

OFFICE OF ENTREPRENEURIAL DEVELOPMENT

YEAR IN REVIEW



Smart. **Bold.** Accessible.

Helping small businesses grow



Message from the Small Business Administration

I am pleased to present the U.S. Small Business Administration's (SBA) Office of Entrepreneurial Development (OED) "2015 Year in Review."



In partnership with an incredible network of counselors – including Small Business Development Centers (SBDC), Women's Business Centers (WBC) and SCORE programs – the SBA's OED has been working to ensure that every small business owner in America has access to effective counseling, mentoring, technical assistance and training services. From online and in-person counseling in dozens of languages to advice and guidance on export business plans, government contracting or manufacturing assistance, SBA OED's programs served more than 1.2 million entrepreneurs in the last year alone.

In addition, the SBA OED continues to grow and improve its targeted initiatives including Emerging Leaders, Regional Innovation Clusters, the SBA Online Learning Center and ScaleUp America – to help our nation's entrepreneurs build competitive advantages and expand their potential. And we worked with the U.S. State Department to connect our resource partners globally through the Small Business Network of Americas (SBNA), as part of our ongoing efforts to help our nation's small businesses reach new and emerging markets.

Our work has helped to ensure that America's small businesses continue to be our nation's greatest economic engine. At the same time, we have focused our efforts on ensuring that the promise of entrepreneurship is accessible to everyone regardless of one's demographic or zip code. As the face of American entrepreneurship changes, we must evolve to maintain our relevancy.

Our mission at the SBA is to reach into the corners of our nation where the power of entrepreneurship to create jobs and rebuild communities is desperately needed. Together with our network of partners, we have made important progress.

In lending, we've increased our 7(a) loans by up to 75 percent to underserved communities, including women and veterans. We've broken records in contracting. Last year, the federal government awarded the highest percentage of contracting dollars to small businesses in history, nearly \$91 billion, and we reached our goal for women-owned businesses for the first time ever.

We have injected historic levels of capital into small businesses – growing our SBIC portfolio by 10 percent in one year to an all-time high of \$25 billion dollars, and we expanded our Impact Investment Fund to support social entrepreneurs committed to making a profit while making a difference.

Together, we will continue to work toward a future where every entrepreneur has the resources and services they need to launch, innovate and succeed.

Sincerely,

A handwritten signature in blue ink, which appears to read "Maria Contreras-Sweet". The signature is fluid and cursive, written over a light blue horizontal line.

Maria Contreras-Sweet
Administrator
U.S. Small Business Administration

Strengthening Small Businesses through Entrepreneurial Support

Tasked with the mission of helping small businesses compete in a global market by providing quality training, counseling and access to resources, the Office of Entrepreneurial Development (OED) plays a critical role in equipping and strengthening the business expertise of our nation's entrepreneurs. We accomplish our mission through a diversity of programs and initiatives that are delivered by a nationwide network of resource partners. OED oversees the nation's largest business assistance network, which includes more than 13,000 business advisors and mentors who train and counsel more than 1.2 million business owners each year. Each of our programs have a unique value and play a key role in supporting a strong entrepreneurial ecosystem.



The Small Business Development Center (SBDC), Women's Business Center (WBC) and SCORE programs continue to be the backbone of our assistance network and are central to driving our continued success and reach across the nation.

The global market offers great opportunities for small businesses to expand with 95 percent of the world's consumers living outside of the US. Our SBDC network helped to advance the nation's trade agenda by training and counseling small business owners on how to sell their products and services in the global market. In 2015, over 900 SBDCs trained and advised more than 450,000 entrepreneurs.

Recognizing that the strength behind our SCORE program is its corps of 10,500 volunteer business mentors, 2015 saw an emphasis in strengthening and recruiting top talent. In 2015, SCORE volunteer mentors helped nearly 350,000 business owners.

With the number of women-owned businesses starting at a rate of four times that of male-owned businesses, our WBCs serve a unique purpose by providing services that address the challenges of women entrepreneurs. In 2015, our Office of Women's Business Ownership increased the number of WBCs to 108 which reached 140,000 business owners.

In 2015, we expanded our special initiatives and placed emphasis on increasing accessibility, engagement and assistance to individuals who are underserved and underrepresented in the entrepreneurial economy. We expanded our flagship initiative, Emerging Leaders, from 24 to 48 communities, providing a mini-MBA like 7-month course to more than 800 small business executives who are on a growth trajectory. ScaleUp America was launched in 8 communities to fill a gap of business assistance needs of smaller growth-oriented entrepreneurs. The goal of ScaleUp is to equip more high-potential entrepreneurs with the right tools to overcome barriers to growth. Our Regional Innovation Clusters continued their success in helping small businesses drive innovation and commercialize technologies to advance local industry clusters.

While we are diversifying our entrepreneurial assistance programs to meet the varied needs of today's entrepreneur, we remain focused on our core mission. We strive to provide our nation's entrepreneurs—in every stage of their business development and growth—with the services, expertise and resources that are responsive and relevant to their evolving needs. We are pleased with our collective accomplishments in 2015 and eagerly anticipate successful and productive partnerships in years to come.

Tameka Montgomery
Associate Administrator
Office of Entrepreneurial Development

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Emerging Leaders



Emerging Leaders At-a-Glance

Businesses must be at least
3-years old

7-month
intensive training

Businesses develop a custom
3 year growth plan

Preparing Small Business Leaders for Growth



40 hours of
classroom learning



12 hours+
in peer groups



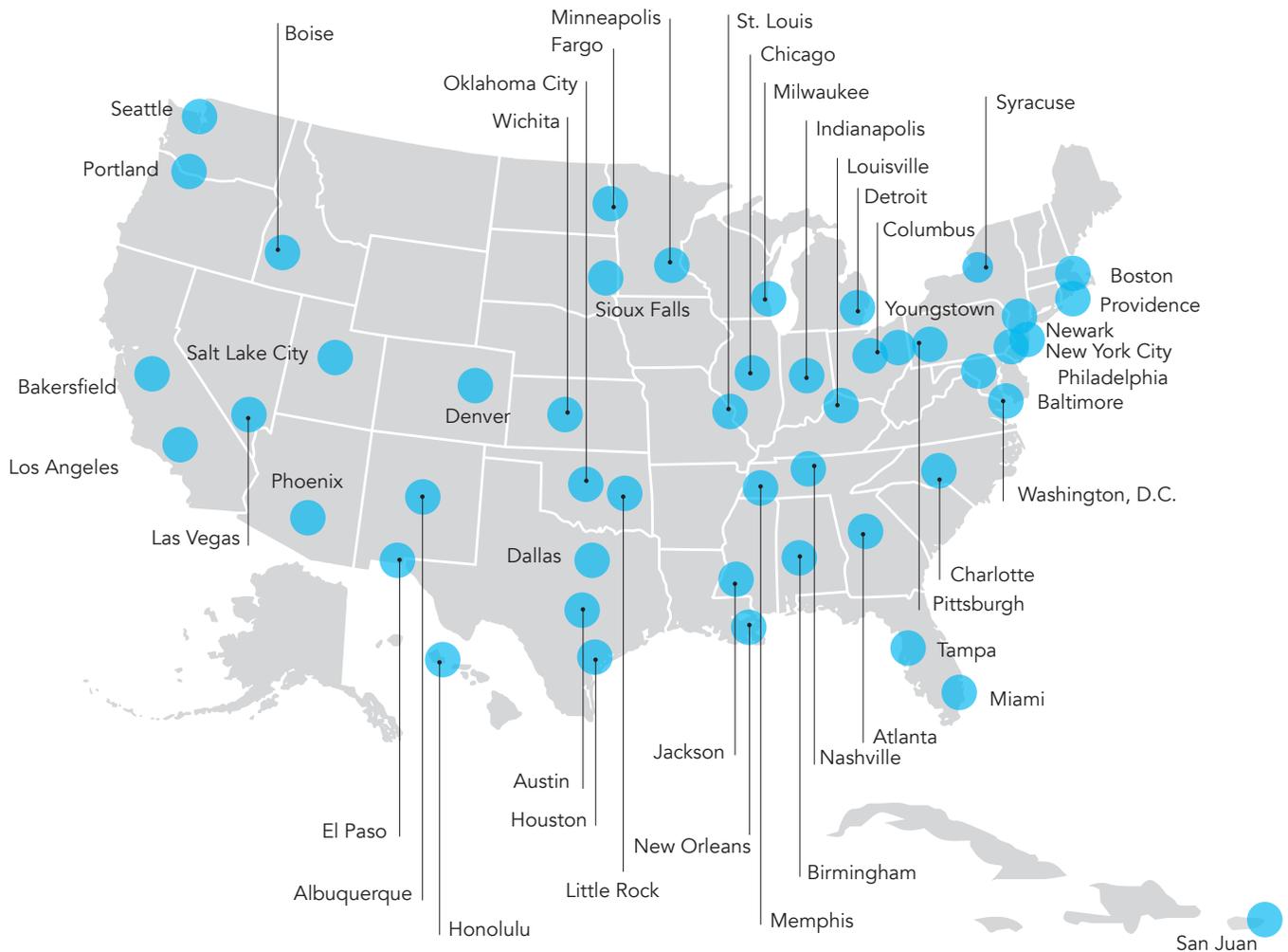
39 hours+
of out-of-class
preparation

Building on the success and expressed interest in the initiative, SBA's Emerging Leaders doubled in size in FY 2015 expanding to 48 communities and graduating more than 800 participants. Since its inception in 2008, more than 3,300 business owners have participated in the seven-month intensive training that prepares established business owners for growth by building on their business experiences and combines classroom sessions, out-of-class preparation work, and peer-mentoring groups. Participants complete the program receiving more than 100 hours of intensive entrepreneurship education to develop a Strategic Growth Action Plan that guides their business expansion and prepares them for the next phase of growth. The strength of the initiative is due not just to the robust curriculum, but also the integration and collaboration with financial institutions, attorneys, accountants, economic development organizations and other local support organizations.

In the 2015 program year, the average participant business was 14 years old and had \$1.7 million in revenue. The initiative continued to reach underserved entrepreneurs with 55% of participants belonging to a racial or ethnic minority group and over 35% of businesses located in a low or moderate income tract.

Since the inception of the initiative, SBA has annually assessed the outcomes of graduates for three years post graduation. Graduates indicated that their businesses have directly benefited from the Emerging Leaders initiative. The 2015 assessment showed that graduates significantly increased the use of management best practices learned, such as better use of financial data and analysis, perfecting how to pitch for new funding, and more effectively marketing and selling products and services. Not only did graduates apply new techniques, the assessment also indicated that graduates saw an improved bottom line and increased revenue on average by \$362,000, a 39% growth rate after one year. Graduates continue to see growth two and three years post graduation. Those who have been out of the program increased revenue by 14% after the second year and 11% after the third year. Graduates also created jobs. After one year, graduates created 400 new jobs, a growth rate of 32%. Second year graduates grew employment at 14% and third year at 8% post program. In 2015, the initiative received a 96% satisfaction rating. Looking forward, the assessment indicated that graduates desire to continue with mentorships and advisory groups to maintain peer to peer learning.

Assisting Small Businesses in 48 Cities and Growing



Anna Shawver, founder of **Apple Canyon Gourmet** located in **Albuquerque, New Mexico** was able to make her business thrive after participating in **Emerging Leaders**. She learned the importance of delegating work and hired an accountant to fine tune the company's finances, allowing her to expand the business.

Demographics of Admitted Businesses, 2015 Cohort



812
small businesses

14 years

average business age

14% 1 to 4 years

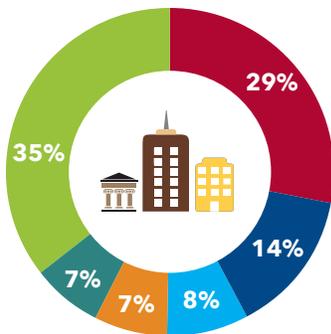
38% 5 to 10 years

48% 11+ years



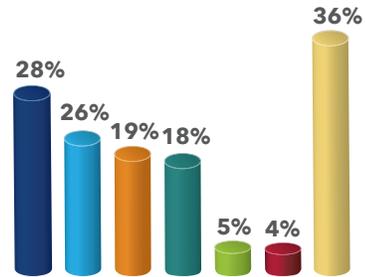
\$1,761,915
average revenue

Top industries represented



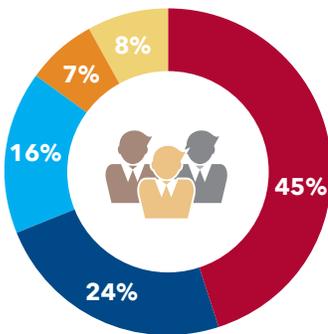
- Professional, scientific and technical services
- Construction
- Retail Trade
- Manufacturing
- Health care and social assistance
- Other

Participating under-served founders and communities



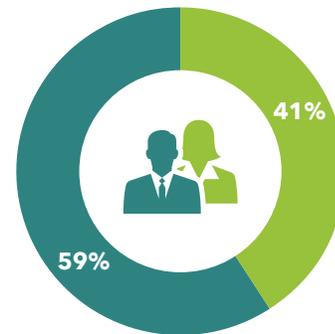
- Certified minority-owned businesses
- Certified disadvantaged business enterprises
- Certified women-owned businesses
- 8(a) certified
- Certified service-disabled veterans
- HUBZone certified
- Located in low- or moderate-income census tracts

Race and Ethnicity



- White
- Black or African American
- Hispanic or Latino
- Asian
- Two or more and other racial/ethnic groups

Gender



- Male
- Female

Outcomes of Recent SBA Emerging Leaders Graduates

Revenue Growth



\$65,800,000

total revenue growth



39% average
revenue growth rate



\$361,773

average revenue growth

Job Growth



68% retained
or added jobs



408 total
employment growth



32% average
employment growth rate

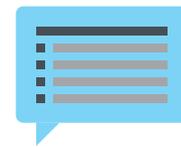
Capital and Contracts



16% obtained non-SBA
loans totaling
\$7,039,978



2% obtained SBA-guaranteed
loans totaling
\$1,062,500



30% obtained government
contracts worth a total of
\$152,000,000

Participant Feedback



95%
recommend the
program



96%
were satisfied with
the program



55% increased
the creation of and
adherence to written goals
and/or a growth plan



45% increased
regular use of financial
data and analysis to
manage their businesses

Enhancing Business Acumen



Provider: **Emerging Leaders Milwaukee**

Location: **Milwaukee, WI**

Business: **JCP Construction**

Jalin Phelps and his brothers, **Clifton and James**, started **JCP Construction** at what many considered the worst possible time—in 2008 during an economic recession that hit the construction industry particularly hard. Jalin and James, both employed in the industry, anticipated their jobs would be lost due to the downturn and wanted to take control of their situation. Keeping overhead low, JCP started with small projects to build a strong foundation in the tough economy.

A colleague told Jalin about the SBA Emerging Leaders initiative. A carpenter by trade, Jalin spent many years in the field, working strategically on project management and construction. As Vice President of Field Operations at JCP, he saw the Emerging Leaders initiative as a great opportunity to enhance his business operations skills.

The SBA Emerging Leaders initiative helped Jalin determine when and how to sustainably grow his family business. Now, the company is growing fast, winning major contracts, and hiring more employees both in the office and in the field. In the past year, the office staff has increased 38% and field staff has increased 20% despite overall stagnant growth in the construction industry. Growth is expected to continue in both areas. JCP has worked on high profile projects such as General Mitchell International Airport and the new restaurant at Lambeau Field. The Daily Reporter, a Milwaukee newspaper, named JCP Construction its 2015 Sub-contractor of the Year.

Regional Innovation Clusters



Regional Innovation Clusters At-a-Glance

Small businesses receive an average of **33 hours** of 1-on-1 counseling

85% of cluster activity is spent on delivering business assistance

93 trainings hosted



Connecting small businesses to resources and potential partners



Helping small business integrate into high growth industry supply chains



Offering services geared towards innovation

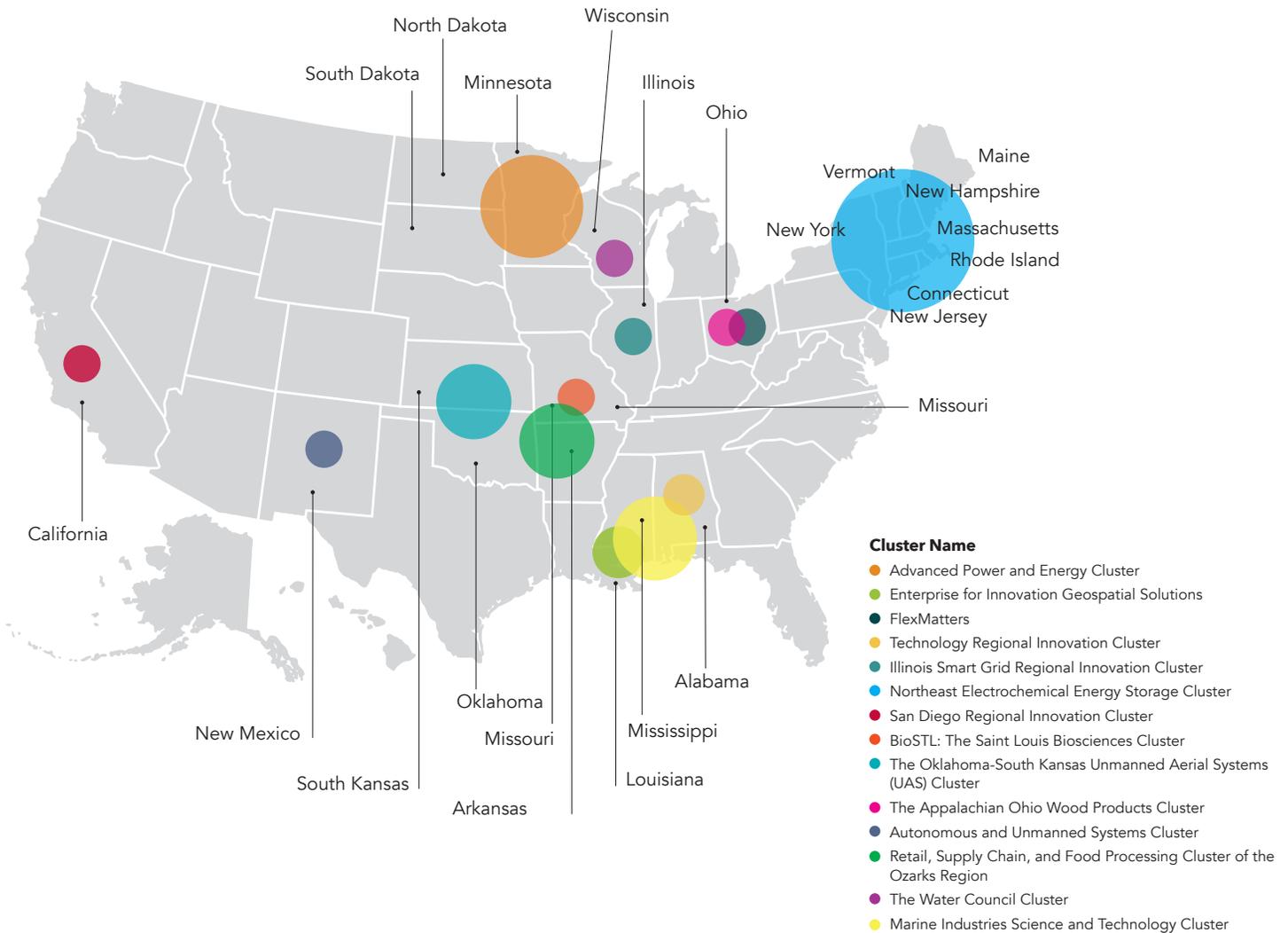
Strengthening Global Competitiveness by Connecting Regional Businesses

Capitalizing on the tremendous benefits and economies of scale that exist when related businesses, specialized suppliers, academic institutions, and service providers work together, SBA expanded the Regional Innovation Clusters (RIC) initiative with seven new clusters. Now totaling 14 nationwide, SBA's regional clusters serve as a networking hub to convene resources and connect small businesses with potential industry partners. The goal is increased accessibility and information-exchange between related industry partners to build competitive advantages so that these regions, and the businesses working within them, can compete and prosper in a global economy.

The seven new regional clusters bring an exciting mix of new industries and communities into the fold. For example, both the Saint Louis Biosciences Cluster and the Oklahoma-South Kansas Unmanned Aerial Systems (UAS) Cluster are affiliated with federally designated Promise Zones, thereby increasing economic activity and improving the quality of life in vulnerable areas. Additionally, in support of the White House's POWER Initiative—a multi-agency effort to provide economic development assistance to communities affected by changes in the coal economy—the Appalachian Ohio Wood Products Cluster will offer a struggling region the opportunity to transition to a more economically and environmentally sustainable sector.

In each of the regions operating a RIC, the initiative has fostered innovation, strengthen economic activity, and enhanced global competitiveness. Over the past three years, the average revenue of small business participants grew at an annualized rate of 18%. Businesses participating in the RIC initiative obtained contracts totaling approximately \$602,000,000 and received federal Small Business Innovation Research and Small Business Technology Transfer (SBIR/STTR) funding totaling approximately \$24,600,000. The next phase of the SBA's cluster initiative will focus on cross cluster collaboration, stronger small business connections and increasing diversity among cluster participants. SBA will expand its reach to assess the effectiveness of RICs to engage and assist women and minority entrepreneurs.

Assisting Small Businesses in 14 Regions



Scott Clifton of **Ocean Aero**, a **San Diego RIC** participant, stands with the company's signature unmanned vessel, the Submaran. The business assistance Ocean Aero received in the RIC initiative has led to a multi-million dollar Department of Defense contract and **CONNECT's Most Innovative New Product** award for Aerospace and Security.

Demographics of Participant Businesses FY 2014



957

small businesses in 7 RICs

11 years

average business age

26% 1 to 4 years

23% 5 to 10 years

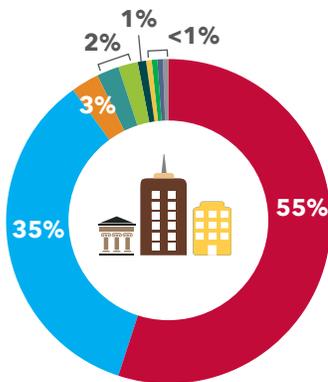
43% 11+ years



\$3,188,023

average revenue

Top industries represented



- Professional, scientific and technical services
- Manufacturing
- Information
- Finance and Insurance
- Other services
- Utility
- Real Estate, Rental and Leasing
- Retail
- Transportation and Warehousing
- Whole Sale



702 stakeholders participated in RICs



206 cluster events hosted for participants and stakeholders

Top Reasons Small Businesses Participate in RICs



86% network with other small and large businesses and potential clients in the region



58% access cluster services (e.g., counseling and training)



48% access government procurement opportunities

Outcomes of Recent RIC Participants

Revenue Growth



\$40,471,045

total revenue growth



36% average
revenue growth rate



\$318,670

average revenue growth

Job Growth



4 average employment
growth



503 total
employment growth



18% average
employment growth rate

Capital and Contracts



clusters helped participants
secure new financing worth

\$18,550,000



clusters helped participants
obtain new contracts worth

\$602,047,129



49%
cluster participation
influenced revenue
growth



75%
would recommend
RIC

Innovation



\$24,575,801

in SBIR/STTR funding
obtained with cluster assistance



52% participated in
the region's industry
supply chain

56% developed
a new product

34% developed
a prototype

21% exported
goods or services

40% filed one
or more patents

Cluster Collaboration Opened Global Doors



Provider: **FlexMatters Cluster**

Location: **Kent, OH**

Business: **AlphaMicron**

AlphaMicron developed a patented technology allowing eyewear products to instantaneously adapt their tint to changing ambient light conditions (marketed as e-Tint). The company originally developed this technology for military applications (e.g., fighter pilot visors) and later released it to consumers in the motorcycle visor market. As part of second generation product, AlphaMicron significantly re-designed the product, but faced issues that threatened the planned product launch at a major international motorcycle trade show.

Through a business relationship established in the FlexMatters cluster, MAGNET—a fellow cluster member—worked with AlphaMicron to quickly re-design the prototype to address these issues. As a result of this partnership, AlphaMicron displayed production-quality samples of its technology at the trade show and was approached by several original equipment manufacturers (OEMs) interested in carrying the product. Subsequently, the company partnered with two motorcycle equipment OEMs to sell visor inserts based on e-Tint technology that

specifically fit models by these two brands. One of these visors was recently endorsed by nine-time motorcycle road racing world champion Valentino Rossi. AlphaMicron also worked with a ski and snowboard goggle maker to adapt e-Tint for these uses, winning a gold medal at a high-profile sports equipment trade show.

In early 2013, AlphaMicron was one of four initial companies selected to participate in the highly competitive federal Small Business Innovation Research (SBIR) Academy program implemented by FlexMatters—in collaboration with the Kent State Small Business Development Center (SBDC) and primary service provider BBCetc. Six months after program completion, AlphaMicron had submitted two SBIR proposals—one to the National Institutes of Health and another to the U.S. Army. Its relationship with the U.S. Army yielded a series of purchase orders for various types of eyewear with adjustable tint, for a total of more than \$550,000. This product is undergoing field testing, and as the sole supplier, AlphaMicron may receive larger orders in the future.

ScaleUp America



Scale Up America At-a-Glance

Cohort-based
intensive training

Business must be **beyond**
the startup stage

Community-driven program
customized to geographic
market



A proven entrepreneurship
curriculum



One-on-one mentoring and
technical assistance



Connections to growth capital



Connections and network in the
local community

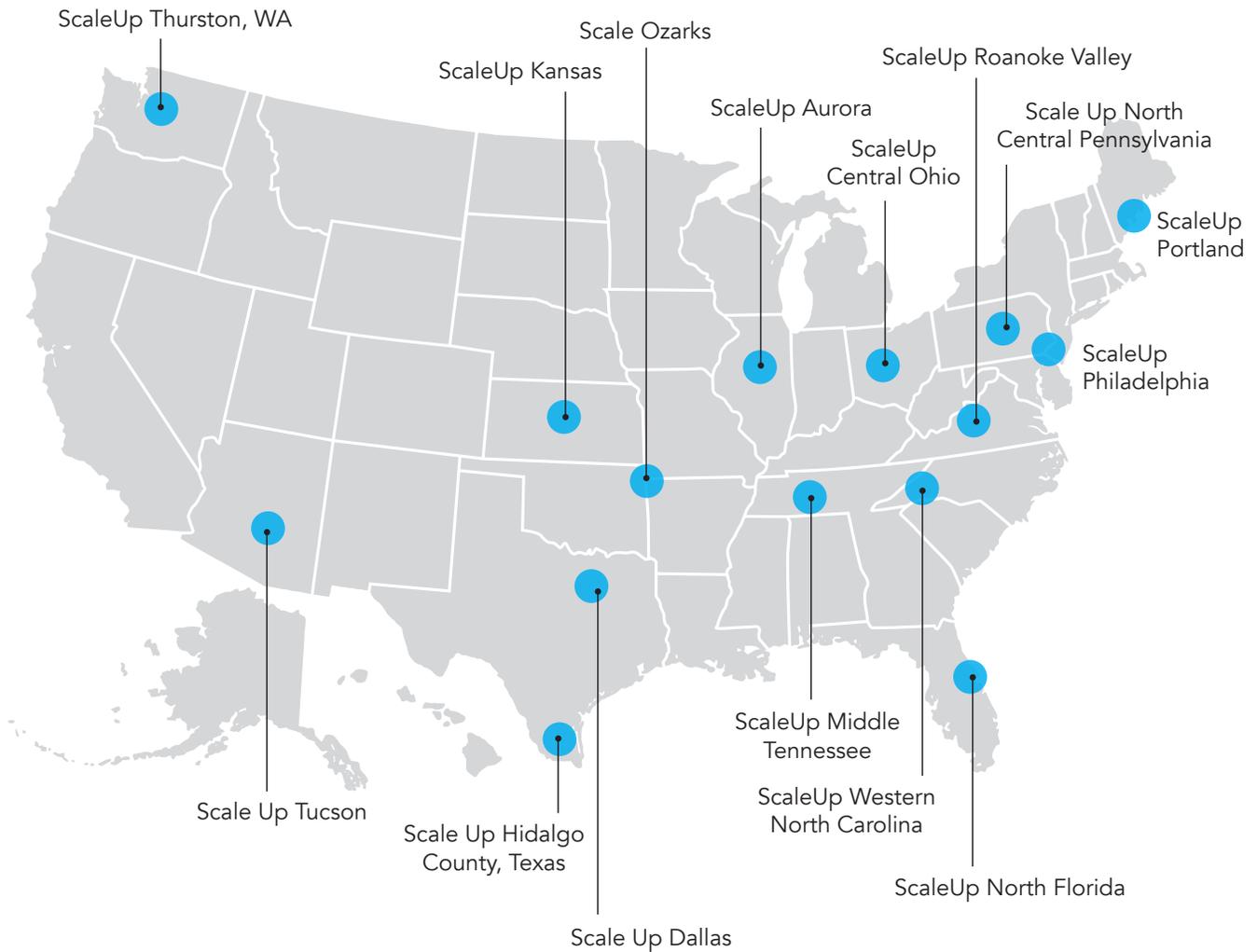
Transitioning Young Businesses to Sustainable Companies

The Office of Entrepreneurial Development's newest initiative, ScaleUp America, offers vital support and guidance to small businesses during the critical time period just beyond the start-up phase. To effectively cross into the next phase and "scale up," businesses require special attention, expert advice and access to capital to nurture growth. The purpose of ScaleUp America is to fill a gap in comprehensive entrepreneurial development services for these companies so they transition into more stable organizations, create more jobs, and drive future growth and success. ScaleUp America participants are part of an intensive classroom program combined with one-on-one management consulting and networking support to connect participants to new business opportunities and growth capital.

By focusing on inclusion and targeting growth oriented entrepreneurs, ScaleUp America helps ensure that all entrepreneurs, especially those from underserved and underrepresented communities, receive the necessary support to help them scale up and grow. In year one, the initiative launched in eight high need communities. Due to immense popularity, ScaleUp America added seven new communities in its second year.

A rigorous third party impact evaluation study is underway to measure the effectiveness of the program. The study will benchmark the achievements of ScaleUp America participants against businesses in similar industries and regions in an attempt to identify the true value ScaleUp America is bringing to each community.

Assisting Small Businesses at 15 Sites



Kim Celentano and Ilya Gorelik, co-founders of **Asheville, Tennessee**-based **VirtualJobShadow.com** doubled the size of their company and expanded state partnerships nationwide through participation in the Western North Carolina ScaleUp program.

Demographics of Admitted Businesses, FY 2015 Cohort



223
small businesses in
inaugural year

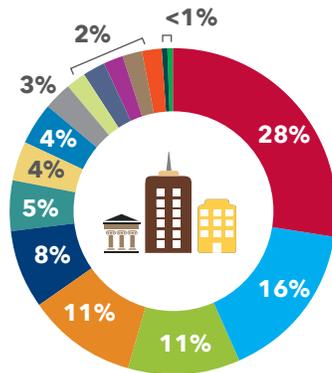
8 years

average business age
3% startup
40% 1 to 4 years
35% 5 to 10 years
22% 11+ years



\$349,112
average revenue

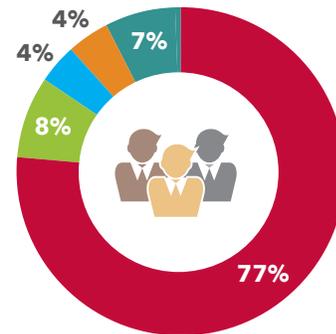
Top industries represented



- Professional, scientific and technical services
- Manufacturing
- Retail Trade
- Other services
- Accommodations & food services
- Healthcare & social assistance
- Construction
- Wholesale trade

- Arts, entertainment & recreation
- Educational services
- Information
- Agriculture, forestry, fishing & hunting
- Transportation & warehousing
- Finance & insurance
- Real estate & rental & leasing
- Waste management & remediation services

Races represented



- White
- Black or African American
- Hispanic or Latino
- Asian
- Other
- American Indian or Alaska Native



53% woman-owned



\$34,960 average profit
from each business



19% disadvantaged businesses
and communities

Characteristics of the Initiative

Competitive Admission Process



64% average acceptance rate

Business Structure

57% LLC

22% S-corporation

15% Corporation

5% Sole proprietorship

<1% Partnership

ScaleUp communities starting in FY 2016



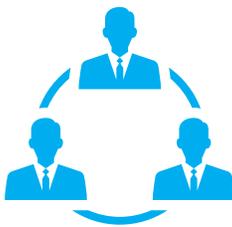
- Dallas, Texas
- Hidalgo County, Texas
- Nashville, Tennessee
- North Central Pennsylvania
- Philadelphia, Pennsylvania
- Ozarks region in Arkansas, Oklahoma, and Missouri
- Thurston County, Washington

Course work



- Average classroom hours: 30 hours per cohort
- Most common lesson topics: financial management, marketing, human resources

Select ScaleUp events



- Round table Q&A sessions with local business experts
- Pitch events to local businesses and investors
- "How I Did It" entrepreneur presentations and networking events

Connections, Community and Confidence to Grow



Provider: **ScaleUp Kansas**

Location: **Kansas City, KS**

Business: **El Padrino**

Raul Villegas is not shy about going after big goals, but he also knows you need a strong team to reach them. A graduate of ScaleUp Kansas City's inaugural class and recently named the Kansas City Chamber of Commerce's 2015 Small Business of the Year, Raul leveraged the connections, community and confidence he gained from ScaleUp KC to grow his business and make a positive difference in his community.

El Padrino, which means "godfather" in Spanish, is the name of the premier soccer league and apparel store Raul founded with his sister, Miriam Villegas, in 2007. Faced with the question of how to manage future growth, Raul enrolled in ScaleUp KC.

Through ScaleUp KC, Raul realized he needed to hire a general manager to run the day-to-day operations so he

could concentrate on his plans to expand the business. Raul also benefited from the financial lessons learned in the program. "One of the biggest impacts on my company was learning how to create a business plan and projections that I can present to potential investors and developers," Raul said. After gaining control over cash flow and financial projections, Raul secured a business loan to help finance his expansion.

Raul is using his experience and connections through ScaleUp KC to improve his community and offer more opportunities to Hispanic youth in Kansas City. Last September, he partnered with Univision and the Hispanic Chamber of Commerce to host the Copa Univision, the region's largest Latino youth-adult soccer tournament.

SCORE



SCORE At-a-Glance

Over **10,000**
volunteer business mentors

Majority of clients are thinking
about starting **a business**

Clients are **matched** with volunteers
and receive customized advice



38% of
clients receive 5 or more
hours of mentoring



63% of clients receive
in-person/face-to-face
mentoring



30% of clients attend
workshops

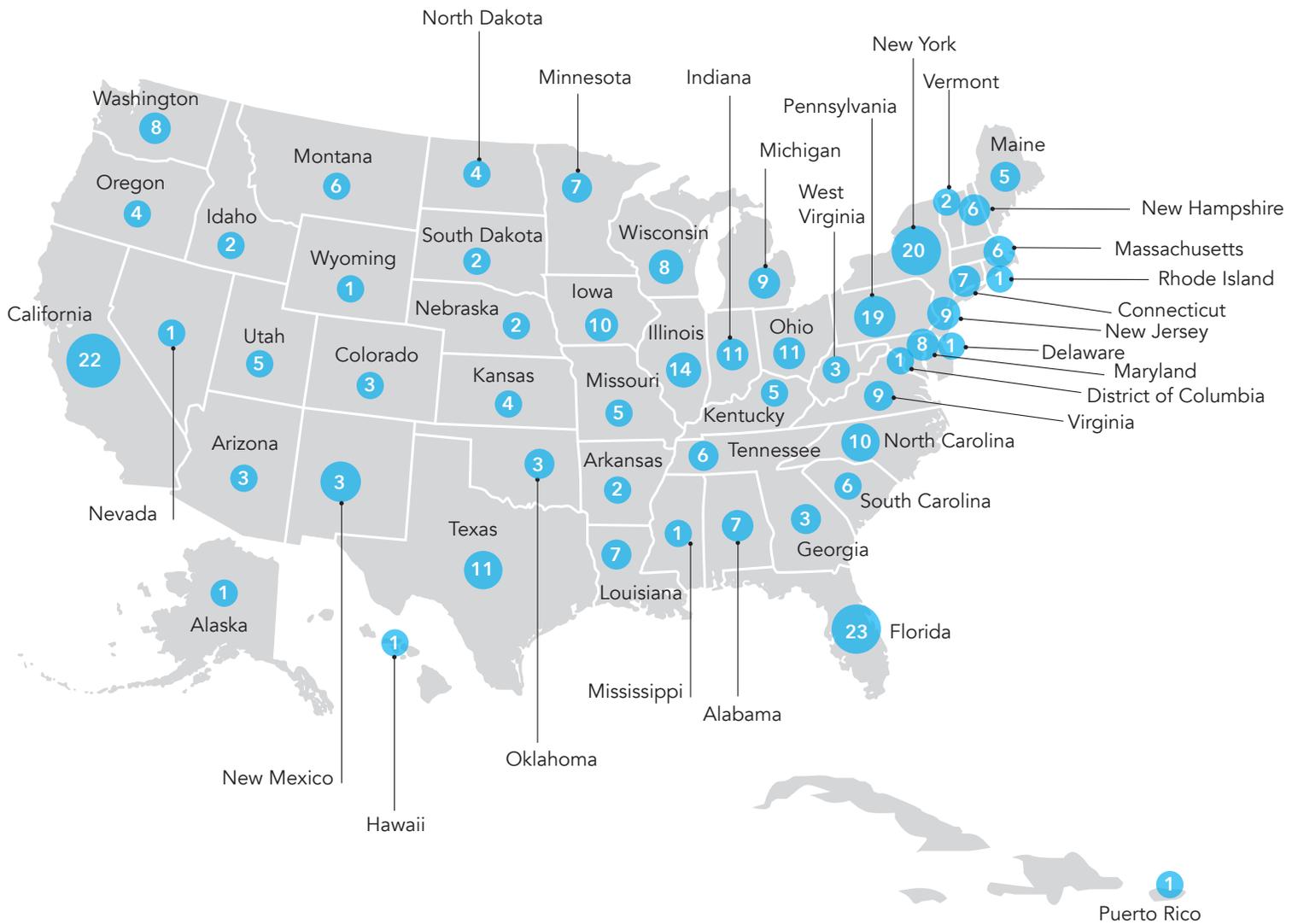
Mentoring Small Businesses for Growth

In FY 2015, SCORE mentored and trained nearly 350,000 current and aspiring entrepreneurs. Through more than 137,000 mentoring sessions and 212,000 local workshops, business mentors provided more than 1.2 million hours helping small businesses succeed. SCORE mentors operate out of 320 offices throughout the United States. More than 100,000 people accessed SCORE's online workshops.

A unique organization that synthesizes two historic national ideals—entrepreneurial spirit and volunteerism—SCORE has been continuously providing mentorship to small businesses for more than 50 years. SCORE strives to adapt to the evolving needs of businesses prompted by changes in technology and ever-increasing competition. SCORE mentors keep current on new tools for marketing and communication (e.g., online strategies) to help businesses remain competitive in a dynamic world of technology enhancements. Due to increased demand for data-driven programming, SCORE recently implemented an easy-to-use, client-tracking tool to help volunteers track client progress and better understand client needs.

On an annual basis, SCORE surveys its clients to understand their experiences with SCORE and their business related outcomes. Pre-venture clients started businesses at a rate of 43%, which equates to nearly 50,000 new businesses in 2015. The average revenue growth rate was 82%, or more than \$45,000 per enterprise, and the average employment growth rate was 14% for a total of more than 14,000 new jobs. The data reflected a recent focus on mentor quality; all areas of client feedback on mentors increased over previous years. As SCORE plans and strategizes opportunities, it seeks to add locations, increase capacity, identify high-growth clients, and improve the client to mentor matching process.

Over 320 Chapters Serving Entrepreneurs Across the U.S.



Kim Ima, in **Brooklyn, New York**, came to SCORE while still in the planning stages of her business, **The Treats Truck**, a food truck bakery that also delivers gift boxes and catering. SCORE matched her with an advisor who served as a sounding board for her ideas and helped guide her through the process of formally opening her business.

Client Demographics



164,939
clients mentored

9 years

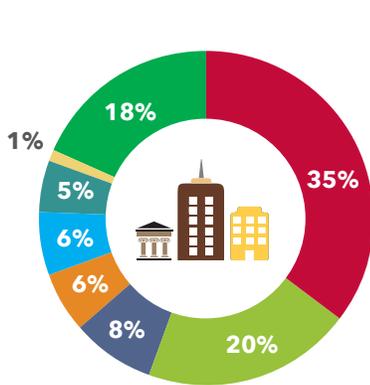
average business age

- <1%** start-ups
- 42%** 1 to 4 years
- 29%** 5 to 10 years
- 28%** 11+ years



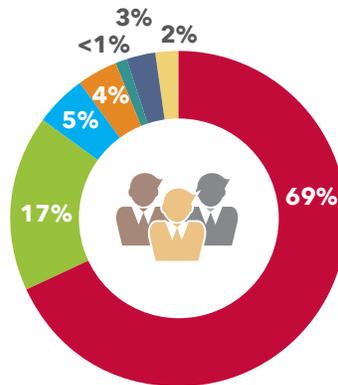
\$284,676
average revenue of
in-business clients

Top industries represented



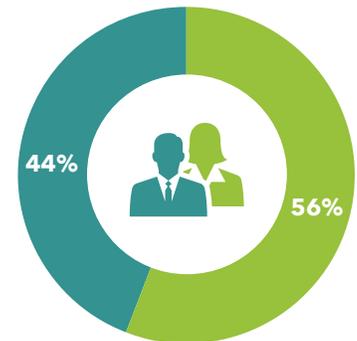
- Professional services
- Sales
- Skilled trade services
- Hospitality
- Manufacturing
- Technology and information
- Transportation
- Other

Race and ethnicity



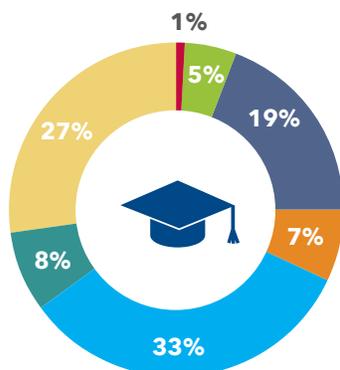
- White
- Black or African American
- Hispanic or Latino
- Asian
- American Indian, Alaskan Native
- Two or more racial/ethnic groups
- Other racial/ethnic groups

Gender



- Male
- Female

Education



- No high school diploma
- High school diploma or GED
- Some college
- Trade/technical/vocational training
- College graduate
- Some graduate work
- Post-graduate degree

Business status



70% pre-venture
30% in business
9% veteran owned

Outcomes of Recent SCORE Clients

Revenue Growth



\$1,578,212,389

total revenue growth



82% average
revenue growth rate



\$45,564

average revenue growth

Job Growth



14,085

total new jobs



14% average
employment growth rate

Capital and Business Starts



11% obtained financing
totaling an estimated

\$2,074,020,986



SBA-guaranteed loans
totaling

\$54,578,917



43% of pre-venture clients
started their business

49,038 new businesses

Client Feedback



62% agreed SCORE was
important to their success



82% would
recommend SCORE



56% changed business practices as
a result of working with SCORE

SCORE Mentorship Expertly Guides Business Launch



Provider: **SCORE Washington, DC Chapter**

Location: **Washington, DC**

Business: **Urban Dwell**

After retiring from the U.S. Air Force, **Tom McMahon** deviated from the typical course of action for retiring military officers. Inspired by family members with successful retail backgrounds, Tom decided to explore opening an independent, boutique-style gift store in Washington, DC, specializing in curated “hip and trendy” merchandise. Tom realized, however, that he lacked the experience to navigate the process of opening a retail business. He remembered a SCORE mentor from a military-hosted event while serving on Active Duty and reached out for help.

“I didn’t even know what information I lacked until my SCORE mentor entered the scene,” Tom said. Over

the course of several meetings, Tom and his SCORE mentor developed a list of critical areas where Tom needed help. At the top of the list was finding an appropriate retail location with realistic lease terms for **Urban Dwell**. Tom says that without the assistance of SCORE, Urban Dwell might never have opened, or worse, his store would have operated in a compromised legal and financial position. Tom recommends anyone starting a business to partner with SCORE to leverage the years of invaluable experience that a SCORE mentor brings to a new business.

Small Business Development Centers



Small Business Development Centers At-a-Glance

more than **900**
locations across the U.S. and
its territories

Connects the ivory
tower of academia to main street
business

Focus on **long-term**
counseling relationships

Promoting Domestic and International Business Growth



952,917
total counseling hours
provided to long-term
clients



63 host networks comprising
900 service sites to
assist clients



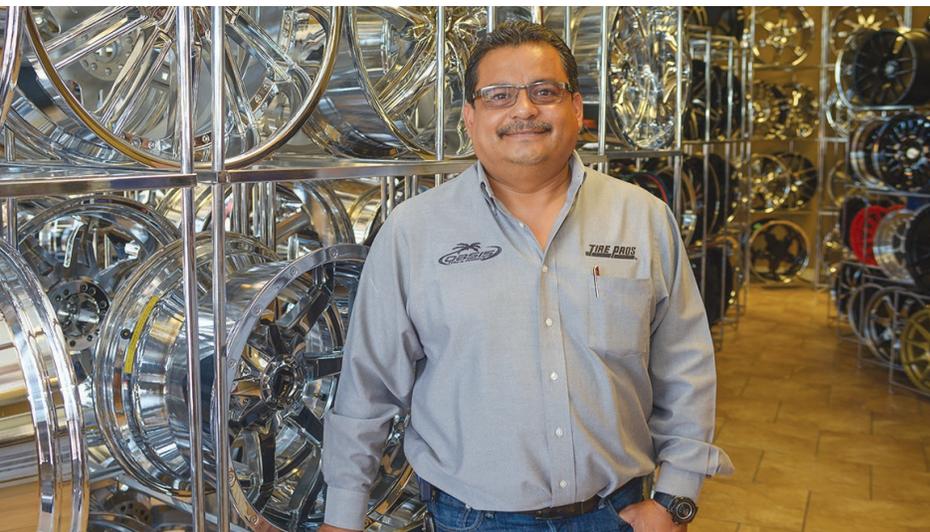
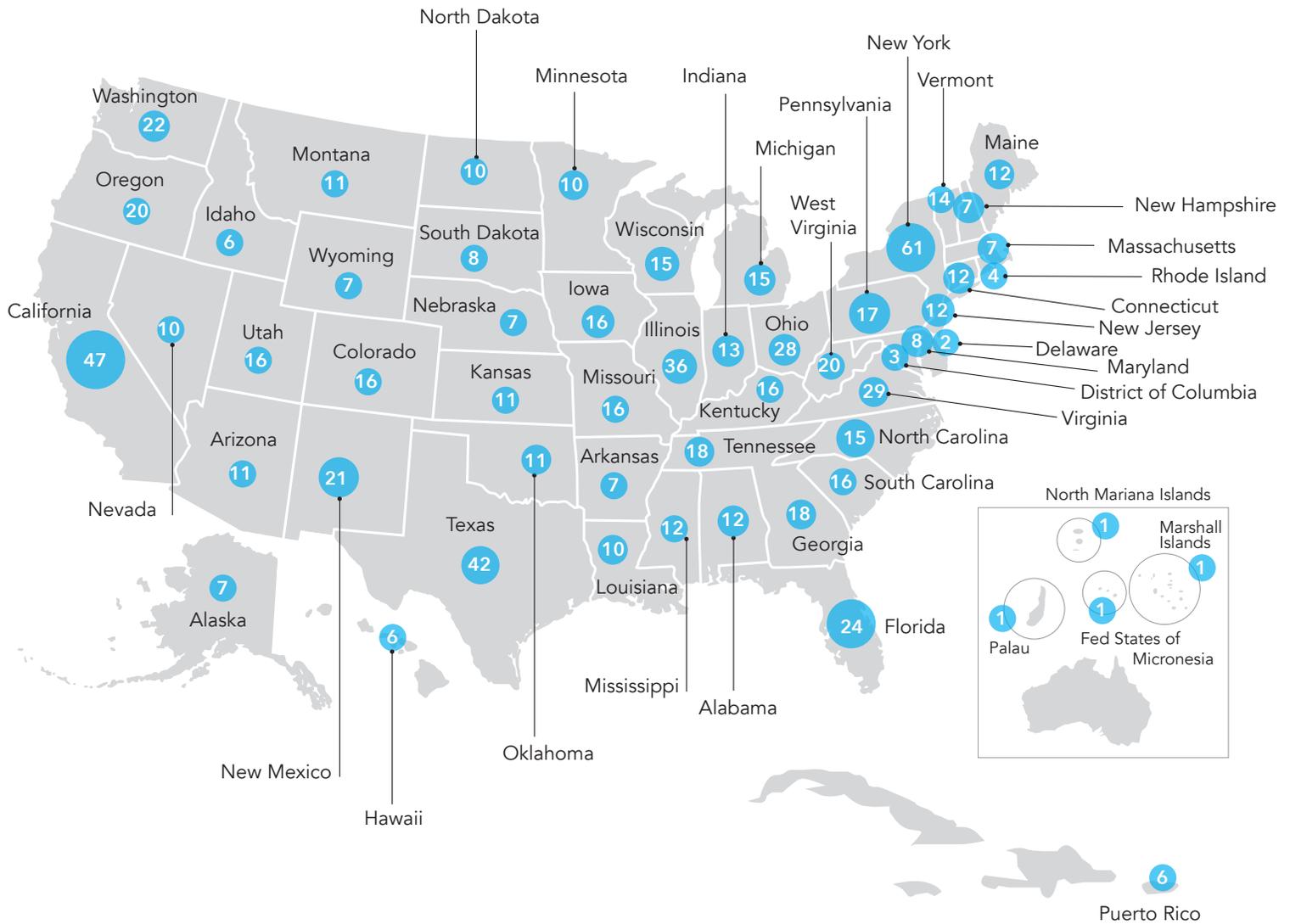
40% pre-venture
60% in business

In 2015 the Small Business Development Center (SBDC) program delivered professional business advising and training focused on strategic planning, business development, financial planning, and cash flow management to over 454,000 entrepreneurs at more than 900 service delivery points across the nation and its territories. Based on client requests, business trends, and individual business requirements, SBDCs continuously modify their services to meet evolving needs. Advisors continue to focus on developing long term relationships with clients which leads to increased revenue, increased job creation, and more infusion of capital. The average time spent per client increased 2.5% in 2015.

This year the SBDC program has played an important role in advancing the nation's trade agenda. SBDCs increased focus on international trade assistance by providing clients with advice and guidance on export business plans, identifying products that are suitable to export and conducting market research including competitor analysis and trade barrier identification. SBDCs also helped clients understand export regulations, prep for trade missions, and connect with other resources at the US Commercial Services, state funded trade agencies, and other export related entities. These clients exported over \$3.5 billion in products and services.

While SBDCs offer a variety of business assistance services, all services aim to help businesses start and grow successfully. Long term SBDC clients, i.e., those that received five or more hours of service, are surveyed annually to assess their progress towards these goals and their satisfaction with the services. The latest assessment indicated that 75% of pre-venture clients started their business after receiving SBDC assistance, an estimated 19,472 new businesses. Client revenue grew an average of 118% or \$131,707 and 19% accessed capital to help their business start and grow. These outcomes in turn led to an average 22% employment growth rate among clients, for an estimated total of 74,759 new jobs. Given these outstanding outcomes, it is no wonder that 95% would recommend the SBDC and 92% reported that the SBDC services they received were beneficial.

Over 900 Service Locations in Every U.S. State and Territory



Genaro Gonzalez, owner of **Oasis Tire and Wheels**, was looking to expand his **El Paso, Texas** based business. The El Paso Community College SBDC assistance helped him obtain an SBA 504 loan to grow the company to five locations and over \$6 million in sales.

Long-Term Client Demographics



68,573

long-term clients assisted

9 years

average business age

17% start-ups

33% 1 to 4 years

22% 5 to 10 years

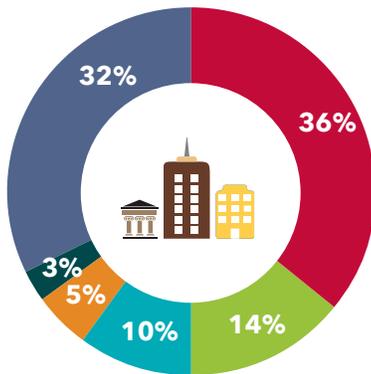
29% 11+ years



\$734,815

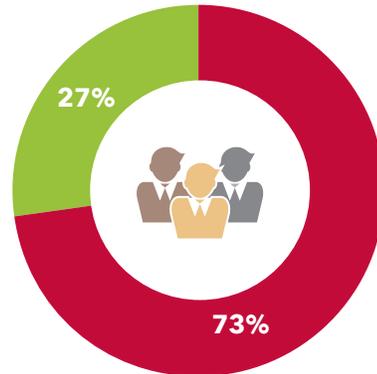
average revenue of
in-business clients

Top industries represented



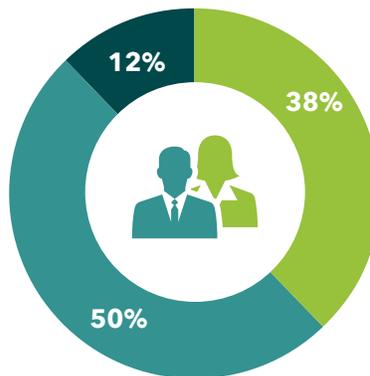
- Professional services
- Retail
- Manufacturing
- Construction
- Wholesale
- Other

Race and ethnicity



- White
- All other racial/ethnic groups

Gender



- Male
- Female
- Co-owned

Outcomes of Recent SBDC Long-Term clients

Revenue Growth



\$8,123,235,459

total revenue growth



118% average
revenue growth rate



\$131,707

average revenue growth

Job Growth



74,759 total
new jobs



22% average
employment growth rate

Capital and Business Starts



19% obtained financing
totaling an estimated

\$3,796,567,983



\$228,055,089
obtained in
SBA-guaranteed loans



75% of pre-venture clients
started their business

19,472 new businesses

Client Feedback



92% reported SBDC services
were beneficial



95% would
recommend SBDC



81% reported services
comparable to SBDC are not
available at affordable prices

Growing an International Export Business with SBDC



Provider: **Murray State SBDC**
Location: **Wickliffe, KY**
Business: **Two Rivers Fisheries**

Two Rivers Fisheries processes and ships all varieties of carp to China and Taiwan. Founder **Angie Yu** understood the market for Asian carp in her home country of China, but needed help developing her business plan to open her own processing plant and to begin exporting.

First, the Kentucky Small Business Development Center at Murray State University helped Angie develop a comprehensive business plan. Then, after

much hard work and the invaluable assistance from the SBDC, Angie obtained support from several local business organizations, including the Purchase Area Development District. The SBDC also helped Angie secure a strategic location in a river county that allows easier transportation for receipt and delivery of fish.

Since beginning operations in June 2013, Two Rivers Fisheries has created 40 jobs, and is currently working with the SBDC to develop an expansion plan.

Women's Business Centers



Women's Business Centers At-a-Glance

Over **100**
centers across the U.S. and its
territories

Services offered in
38 different
languages

Serves clients who are
**economically and socially
disadvantaged**



64% participated in
classroom training



51%
received more than
5 hours of service



45%
received one-on-one
counseling



39%
of client started their
business after training

Helping Women Achieve the American Dream

The Women's Business Centers (WBC) provided training and counseling to over 140,000 clients in 38 different languages in FY 2015. The WBC program—comprised of more than 100 centers across the country—offers services to a representative number of clients who are economically and socially disadvantaged. All centers offer core business development assistance, but the type of training programs and additional services vary from center to center. WBCs create tailored programs that best meet the needs of the clients in their community.

WBCs are responsive to the unique needs of its local community; each center works to combine in-person and online services in ways that best suit the needs of the clients it serves. In addition to providing core services, WBCs may offer international trade and export services, government contracting assistance, or manufacturing assistance.

This year, SBA coordinated the first annual national survey focused on WBC outcomes. Over 90% of clients would recommend a WBC, and 82% of clients reported the services they received were helpful. Average revenue growth was 96%, while average employment growth by WBC client businesses was 9%. WBCs also helped clients access financing totaling more than \$400 million. The survey assessment reiterated the benefits WBCs have to the underserved; nearly half identified as being part of a racial or ethnic minority group, and 15% were unemployed at the time of their first WBC visit. Most inspiring, though, are the client testimonials.

"I'm grateful for the assistance, confidence, and knowledge I received during training at the Women's Business Center. Upon completion of the program, I had a solid business plan that I used to apply for loans and start my business. I've been open for five months. It's more work than I ever imagined, but it's more rewarding than I ever thought possible."

Serving 48 States with 114 Centers



Denise Griffith and Monica Starks, owners of **GS Group LLC** located in **Detroit, Michigan**, received assistance from the Great Lakes WBC to get certified as both a woman owned and minority owned business. Additionally the WBC's workshops provided the tools they needed to develop a strategy to grow their business.

Client Demographics



140,716
clients assisted

7 years

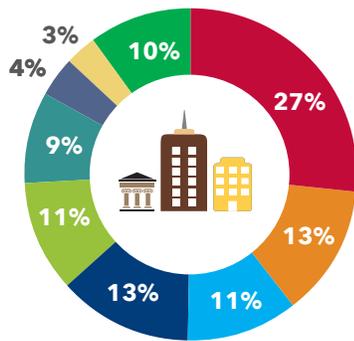
average business age

- 15%** start-ups
- 28%** 1 to 4 years
- 31%** 5 to 10 years
- 26%** 11+ years



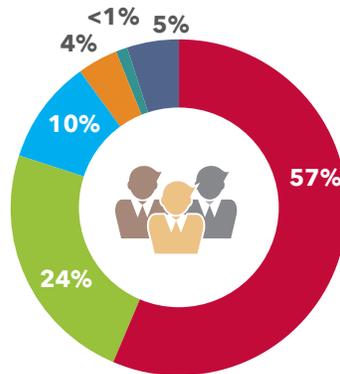
\$229,771
average revenue of
in-business clients

Top industries represented



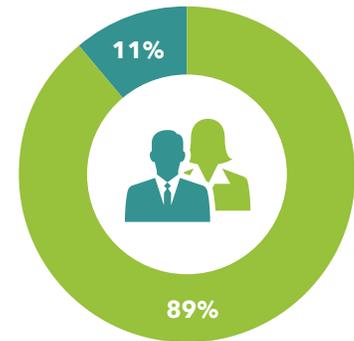
- Professional services
- Hospitality, arts and entertainment
- Manufacturing
- Personal services
- Retail trade
- Social assistance
- Educational services
- Construction
- Other

Race and ethnicity



- White
- Black or African American
- Hispanic or Latino
- Asian
- American Indian, Alaskan Native
- Two or more racial/ethnic groups

Gender



- Male
- Female

Serving households in need



15% unemployed
at first WBC visit



10% households of
4 or more with less than
\$50,000 in annual income



Location

21% rural area
54% urban area
24% suburban area

Outcomes of Recent WBC Clients

Revenue Growth



\$658,000,000

total revenue growth



96% average
revenue growth rate



\$31,293

average revenue growth

Job Growth



23,471 total
new jobs



9% average
employment growth rate

Capital and Business Starts



12% obtained new financing
totaling an estimated

\$429,000,000



37% of pre-ventures
started their business



8,849 new
businesses

Client Feedback



60% changed business
practices as a result of
working with WBC



91% would
recommend WBC



37% increased sales as a
result of working with WBC

Strengthening Business and Increasing Sales



Provider: **South Dakota Center for Enterprise Opportunity WBC**

Location: **Sturgis, SD**

Business: **Lenores**

Barb Koster's business began as a result of her open-heart surgery. During the surgery, Barb felt that the guardian angel watching over her was her grandmother, Lenore, to whom she was very close. With a new lease on life, she decided to start a home-based business. In November of 2010—in her mid 50's—she founded **Lenores**, named after her influential grandmother.

Barb has always loved glamour and fashion; opening **Lenores**, a fashion accessories boutique-type business, was her dream. She began working with South Dakota Center for Enterprise Opportunity (SD CEO) WBC to develop an overall strategic business plan. Lenores now has product in six locations throughout South Dakota

and one in Nebraska. She has also hosted trunk shows in Colorado and Utah. Barb's business has grown every year with approximately 10-15% revenue increases.

Participating in the SD CEO WBC's educational and training events, luncheon events, and exhibitions has increased her business exposure and sales. In fact, Barb estimates her business has increased 50% because of these events. *"SD CEO is a strong support system and has given me the educational opportunities I need to strengthen my business."*

Barb's advice—"your age doesn't matter if you have the desire and passion to pursue a new business."



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