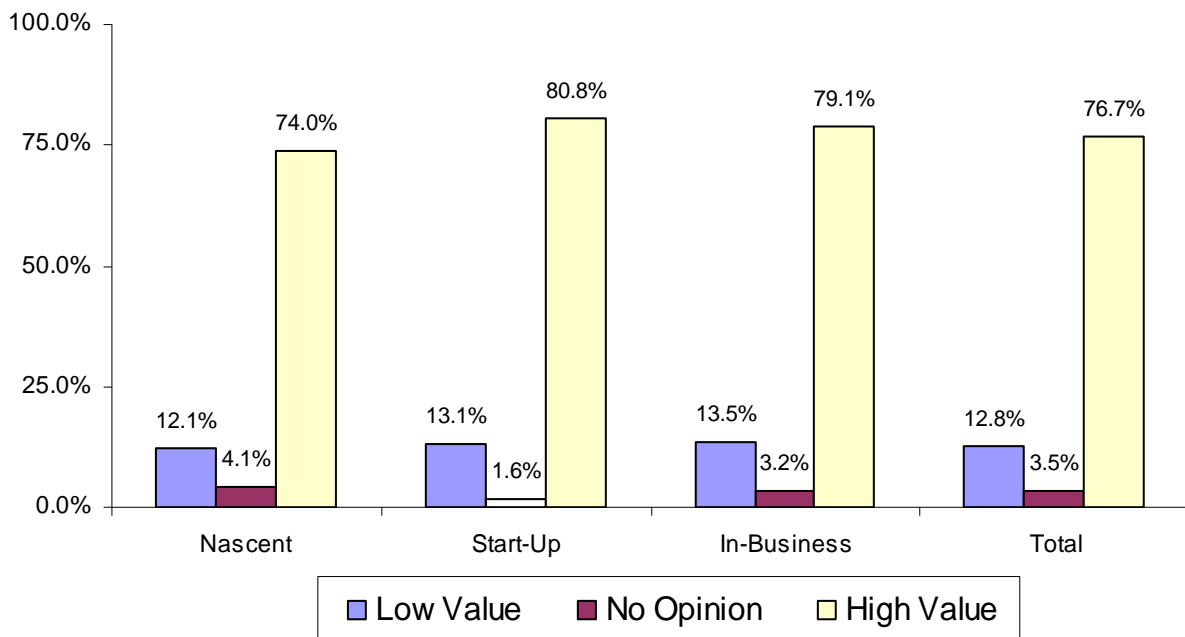
## Resource Impacts

The first resource impact measured the relationship between the services/assistance provided by ED Resources and the client’s perception of the usefulness and value of the services/assistance received. Respondents were asked to indicate the value of the information they received from the ED Resource counselor that they visited in terms of the usefulness, relevancy, and timeliness of information. They were also asked to indicate how effective their counselor was in assisting them.

In response to the questions regarding the value of information received, a large proportion of ED Resource clients in all segments perceived the information they received from counselors to be valuable. Figure 7.6 shows the percentage of respondents in the Nascent, Start-Up, and In-Business segments that reported that this information had low value or high value, as well as the proportion that had no opinion. This figure also compares responses of each segment with the responses for all ED Resources combined.<sup>25</sup>

The majority of ED Resource respondents, regardless of segment, assigned high value ratings to the information they received from their counselor. The results show that 74.0 percent of Nascent, 80.8 percent of Start-Up, and 79.1 percent of In-Business clients gave a high value rating to this information. Overall, 76.7 percent of all respondents gave a high value rating to the information provided by their ED Resource, while only 12.8 percent gave a low value rating to this information. No response was indicated for Nascent, Start-Up, and In-Business clients at the rates of 9.8, 4.5, and 4.2 percent respectively.

**Figure 7.6 Total ED Resources-How useful was the information you received?**



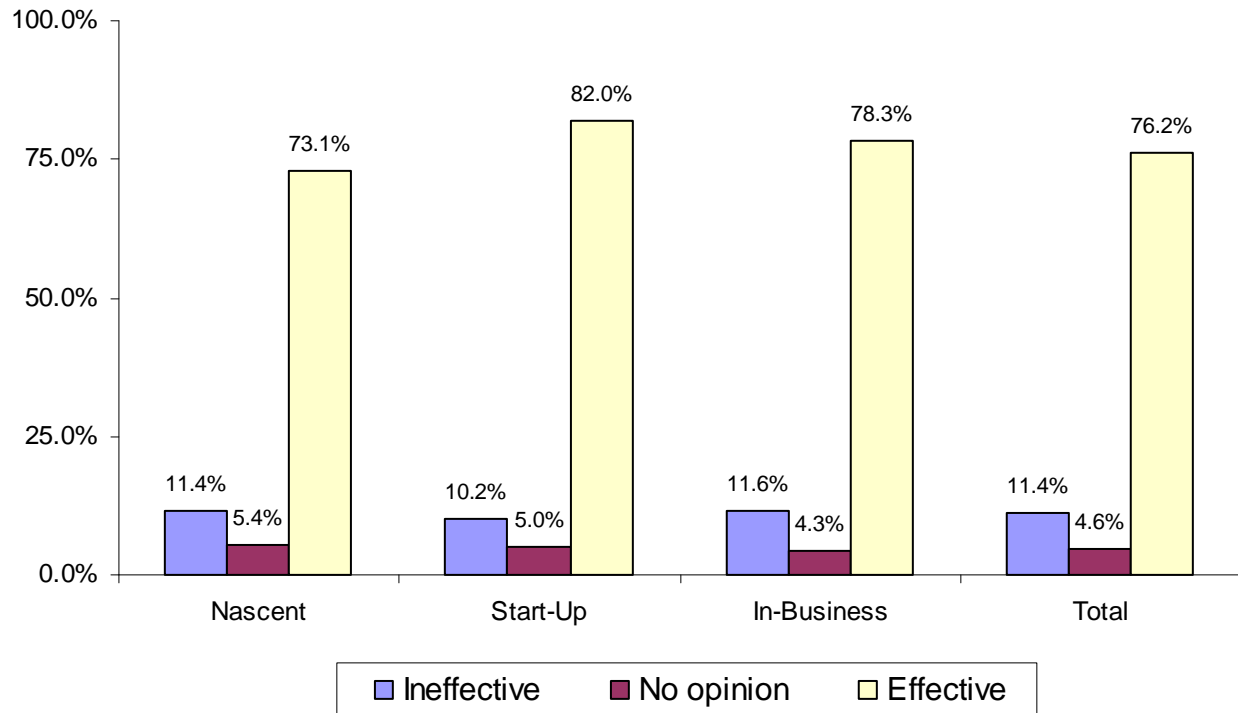
<sup>25</sup>Low value includes the ‘Somewhat Valuable’ and ‘Not Valuable’ response categories. High value includes the ‘Extremely Valuable’ and ‘Valuable’ response categories.

Responses to the question on the effectiveness of the ED Resource counselor in meeting the client needs are summarized in Figure 7.7, which shows the percentage of each segment that assigned high versus low value scores. This figure also includes high and low value and no opinion ratings across all ED Resources.<sup>26</sup>

A large proportion of ED Resource clients, regardless of segment, rated their counselors as effectiveness. As shown below, 73.1 percent of Nascent, 82.0 percent of Start-Up and 78.3 percent of In-Business respondents rated their counselors as effective. At the same time, 11.4 percent of Nascent, 10.2 percent of In-Business, and 11.6 percent of Start-Up respondents assigned ineffective ratings to their counselor. Nascent, Start-Up, and In-Business ED Resource clients did not answer this question at the rate of 11.1, 2.8, and 5.8 percent respectively.

**Figure 7.7**

### Total ED Resources-How effective was the counselor?



<sup>26</sup>‘Effective’ and ‘Somewhat Effective’ response groups are defined as high value responses and ‘Somewhat Ineffective’ and ‘Ineffective’ response groups are defined as low value responses.

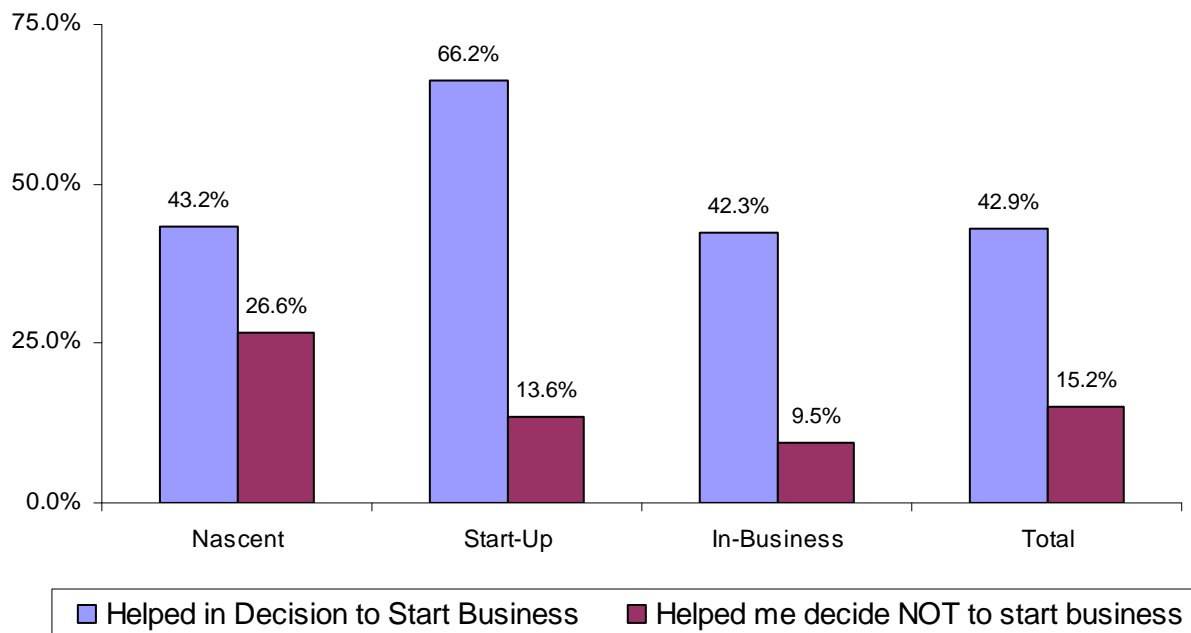
The second resource impact measured the extent to which there was a positive relationship between the services/assistance provided by ED Resources and the client’s decision to start a business.

Clients were asked to rate the usefulness of their counselor in assisting them in starting a business. Figure 7.8 shows the percentage of respondents in the Nascent, Start-Up, and In-Business segments that reported that these services were useful. This figure also compares responses of each segment with the responses for all ED Resources combined.<sup>27</sup>

The results indicate that Start-Up clients perceived ED Resource services as much more useful in starting a business than clients in the other two segments. Approximately 66.2 percent of Start-Up respondents reported that the services they received helped them to start a business. This proportion was 43.2 percent for Nascent and 42.3 percent for In-Business respondents.

Figure 7.8 also shows the percentage of respondents in the Nascent, Start-Up, and In-Business segments that reported that ED Resource services helped them decide not to start a business. In the case of the Nascent segment, 26.6 percent reported that their counselor helped them to decide not to start a business. These proportions were 13.6 and 9.5 percent for the Start-Up and In-Business segments, respectively. These results could be due to the fact that many members of the Start-Up and In-Business segment by definition were already in business or decided not to start a new business.

**Figure 7.8 Total ED Resources-Were these services useful in starting or NOT starting a business?**



<sup>27</sup>‘Useful’ includes the ‘Very Useful’ and ‘Useful’ response categories. Response categories for ‘No Opinion,’ ‘Somewhat Useful,’ and ‘Not Useful’ are not shown here.

The third resource impact measured the extent to which there was a positive relationship between the services/assistance provided by ED Resource Resources and the client’s decision to implement and/or change management and/or marketing practices in their business.

Survey respondents were asked if they had made any changes in their management practices or strategies as a result of the assistance they received. Those that indicated that changes were made were also asked which management practices or strategies they had changed as a result of the assistance they received from ED Resources. Table 7.2 below shows the percentage of respondents in each segment that indicated that changes were made as a result of the assistance received. As illustrated, 65.1 percent of In-Business respondents reported that they changed management practices or strategies as a result of ED Resource assistance while 64.0 percent of Start-Ups had done the same. This proportion was 64.4 percent (weighted average) for all ED Resource respondents combined.

**Table 7.2 - ED Resources Impact on Managerial Practices**

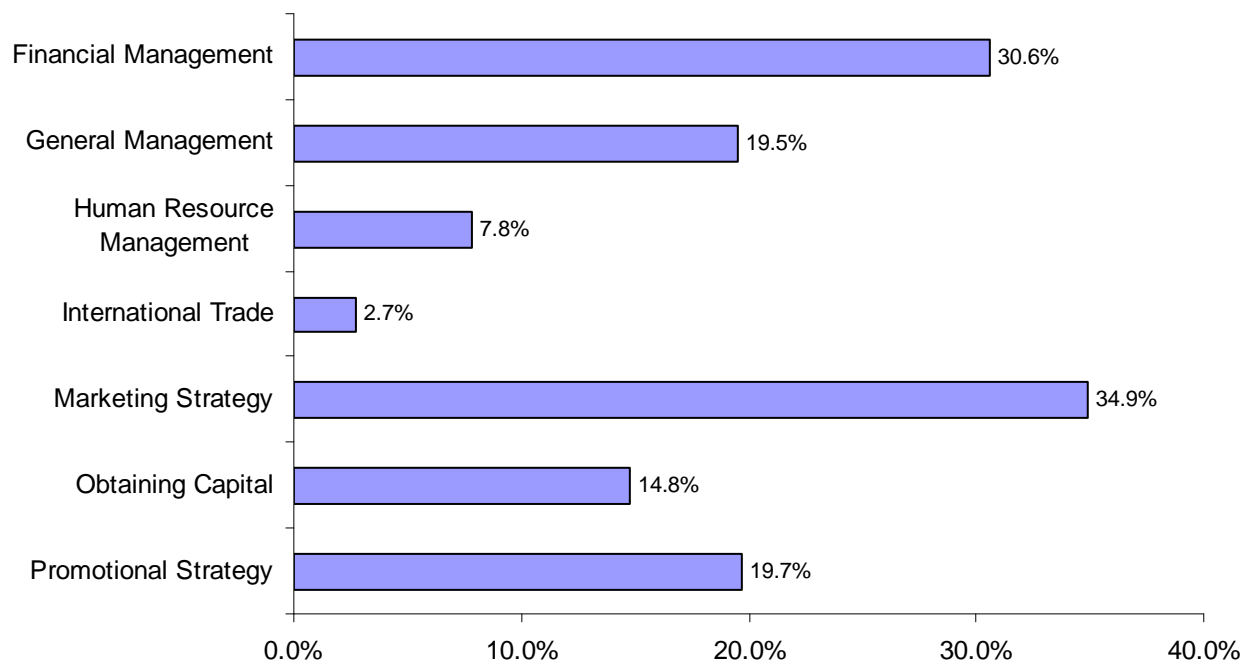
ED Resource	Business Segment	Changed Management Practices/Strategies
Total ED Resources	Start-Up	64.0%
	In-Business	65.1%
SBDC	Start-Up	62.4%
	In-Business	63.5%
SCORE	Start-Up	55.3%
	In-Business	57.9%
WBC	Start-Up	80.5%
	In-Business	78.6%
BIC	Start-Up	68.9%
	In-Business	69.2%

Figure 7.9 shows several types of management practices and strategies, such as financial management, human resource management, and marketing strategy, and the proportion of respondents who made changes in these areas. These percentages include the ‘Strongly Agree’ and ‘Agree’ response categories. This figure also compares management changes of Start-Ups with those of In-Business firms. Nascent firms, by definition, are not in business yet and have not been included.

Clients were more likely to have made changes in their marketing strategies, 34.9 percent, or financial management practices, 30.6 percent, than any other management areas. International trade and human resource management practices were the least likely to be changed. ED Resource help also resulted in significant amounts of promotional strategy, obtaining capital, and general management changes.

Figure 7.9

**Total ED Resources-As a result of assistance, which practices have you changed?**





Additionally, respondents were asked to assess plans, strategies and/or analyses they were able to conduct or develop in order to start or better manage their businesses as a result of assistance received. Table 7.3 lists various plans, strategies and analyses clients developed as a result of ED Resource assistance. Examples include business plans, loan packages, training plans for staff, etc. Business plans were the most frequently cited area of improvement for both segments, followed by marketing plans and cash flow analysis. Most clients received assistance with business plans (44.2 percent), 31.4 percent received assistance with marketing plans, and 21.3 received assistance with cash flow analysis.

Procurement and training plans were the least common type of assistance used by ED Resource clients. Only about 4 percent of respondents reported utilizing these types of assistance.

**Table 7.3 - ED Resources Management and Tactical Areas of Improvement as a Result of Assistance Received**

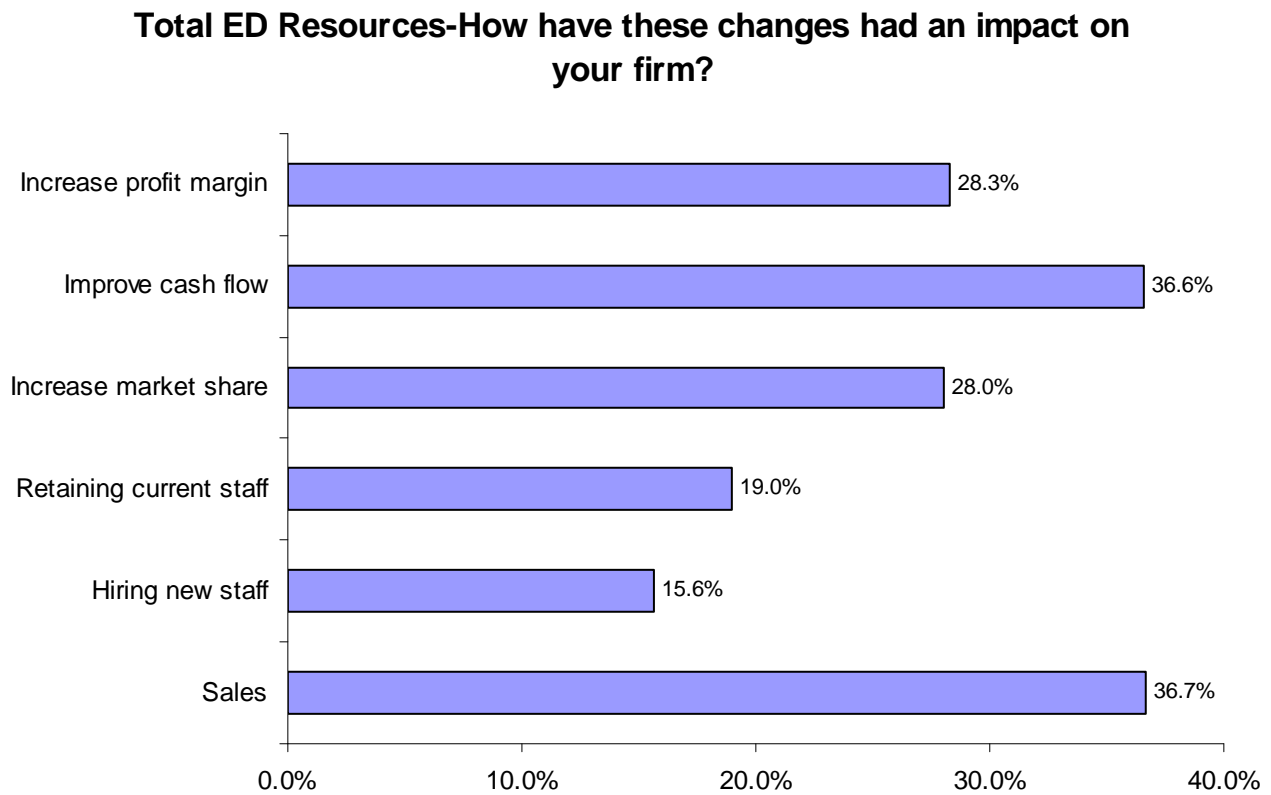
Area of Improvement	SBDC (%)		SCORE (%)		WBC (%)		BIC (%)		Total ED Resources (%)
	Start-Up	In-Business	Start-Up	In-Business	Start-Up	In-Business	Start-Up	In-Business	
Business Plan	64.7	42.1	52.6	33.3	71.4	56.5	76.9	49.2	44.2
Cash Flow Analysis	34.1	21.8	14.0	11.3	42.9	33.4	15.4	25.4	21.3
Distribution Plan	4.7	3.9	1.8	3.0	14.3	9.0	15.4	4.1	4.5
E-Commerce Strategy	1.2	5.4	3.5	3.3	7.1	11.7	0.0	3.7	5.5
Feasibility Plan	11.8	7.1	10.5	6.1	7.1	14.6	7.7	5.7	8.0
Financial Management Plan	14.1	13.3	8.8	9.0	21.4	22.6	15.4	11.5	13.4
Hiring Plan	4.7	6.3	1.8	3.5	7.1	7.8	0.0	4.9	5.6
Loan Package	17.6	16.3	8.8	7.6	21.4	25.6	7.7	25.4	16.0
Marketing Plan	35.3	30.7	28.1	22.3	28.6	44.4	38.5	40.2	31.4
Pricing Strategy	18.8	14.4	14.0	8.1	42.9	28.9	7.7	11.5	14.9
Procurement Strategy	1.2	3.8	1.8	1.9	0.0	6.1	0.0	11.1	4.1
Production Plan	7.1	4.7	3.5	3.3	7.1	9.4	0.0	2.9	4.9
Promotional Plan	18.8	13.3	8.8	10.3	28.6	26.0	7.7	19.3	14.9
Training Plan for Staff	1.2	4.5	1.8	2.3	7.1	6.7	0.0	2.9	4.0

The fourth resource impact measured the extent to which there was a positive relationship between the services/assistance provided by ED Resources and the client’s business having a positive financial impact on job creation, retention, and increase in sales.

Respondents were asked to rate the extent to which ED Resource assistance resulted in increased sales, hiring of new staff, and retention of current staff. Figure 7.10 illustrates the proportion of respondents who reported that ED Resource assistance resulted in these outcomes.<sup>28</sup>

ED Resource assistance had the largest impact on sales and cash flow for clients at 36.7 and 36.6 percent respectively. The results therefore, largely represent the impact on the In-Business segment.

Figure 7.10



<sup>28</sup>These percentages include the ‘Strongly Agree’ and ‘Agree’ response categories. Response categories for ‘No Opinion,’ ‘Disagree,’ and ‘Strongly Disagree’ are not shown here.

## Findings:

### Demographic Analysis

## 8. Cross Sectional Analysis of Selected Demographic Characteristics

### Cross Sectional Analysis by Gender, Race/Ethnicity and Veteran Status

The following section presents results from the Initial Impact Survey of ED Resource clients by the categories of gender, race/ethnicity, and veteran status.

This section begins with a discussion of the demographic characteristics of clients in these sub-groups and then discusses the findings on these sub-groups organized by research question:

1. Is there a positive relationship between the services/assistance provided by ED Resources and the client's perception of the usefulness and value of the services/assistance received?
2. Is there a positive relationship between the services/assistance provided by ED Resources and the client's decision to start a business?
3. Is there a positive relationship between the services/assistance provided by ED Resources and the client's decision to implement and/or change management and/or marketing practices in their business?
4. Is there a positive relationship between the services/assistance provided by ED Resources and the client's business having a positive financial impact on job creation and retention and increase in sales?

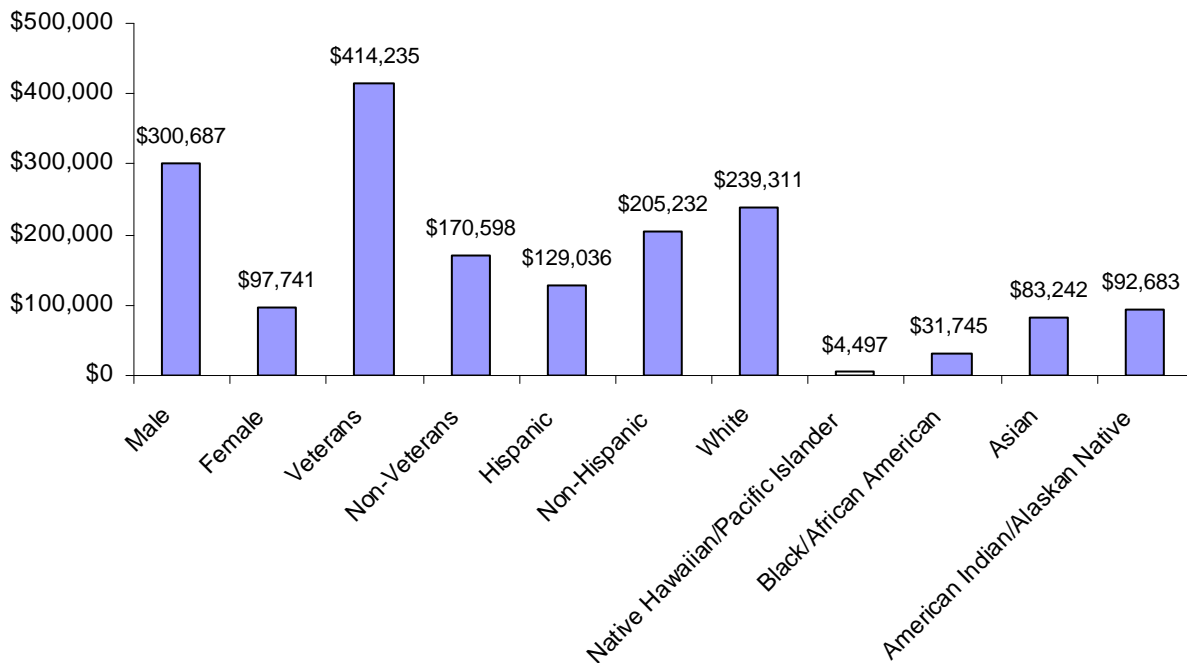
Demographic Characteristics

This section highlights some of the general demographic and financial characteristics of female versus male respondents, veteran versus non-veteran respondents, Hispanic versus non-Hispanic respondents, and various racial categories of respondents.

Respondents were asked to report their gross revenues and how many people were employed at the time they received assistance by an ED Resource. Average revenues and number of employees are reported in Figure 8.1. These results show that women-owned businesses are substantially smaller on average than businesses owned by men. Average revenues for male clients were \$300,687, compared to \$97,741 for females. Interestingly, veteran respondents had much larger average gross revenues than non-veteran respondents. White respondents reported larger gross revenues than Hispanic/Latinos, Native Hawaiian/Pacific Islander, Black/African American, Asian, and American Indian/Alaskan Natives. The Native Hawaiian/Pacific Islander respondents reported significantly less revenue than any other group as they reported only one-seventh of the revenue of Black/African Americans, the second smallest revenue group.

Figure 8.1

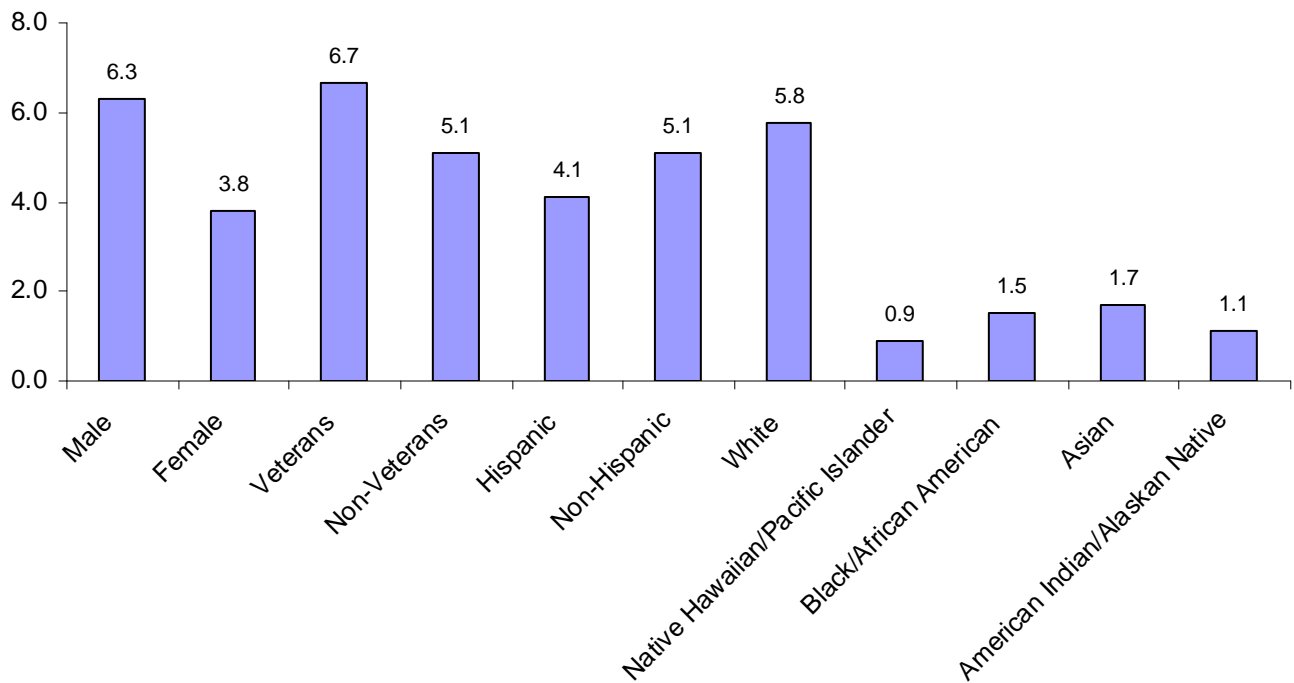
Average Sales for Firms in Selected Demographic Categories



These disparities in respondents’ firm sizes were also reflected in the average number of employees. Figure 8.2 compares employee averages across racial/ethnic, veteran, and gender categories. Women-owned firms were smaller than men-owned firms. Veteran-owned firms were larger than non-veteran-owned firms. Firms owned by Whites had a higher number of employees than any other racial/ethnic category. It is interesting to note that these employee data mirror total revenue data present on the previous page. One exception to this trend is seen between Native Hawaiian/Pacific Islanders and American Indian/Alaskan Natives. Native Hawaiian/Pacific Islanders respondents had a substantially smaller total revenue (less than one-twentieth) than the American Indian/Alaskan Native respondents while employing almost the same number of people.

Figure 8.2

**Average Number of Employees in Selected Demographic Categories**



**Resource Impacts**

The first resource impact measured the relationship between the services/assistance provided by the ED Resource and the client’s perception of the usefulness and value of the services/assistance received. Respondents were asked to indicate the value of the information they received from the ED Resource counselor that they visited in terms of the usefulness, relevancy, and timeliness of information. They were also asked to indicate how effective their counselor was in assisting them.

In response to the questions regarding the effectiveness of the counselor in meeting the client’s needs, most clients perceived their counselors to be effective. Figure 8.3 compares male and female clients. Over 77 percent of male clients and 81.8 percent of female clients reported that their counselor was effective in meeting the client’s needs. Figure 8.4 compares veteran and non-veteran clients. Veterans rated their counselor effective at the rate of 73.8 percent, compared to 81.5 percent for non-veterans. Figure 8.5 compares Hispanic and non-Hispanic clients. About 79.3 percent of Hispanic clients and 79.6 percent of non-Hispanic clients assigned effective ratings to the counselor. Figure 8.6 indicates that while each racial/ethnic group reported that the counselors met their needs nearly 75%-80% of the time, 17.7% of American Indian/Alaskan Natives reported that their counselors were ineffective, the highest ineffective rating of any group.

**Figure 8.3**

**How effective was your counselor in meeting your needs?**

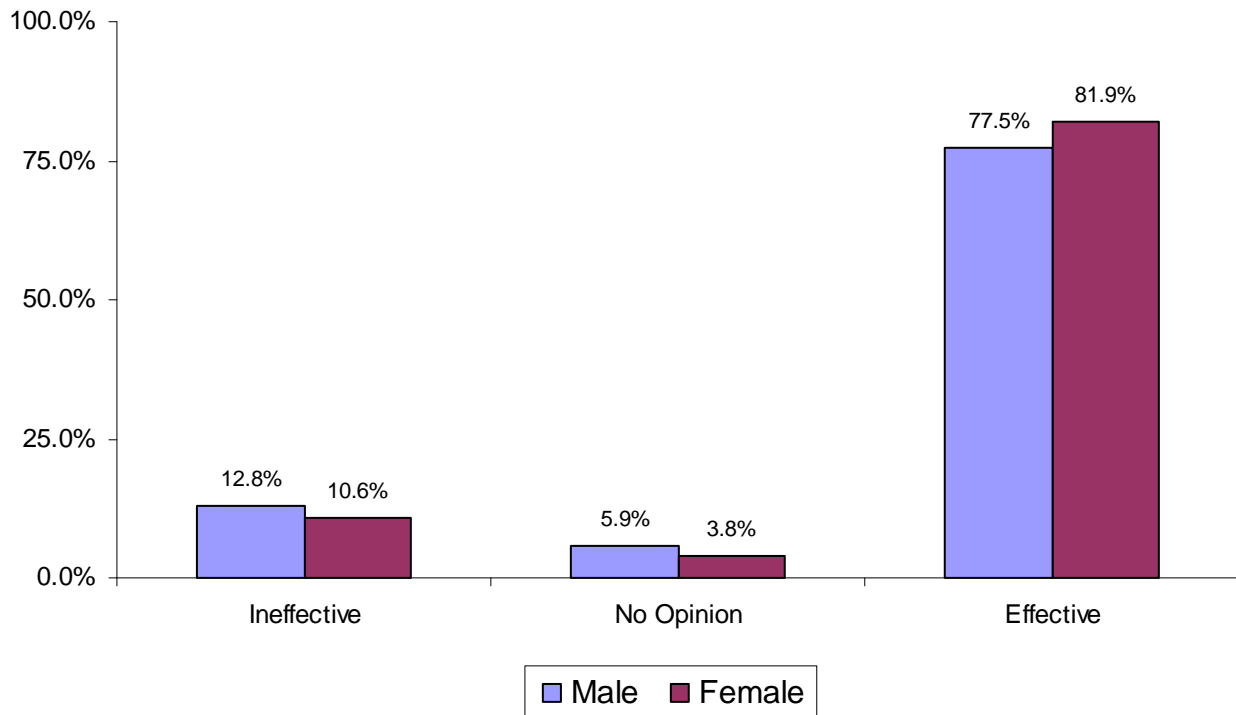


Figure 8.4 How effective was your counselor in meeting your needs?

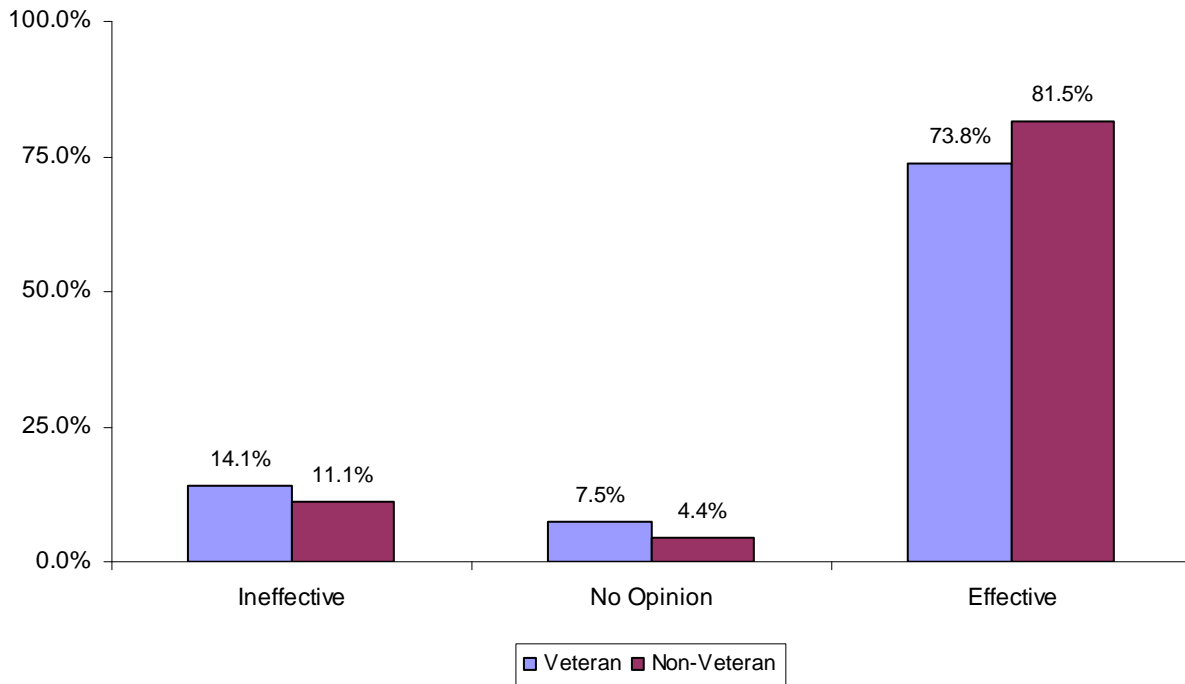


Figure 8.5 How effective was your counselor in meeting your needs?

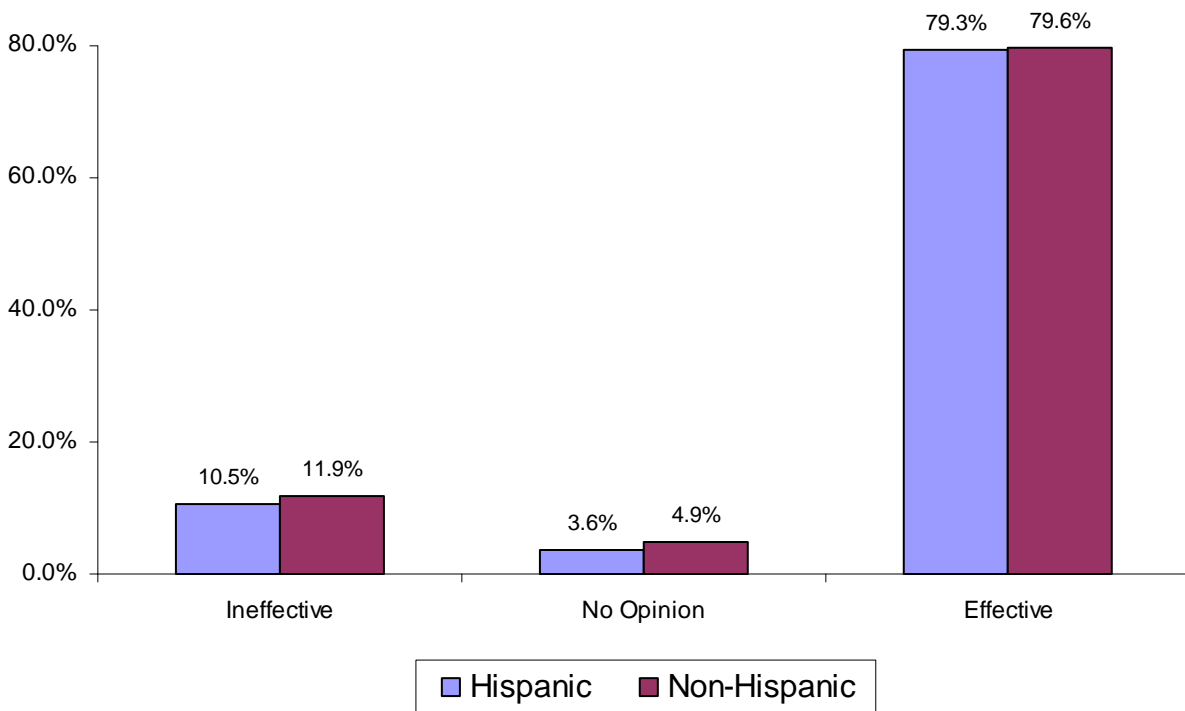
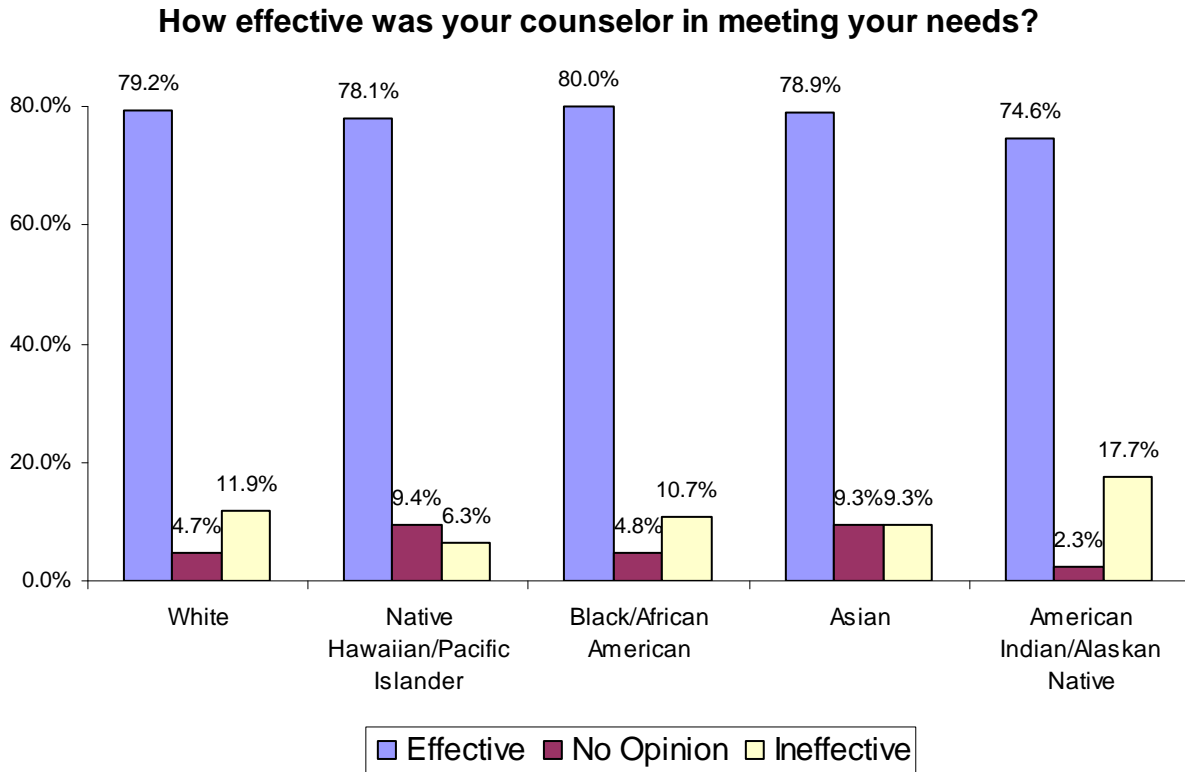




Figure 8.6



The second resource impact measured the extent to which there was a positive relationship between the services/assistance provided by ED Resources and the client’s decision to start a business.

Clients were asked to rate the usefulness of their counselor in assisting them in starting a business. As shown in Figure 8.7, 14.2 percent of female and 15.5 percent of male clients reported that their counselor’s assistance helped them to start a business. This proportion was 17.5 for veterans compared to 14.8 percent for non-veterans, as depicted in Figure 8.8. Figures 8.9 and 8.10 indicate that there was variation in effectiveness ratings based on client race/ethnicity. White respondents only rated these services useful 15 percent of the time while Native Hawaiian/Pacific Islander, Black/African American, Asian, and American Indian/Alaskan Native race/ethnic groups reported useful services in helping start a business about 40 to 70 percent of the time. The Native Hawaiian/Pacific Islander respondent group found these services useful in helping to start a business more frequently than any other group.

Figure 8.7

**Were these services useful in helping you start a business?**

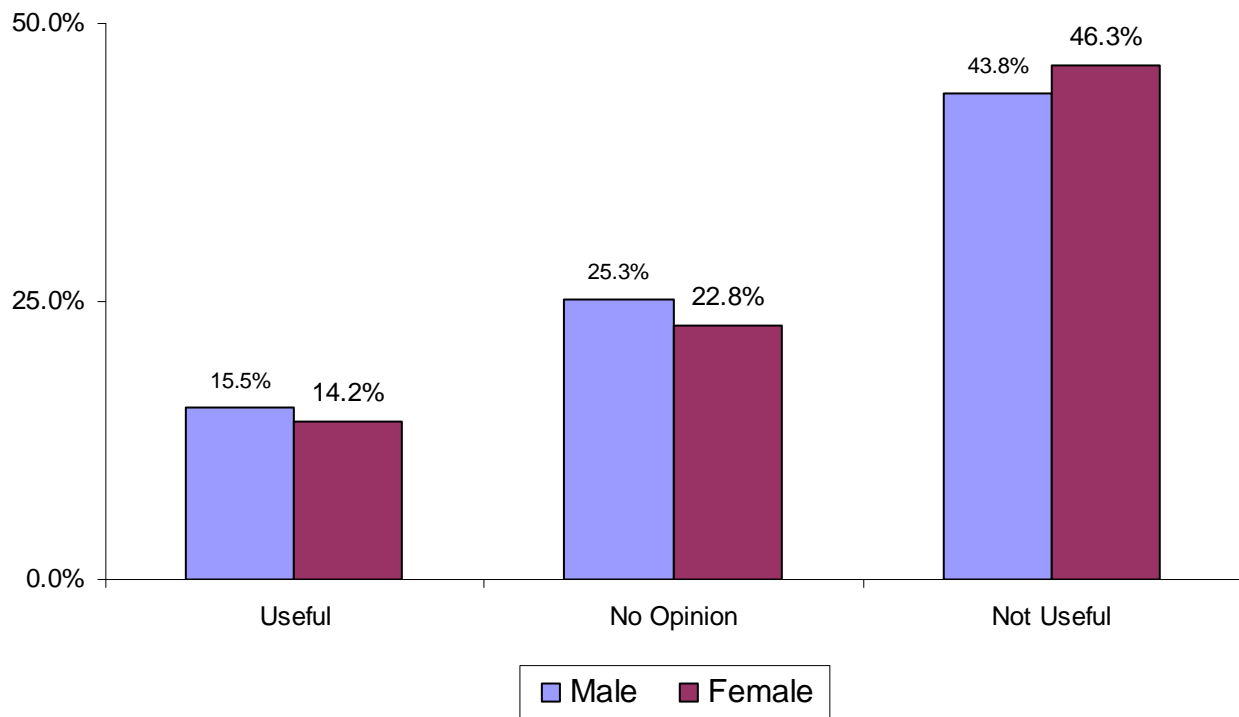


Figure 8.8 Were these services useful in helping you start a business?

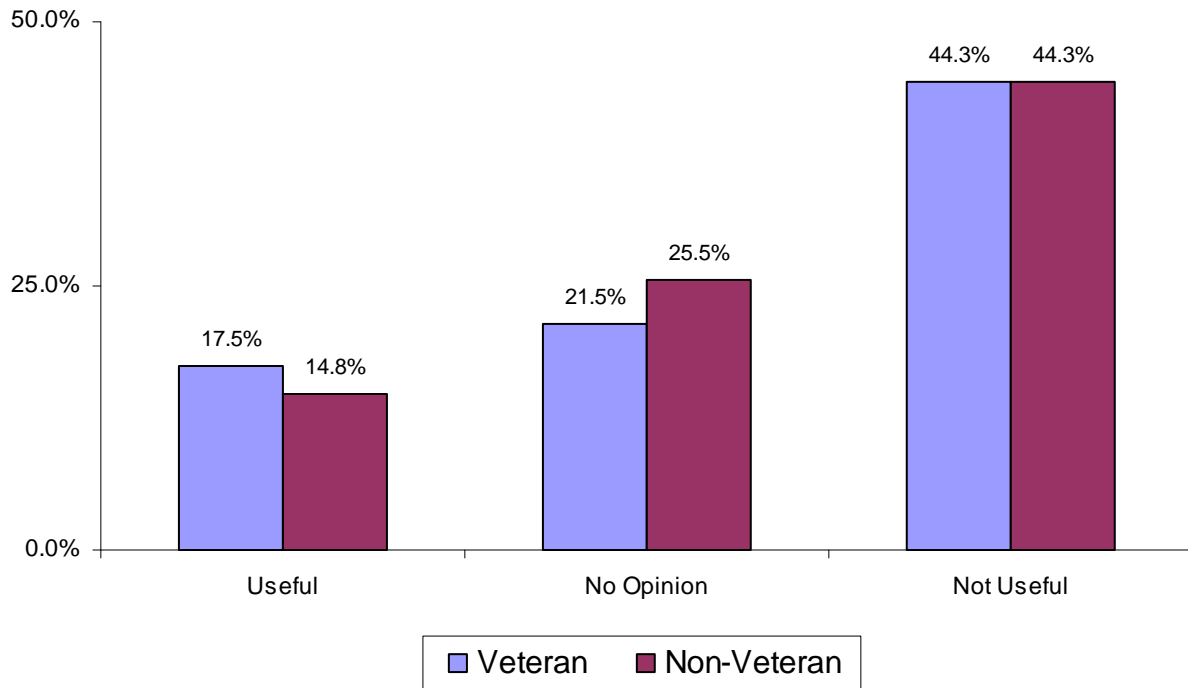


Figure 8.9 Were these services useful in helping you start a business?

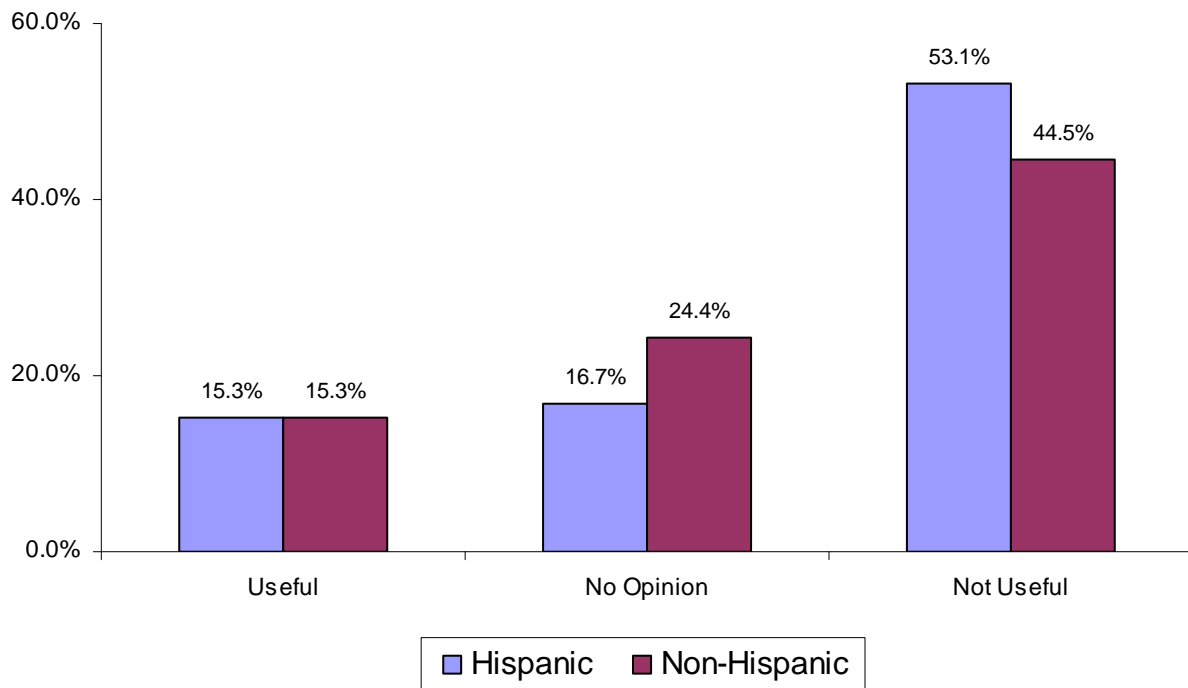
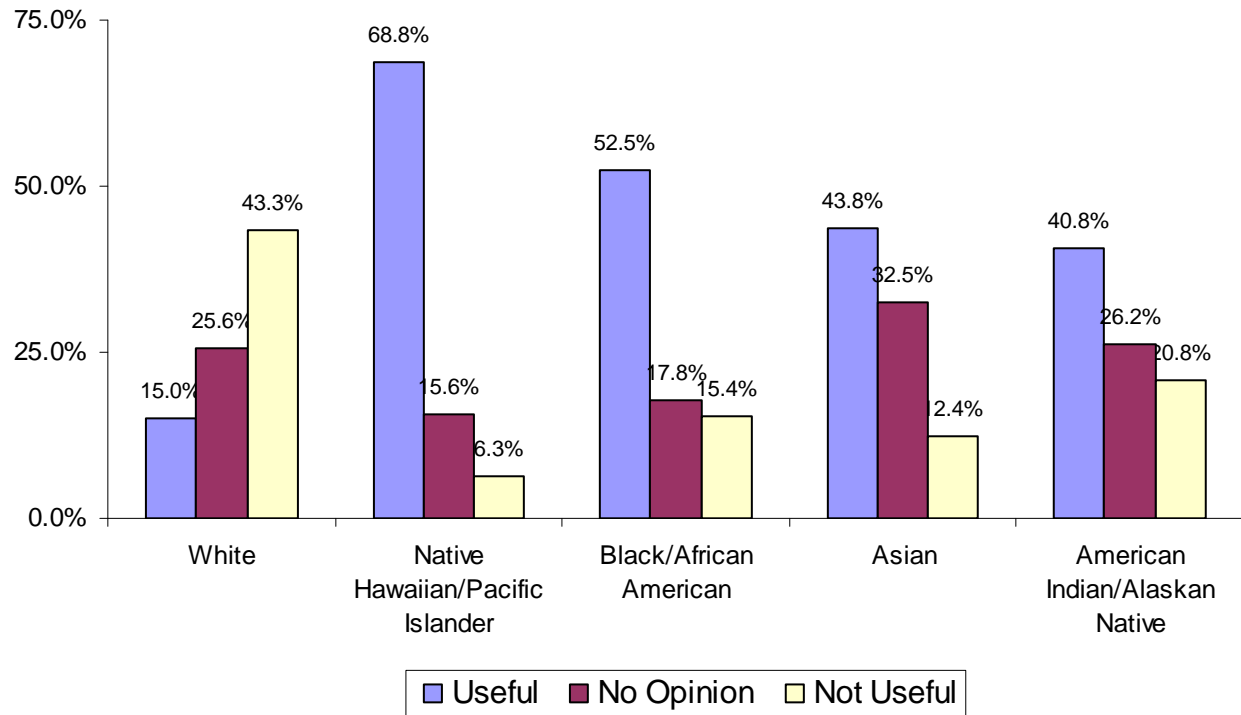


Figure 8.10

Were these services useful in helping start a business

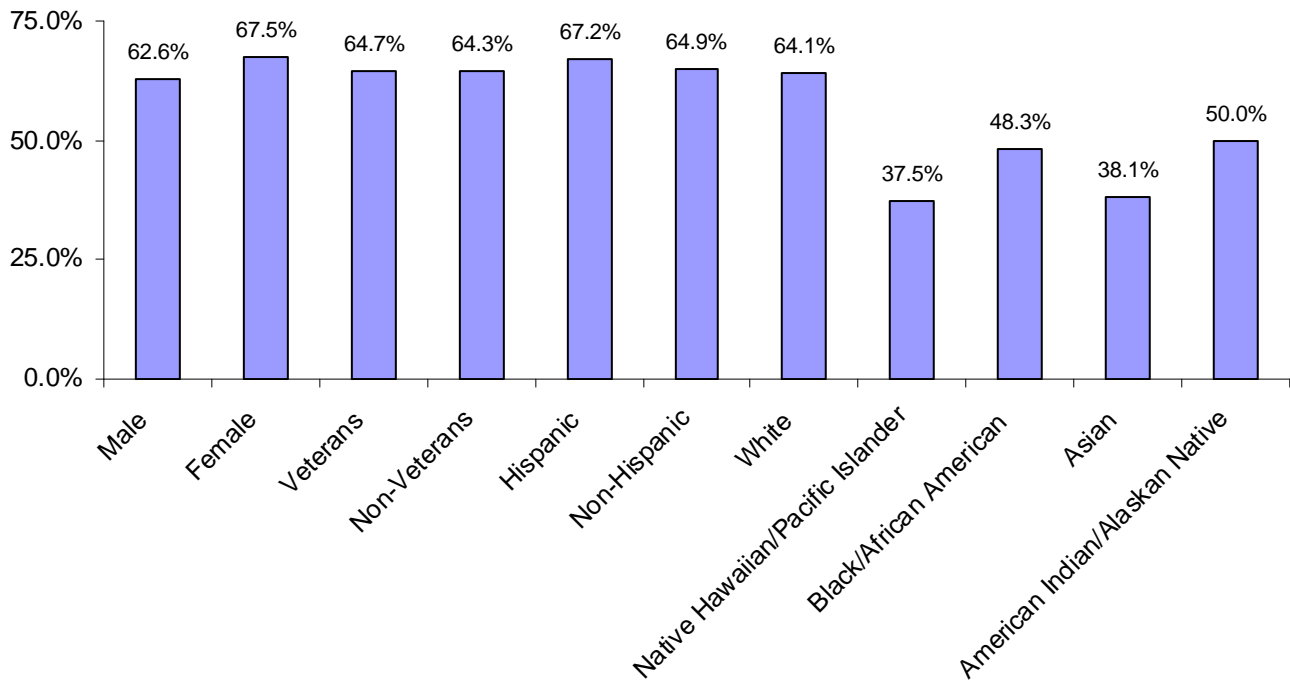


The third resource impact measured the extent to which there was a positive relationship between the services/assistance provided by ED Resources and the client’s decision to implement and/or change management and/or marketing practices in their business.

Survey respondents were asked if they had made any changes in their management practices or strategies as a result of the assistance they received. Those that indicated that changes were made were also asked which management practices or strategies they altered as a result of the assistance received from ED Resources. Figure 8.11 below shows the percentage of respondents in each category that indicated that they made changes as a result of the assistance received. Females at 67.5 percent and Hispanics at 67.2 percent were the most likely to change management practices or strategies as a result of the assistance they received. Least likely were Native Hawaiian/Pacific Islander and Asians, less than 40 percent of the time. It is possible that these two groups did not attempt use ED resource counselors for this purpose as these two groups rated their counselors very highly (Figure 8.6). The following figure lends support to this notion as well.

Figure 8.11

**Have you changed your management practices/strategies as a result of the assistance you received?**



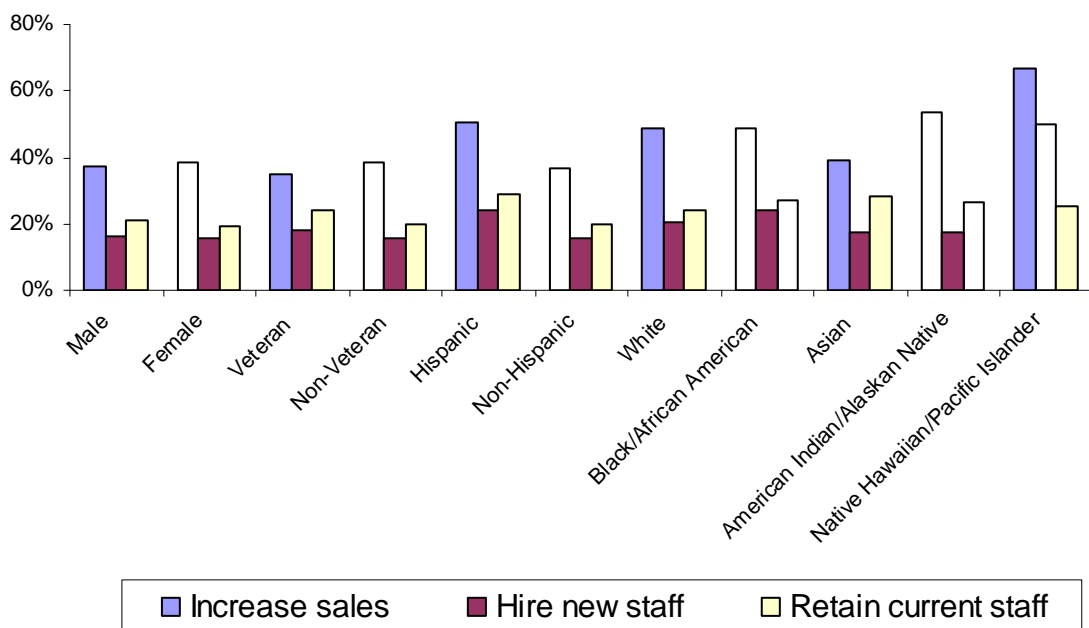
There was little variation in the types of management practices and strategies changed based upon the assistance received. Regardless of whether clients were male or female, veteran or non-veteran, Hispanic or non-Hispanic, or Native Hawaiian/Pacific Islander, Black/African American, Asian, and American Indian/Alaskan Natives, they were all most likely to make changes in their business plans, marketing plans, or cash flow analysis as a result of ED Resource assistance. E-commerce, distribution, staff training, and procurement activities were the least likely types of practices or strategies to be changed.

The fourth resource impact measured the extent to which there was a positive relationship between the services/assistance provided by WBC Resources and the client's business having a positive financial impact on job creation, retention, and increase in sales.

Respondents were asked to rate the extent to which ED Resource assistance resulted in increased sales, hiring of new staff, or retention of current staff. Figure 8.12 shows the proportion of respondents in the selected categories that reported that assistance resulted in these outcomes.

Male and female clients reported similar effects of ED Resource assistance on sales and the hiring of new staff and retention of current staff. In addition, differences in these effects for veterans versus non-veterans were small. Interestingly, compared to non-Hispanics, Hispanic clients were more likely to report that assistance had a positive impact on sales, hiring new staff, and retaining current staff. There were no significant differences across racial categories in the effects of assistance on the hiring and retention of staff. For example, the proportion of respondents who reported that assistance resulted in increased sales was 48.7 and 49.0 percent for Black/African American and White clients, respectively. However, this proportion was only 40 percent for Asian respondents, but 66.7 percent of Native Hawaiian/Pacific Islander clients.

**Figure 8.12** How have these changes had an impact on your firm?



In general, there was a relationship between client demographic characteristics and firm size. Clients who were female, non-veteran, Native Hawaiian/Pacific Islander, Black/African American, Asian, American Indian/Alaskan Natives, or Hispanic had smaller firms on average than their counterparts in terms of both gross revenues and number of employees reported. There was difference among these demographic categories in perceptions of information value. Native Hawaiian/Pacific Islander, Black/African American, Asian, and American Indian/Alaskan Natives rated their counselors and the assistance they received more highly than Whites or Latinos. However, there is a clear relationship between gender and race/ethnicity and the tendency to change management practices and strategies. Our results show that female and Hispanic respondents were much more likely to change management practices and strategies based on assistance from ED Resources as compared to male and White clients. One of the most prominent differences was that Native Hawaiian/Pacific Islander, Black/African American, Asian, and American Indian/Alaskan Natives increased sales much more frequently as a result of assistance than any other groups.

### Regression Analysis-Effects of Gender, Race/Ethnicity, and Veteran Status on Key ED Resource Impacts

The following section presents the results of a series of regression analyses that tested whether the gender, race/ethnicity, or veteran status of respondents significantly impacted ED Resource assistance on:

- ◆ The client's perceived value and perceived effectiveness of the ED assistance or
- ◆ The client's firm.

This section describes the statistical analysis techniques employed and presents findings organized by resource impact question:

1. Is there a positive relationship between selected demographic characteristics (gender, race/ethnicity, veteran status) and the client's perception of the usefulness and value of the services/assistance received?
2. Is there a positive relationship between selected demographic characteristics (gender, race/ethnicity, veteran status) and the client's decision to start a business?
3. Is there a positive relationship between selected demographic characteristics (gender, race/ethnicity, veteran status) and the client's business having a positive financial impact on job creation and retention and increase in sales?



Regression models were estimated for each ED Resource separately. For each set of ED Resource respondents, we ran separate regressions using each questionnaire item associated with the outcome measure as a dependent variable.

For example, the dependent variable for the first model was the respondent's indication of the extent to which ED Resource assistance resulted in increased market share on a 5-point scale, where 5 was 'Strongly Agree' and 1 was 'Strongly Disagree.'

The set of independent or predictor variables included binary variables representing the demographic categories listed below. The omitted variables, required to avoid linear dependency, are reported in parentheses:

- ◆ Female (vs. Male)
- ◆ Race
  - American Indian (vs. Non-American-Indian)
  - Asian (vs. Non-Asian)
  - Black/African-American (vs. Non-Black/African-American)
  - Native Hawaiian/Pacific Islander (vs. Non-Native Hawaiian/Pacific Islander)
- ◆ Ethnicity
  - Hispanic/Latino (vs. Non-Hispanic/Latino)
- ◆ Veteran (vs. Non-Veteran)
- ◆ Service-Disabled Veteran (vs. Non-Service Disabled Veteran)
- ◆ Client Segment
  - Nascent (vs. Start-Up or In-Business)
  - In-Business (vs. Nascent or Start-Up)
- ◆ Sales Revenues

Each model was tested with and without the inclusion of sales revenues as an independent variable in order to determine whether holding firm size constant had an affect of the relationship between other selected demographic characteristics and key outcomes.

## Resource Impacts

The first impact tested whether there was a positive relationship between the client's demographic characteristics and the client's perception of the usefulness and value of the services/assistance received. In order to measure this, respondents were asked to indicate the value of the information they received from the counselor they visited in terms of the usefulness, relevancy and timeliness of the information and they were also asked to indicate how effective their counselor was in assisting them.

Results of this analysis<sup>29</sup> suggest that for SBDC, SCORE, WBC, and BIC there was no significant impact of the client's demographic characteristics on the client's perception of the usefulness and value of the services/assistance received.

The second impact tested whether there was a positive relationship between selected demographic characteristics (gender, race/ethnicity, and veteran status) and the client's decision to start a business. In order to measure this, ED clients were asked to rate the usefulness of their counselor in assisting them in starting a business. Results of this analysis also showed that for SBDC, SCORE, WBC, and BIC there was no significant impact of the client's demographic characteristics on the client's decision to start a business.

The third impact tested whether there was a positive relationship between selected demographic characteristics (gender, race/ethnicity, and veteran status) and the client's business having a positive financial impact on job creation and retention and increase in sales.

Respondents were asked to rate the extent to which ED assistance resulted in increased sales, the hiring of new staff, and the retention of current staff. Results of this analysis differ from the previously discussed results.

In the case of SBDC, SCORE, and WBC, the analysis shows no significant relationship between the client's demographic characteristics and the impact of the ED resource on client's business in terms of job creation and retention and increase in sales. However, in the case of BIC, there were several significant differences. For example, when assessing the extent to which BIC assistance resulted in increased market share, Nascent respondents were significantly less likely than Start-Up or In-Business respondents to report that BIC assistance resulted in increased market share. This is not surprising since Nascent businesses are defined as having taken only "one or more" positive steps to start a business. Female respondents were also significantly less likely to report that BIC assistance resulted in increased market share. At the same time, compared to White respondents, American Indian/Native Alaskan and Black/African-American respondents were significantly more likely than White respondents to report that BIC assistance resulted in increased market share.

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<sup>29</sup>For respondents from each of these resource centers, the overall F test of the significance of these regression models was not significant at the  $p < 0.05$  level in the case of any model or dependent variable. In addition, none of the coefficients on the independent variables were significant at the  $p < 0.05$  level. The  $p < 0.05$  or 5 percent level is generally considered to be the minimum standard for statistical significance for samples of this size. Neither these models nor their parameter estimates were statistically significant.

Nascent respondents were significantly less likely than Start-Up or In-Business firms to report that BIC assistance resulted in increased sales. Similarly, female respondents were also significantly less likely to report that BIC assistance resulted in increased sales. Black/African American respondents were significantly more likely than any other racial/ethnic group to report that BIC assistance resulted in increased sales.

Again, Nascent respondents were significantly less likely than Start-Up or In-Business firms to report that BIC assistance resulted in improved cash flow. Female respondents were significantly less likely than male respondents to report that BIC assistance resulted in improved cash flow. And again, our results also suggest that American Indian/Alaskan Native respondents were significantly more likely than White respondents to report that BIC assistance resulted in increased sales.

We also analyzed the extent to which BIC assistance resulted in hiring new staff. Nascent respondents were significantly more likely than Start-Up or In-Business firms to report that BIC assistance resulted in hiring new staff. American Indian/Alaskan Native respondents reported significantly lower scores on hiring new staff than any other racial/ethnic group.

In terms of the extent to which BIC assistance resulted in increased profits, both Nascent and Female respondents reported significantly lower impacts. American Indian/Alaskan Native respondents were more likely than their White counterparts to report that BIC assistance resulted in increased profits.

Respondents were asked to rate the usefulness of BIC services in assisting them in starting a business. Black/African American respondents reported significantly higher usefulness scores than their White counterparts. There was also a significant and negative relationship between sales revenues and perceived usefulness, suggesting that larger firms perceived BIC assistance to be more useful in assisting them with starting a business than smaller firms.

Other than the items described above there were no other significant impact differences for BIC respondents.

Thus, there are a few significant differences for BIC respondents in the Nascent, American Indian/Alaskan Native, and Black/African American racial/ethnic groups. It is important to note that these differences are small, and may result from missing data or a small number of respondents in a particular demographic category. For example, out of 503 total BIC respondents, only 3.2 percent were American Indian/Alaskan Native and 15.9 percent were veterans.

In summary, this analysis suggests that there are no significant differences in key outcomes based on gender, race/ethnicity, or veteran status for SBDC, SCORE, or WBC and we can therefore conclude that for the most part, the client's demographic characteristics are not significant determinants of the client's perception of the usefulness and value of the services/assistance received, the client's decision to start a business, or the client's business having a positive financial impact on job creation, job retention or sales increases. In other words, ED resource clients in general have the same perceptions of ED resource assistance, regardless of gender, race/ethnicity, or veteran status. Differences in key outcomes exist for BIC respondents only.



### Limitations

These results should be interpreted with caution. For example, in some cases, missing or minimal data from less common demographic classifications, such as Hispanic/Latino and Service-Disabled veterans, may limit their meaningful inclusion. Furthermore, the dependent variables used for these regressions were single-item attitudinal measures that included only 5 response categories. Single-item measures may lack statistical reliability.

## Summary of Findings:

### Quantitative

## 9. Quantitative Findings

The In-Business client segment was the largest of all segments served by ED Resources and it comprised 62 percent of respondents. Nascent clients represented 34 percent of ED Resource respondents while the smallest segment, Start-Up clients, represented 4 percent.

ED Resources served a wide variety of business types at different stages in development. The most common types of industries included wholesale, retail, and service businesses. Service, retail, and ‘other’ businesses were more common for Start-Ups than In-Business clients. This may suggest that Start-Ups were involved with new business categories. ED Resources also served a wide variety of clients as indicated by reported demographic characteristics.

We used data from this survey to examine 4 research questions. Our conclusions based on the results of our analyses are summarized below.

Is there a positive relationship between the services/assistance provided by ED Resources and the client’s perception of the usefulness and value of the services/assistance received?

- ◆ In general, ED Resource clients perceived information and assistance provided by ED Resource counselors to be useful and valuable. Ratings of value and effectiveness were high, over 67 percent, for each ED Resource source. These ratings were high across all three client segments.

Is there a positive relationship between the services/assistance provided by ED Resources and the client’s decision to start a business?

- ◆ Services/assistance from ED Resources often helped clients start their businesses. In fact, 42.9 percent of respondents reported that this assistance helped them start a business while 15.2 percent of respondents reported that this assistance helped them decide not to start a business.

Is there a positive relationship between the services/assistance provided by ED Resources and the client’s decision to implement and/or change management and/or marketing practices in their business?

- ◆ As a result of ED Resource assistance, many clients changed management strategies and practices. Nearly two thirds of clients, 64 percent, surveyed reported that they made changes to their management strategies or practices as a result of this assistance. These changes were most likely to be made to marketing strategies, financial management practices, and promotional strategies. Clients used ED Resources most widely in assisting them with developing business plans, marketing plans, and cash flow analysis.

Is there a positive relationship between the services/assistance provided by ED Resources and the client’s business having a positive financial impact on job creation and retention and increase in sales?

- ◆ In many cases, clients reported that assistance provided by ED Resources had a positive impact on key financial and economic outcomes, including employment and financial performance. In terms of job creation, 11.2 percent of clients reported that ED Resource assistance led to the hiring of new staff. Another 8.8 percent of clients reported that this assistance resulted in the increased sales. Respondents reported similar impact of ED Resource assistance on market share, cash flow, and profits.

## Summary of Findings:

### Qualitative

## 10. Qualitative Findings

In addition to the quantitative findings based on survey data, we conducted a qualitative analysis of additional letters and comments submitted by survey respondents. These respondents reported a mix of positive and negative reactions to the information and assistance that they were provided. Many of the negative reactions stemmed from disconfirmation of expectations of ED Resources or a misunderstanding of the types of services and assistance available.

In some cases, survey respondents submitted letters *in lieu* of completing a survey or attached to the survey. These were unsolicited and not part of the questionnaire. Due to the unstructured nature of this additional data, responses were systematically analyzed using the following approach. First, the data were read to identify common themes and relations which are then coded. The data were then reexamined to reflect key themes. The reexamined data were reviewed, enabling analysis to detect prevalent and anomalous arguments and illustrative quotations.<sup>30</sup>

Findings from this qualitative analysis are presented below. There were a total of 32 letters or notes attached to returned surveys. Findings are organized by resource, when available, or separately in a section labeled 'Unknown Resource.'

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<sup>30</sup>Details on the use of this approach for qualitative data analysis are provided in Harvey, L. (1990). *Critical Social Research*. London: Unwin Hyman.



## SCORE

Letters and comments regarding SCORE were generally positive. Those participants with business experience and the ability to articulate their need found the counselors at SCORE to be quite helpful. However, those respondents without the benefit of business experience or with a self-reported lack of education felt alienated by their experience with SCORE.

Some the respondents did not have an understanding of the types of assistance that SCORE could provide or how to utilize the agency's assistance fully. These respondents suggested that counselors seemed unable or unwilling to take the necessary time to teach and/or explain the process to the respondents. One respondent letter stated:

*"I am currently working with ... and ... on a business venture that your SCORE representative couldn't see as being worth his time. It has been a long time coming due to my lack of credit and education... If you could point me upward, because I've been North, South, East, West and Downward; I'd greatly appreciate it."*

Some letters and comments may indicate that respondents who gain the most from SCORE were business owners who had extensive business knowledge. Most knew what information and assistance they needed and were therefore able to clearly articulate their needs to the counselors. For example, one respondent's letter said:

*"...I went to SCORE specifically because I am the VP of a sixth generation family business and although I feel that our Comptroller is competent, we were completely unable to communicate. I took a number of courses regarding "Finances for the non-financial executive" and I still was unable to read his financial statements so that they made any sense at all. I went to SCORE to ask if I was stupid or if there was something I was missing. I was so sure it was me. I met with my counselor who was very patient and understanding and competent. Upon showing him the financials that my Comptroller was providing me, he was as confused as I was. He was able to give me a few questions to ask about the way we were doing things and the reports we were receiving, all very helpful."*

Another respondent wrote:

*"I mistakenly thought that my dream of turning my thirty plus acres into a condominium community that utilized solar and wind energy for its home was a reality... SCORE was not helpful even though I finished my business plan as they suggested."*

Out of the eight responses specifically directed toward SCORE, only one respondent had an established, ongoing relationship with the counselor. The remaining respondents met with the SCORE counselor one time. In many of those cases, clients did not receive the information that they sought, although they did leave with some helpful information. In several instances, clients felt that they gained the ability to better utilize SCORE and expressed a desire to reconnect in the future.

## SBDC

The response letters and comments regarding SBDC were all negative. Most respondents were upset at the lack of counselor responsiveness. All respondents got through their first meeting and left with a to-do list, which typically included writing a business plan. However, upon completion of their list, clients often found themselves without any counselor support. Some stated that their counselor became unresponsive after the initial meeting while others became frustrated by the process of frequently changing counselors.

Some respondents suggested that SBDC employees simply lacked the knowledge necessary to help them or point them in the right direction. One respondent reported:

*“I needed help with marketing and all I got was a lot of ... no real help. I spent time and money trying to get the marketing help I needed but it was a waste of time and money. What SBDC needs is help from a real professional in the fields that businesses need.”*

One respondent felt that her issues were not taken seriously and, as a result, spent a lot of time seeking help that simply was not available.

*“I went to the SBDC because I was looking for some kind of financing so I could expand my business. I have all the business I can handle myself and I desperately need to expand and grow, get new equipment and hire people. I was looking for some working capital and thought that the SBDC could give me some suggestions but I don’t feel like I was taken very seriously. The only suggestion I got was to make cold telephone calls to get more business. I spent 6 months talking to people and was always sent somewhere else. I finally gave up and am of the opinion that there is no help out there for me and I will have to go it alone.”*

Lack of clear guidance on acquiring financial support was the primary complaint of most respondents. Lack of responsiveness to questions after initial contact was second most prevalent complaint.

## Unknown Resource

The additional letters and comments received did not identify a particular ED Resource. This group included an eclectic mix of respondents who had not actually utilized the services for a variety of reasons. Some of their comments were very personal and did not reflect poorly on any ED Resource:

*“After the second meeting, approximately one week later, one of our children was killed in an automobile accident. And that stopped all of our desire to continue our plans for going into business...”*

One respondent reported that he was ignored after his initial meeting with the counselor but decided to begin his business anyway. Another respondent felt victimized by the bureaucracy and lack of responsiveness but attributed it to his race/ethnicity and belief that he would not have been helped at all.

Many respondents described a communication deficit resulting from the difference between a counselor’s perceived advice and information found elsewhere:

*“My primary reason for coming was to ask about grants for women to start businesses. I was told absolutely not, that haven’t done that for at least 20 years. I then asked a friend about that and she told me that was absolutely not true and then proceeded to give me 6 names off the top of her head – of places I could go that help women start businesses. So, maybe you need to do some research on this... There is definitely a need and lack of financial assistance and other support for people such as myself who are in the pre-business/pre-product development in finding funding and other support to assist us during this part of business development.”*

Respondents who submitted additional letters and comments about ED Resources had negative reactions to the information and assistance that they were provided. Many of the negative reactions seem to stem from disconfirmation of expectations of ED Resources or a misunderstanding of the types of services and assistance available.



## Limitations

## 11. Limitations

There are several limitations that should be considered when interpreting the results presented in this report. These limitations are primarily posed by the research design and methodology.

Measures included in this survey are primarily attitudinal and all items are self-reported. Thus, there are few objective measures that can be used to assess actual client performance or make comparisons with other data sources. This limits our ability to validate the findings presented here with findings based on other small business survey data, such as The Panel Study of Entrepreneurial Dynamics or the Federal Reserve's Survey of Small Business Finances.

In addition, this survey does not measure ED Resource utilization. Thus, we cannot measure the relationship between the amount of assistance provided by ED Resources and key outcomes, such as financial impacts. In other words, these analyses cannot differentiate between clients who had limited contact with a counselor and clients who had more extensive assistance. The ability to conduct regression analysis, causal modeling, and other statistical measures of relationships are similarly limited.

This survey is cross-sectional, and only collects data from ED Resource clients at a particular point in time. This data does not allow us to track financial performance or other outcomes over time. Since this is an initial or baseline survey report, respondents clients may have had insufficient time in which to realize the effects of ED Resource assistance.

Because survey research is designed for quantitative analysis, it does not provide in-depth or detailed insights about the use of ED Resources. In this study, some limited qualitative data was submitted in the form of letters and comments in response to the survey. However, these additional data were unsolicited and not part of a systematic data collection effort. One approach to address this limitation is to follow-up this analysis with a qualitative study which allows the researcher to explore the background and context of experiences with ED Resource assistance.

Finally, respondents from different resources received different versions of the survey instrument. These instruments included identical questions with the exception of 3 items:

- ◆ Respondent age
- ◆ Have you ever been in business?
- ◆ If you utilized any other SBA Resources/program, select those used.

The items for respondent age and the question 'Have you ever been in business?' were omitted from the questionnaire versions sent to the SBDC sample, which accounts for approximately 48 percent of respondents. Additionally, in the case of the question, 'If you utilized any other SBA resources/program, select those that you used,' one version of the instrument included 5 possible response categories, while another version included 6 possible response categories. As a result of inconsistencies, these items were not included in our analysis.



## Further Research and Recommendations

## 12. Further Research and Recommendations

Measuring the effects of ED Resources on business operations, as well as financial and economic outcomes, requires longitudinal data. Longitudinal studies track a set of respondents over time, which allow researchers to compare the growth of ED Resource clients with the growth of similarly situated small businesses that did not use ED Resources. Estimates of this nature are currently produced using data from the Panel Study of Entrepreneurial Dynamics and the Federal Reserve Board's Survey of Small Business Finances.

A follow-up study is planned for FY2005 involving a second survey administration with respondents from the study presented in this report. The purpose of the second phase of this research is to follow-up with clients who received assistance from SBA ED Resources in FY 2003 and who completed a survey in FY2004. This longitudinal/panel study will determine the extent to which SBA ED Resources have resulted in perceived improvements in management or marketing skills, as well as perceived and actual business growth for each small business segment including Nascent, Start-Up and In-Business.

Once the data from the 2005 follow-up study has been collected, we will compare the results of this analysis with additional data sources on small business to determine whether SBA ED assistance resulted in higher job creation, job retention, and increased sales than other similarly situated small businesses. These additional data sources will include the Panel Study of Entrepreneurial Dynamics (sponsored by the Center for Social Research at the University of Michigan) and the Survey of Small Business Finances (sponsored by the Federal Reserve Board of Governors, based on Dun and Bradstreet data).

The Panel Study of Entrepreneurial Dynamics is a national longitudinal sample of 64,622 U.S. households that were contacted to find individuals who were actively engaged in starting new businesses. The Panel Study of Entrepreneurial Dynamics includes information on: the proportion and characteristics of the adult population involved in attempts to start new businesses; the kinds of activities nascent entrepreneurs undertake during the business startup process; and the proportion and characteristics of the start-up efforts that become infant firms. This dataset also includes data on demographic variables such as: race and ethnicity, age, education, household income, and urban context. The longitudinal portion of ED Impact Survey, which is the subject of this report, will include similar data on the kinds of activities that Nascent entrepreneurs undertake during the business startup process, and the proportion and characteristics of the start-up efforts that become infant (i.e., Start-Up or In-Business) firms.



The Survey of Small Business Finances collected information on small businesses (fewer than 500 employees) in the United States. This dataset includes information on owner demographic characteristics, firm size, use of financial services, and the income and balance sheets of the firm. This dataset does not include the types of attitudinal measures about marketing and management activities or perceived business growth collected in the ED Impact Survey. However, the Survey of Small Business Finances data can serve as a benchmark for comparing the distribution of characteristics of small businesses in the U.S.

Further research with this dataset can allow comparison of the effects of different kinds of ED Resource assistance and services on financial and economic outcomes for clients. For example, one study could examine the relationship between assistance with a marketing strategy or business plan on sales or profit increases. Another study could compare the effectiveness of ED Resource assistance based on client demographics, such as number of employees, industry, women-, or veteran-ownership characteristics.

## **SBA ED 2005 Impact Study Recommendations**

On the basis of our findings, we offer the following recommendations be incorporated into the upcoming year's survey. These recommendations are suggested to augment the analysis of information gathered through the survey questionnaires.

- ◆ ***Survey questionnaire to include geographical area (zip code)***  
This information will give a broad idea of the location of the clients. Significance of geographical location on many variables may be assessed using zip code information.
- ◆ ***Initial and Follow-up Surveys should have the same (20) questions (Survey A - Appendix C). Only the introduction should be different***  
This will allow the analysts to map client responses from the Initial and Follow-up Survey more proficiently while assessing the same variables.
- ◆ ***Age question should not be open-ended***  
The question of age should be grouped in categories to capture a more effective response rate.  
[<25, 25-34, 35-44, 45-54, 55-64, 65-74, 75+]
- ◆ ***Questions with more than one option should indicate the maximum number of options to be chosen***  
If it is the intent for the client to select only one response, that should be indicated. Where more than one response is appropriate, that should be indicated as well.
- ◆ ***Questions that ask for a specific date should indicate the format to be used***  
The questions asking for a specific date should be in a format which can be analyzed efficiently without omitting information because of different formats. A consistent formation can be utilized to cross reference survey respondents by SBA FY Quarter to determine when businesses were started (mm/yyyy).

- ◆ *Rate your overall experience with SBA resources/programs*  
( Excellent    Good    Fair    Poor    No Opinion)  
A separate question asking about the client's overall experience could be a useful parameter to help the researchers assess the overall satisfaction of SBA ED Resource centers' clients.
- ◆ *Add a question that delineates the number of times that the client utilized ED Resource services/assistance.*

## Recommendations for Independent Analysis

In addition to the recommendations for the survey, we also would propose that there be an independent qualitative study done to analyze client feedback. This study and cost would be separate and is not incorporated into the Recommended Initial and Follow-up Survey for the upcoming year.

- ◆ *Initial and Follow-up Surveys could have a comment/suggestions section*  
The Initial and Follow-up Surveys should have a section for surveyed clients to accent personal opinions and concerns to provide a qualitative analysis.
- ◆ *Conduct a study with focusing on similarities and differences between clients that sought assistance once and those that sought assistance multiple times.*  
This would enable researchers to assess the similarities and differences between clients that have more extensive contact with ED Resources and clients that have utilized ED Resources only once. This type of study could indicate ED Resource characteristics that are more likely to result in greater client success. This would facilitate comparison of positive attitudes and impacts to the extent of ED Resource utilization.

Following is the Recommended Initial Survey and Recommended Follow-up Survey for the upcoming year. The red text highlights these recommendations.



Recommended Initial Impact Survey

U.S. Small Business Administration
Office of Entrepreneurial Development

OMB Number
Expiration

Dear Small Business Client:

Thank you for your recent visit to SBA's Entrepreneurial Development (ED) Resource Center [Small Business Development Center (SBDC), Women's Business Center (WBC), or SCORE]. We hope you found the business assistance you sought. The SBA is always striving to better its programs and deliver relevant and meaningful assistance. We want to know if our programs and services are helping the economy by providing useful information on starting and managing a business and eventually helping your business create jobs, increasing your business' revenues and, in general, fueling the entrepreneurial spirit in America.

We would appreciate your taking a few minutes to answer some brief questions that will help us know the quality and impact of the programs. All responses to these questions are voluntary and will be held in confidence. The data will not be released to any other government agency or private firm. Based on your visit to the [SBDC, WBC, SCORE], please use that experience as a benchmark to answer the following:

- 1. Are you currently in business? Yes [ ] No [ ]
If YES when was the business started? \_\_\_/\_\_\_/\_\_\_
mm/yyyy

What is the zip code of your business location -\_\_\_-\_\_\_-\_\_\_

- 2. If NO, when do you plan on starting a business?
Within 30 days [ ] 31-90 days [ ]
91-120 days [ ] No idea at this time [ ]

If you answered NO to question 1, Skip to Question 9

- 3. Have you ever been in business? Yes [ ] No [ ]
If YES when was the business started? \_\_\_/\_\_\_/\_\_\_
mm/yyyy

- 4. As a result of the assistance you received, have you changed any of your current management practices/strategies? Yes [ ] No [ ]

- 5. As a result of the assistance you received, which management practices/strategies have you changed? [Check all that apply]

- Financial Management [ ] Promotional Strategy [ ]
Human Resource Management (Hiring/Firing) [ ] Obtaining Capital [ ]
Marketing Strategy [ ] General Management [ ]
International Trade [ ] Other \_\_\_\_\_





6. As a result of the assistance I received from the [SBDC/WBC/SCORE] Counselor I was able to develop [i.e., Business Plan] in order to start or better manage my business. [Check all that apply]

- Business Plan, Marketing Plan, Promotional Plan, Pricing Strategy, Cash Flow Analysis, Loan Package, Hiring Plan, Training Plan for Staff, Financial Management Strategy, E-Commerce Strategy, Procurement Strategy, Feasibility Plan, Production Plan, Distribution Plan, Other

7. Please indicate the impact these changes have had on your firm: [Strongly Agree=SA, Agree=A, No Opinion=NO, Disagree=D, Strongly Disagree=SD]

Table with 6 columns: SA, A, NO, D, SD. Rows include 'I was able to:' and various business metrics like 'Increase my market share', 'Increase my sales', etc.

8. At the time you were assisted by the [SBDC/WBC/SCORE], what was the approximate annual gross revenue of your business? Please fill in to nearest \$1,000: [Note: all data will be aggregated and kept in strict confidence]

\_\_\_\_\_

9. At the time you were assisted by the [SBDC/WBC/SCORE], how many people (full and part-time), including yourself, did your business employ?

Number of Full-Time Employees \_\_\_\_\_

Number of Part-Time Employees \_\_\_\_\_

10. Please indicate the value of the information you received from the [SBDC/WBC/SCORE] Counselor you visited:

Table with 6 columns: Extremely Valuable, Valuable, No Opinion, Somewhat Valuable, Not Valuable. Rows include '1. Usefulness of information', '2. Relevancy of the information', '3. Timeliness of the information'.



11. Please indicate how effective the counselor was in assisting you:

	Effective	Somewhat Effective	No Opinion	Somewhat Ineffective	Ineffective
1. Assistance met my needs	5	4	3	2	1
2. Counselor's ability to assist me	5	4	3	2	1
3. Counselor was friendly	5	4	3	2	1
4. Counselor was current on management issues	5	4	3	2	1
5. Counselor was knowledgeable	5	4	3	2	1

12. Please indicate how useful the services you received from the counselor who assisted you in identifying and correcting problems in operating your business and/or assisted you in starting or not starting a business.

	Very Useful	Useful	No Opinion	Somewhat Useful	Not Useful
1. Identification of problem(s)	5	4	3	2	1
2. Correction of problem(s)	5	4	3	2	1
3. Assisted in starting a business	5	4	3	2	1
4. Helped me to decide not to start a business	5	4	3	2	1

13. Gender: Male  Female

14. Veterans status: Veteran  Non Veteran  Service Disabled Veteran

15. Age: [Circle one] <25 25-34 35-44 45-54 55-64 65-74 75+

16. Are you: Hispanic or Latino  Not of Hispanic/Latino Origin

17. Are you: [Please choose only one] American Indian or Alaskan Native  Asian  Black or African American  Native Hawaiian or Pacific Islander  White



# Office of Entrepreneurial Development

18. If you are in business, what is the primary type of business? [Please choose only one]

- |                |                          |                                    |                          |                        |                          |
|----------------|--------------------------|------------------------------------|--------------------------|------------------------|--------------------------|
| Construction   | <input type="checkbox"/> | Manufacturing                      | <input type="checkbox"/> | Consulting             | <input type="checkbox"/> |
| Wholesale      | <input type="checkbox"/> | Finance, Insurance and Real Estate | <input type="checkbox"/> | Entertainment          | <input type="checkbox"/> |
| Retail         | <input type="checkbox"/> | Restaurant                         | <input type="checkbox"/> | Engineering            | <input type="checkbox"/> |
| Publishing     | <input type="checkbox"/> | Education                          | <input type="checkbox"/> | Service                | <input type="checkbox"/> |
| Medical        | <input type="checkbox"/> | Daycare                            | <input type="checkbox"/> | Other (describe) _____ | <input type="checkbox"/> |
| Transportation | <input type="checkbox"/> | Technology or Computers            | <input type="checkbox"/> |                        |                          |

19. Did you utilize any other SBA resources/program?

- |     |                          |    |                          |
|-----|--------------------------|----|--------------------------|
| Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
|-----|--------------------------|----|--------------------------|

20. If YES, select those you used [Check all that apply]

- |                       |                          |                               |                          |
|-----------------------|--------------------------|-------------------------------|--------------------------|
| SCORE                 | <input type="checkbox"/> | SBA's guarantee loan programs | <input type="checkbox"/> |
| SBDC                  | <input type="checkbox"/> | SBIC Financing Program        | <input type="checkbox"/> |
| Women Business Center | <input type="checkbox"/> | SBA's Surety Bond Program     | <input type="checkbox"/> |

21. Rate your overall experience with SBA resources/programs:

- |           |                          |      |                          |            |                          |      |                          |      |                          |
|-----------|--------------------------|------|--------------------------|------------|--------------------------|------|--------------------------|------|--------------------------|
| Excellent | <input type="checkbox"/> | Good | <input type="checkbox"/> | No Opinion | <input type="checkbox"/> | Fair | <input type="checkbox"/> | Poor | <input type="checkbox"/> |
|-----------|--------------------------|------|--------------------------|------------|--------------------------|------|--------------------------|------|--------------------------|

PLEASE NOTE: The estimated burden for completing this form is 10 minutes per response. You are not required to respond to any collection of information unless it displays a currently valid OMB approval number. Comments on the burden should be sent to U.S. Small Business Administration, Chief, AIB, 409 3<sup>rd</sup> St., S.W., Washington, D.C. 20416 and Desk Officer for the Small Business Administration, Office of Management and Budget, New Executive Building, Room 10202, Washington, D.C. 20503. OMB Approval (). PLEASE DO NOT SEND FORMS TO OMB.

**NOTE Mail completed surveys back in business reply envelope.**

**THANK YOU**



Recommended Follow-up Impact Survey

U.S. Small Business Administration
Office of Entrepreneurial Development

OMB Number
Expiration

Dear Small Business Client:

Twelve months ago you were kind enough to respond to our request for some initial data regarding your visit(s) to SBA's Entrepreneurial Development resource the [Small Business Development Center (SBDC), Women's Business Center (WBC), SCORE]. To continually understand the impact our programs and services are having on the economy it would be helpful to know if our assistance to you regarding starting and managing a business resulted in job creation, increases in your business' revenues or other results.

We hope your will again take a few minutes to answer some brief questions. All responses to these questions are voluntary and will be held in confidence. The data will not be released to any other government agency or private firm. Based on your visit to the [SBDC, WBC, SCORE], please use that experience as a benchmark to answer the following:

- 1. Are you currently in business? Yes No
If YES when was the business started? mm/yyyy
What is the zip code of your business location - - - - -
2. If NO, when do you plan on starting a business? Within 30 days 31-90 days 91-120 days No idea at this time
If you answered NO to question 1, Skip to Question 9
3. Have you ever been in business? Yes No
If YES when was the business started? mm/yyyy
4. As a result of the assistance you received, have you changed any of your current management practices/strategies? Yes No
5. As a result of the assistance you received, which management practices/strategies have you changed? [Check all that apply]
Financial Management Promotional Strategy
Human Resource Management (Hiring/Firing) Obtaining Capital
Marketing Strategy General Management
International Trade Other



6. As a result of the assistance I received from the [SBDC/WBC/SCORE] Counselor I was able to develop [i.e., Business Plan] in order to start or better manage my business. [Check all that apply]

- |                    |                          |                               |                          |                      |                          |
|--------------------|--------------------------|-------------------------------|--------------------------|----------------------|--------------------------|
| Business Plan      | <input type="checkbox"/> | Loan Package                  | <input type="checkbox"/> | Procurement Strategy | <input type="checkbox"/> |
| Marketing Plan     | <input type="checkbox"/> | Hiring Plan                   | <input type="checkbox"/> | Feasibility Plan     | <input type="checkbox"/> |
| Promotional Plan   | <input type="checkbox"/> | Training Plan for Staff       | <input type="checkbox"/> | Production Plan      | <input type="checkbox"/> |
| Pricing Strategy   | <input type="checkbox"/> | Financial Management Strategy | <input type="checkbox"/> | Distribution Plan    | <input type="checkbox"/> |
| Cash Flow Analysis | <input type="checkbox"/> | E-Commerce Strategy           | <input type="checkbox"/> | Other _____          |                          |

7. Please indicate the impact these changes have had on your firm:  
 [Strongly Agree=SA, Agree=A, No Opinion=NO, Disagree=D, Strongly Disagree=SD]

	SA	A	NO	D	SD
<b>I was able to:</b>					
Increase my market share	5	4	3	2	1
Increase my sales	5	4	3	2	1
Improve my cash flow	5	4	3	2	1
Expand my products/services	5	4	3	2	1
Hire new staff	5	4	3	2	1
Revise my marketing strategy	5	4	3	2	1
Increase my profit margin	5	4	3	2	1
Retain current staff	5	4	3	2	1
Develop an e-commerce strategy	5	4	3	2	1
Other (specify _____)	5	4	3	2	1

8. Currently, what is the approximate annual gross revenue of your business? Please fill in to nearest \$1,000: [Note: all data will be aggregated and kept in strict confidence]

\_\_\_\_\_

9. Currently, how many people (full and part-time), including yourself, did your business employ?

Number of Full-Time Employees \_\_\_\_\_

Number of Part-Time Employees \_\_\_\_\_

10. Please indicate the value of the information you received from the [SBDC/WBC/SCORE] Counselor you visited:

	Extremely Valuable	Valuable	No Opinion	Somewhat Valuable	Not Valuable
1. Usefulness of information	5	4	3	2	1
2. Relevancy of the information	5	4	3	2	1
3. Timeliness of the information	5	4	3	2	1





11. Please indicate how effective the counselor was in assisting you:

	Effective	Somewhat Effective	No Opinion	Somewhat Ineffective	Ineffective
1. Assistance met my needs	5	4	3	2	1
2. Counselor's ability to assist me	5	4	3	2	1
3. Counselor was friendly	5	4	3	2	1
4. Counselor was current on management issues	5	4	3	2	1
5. Counselor was knowledgeable	5	4	3	2	1

12. Please indicate how useful the services you received from the counselor who assisted you in identifying and correcting problems in operating your business and/or assisted you in starting or not starting a business.

	Very Useful	Useful	No Opinion	Somewhat Useful	Not Useful
1. Identification of problem(s)	5	4	3	2	1
2. Correction of problem(s)	5	4	3	2	1
3. Assisted in starting a business	5	4	3	2	1
4. Helped me to decide not to start a business	5	4	3	2	1

13. Gender: Male  Female

14. Veterans status: Veteran  Service Disabled Veteran   
Non Veteran

15. Age: [Circle one] <25 25-34 35-44 45-54 55-64 65-74 75+

16. Are you: Hispanic or Latino  Not of Hispanic/Latino Origin

17. Are you: [Please choose only one]  
American Indian or Alaskan Native   
Asian   
Black or African American   
Native Hawaiian or Pacific Islander   
White



18. If you are in business, what is the primary type of business? [Please choose only one]

- Construction, Wholesale, Retail, Publishing, Medical, Transportation, Manufacturing, Finance, Insurance and Real Estate, Restaurant, Education, Daycare, Technology or Computers, Consulting, Entertainment, Engineering, Service, Other (describe)

19. Did you utilize any other SBA resources/program? Yes No

20. If YES, select those you used [Check all that apply]

- SCORE, SBDC, Women Business Center, SBA's guarantee loan programs, SBIC Financing Program, SBA's Surety Bond Program

21. Rate your overall experience with SBA resources/programs: Excellent Good No Opinion Fair Poor

PLEASE NOTE: The estimated burden for completing this form is 10 minutes per response. You are not required to respond to any collection of information unless it displays a currently valid OMB approval number.

NOTE Mail completed surveys back in business reply envelope.

THANK YOU

## Appendix A-1

### Survey Response Values by Resource Impact

RESOURCE IMPACT	SURVEY QUESTIONS <sup>31</sup>	RESPONSE CODE/DATABASE VALUES
Demographic Characteristics	#8. At the time you were assisted by WBC, BIC, SCORE, SBDC what was the approximate annual gross revenue of your business?	Open ended
	#9. At the time you were assisted by WBC, BIC, SCORE, SBDC, how many people (full or part-time), including yourself, did your business employ?	Open ended
	#13. Gender	Male=1, Female=2
	#14. Veteran Status	Veteran=1, Service Disabled=2, Non-Veteran=3
	#16. Are you: Hispanic or Latino, Not Hispanic/Latino Origin	Hispanic or Latino=1, Not of Hispanic/Latino Origin=0
	#17. Are you: American Indian or Alaskan Native, Asian, Black or African American, Native Hawaiian or Pacific Islander, White	American Indian or Alaskan=1 or 0, Asian=1 or 0, Black or African American=1 or 0, Native Hawaiian or Pacific Islander=1 or 0, White=1 or 0
	#18. If you are in business, what is the primary type of business?	Construction=1 or 0, Manufacturing=1 or 0, Wholesale=1 or 0, Finance, Insurance and Real Estate=1 or 0, Retail=1 or 0, Service=1 or 0, Transportation=1 or 0, Other=Open Ended

<sup>31</sup>The numbering of the questions was based on Survey A found in Appendix C.



RESOURCE IMPACT	SURVEY QUESTIONS	RESPONSE CODE/ DATABASE VALUES
<b>Is there a positive relationship between the services/assistance provided by SBA ED resources and the client's perceptions of the usefulness and value of the services/assistance received?</b>	#10. Please indicate the value of the information you received from the WBC, BIC, SCORE, SBDC counselor you visited: <ul style="list-style-type: none"><li>• Usefulness of information</li><li>• Relevancy of the information</li><li>• Timeliness of the information</li></ul>	Extremely Valuable=5, Valuable=4, No Opinion=3, Somewhat Valuable=2, Not Valuable=1
	#11. Please indicate how effective the counselor was in assisting you: <ul style="list-style-type: none"><li>• Assistance met my needs</li><li>• Counselor's ability to assist me</li><li>• Counselor was friendly</li><li>• Counselor was current on management issues</li><li>• Counselor was knowledgeable</li></ul>	Effective=5, Somewhat Effective=4, No Opinion=3, Somewhat Ineffective=2, Ineffective=1
<b>Is there a positive relationship between the services/assistance provided by SBA ED resources and the degree those services and assistance influence the client's decision to start a business</b>	#12. Please indicate how useful the services you received from the counselor who assisted you in identifying and correcting problems in operating your business and/or assisted you in starting or not starting a business <ul style="list-style-type: none"><li>• Assisted in starting a business</li><li>• Helped me to decide not to start a business</li></ul>	Very Useful=5, Useful=4, No Opinion=3, Somewhat Useful=2, Not Useful=1



# Office of Entrepreneurial Development

RESOURCE IMPACT	SURVEY QUESTIONS	RESPONSE CODE/ DATABASE VALUES
<p><b>Is there a positive relationship between the services/assistance provided by SBA ED resources and clients' decisions to implement and/or change management and/or marketing practices in their business</b></p>	<p>#4. As a result of the assistance you received, have you changed any of your current management practices/strategies?</p>	<p>Yes=1, No=0</p>
	<p>#5. As a result of the assistance you received, which management practices/strategies have you changes?</p> <ul style="list-style-type: none"> <li>• Financial Management</li> <li>• Human Resource Management (Hiring/Firing)</li> <li>• Marketing Strategy</li> <li>• International Trade</li> <li>• Promotional Strategy</li> <li>• Obtaining Capital</li> <li>• General Management</li> </ul>	<p>Applicable=1, Not Applicable=0</p>
	<p>#6. As a result of the assistance I received from the WBC, BIC, SCORE, SBDC counselor I was able to develop [ex: Business Plan] in order to start or better manage my business. [Check all that apply]</p> <ul style="list-style-type: none"> <li>• Business Plan</li> <li>• Marketing Plan</li> <li>• Promotional Plan</li> <li>• Pricing Strategy</li> <li>• Cash Flow Analysis</li> <li>• Loan Package</li> <li>• Hiring Plan</li> <li>• Training Plan for Staff</li> <li>• Financial Management Strategy</li> <li>• E-Commerce Strategy</li> <li>• Procurement Strategy</li> <li>• Feasibility Plan</li> <li>• Production Plan</li> <li>• Distribution Plan</li> </ul>	<p>Applicable=1, Not Applicable=0</p>
	<p>#7. Please indicate the impact these changes have had on your firm:</p> <ul style="list-style-type: none"> <li>• Expand my products/services</li> <li>• Revise my marketing strategy</li> <li>• Develop an e-commerce strategy</li> </ul>	<p>Strongly Agree=5, Agree=4, No Opinion=3, Disagree=2, Strongly Disagree=1</p>



RESOURCE IMPACT	SURVEY QUESTIONS	RESPONSE CODE/DATABASE VALUES
<b>Is there a positive relationship between the services/assistance provided by SBA ED resources and the clients' businesses having a positive financial impact on job creation and retention and increase in sales?</b>	#7. Please indicate the impact these changes have had on your firm: <ul style="list-style-type: none"><li>• Increase my market share</li><li>• Increase my sales</li><li>• Improve my cash flow</li><li>• Hire new staff</li><li>• Increase my profit margin</li><li>• Retain current staff</li><li>• Other</li></ul>	Strongly Agree=5, Agree=4, No Opinion=3, Disagree=2, Strongly Disagree=1





## Appendix A-2

### Miscellaneous Survey Response Values

RESOURCE	SURVEY QUESTIONS <sup>32</sup>	RESPONSE CODE/DATABASE VALUES
Miscellaneous	#1a. Are you currently in business?	Yes=1, No=0
	#1b. If yes, when was the business started?	Open ended
	#2. If NO, when do you plan on starting a business?	Within 30 days=1, 31-90 days=2, 91-120 days=3, No idea at this time=4
	#3. Have you ever been in business?	Yes=1, No=0
	#12. Please indicate how useful the services you received from the counselor who assisted you in identifying and correcting problems in operating your business and/or assisted you in starting or not starting a business <ul style="list-style-type: none"> <li>• Identification of problem(s)</li> <li>• Correction of problem(s)</li> </ul>	Very Useful=5, Useful=4, No Opinion=3, Somewhat Useful=2, Not Useful=1
	#15. Age	Open ended
	#19. Did you utilize any other SBA resources/program?	Yes=1, No=0
#20. If YES, select those you used [Check all that apply] <ul style="list-style-type: none"> <li>• SCORE</li> <li>• SBDC</li> <li>• Women Business Center</li> <li>• SBA's Guarantee Loan Programs</li> <li>• SBIC Financing Program</li> <li>• SBA's Surety Bond Program</li> </ul>	SCORE =1 or 0, SBDC =1 or 0, Women Business Center =1 or 0, SBA's Guarantee Loan Programs =1 or 0, SBIC Financing Program =1 or 0, SBA's Surety Bond Program =1 or 0	

<sup>32</sup>The numbering of the questions was based on Survey A found in Appendix C.

## Appendix B

### Quantifiable Survey Question Results

Surveys Questions	Percentage of Sample
Q1. Are you currently in business? <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> <li>• Missing</li> </ul>	65.88% 33.62% 00.51%
Q2. If no, when do you plan on starting a business? <ul style="list-style-type: none"> <li>• Within 30 days</li> <li>• 31-90 days</li> <li>• 91-120 days</li> <li>• No idea at this time</li> <li>• Missing</li> </ul>	2.32% 3.27% 6.16% 17.06% 71.16%
Q3. Have you ever been in business? <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> <li>• Missing</li> </ul>	7.86% 6.84% 85.29%
Q4. As a result of the assistance you received, have you changed any of your current management practices/strategies? <ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> <li>• Missing</li> </ul>	63.76% 29.37% 6.86%
Q5. As a result of the assistance you received, which management strategies have you changed? <ul style="list-style-type: none"> <li>• Financial Management</li> <li>• Promotional Strategy</li> <li>• Human Resource Management</li> <li>• Obtaining Capital</li> <li>• Marketing Strategy</li> <li>• General Management</li> <li>• International Trade</li> </ul>	30.62% 19.70% 7.79% 14.81% 34.93% 19.48% 2.65%

Surveys Questions	Percentage of Sample					
<p>Q6. As a result of the assistance I received from the counselor I was able to develop [i.e., Business Plan] in order to start or better manage my business</p> <ul style="list-style-type: none"> <li>• Business Plan 44.22%</li> <li>• Loan Package 15.96%</li> <li>• Procurement Strategy 4.05%</li> <li>• Marketing Plan 31.35%</li> <li>• Hiring Plan 5.59%</li> <li>• Feasibility Plan 7.98%</li> <li>• Promotional Plan 14.91%</li> <li>• Training Plan for Staff 3.99%</li> <li>• Production Plan 4.89%</li> <li>• Pricing Strategy 14.88%</li> <li>• Financial Management Strategy 13.38%</li> <li>• Distribution Plan 4.50%</li> <li>• Cash Flow Analysis 21.33%</li> <li>• E-Commerce Strategy 5.46%</li> <li>• Missing</li> </ul>						
<p>Q7. Please indicate the impact of these changes have had on your firm: [Strongly Agree=SA, Agree=A, No Opinion-No, Disagree=D, Strongly Disagree=SD]</p> <p>I was able to:</p> <ul style="list-style-type: none"> <li>• Increase my market share 7.63% 20.40% 29.98% 4.66% 4.63% 32.69%</li> <li>• Increase my sales 10.63% 26.02% 23.44% 4.57% 4.25% 31.10%</li> <li>• Improve my cash flow 11.27% 25.29% 23.47% 4.63% 4.37% 30.97%</li> <li>• Expand my products/services 9.80% 19.70% 28.03% 5.04% 4.34% 33.08%</li> <li>• Hire new staff 4.79% 10.82% 37.07% 5.59% 5.62% 36.11%</li> <li>• Revise me marketing strategy 13.15% 27.75% 19.57% 3.48% 3.96% 32.09%</li> <li>• Increase my profit margin 8.40% 19.86% 27.52% 4.82% 4.47% 34.93%</li> <li>• Retain current staff 5.65% 13.35% 35.79% 3.77% 4.53% 36.91%</li> <li>• Develop an e-commerce strategy 3.61% 8.27% 36.94% 5.08% 5.81% 40.29%</li> <li>• Other 4.18% 2.08% 17.27% 0.99% 2.78% 72.70%</li> </ul>	<b>SA</b>	<b>A</b>	<b>NO</b>	<b>D</b>	<b>SD</b>	<b>Missing</b>
<p>Q8. At the time you were assisted, what was the approximate annual gross revenue of your business? (Average Sales Reported)</p> <p>In-Business \$207,423.89</p> <p>Start-up \$ 32,514.27</p> <p>Nascent \$ 5,271.65</p>	<b>Average Number of Sales</b>					

Surveys Questions	Percentage of Sample					
<p>Q9. At the time you were assisted, how many people (full and part-time), including yourself did your business employ? (Average Employees Reported)</p> <ul style="list-style-type: none"> <li>• In-Business</li> <li>• Start-Up</li> <li>• Nascent</li> </ul>	<b>Average Number of Employees</b>					
	5.16	1.33	0.71			
<p>Q10. Please indicate the value of the information received from the counselor you visited: [Extremely Valuable=EV, Valuable=V, No Opinion=NO, Somewhat Valuable=SW, Not Valuable, NV]</p> <ul style="list-style-type: none"> <li>• Usefulness of information</li> <li>• Relevancy of the information</li> <li>• Timeliness of the information</li> </ul>	<b>EV</b>	<b>V</b>	<b>NO</b>	<b>SV</b>	<b>NV</b>	<b>Missing</b>
	5.91%	6.88%	3.49%	32.89%	43.85%	6.95%
	6.16%	6.80%	5.08%	32.64%	40.56%	8.73%
	6.04%	5.80%	7.41%	31.89%	39.65%	9.07%
<p>Q11. Please indicate how effective the counselor was in assisting you: [Effective=E, Somewhat Effective=SE, No Opinion=NO, Somewhat Ineffective=SI, Ineffective=I]</p> <ul style="list-style-type: none"> <li>• Assistance met my needs</li> <li>• Counselor's ability to assist me</li> <li>• Counselor was friendly</li> <li>• Counselor was current on management issues</li> <li>• Counselor was knowledgeable</li> </ul>	<b>E</b>	<b>SE</b>	<b>NO</b>	<b>SI</b>	<b>I</b>	<b>Missing</b>
	7.54%	3.81%	4.64%	21.38%	54.57%	7.84%
	6.78%	3.75%	4.79%	20.62%	55.48%	8.56%
	2.18%	0.93%	2.90%	11.72%	74.50%	7.75%
	3.56%	2.01%	12.27%	15.87%	56.42%	9.85%
	3.70%	2.24%	5.34%	16.42%	64.20%	7.99%

Surveys Questions	Percentage of Sample					
	VU	U	NO	SU	NU	Miss- ing
Q12. Please indicate how useful the services you received from the counselor who assisted you in identifying and correcting problems in operating your business and/or assisted you in starting or not starting a business: [Very Useful=VU, Useful=U, No Opinion=NO, Somewhat Useful=SU, Not Useful=NU]						
<ul style="list-style-type: none"> <li>• Identification of problem(s)</li> <li>• Correction of problem(s)</li> <li>• Assisted in starting a business</li> <li>• Helped me decided not to start a business</li> </ul>	33.76%	27.85%	13.45%	4.36%	6.50%	14.05%
	26.26%	25.11%	19.75%	4.02%	8.81%	16.02%
	10.53%	3.94%	22.82%	16.97%	25.90%	19.81%
	10.15%	1.56%	37.74%	6.33%	8.83%	35.35%
Q13. Gender: <ul style="list-style-type: none"> <li>• Male</li> <li>• Female</li> <li>• Missing</li> </ul>	47.58%	46.60%	5.80%			
Q14. Veteran Status <ul style="list-style-type: none"> <li>• Veteran</li> <li>• Service Disable Veteran</li> <li>• Non Veteran</li> <li>• Missing</li> </ul>	11.14%	00.99%	67.93%	19.92%		
Q15. Age (Average Age Reported) <ul style="list-style-type: none"> <li>• WBC</li> <li>• SBDC</li> <li>• BIC</li> <li>• SCORE</li> <li>• Missing</li> </ul>	<b>Average Age</b>					
	41.14	40.34	41.40	42.30	63.75%	
Q16. Are you Hispanic or Latino <ul style="list-style-type: none"> <li>• Hispanic/Latino</li> <li>• Non-Hispanic/Latino</li> <li>• Missing</li> </ul>	5.82%	87.04%	7.12%			
Q17. Are you: <ul style="list-style-type: none"> <li>• American Indian or Alaskan Native</li> <li>• Asian</li> <li>• Black or African American</li> <li>• Native Hawaiian or Pacific Islander</li> <li>• White</li> <li>• Missing (not reported on surveys)</li> </ul>	2.76%	4.11%	13.2%	00.67%	62.88%	16.32%



Surveys Questions	Percentage of Sample
Q18. If you are in business, what is the primary type of business? (This question includes multiple responses) <ul style="list-style-type: none"><li>• Construction</li><li>• Manufacturing</li><li>• Wholesale</li><li>• Finance, Insurance, Real Estate</li><li>• Retail</li><li>• Service</li><li>• Transportation</li><li>• Other</li><li>• Missing</li></ul>	5.77% 5.68% 4.09% 1.80% 19.86% 18.93% 2.03% 21.34% 31.26%
Q19. Did you utilize any other SBA resources/program? <ul style="list-style-type: none"><li>• Yes</li><li>• No</li><li>• Missing</li></ul>	32.75% 60.38% 6.87%
Q20. If yes, select those you used [Check all that apply] <ul style="list-style-type: none"><li>• SCORE</li><li>• SBA's Guarantee Loan Program</li><li>• SBDC</li> <li>• SBIC Financing Program</li><li>• Women Business Center</li><li>• SBA's Surety Bond Program</li></ul>	11.80% 6.93%  Note: The Database was coded from a survey missing this option, therefore no data is reported 1.42% 3.70% 0.33%



## Appendix C

### Survey Instruments



### Introduction of Survey Instruments

Following are the survey cover letters and questionnaires that were mailed to the random sample clients of the four ED Resource centers [Small Business Development Centers (SBDC), SCORE, Women Business Centers (WBC), and Business Information Centers (BIC)].

There were minor variations in the surveys mailed to the ED Resources. These differences were accounted for during the data entry process. They do not impact the analysis or results of this study.

The BICs, WBCs, and SCORE clients received Survey A.

Some SCORE clients received Survey B with the following questions omitted:

- Have you ever been in business?
- Age
- Are you Hispanic or Latino?

SBDC clients received Survey C with the following questions omitted:

- Have you ever been in business?
- Age
- #18 has only 5 options with the “SBDC” option missing



## Office of Entrepreneurial Development

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U.S. SMALL BUSINESS ADMINISTRATION  
WASHINGTON, DC 20416

Dear Small Business Client

Thank you for participating in one of the SBA's recent service provider [**Small Business Development Centers (SBDC), SCORE, Women Business Centers (WBC) and Business Information Centers (BIC)**] services, our training and counseling for present and potential entrepreneurs. I hope that this was a beneficial experience and that you are on the road to success.

We would like your feedback so that we can continue to provide the best service to you in the future for other needs and to assist other individuals interested in starting, managing and growing their business.

Please take a few minutes to answer the questionnaire and mail it back to the local community-based resource that assisted you. Your response will help us continue to provide you with timely and pertinent assistance and information. Without quality customer feedback, no business can hope to remain successful.

Thank you in advance for your assistance.

Sincerely,

Cheryl A. Mills  
Associate Deputy Administrator  
for Entrepreneurial Development



## Office of Entrepreneurial Development

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U.S. SMALL BUSINESS ADMINISTRATION  
WASHINGTON, DC 20416

Dear Small Business Client

In late summer/early fall of 2003 [July to September] you received counseling or training assistance from one of the U.S. Small Business Administration (SBA's) Office of Entrepreneurial Development community-based resource partners **Small Business Development Centers (SBDC), SCORE, Women Business Centers (WBC) and Business Information Centers (BIC)**. As such, you have been selected to assist the SBA by completing the enclosed questionnaire so that SBA can continue to provide the best possible counseling, training and information assistance to you and your business. The SBA is committed to helping present and potential clients realize their entrepreneurial potential of owning, managing and growing their own business.

Please take a few minutes to answer the questionnaire and mail it back to us using the enclosed business reply envelopes. Your response will help us continue to provide you with timely and pertinent assistance and information. Without quality customer feedback, no business can hope to remain successful.

Thank you in advance for your assistance.

Sincerely,

Cheryl A. Mills  
Associate Deputy Administrator  
for Entrepreneurial Development



# Office of Entrepreneurial Development

U.S. Small Business Administration  
Office of Entrepreneurial Development  
**Initial Economic Impact Survey**

OMB Number 3245-0351  
Expiration 7/31/04

Dear Small Business Client:

Thank you for your recent visit to SBA's Entrepreneurial Development (ED) resource the **[Business Information Centers (BICs), Women's Business Center (WBC), Service Corps of Retired Executives (SCORE)]**. We hope you found the business assistance you sought. The SBA is always striving to better its programs and deliver relevant and meaningful assistance. We want to know if our programs and services are helping the economy by providing useful information on starting and managing a business and eventually helping your business create jobs, increasing your business' revenues and, in general, fueling the entrepreneurial spirit in America.

We would appreciate you taking a few minutes to answer some brief questions that will help us know the quality and impact of the programs. All responses to these questions are voluntary and will be held in confidence. The data will not be released to any other government agency or private firm. Based on your visit to the BIC/WBC/SCORE, please use that experience as a benchmark to answering the following:

1. Are you currently in business? Yes  No   
If YES when was the business started? \_\_\_\_\_
2. If NO, when do you plan on starting a business?  
Within 30 days  31-90 days   
91-120 days  No idea at this time   
**If you answered NO to question 1, Skip to Question 9**
3. Have you ever been in business? Yes  No
4. As a result of the assistance you received, have you changed any of your current management practices/strategies? Yes  No
5. As a result of the assistance you received, which management practices/strategies have you changed?  
Financial Management  Promotional Strategy   
Human Resource Management (Hiring/Firing)  Obtaining Capital   
Marketing Strategy  General Management   
International Trade  Other \_\_\_\_\_
6. As a result of the assistance I received from the [BIC/WBC/SCORE] Counselor I was able to develop [i.e., Business Plan] in order to start or better manage my business. [Check all that apply]  
Business Plan  Loan Package  Procurement Strategy   
Marketing Plan  Hiring Plan  Feasibility Plan   
Promotional Plan  Training Plan for Staff  Production Plan   
Pricing Strategy  Financial Management Strategy  Distribution Plan   
Cash Flow Analysis  E-Commerce Strategy  Other \_\_\_\_\_

## SURVEY A



7. Please indicate the impact these changes have had on your firm: [Strongly Agree=SA, Agree=A, No Opinion=NO, Disagree=D, Strongly Disagree=SD]

Table with 5 columns (SA, A, NO, D, SD) and 10 rows of business impact items.

8. At the time you were assisted by the [BIC/WBC/SCORE], what was the approximate annual gross revenue of your business? Please fill in to nearest \$1,000: [Note: all data will be aggregated and kept in strict confidence]

\_\_\_\_\_

9. At the time you were assisted by the [BIC/WBC/SCORE], how many people (full and part-time), including yourself, did your business employ?

Number of Full-Time Employees \_\_\_\_\_
Number of Part-Time Employees \_\_\_\_\_

10. Please indicate the value of the information you received from the [BIC/WBC/SCORE] Counselor you visited:

Table with 5 columns (Extremely Valuable, Valuable, No Opinion, Somewhat Valuable, Not Valuable) and 3 rows of information value items.

11. Please indicate how effective the counselor was in assisting you:

Table with 5 columns (Effective, Somewhat Effective, No Opinion, Somewhat Ineffective, Ineffective) and 5 rows of counselor effectiveness items.

SURVEY A



# Office of Entrepreneurial Development

12. Please indicate how useful the services you received from the counselor who assisted you in identifying and correcting problems in operating your business and/or assisted you in starting or not starting a business

	Very Useful	Useful	No Opinion	Somewhat Useful	Not Useful
1. Identification of problem(s)	5	4	3	2	1
2. Correction of problem(s)	5	4	3	2	1
3. Assisted in starting a business	5	4	3	2	1
4. Helped me to decide not to start a business	5	4	3	2	1

13. Gender: Male  Female

14. Veterans status: Veteran  Non Veteran  Service Disabled Veteran

15. Age: \_\_\_\_\_

16. Are you: Hispanic or Latino  Not of Hispanic/Latino Origin

17. Are you:  
American Indian or Alaskan Native   
Asian   
Black or African American   
Native Hawaiian or Pacific Islander   
White

18. If you are in business, what is the primary type of business?

Construction  Manufacturing   
Wholesale  Finance, Insurance and Real Estate   
Retail  Service   
Transportation  Other (describe) \_\_\_\_\_

19. Did you utilize any other SBA resources/program?  
Yes  No

20. If YES, select those you used [Check all that apply]

SCORE  SBA's guarantee loan programs   
SBDC  SBIC Financing Program   
Women Business Center  SBA's Surety Bond Program

PLEASE NOTE: The estimated burden for completing this form is 10 minutes per response. You are not required to respond to any collection of information unless it displays a currently valid OMB approval number. Comments on the burden should be sent to U.S. Small Business Administration, Chief, AIB, 409 3<sup>rd</sup> St., S.W., Washington, D.C. 20416 and Desk Officer for the Small Business Administration, Office of Management and Budget, New Executive Building, Room 10202, Washington, D.C. 20503. OMB Approval (3245-). PLEASE DO NOT SEND FORMS TO OMB.

NOTE: Mail completed surveys back in business reply envelope.  
THANK YOU

## SURVEY A





# Office of Entrepreneurial Development

U.S. Small Business Administration  
Office of Entrepreneurial Development  
**Initial Economic Impact Survey**

OMB Number 3245-0351  
Expiration 7/31/04

Dear Small Business Client:

Thank you for your recent visit to SBA's Entrepreneurial Development (ED) resource the **[Service Corps of Retired Executives (SCORE)]**. We hope you found the business assistance you sought. The SBA is always striving to better its programs and deliver relevant and meaningful assistance. We want to know if our programs and services are helping the economy by providing useful information on starting and managing a business and eventually helping your business create jobs, increasing your business' revenues and, in general, fueling the entrepreneurial spirit in America.

We would appreciate you taking a few minutes to answer some brief questions that will help us know the quality and impact of the programs. All responses to these questions are voluntary and will be held in confidence. The data will not be released to any other government agency or private firm. Based on your visit to the SCORE, please us that experience as a benchmark to answering the following:

1. Are you currently in business?
 

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
If YES when was the business started?		_____	
  
2. If NO, when do you plan on starting a business?
 

Within 30 days	<input type="checkbox"/>	31-90 days	<input type="checkbox"/>
91-120 days	<input type="checkbox"/>	No idea at this time	<input type="checkbox"/>

**If you answered NO to question 1, Skip to Question 9**
  
3. As a result of the assistance you received, have you changed any of your current management practices/strategies?
 

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
-----	--------------------------	----	--------------------------
  
4. As a result of the assistance you received, which management practices/strategies have you changed?
 

Financial Management	<input type="checkbox"/>	Promotional Strategy	<input type="checkbox"/>
Human Resource Management (Hiring/Firing)	<input type="checkbox"/>	Obtaining Capital	<input type="checkbox"/>
Marketing Strategy	<input type="checkbox"/>	General Management	<input type="checkbox"/>
International Trade	<input type="checkbox"/>	Other _____	
  
5. As a result of the assistance I received from the SCORE Counselor I was able to develop [i.e., Business Plan] in order to start or better manage my business. [Check all that apply]
 

Business Plan	<input type="checkbox"/>	Loan Package	<input type="checkbox"/>	Procurement Strategy	<input type="checkbox"/>
Marketing Plan	<input type="checkbox"/>	Hiring Plan	<input type="checkbox"/>	Feasibility Plan	<input type="checkbox"/>
Promotional Plan	<input type="checkbox"/>	Training Plan for Staff	<input type="checkbox"/>	Production Plan	<input type="checkbox"/>
Pricing Strategy	<input type="checkbox"/>	Financial Management Strategy	<input type="checkbox"/>	Distribution Plan	<input type="checkbox"/>
Cash Flow Analysis	<input type="checkbox"/>	E-Commerce Strategy	<input type="checkbox"/>	Other _____	

## SURVEY B





Please indicate the impact these changes have had on your firm:

[Strongly Agree=SA, Agree=A, No Opinion=NO, Disagree=D, Strongly Disagree=SD]

Table with 5 columns (SA, A, NO, D, SD) and 10 rows of business impact items.

7. At the time you were assisted by the SCORE, what was the approximate annual gross revenue of your business? Please fill in to nearest \$1,000: [Note: all data will be aggregated and kept in strict confidence]

\_\_\_\_\_

8. At the time you were assisted by the SCORE, how many people (full and part-time), including yourself, did your business employ?

Number of Full-Time Employees \_\_\_\_\_
Number of Part-Time Employees \_\_\_\_\_

9. Please indicate the value of the information you received from the SCORE Counselor you visited:

Table with 5 columns (Extremely Valuable, Valuable, No Opinion, Somewhat Valuable, Not Valuable) and 3 rows of information value items.

10. Please indicate how effective the counselor was in assisting you:

Table with 5 columns (Effective, Somewhat Effective, No Opinion, Somewhat Ineffective, Ineffective) and 5 rows of counselor effectiveness items.

SURVEY B



# Office of Entrepreneurial Development

11. Please indicate how useful the services you received from the counselor who assisted you in identifying and correcting problems in operating your business and/or assisted you in starting or not starting a business

	Very Useful	Useful	No Opinion	Somewhat Useful	Not Useful
1. Identification of problem(s)	5	4	3	2	1
2. Correction of problem(s)	5	4	3	2	1
3. Assisted in starting a business	5	4	3	2	1
4. Helped me to decide not to start a business	5	4	3	2	1

12. Gender: Male  Female

13. Veterans status: Veteran  Non Veteran  Service Disabled Veteran

15. Are you:  
American Indian or Alaskan Native   
Asian   
Black or African American   
Native Hawaiian or Pacific Islander   
White

16. If you are in business, what is the primary type of business?

Construction <input type="checkbox"/>	Manufacturing <input type="checkbox"/>
Wholesale <input type="checkbox"/>	Finance, Insurance and Real Estate <input type="checkbox"/>
Retail <input type="checkbox"/>	Service <input type="checkbox"/>
Transportation <input type="checkbox"/>	Other (describe) _____ <input type="checkbox"/>

17. Did you utilize any other SBA resources/program?

Yes  No

18. If YES, select those you used [Check all that apply]

SCORE <input type="checkbox"/>	SBA's guarantee loan programs <input type="checkbox"/>
SBDC <input type="checkbox"/>	SBIC Financing Program <input type="checkbox"/>
Women Business Center <input type="checkbox"/>	SBA's Surety Bond Program <input type="checkbox"/>

PLEASE NOTE: The estimated burden for completing this form is 10 minutes per response. You are not required to respond to any collection of information unless it displays a currently valid OMB approval number. Comments on the burden should be sent to U.S. Small Business Administration, Chief, AIB, 409 3<sup>rd</sup> St., S.W., Washington, D.C. 20416 and Desk Officer for the Small Business Administration, Office of Management and Budget, New Executive Building, Room 10202, Washington, D.C. 20503. OMB Approval (3245-). PLEASE DO NOT SEND FORMS TO OMB.

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THANK YOU

## SURVEY B



# Office of Entrepreneurial Development

U.S. Small Business Administration  
Office of Entrepreneurial Development

## Initial Economic Impact Survey

OMB Number 3245-0351  
Expiration 7/31/04

Dear Small Business Client:

Thank you for your recent visit to SBA's Entrepreneurial Development (ED) resource the **Small Business Development Center (SBDC)**. We hope you found the business assistance you sought. The SBA is always striving to better its programs and deliver relevant and meaningful assistance. We want to know if our programs and services are helping the economy by providing useful information on starting and managing a business and eventually helping your business create jobs, increasing your business' revenues and, in general, fueling the entrepreneurial spirit in America.

We would appreciate you taking a few minutes to answer some brief questions that will help us know the quality and impact of the programs. All responses to these questions are voluntary and will be held in confidence. The data will not be released to any other government agency or private firm. Based on your visit to the SBDC, please us that experience as a benchmark to answering the following:

1. Are you currently in business?
 

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
If YES when was the business started?		_____	
  
2. If NO, when do you plan on starting a business?
 

Within 30 days	<input type="checkbox"/>	31-90 days	<input type="checkbox"/>
91-120 days	<input type="checkbox"/>	No idea at this time	<input type="checkbox"/>

**If you answered NO to question 1, Skip to Question 9**
  
3. As a result of the assistance you received, have you changed any of your current management practices/strategies?
 

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
-----	--------------------------	----	--------------------------
  
4. As a result of the assistance you received, which management practices/strategies have you changed?
 

Financial Management	<input type="checkbox"/>	Promotional Strategy	<input type="checkbox"/>
Human Resource Management (Hiring/Firing)	<input type="checkbox"/>	Obtaining Capital	<input type="checkbox"/>
Marketing Strategy	<input type="checkbox"/>	General Management	<input type="checkbox"/>
International Trade	<input type="checkbox"/>	Other _____	
  
5. As a result of the assistance I received from the SBDC Counselor I was able to develop [i.e., Business Plan] in order to start or better manage my business. [Check all that apply]
 

Business Plan	<input type="checkbox"/>	Loan Package	<input type="checkbox"/>	Procurement Strategy	<input type="checkbox"/>
Marketing Plan	<input type="checkbox"/>	Hiring Plan	<input type="checkbox"/>	Feasibility Plan	<input type="checkbox"/>
Promotional Plan	<input type="checkbox"/>	Training Plan for Staff	<input type="checkbox"/>	Production Plan	<input type="checkbox"/>
Pricing Strategy	<input type="checkbox"/>	Financial Management Strategy	<input type="checkbox"/>	Distribution Plan	<input type="checkbox"/>
Cash Flow Analysis	<input type="checkbox"/>	E-Commerce Strategy	<input type="checkbox"/>	Other _____	

## SURVEY C



6. Please indicate the impact these changes have had on your firm:  
 [Strongly Agree=SA, Agree=A, No Opinion=NO, Disagree=D, Strongly Disagree=SD]

	SA	A	NO	D	SD
<b>I was able to:</b>					
1. Increase my market share	5	4	3	2	1
2. Increase my sales	5	4	3	2	1
3. Improve my cash flow	5	4	3	2	1
4. Expand my products/services	5	4	3	2	1
5. Hire new staff	5	4	3	2	1
6. Revise my marketing strategy	5	4	3	2	1
7. Increase my profit margin	5	4	3	2	1
8. Retain current staff	5	4	3	2	1
9. Develop an e-commerce strategy	5	4	3	2	1
10. Other (specify _____)	5	4	3	2	1

7. At the time you were assisted by the SBDC, what was the approximate annual gross revenue of your business? Please fill in to nearest \$1,000: **[Note: all data will be aggregated and kept in strict confidence]**

\_\_\_\_\_

8. At the time you were assisted by the SBDC, how many people (full and part-time), including yourself, did your business employ?

Number of Full-Time Employees \_\_\_\_\_  
 Number of Part-Time Employees \_\_\_\_\_

9. Please indicate the value of the information you received from the SBDC Counselor you visited:

	Extremely Valuable	Valuable	No Opinion	Somewhat Valuable	Not Valuable
1. Usefulness of information	5	4	3	2	1
2. Relevancy of the information	5	4	3	2	1
3. Timeliness of the information	5	4	3	2	1

10. Please indicate how effective the counselor was in assisting you:

	Effective	Somewhat Effective	No Opinion	Somewhat Ineffective	Ineffective
1. Assistance met my needs	5	4	3	2	1
2. Counselor's ability to assist me	5	4	3	2	1
3. Counselor was friendly	5	4	3	2	1
4. Counselor was current on management issues	5	4	3	2	1
5. Counselor was knowledgeable	5	4	3	2	1

**SURVEY C**



# Office of Entrepreneurial Development

11. Please indicate how useful the services you received from the counselor who assisted you in identifying and correcting problems in operating your business and/or assisted you in starting or not starting a business

	Very Useful	Useful	No Opinion	Somewhat Useful	Not Useful
1. Identification of problem(s)	5	4	3	2	1
2. Correction of problem(s)	5	4	3	2	1
3. Assisted in starting a business	5	4	3	2	1
4. Helped me to decide not to start a business	5	4	3	2	1

12. Gender: Male  Female

13. Veterans status: Veteran  Non Veteran  Service Disabled Veteran

14. Are you: Hispanic or Latino  Not of Hispanic/Latino Origin

15. Are you:  
American Indian or Alaskan Native   
Asian   
Black or African American   
Native Hawaiian or Pacific Islander   
White

16. If you are in business, what is the primary type of business?

Construction  Manufacturing   
Wholesale  Finance, Insurance and Real Estate   
Retail  Service   
Transportation  Other (describe) \_\_\_\_\_

17. Did you utilize any other SBA resources/program?

Yes  No

18. If YES, select those you used [Check all that apply]

SCORE  SBA's guarantee loan programs   
SBIC Financing Program  SBA's Surety Bond Program   
Women Business Center

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THANK YOU

## SURVEY C