



Small Business Development Centers

Helping businesses start, grow, and prosper.

The Wharton School
University of Pennsylvania
3819-33 Chestnut Street, Suite 325,
Philadelphia, PA 19104-3238
(215) 898-1219 phone
(215) 573-2135 fax
info@pasbdc.org email

www.pasbdc.org

Christian Conroy
State Director

2008 ANNUAL REPORT

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INTRODUCTION

The Pennsylvania Small Business Development Centers (SBDC) was established in 1980 with a mission to grow the economy of Pennsylvania through its entrepreneurs. In 2008, the education, information, and tools provided to these individuals through the program proved crucial. What started as a soft economy escalated into a recession that devastated regions across the country: Banks failed, credit disappeared, businesses shuttered, and jobs fell off at astonishing rates.

Yet clients of the Pennsylvania SBDC demonstrated remarkable resilience during a time of crisis. The 18 university- and college-based centers, operating out of the University of Pennsylvania's Wharton School of Business, provided timely consulting services to business owners in need of survival strategies. As a result, laid-off workers began their own ventures. Better-positioned businesses retained jobs and pursued niche market opportunities. Strong companies grew sales and added jobs, even as large corporations posted enormous losses.

In partnership with the Commonwealth's Department of Community and Economic Development, the US Small Business Administration, host institutions and partners, the Pennsylvania SBDC is pleased to report an impressive level of entrepreneurial activity despite the many challenges presented in the past year. A total of **9,385 clients** received **148,796 hours of consulting services** in 2008.

2008 HIGHLIGHTS

National Recognition

Two clients were named 2008 Small Business Energy Star winners, marking the third consecutive year of national recognition for the **Environmental Management Assistance Program (EMAP)**. Priority Communications and Pine Forest Camps will reap savings from the grant-funded energy projects, coordinated by EMAP, for years to come.

Access to Capital

SBDCs facilitated the flow of **\$217 million in financing capital** during a time of tight lending standards. Brian Kerrigan of Team Sports identified his banker in comparing offers of lines of credits from different banks, ultimately doubling his line of credit through connections made through the **Wharton SBDC's** "Meet the Lenders" workshop.

New Businesses

The SBDCs helped **537 clients buy or start a business** against the odds. Some hadn't begun to consider entrepreneurship until laid off. Business plan development and financial projection assistance from the **Gannon University SBDC** helped one such individual secure \$105,000 to buy a tavern in downtown Warren.

Job Creation

Some SBDC clients helped reverse the growing unemployment trend. A flight training school added 26 new jobs through a \$10 million contract it located with help from the University of Pittsburgh SBDC. In 2008, the SBDCs helped clients add **1,307 new jobs** to the economy.

Training

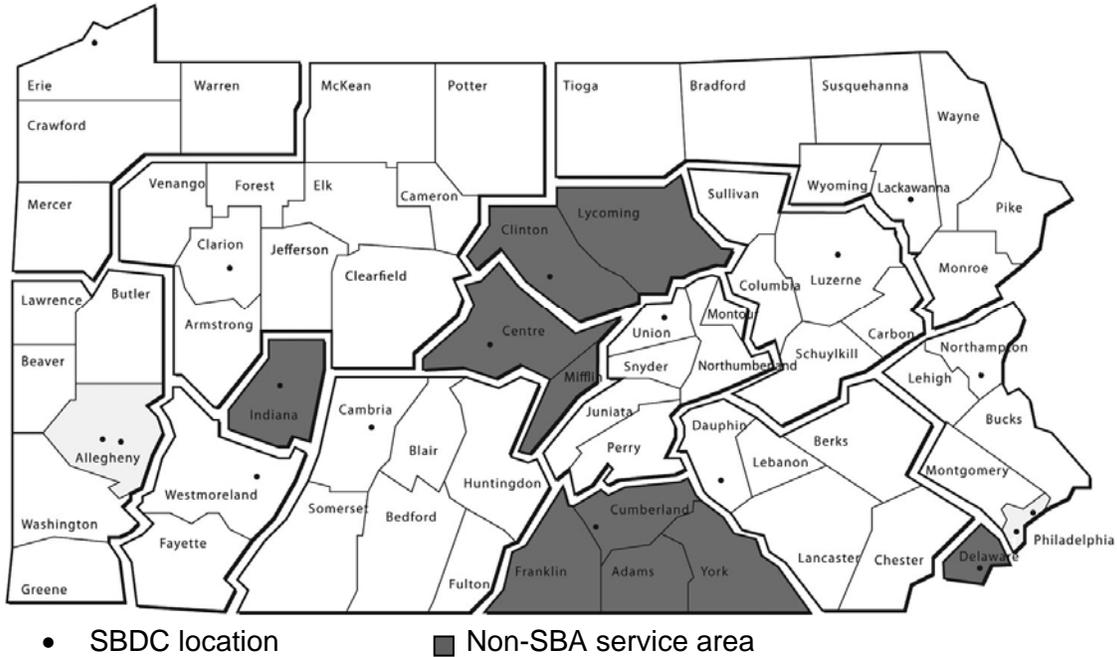
Worsening economic conditions led the SBDCs to respond with business management workshops that introduced emergency measures struggling small businesses could take to counteract rapid losses. The University of Scranton SBDC began offering its “Business 911” workshop while the **Bucknell University** and **Penn State SBDCs** initiated “Gaining Ground in an Economic Slowdown” seminars. A total of **19,475 individuals** attended one of the **1,069 workshops and conferences** offered by the SBDCs in the past year.

Job Retention

The SBDCs frequently identified swift measures businesses could take to firm up operations and save jobs. The **Gannon University SBDC** worked with the general manager of a struggling indoor football team on its ownership approach. The team was rescued through selling shares to investors. Local players will be able to continue their careers, three management jobs were retained and the team is now looking to expand operations. In total, the SBDCs helped clients **retain 1,818 jobs**, based on information reported back to the centers.

The numbers and cases offered in this report offer evidence that confirms the value of the SBDC program to its investors. They suggest that innovative entrepreneurs are on track to pull through, as they have done in past recessions. Most importantly, they suggest that the hope of restoring the economy is a very real one.

PENNSYLVANIA SBDC LOCATIONS



MISSION

The mission of the network of Pennsylvania Small Business Development Centers is to grow the economy of Pennsylvania by providing entrepreneurs with the education, information and tools necessary to build successful businesses.

PROGRAM HISTORY

Since its inception in 1980, the Pennsylvania Small Business Development Centers (SBDC) has evolved into a network of eighteen university based centers and more than 100 outreach locations operating under the guidance of the State Director located at the University of Pennsylvania.

The Pennsylvania SBDC provides consulting services and educational programs to entrepreneurs looking to start or grow a small business. SBDC consultants work with entrepreneurs in one-to-one sessions to help test a new business proposition, shape a business plan, or investigate funding opportunities. Addressing topics ranging from compliance issues to marketing tactics, SBDC programs serve to inform and assist entrepreneurs with the many tasks a new business owner faces.

IMPACT

Since 1990 alone¹, the SBDCs have helped Pennsylvania entrepreneurs:

- Start more than **24,300** new businesses
- Obtain over **\$2.1 billion** in start-up and expansion capital
- Expand sales by **\$8.7 billion**, including over **\$2.1 billion** in government contracts and **\$1.3 billion** in export sales
- Create over **104,800** new jobs at an average cost of \$1,145 per job
- Generate more than **\$796 million** in new tax revenues

¹ Data from 1990-2006

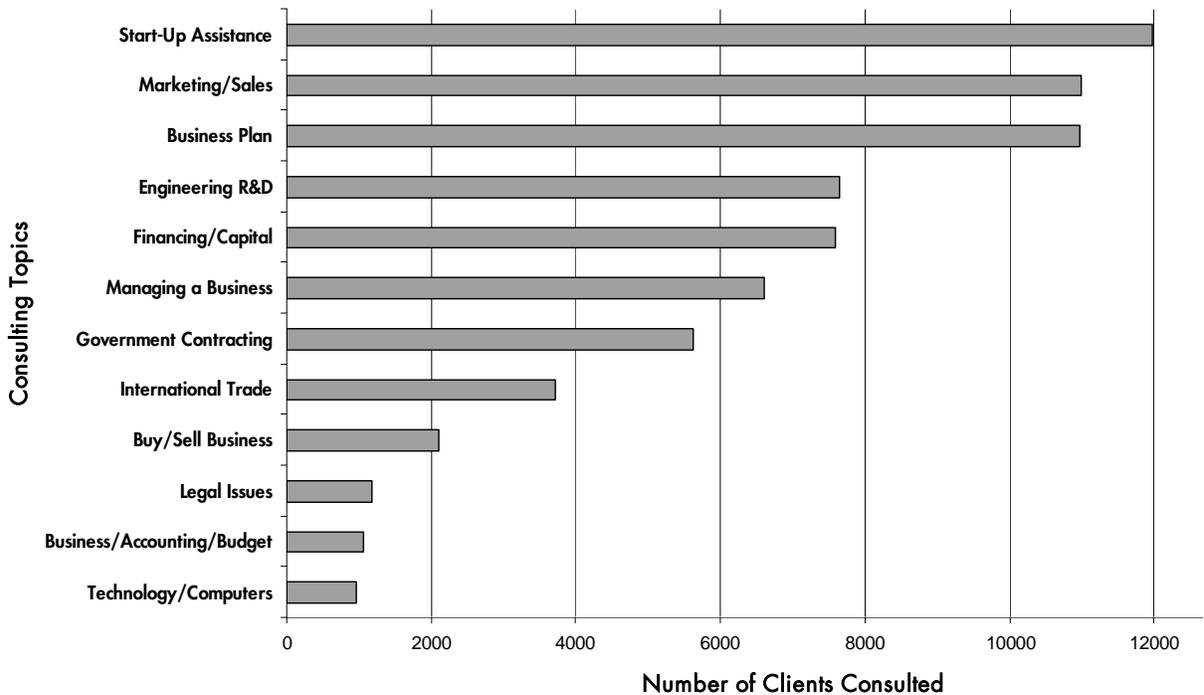
2008 DATA

Consulting

In 2008, centers in the network of SBDCs provided **9,385** individuals with a total of **148,796 consulting hours**. SBDC consultants work with entrepreneurs in one-to-one sessions to help test a new business proposition, shape a business plan, or investigate funding opportunities.

Experienced consultants helped clients address a range of topics in the past year. Details on consulting deliverables may be found in Section 2.

Areas of Consulting

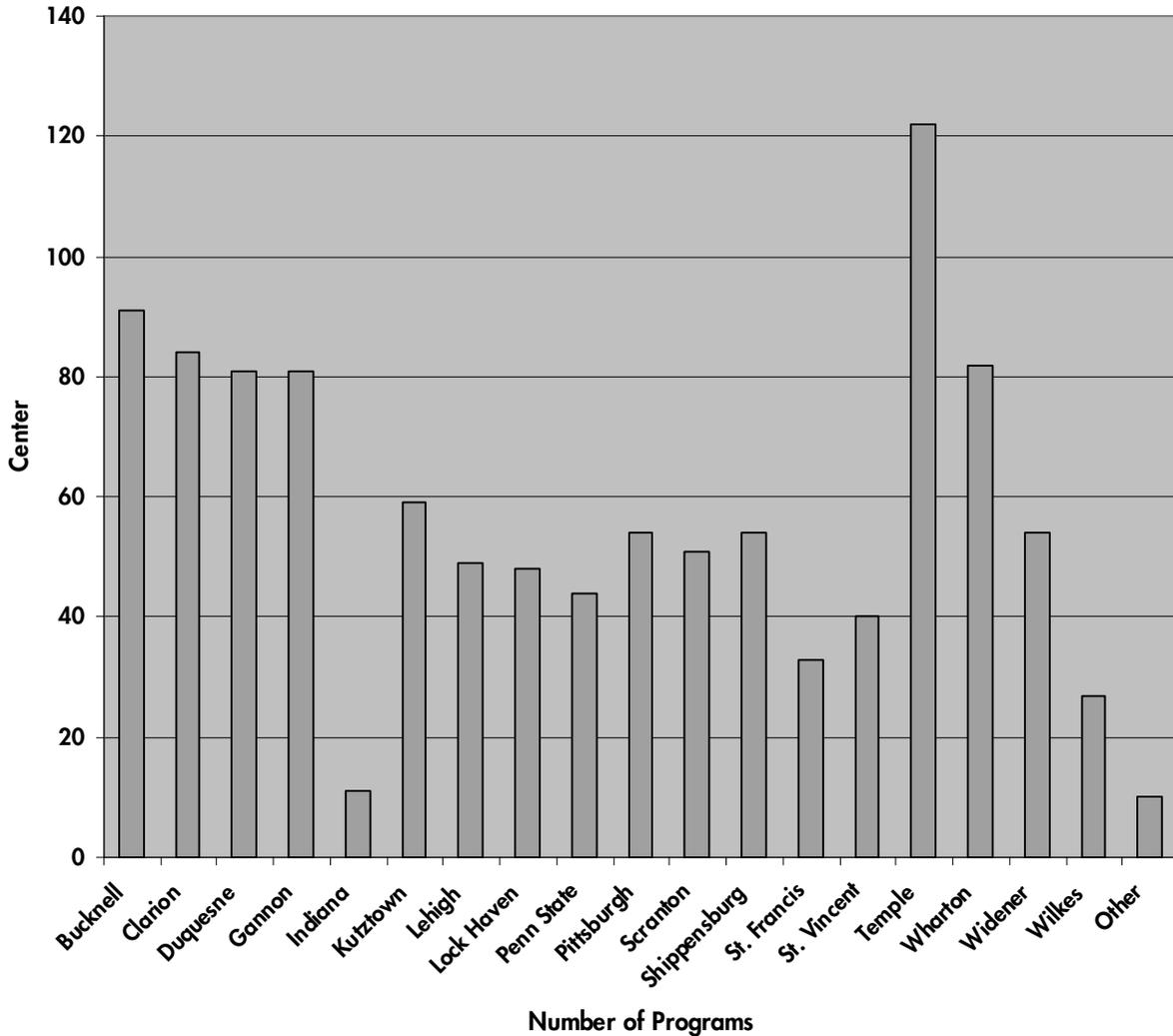


Training

Pennsylvania SBDC educational programs serve to inform and assist entrepreneurs with the many tasks a new business owner faces. Partnerships with SCORE and local Chambers of Commerce, among others, enabled the network to educate **20,026 individuals** in a total of **1,075 workshops and seminars** held in the past year.

All of the Pennsylvania SBDCs offer First Step workshops to help entrepreneurs looking to start their own businesses. The **302 First Step workshops** offered served to assist **3,482 aspiring entrepreneurs** in starting down the path to successful business ownership – evaluating business ideas, developing a business plan, and exploring financing options.

Educational Programs



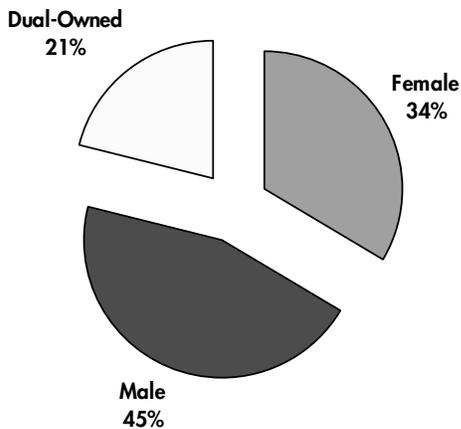
Information

The Pennsylvania Small Business Development Centers ensure that business owners and aspiring entrepreneurs are armed with the resources necessary to make intelligent business decisions. Every center compiles available business and financing resources to provide individuals with the best and most comprehensive information available to them. Examples range from the state’s *Entrepreneur’s Guide for Starting and Growing a Business in Pennsylvania* to more complex information regarding patents, trademarks, and copyrights as well as disaster preparedness resources.

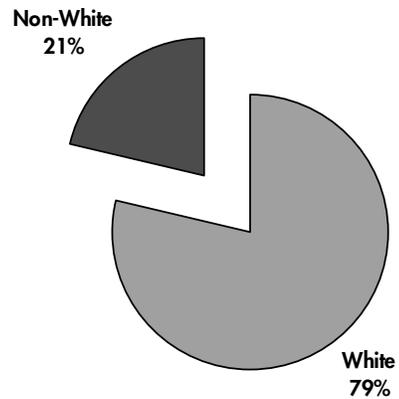
Demographics

Entrepreneurs served in 2008 represent Pennsylvania’s diverse populace. Well **over half of clients assisted were woman- and jointly-owned firms** and **21% counted themselves as minorities**. Clients also represented a variety of industries as shown.

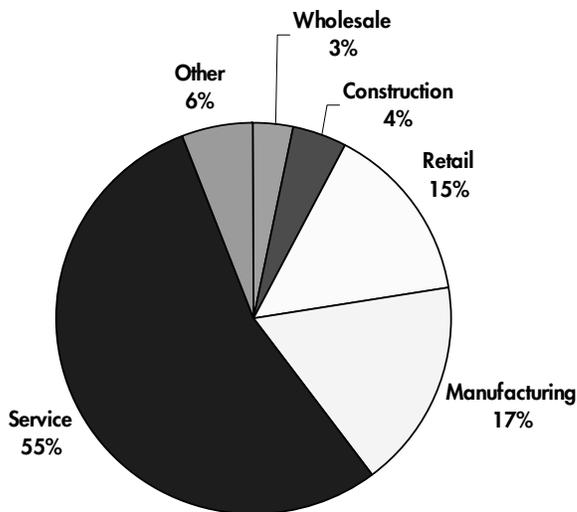
Client Ownership



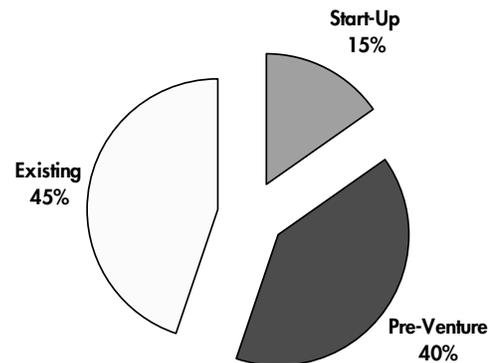
Client Race



Industry Sector of Clients



Age of Business



MILITARY STATUS

Veteran	
Service-Disabled Veteran	
Non-Veteran	
Unknown/No Response	

CLIENT TOTAL

739
116
6,585
1,946

100 ADVOCACY

The past calendar year delivered a series of blows to the small business owner. The value of the dollar dropped, consumers stopped spending, gas prices soared, and, most problematic, banks under duress tightened lending standards, recalling loans and lines of credit. These new hardships sprung from a broken economy which awaited a new administration and many months to heal.

The SBDCs recognized the direness of the small business owner's circumstance, challenging even in normal economic conditions. Caucusing with legislators and economic development partners, the SBDCs responded to businesses through participation in several outlets:

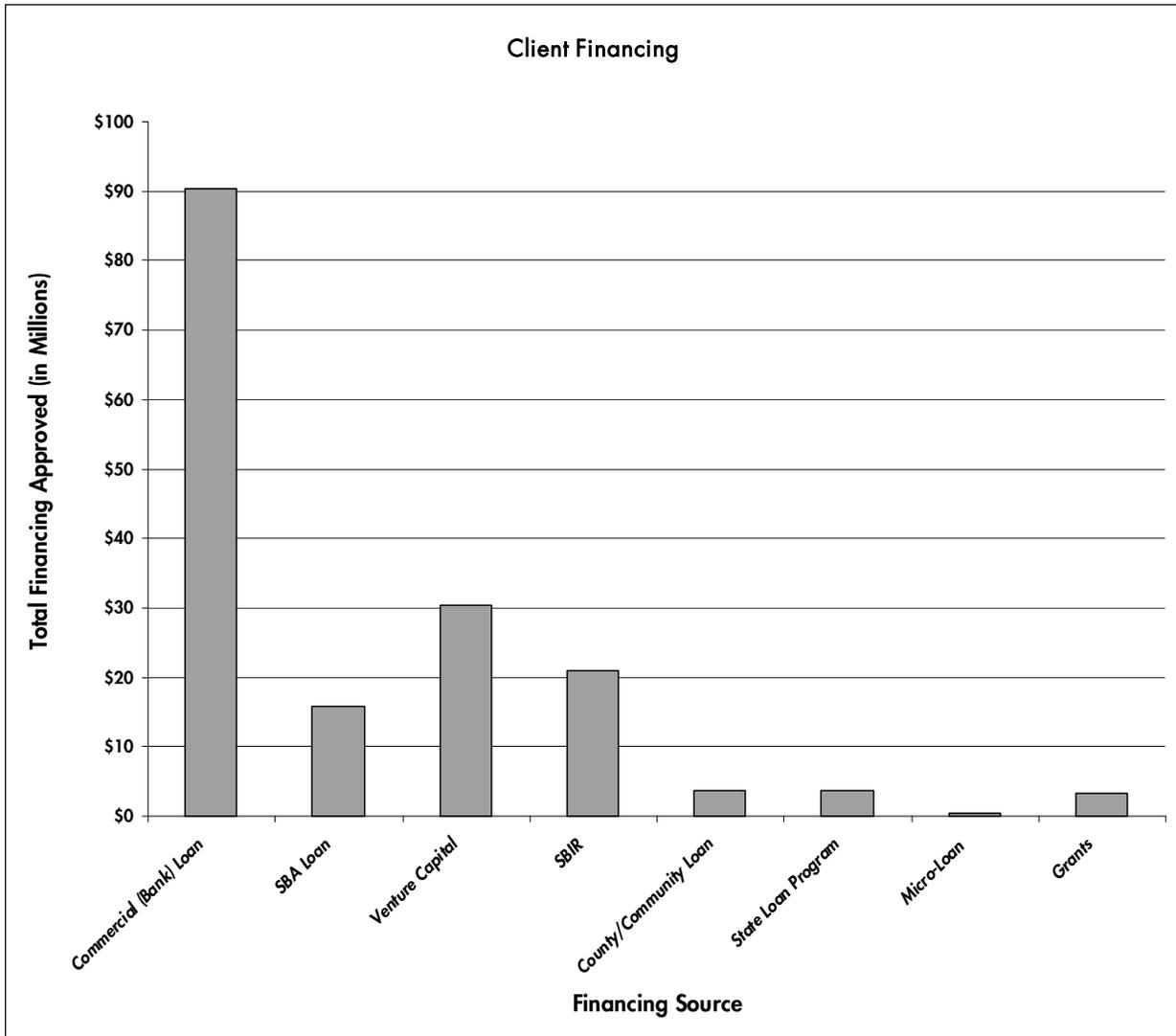
- The **Temple University SBDC** partnered with key legislators to develop seminars and panel discussions as a response to educate business owners about how to cope with the challenging economy. US Senator Arlen Specter, for instance, invited the SBDC to lead a session "How to Find Funding in a Tight Credit Environment" in Philadelphia.
- The **Gannon University SBDC** gave a presentation to the Colony Plaza Merchant Group Association to explain how to improve business during a downturn. Discussion centered on financial analysis, marketing techniques, and overall improvements to management knowledge.
- The SBDCs developed a statewide curriculum to help businesses respond holistically to new challenges brought by the recession. "Gaining Ground in an Economic Slowdown," offered by the **Wilkes University SBDC** among others, identified a number of areas small businesses should address to ensure survival, covering cash reserves and social media marketing strategies.
- The SBDCs promoted small business successes as they occurred, generating publicity for clients and small businesses in general. The **Saint Vincent College SBDC**, for instance, attended grand opening ceremonies for its clients, including Excel Glass in Jeannette, Pa. The **Kutztown University SBDC** recognized small businesses for sustainability and job creation initiatives at its Decision Makers Forum.
- The **Wharton SBDC** collaborated with the CPA Institute of Pennsylvania to present a four-part educational program on Basic Financial Accounting and Tax. The course teaches entrepreneurs how to make good business decisions, how to monitor their business, and how to plan for future growth using basic accounting tools.
- The **University of Pittsburgh SBDC** connected with the Northern Allegheny Chamber of Commerce to offer the "Understanding the Financial Condition of Your Business" seminar. The workshop covered how to review and identify key financial ratios and indicators in financial statements, how to manage and forecast cash flow, how to understand cost behavior and classification, and how to use operating cycles to advantage.

200 CAPITAL FORMATION

The past year marked an unusually challenging year for small businesses as the economy deteriorated. Access to capital became notably difficult as lenders increased lending requirements beyond the reach of most small firms. The SBDCs acted in a number of ways to support business development activity, finding **\$217 million** for clients in the 2008 calendar year:

- In an effort to maintain strong relations with banking and financing resource partners, the **Lehigh University SBDC** attended 47 meetings and functions with representatives of these organizations. The events enabled the SBDC to promote the broad array of services and training programs available for clients and keep abreast of new developments regarding small business credit.
- The **Temple University SBDC** assisted a client with reducing debt incurred by the business. Much of the debt was financed through high interest rate credit cards; through the SBDC, the client was able to obtain a personal loan from PNC bank for \$25,000 to refinance the credit card debt and use as working capital.
- In a tough credit environment, the SBDCs looked to its extensive network to find non-traditional sources of financing for clients. The **Wilkes University SBDC** was actively involved with the Schuylkill County Revolving Loan Fund, the MetroAction Microloan program and the Local Entrepreneurship Assistance Program, for instance. In total, the center assisted clients in receiving over \$3 million in financing in 2008.
- The **Clarion University SBDC** helped 65 clients raise \$10 million in start-up and expansion capital. Concrete Simplicity Consulting and Supply, in Clearfield County, for example, secured \$100,000 from the North Central Pennsylvania Regional Planning and Development Commission and a \$100,000 commercial bank line-of-credit to begin its operations. The new business is a woman-owned material supply and engineering service supporting the construction industry.
- The **Gannon University SBDC** helped capture over \$4.7 million in small business investments for Warren County in 2008. Detailed financial projections from the SBDC helped raise nearly \$2 million for the initial investment for the new Hampton Inn at North Warren, for instance. A substantial amount of additional funding has been acquired to finalize the hotel, set to open early this year.
- A minority-owned veterinary hospital opened for business in Lehigh County in December, thanks to help from the **Lehigh University SBDC**. Development of a business and financial plan helped secure \$208,000 in total commitments to complete total project costs. The financing consisted of a secured SBA term loan as well as three different lease arrangements for the purchase of various equipment needed for the business.

- Financing dollars have also enabled existing businesses to grow. A **Penn State SBDC** client was able to expand his music retail store through a \$225,000 loan. The business added seven new jobs and the owner predicts he will be able to double his sales volume in the next five years.
- The **Saint Francis University SBDC** reported continued success, despite the recession environment, logging a total of 83 owner investment, loan and grant approvals during 2008. The \$10.5 million approved supported the start-up of 11 new businesses, the purchase of six businesses, and the expansion of seven businesses. This enabled these businesses to create 122 jobs, based on information reported back to the center.



300 INNOVATION & TECHNOLOGY TRANSFER

The shrinking economy did little to inhibit entrepreneurial creativity and the push for new innovations. Demand for technology consulting services focused on property rights protection, trade financing, copyrighting, and patent searches remained high over the past year. The SBDCs complemented these services with market identification, financing sources, and educational training.

Financing

- The **Wharton SBDC** helped clients raise substantial venture capital and private equity: over \$20 million in 2008 alone. Dr. Ranjan Das, of Y-Carbon, worked with the SBDC to develop his plan for seeking early stage funding for applications of his nanotechnology. He raised \$650,000 from Ben Franklin Technology Partners of Southeastern PA and two private sources.
- The **Lehigh University SBDC** had a key role in Originate Ventures, a regional vehicle for moving new and innovative business ideas to private investors. The SBDC's role continues to be the identification, development, and grooming of entrepreneurs with innovative ideas so that they are well-prepared for the realities of the investment process. Three SBDC clients made presentations; a veteran-owned and student-founded business successfully raised \$500,000 for a second round of private equity.

SBIR/STTR

- Preparation of Small Business Innovation Research and Small Business Technology Transfer proposals resulted in sizable awards for clients of the **Kutztown University SBDC**. Eight clients were approved for awards in this reporting period.
- A consultant of the **University of Pittsburgh SBDC** twice served on a National Science Foundation SBIR commercial review panel, evaluating commercial merits of proposed projects. The experience translated to a deeper understanding of successful awards which was shared throughout the Pennsylvania SBDC network. In the fall, the SBDC joined its client Nokomis of Charleroi, Pa. to celebrate its \$9.9 million Phase III SBIR award.

Microvouchers

- The **Temple University SBDC** connected a number of small businesses to the Innovation Partnership, a statewide consortium of which the Pennsylvania SBDC is a member. The program awarded \$3,000 microvouchers to several clients for grant writing assistance. Science and technologies in development by these awardees included: simulation technology combining ethical decision-making with critical thinking skills; anti-epileptic compounds; drugs based on therapeutic peptides; assays for early detection of liver cancer; point of care diagnostic systems.

Education

- The **Lock Haven University SBDC** co-sponsored a "Greenovation" competition in Williamsport with the Ben Franklin Technology Partners, Industrial Modernization Center, and the

Manufacturers' Association of Central PA. The contest focused on new green products and green initiatives.

- “The Quest for Cash: Unlocking the Mysteries of Venture Capitalists, Institutional Investors and Angels” proved a popular workshop at the **Duquesne University SBDC**'s 2008 Entrepreneur's Growth Conference. The SBDC holds the conference annually, always offering a number of sessions which explore financial opportunities and resources used to grow business.

Resource Development

- The Erie Technology Incubator, which celebrated its grand opening in October, counts the **Gannon University SBDC** as a key partner. The SBDC technology consultant will provide training assistance to incubator clients on-site.
- The **Wilkes University SBDC** co-sponsored a regional symposium that featured the Federal Laboratory Consortium and related technology programs businesses can access for new technology development. The SBDC has made proactive efforts to educate technology clients about new resources over the past year.

Engineering Development Services

- Solair Energy Systems, a client of the **Lock Haven University SBDC**, received help in designing a new solar heat exchanger complete with manufacturing instructions and component specifications through the program.
- Through the **Bucknell University SBDC**'s Engineering Development Services (EDS), small business clients have access to a broad range of direct technical assistance, including engineering design, analysis and prototyping activities. Clarion Research Group, a client of the **Clarion University SBDC**, prototyped its VeinStay dental device through EDS. In total, EDS provided such assistance to 86 clients in 2008.

400 INTERNATIONAL TRADE

A favorable market for US exports proved to be a highlight of an otherwise tumultuous year for small businesses. With the domestic sales falling and the dollar dropping in value against other currencies, business owners sought to diversify their customer base and plumb markets abroad. Many, however, had no experience with international trade.

International trade consultants help clients to identify the best foreign markets for products or services and to locate trade leads. The SBDCs also work closely with Pennsylvania's overseas offices, where in-country experts review international strategy. As an extension of the SBDC's consulting services, workshops are offered to help familiarize firms with international trade issues such as international insurance and cross-cultural communications.

Each year, the Pennsylvania SBDC introduces thousands of small businesses to overseas markets through its no-cost business assistance services. In the past year, SBDC consultants provided international

business assistance in 630 sessions, resulting in an increase of **over \$52 million in overseas sales**. The increase in export sales helped to offset shrinking domestic sales, enabling companies to retain and even increase their employee base.

Some examples in the latter half of the year include:

- Clients of the **Saint Vincent College SBDC**, representing industries in composites, specialty valve manufacturing, safety and security, engineered castings, battery terminals, fired heaters and strip drying systems, reported nearly \$18 million in export sales, up more than \$5 million from the previous year. These clients reported an increase of 11 jobs in 2008.
- The **Gannon University SBDC** provided a total of 504 hours of international business consulting and six related seminars, covering topics such as export/import basics, export compliance, NAFTA, and international marketing. After attending one such seminar, an individual from Eriez Magnetics followed up with the SBDC to develop a written export compliance manual and management system in place. The company later reported a 10 percent increase in export sales in 2008.
- After receiving multiple inquiries from customers in Canada, a Venango County company in operation since 1878 contacted the **Clarion University SBDC** for assistance in entering this market. The SBDC tapped the international consultant at the Gannon University SBDC, who walked the client through export shipping logistics, export documentation, NAFTA rules of origin and quote structuring for Canada. The SBDCs also introduced the client to several regional export assistance economic development partners, including Northwest Commission and U.S. Commercial Service. The client reported successful initial export sales to Canada in the amount of \$15,500.
- Once a small firm has determined there is a market for products or service, they frequently need assistance in researching these markets and competitors. The **Lehigh University SBDC** continued to evidence strength in providing targeted research to clients looking to enter overseas markets. The SBDC completed 48 market research reports to these clients in the past year representing 30 different countries, including a company producing fruit juices from Brazil. The company received detailed information specific to Spain and Portugal covering the duties, market restrictions, and labeling requirements.
- The **Kutztown University SBDC** assisted seven clients in obtaining Market Access Grants, by which the applicant can apply for a matching grant of up to \$5,000 for trade shows, visits with overseas prospects and clients, and for web site internationalization. In total, clients receiving international business assistance from the SBDC reported \$16.7 million in exports, 76 jobs retained, and 17 jobs added for 2008.
- The **Wilkes University SBDC** continues to notice an increase in clients' interest in international trade. Requests include how to do retail sales over the internet internationally, prime imports to

sell in the US, and outsourcing as a means of cutting operational costs. Representatives of the SBDC serve on the steering committee for the Regional Export Assistance Network together with other international trade service providers to coordinate provision of services.

500 MINORITY BUSINESS DEVELOPMENT

The Pennsylvania SBDC provided a full range of services to **2,011 minority clients** in 2008, representing **21% of the total client base**. Direct client assistance with certification programs, development of business plans, SBA 8(A) loan applications, and partnerships to increase outreach to minority business owners remained a priority for the network.

- The **Lehigh University SBDC** assisted 117 minority-owned enterprises in 2008, including a minority- and woman-owned day care center franchise. With help from the SBDC, the client received \$336,000 in financing needed to open the center in December. The business created five new jobs.
- Certifications help position minority small businesses to win government contracts. The **Duquesne University SBDC** offers as example an electrical contracting business in Washington County, which received assistance with a business plan and financial projections necessary for MBE certification. This designation enabled the client to submit a proposal for the new Pittsburgh Penguins arena, resulting in a multi-year project.
- The SBDCs ensure minority businesses are aware of procurement opportunities like these at the federal, state, and local level. Educational programs about minority business certification are a staple in SBDC educational offerings. The **Widener University SBDC** hosted one such program, “How to Take Advantage of Minority and Women Business Certifications,” which was attended by more than 100 people. A new stadium project in Chester will present a number of opportunities for small businesses to win business.
- As minority clients account for 46% of the **Temple University SBDC**’s total client base, the center is particularly engaged in efforts to expand available resources for minority business enterprises. The SBDC’s involvement with the Philadelphia Business Builder Loan Program is one such example. The small business lending program is geared towards increasing access to capital in low- to moderate-income and predominately minority areas. The collaborative effort is supported by the Greater Philadelphia Urban Affairs Coalition, several area banks, Philadelphia Development Partnership, and Consumer Credit Counseling Service of the Delaware Valley.
- A \$50,000 loan pool will benefit the growing Hispanic business community, thanks to a sponsorship from National Penn Bank and the **Kutztown University SBDC**’s Latino Business Resource Center. Microloans are awarded based on business owners’ success in the SBDC’s “Business Skills for Success” seminar, wherein attendees craft a feasible business plan and follow up with the SBDC for continued consulting support.

- Several centers, including the **Shippensburg University SBDC**, work with the Association Helping Entrepreneurs Achieve Dreams (AHEAD) to meet the needs of low-income and minority entrepreneurs. The SBDC, in tapping into network resources at the **Kutztown University SBDC**, introduced Spanish-speaking support for upcoming AHEAD programs.

Outreach to minority businesses in the past six months showed results:

- The **Saint Francis University SBDC** reached 114 minorities in seminars offered during the year, connecting with a woman looking to pursue her dream of opening a pottery studio after being downsized from her job. The SBDC assisted with her start-up plans, including development of a business plan, pricing recommendations, and a marketing strategy. She secured a lease to house the business in the last quarter of 2008.
- The **Temple University SBDC** was able to help a client looking to open a beer distribution business in West Philadelphia. Besides business planning, pro-forma statements, and loan application help, the SBDC reviewed zoning procedures and helped the client obtain a letter of support needed to start the business.

600 RESOURCE DEVELOPMENT

The Small Business Development Centers are creative in developing resources for the small business community. By participating on various boards and planning committees and attending events related to economic development, the SBDCs maintain a face in their respective communities. This visibility raises awareness of SBDC services, generates referrals, and keeps the centers connected to small business issues. Some ways the SBDCs leveraged partnerships in the latter half of the year include:

- The **Lock Haven University SBDC** held a Banker's Roundtable in October to discuss current economic issues with representatives including city, county, and local government officials, several local banks, representatives of chambers of commerce, SBA, SEDA-COG, the Williamsport/Lycoming KIZ and the Downtown/Main Street program. The discussions served to elevate awareness of small business lending issues and suggest appropriate responses from the community.
- In continuing to work with more retail businesses in commercial corridors, the **Temple University SBDC** sought new resources to cater to the needs of these businesses. The SBDC learned of the newly-formed Merchants Fund, providing working capital grants to retailers in Bucks, Chester, Delaware, Montgomery, and Philadelphia counties, and connected a client to a \$1,700 grant to purchase equipment needed to expand the business.
- The **Kutztown University SBDC** worked in cooperation with the Harrisburg Regional Chamber and Capitol Region Economic Development Corporation to develop a training program targeting

minority- and woman-owned businesses. As part of the training, the SBDC advised of available contracting opportunities with the government as a means of building business.

- York County now boasts an Entrepreneurial Support Alliance, coordinated by the York KIZ/Economic Development Corporation thanks in part to active participation from the **Shippensburg University SBDC**. The ESA will serve as a “one-stop” shop for information on entrepreneurial and business support service organizations operating in the county.
- The **Wilkes University** and **University of Scranton SBDC** coordinated a regional Buy Fresh/Buy Local chapter for farmers and agribusinesses in northeastern Pennsylvania. The Wilkes SBDC also worked actively with local business associations to form the Great Valley Independent Business Alliance in Wilkes-Barre.
- In response to clients’ need for assistance with developing financial projections and statements, the **Temple University SBDC** piloted an accounting clinic to provide these support services. The program, which utilizes accounting students for financial modeling services, is modeled after the center’s legal clinic.
- The **University of Pittsburgh SBDC** works with the Carnegie Mellon University’s Pennsylvania Infrastructure Technology Alliance, using the Intelligent Workplace Energy Supply System to assist SBDC clients with product development. The center also works with the Swanson New Product Development Center as a resource for engineering assistance. The Swanson Center in turn uses the SBDC as a resource for companies looking to determine the market feasibility of new products in development.
- Top-notch professionals from McKinsey and Deloitte, two leading strategic consulting firms, offered recommendations to the **Wharton SBDC** for consulting projects. Such partnerships help the SBDC to maximize the impact of consulting engagements with clients.
- County economic development organizations are a critical resource partner for the **Saint Francis University SBDC**. Five outreach offices, located in Blair, Cambria, Huntingdon, Somerset, and Fulton counties, are in conjunction with these agencies. In many instances the agencies are the first point-of-contact for clients, and the SBDC work cooperatively with economic development personnel to provide coordinated services.
- Key relationships with legislators enable the **Duquesne University SBDC** to maintain outreach efforts in McKeesport, Monroeville, and Elizabeth. Legislators provide meeting space and a stream of referrals to the SBDC.
- The **University of Pittsburgh SBDC** worked to form a strong referral alliance with Waynesburg University in Greene County and California University in Washington County. The SBDC is now also able to draw on the strengths of these institutions for client projects.

- Through a sponsorship from the Pike County Industrial Development Company, clients of the **University of Scranton SBDC** now have no-cost access to an entrepreneurial library of current research materials.
- The **Lehigh University SBDC** worked closely with the Ben Franklin Technology Partners and the Northeast PA Angel Network to maintain an interface between entrepreneurs with viable business opportunities and motivated local private investors. During 2008, the SBDC's referral of three clients to the Ben program resulted in \$375,000 in financing.
- The SBDC's **Environmental Management Assistance Program** provided input to the Department of Environmental Protection's Small Business Ombudsman for its Small Business Energy Efficiency Grant Program. EMAP continues to work closely with clients to complete applications for another successful grant program available for energy efficiency and pollution prevention upgrades.

700 PROCUREMENT

Government, the world's largest buyer of goods and services, presents a potentially lucrative market for small businesses through contracting and sub-contracting opportunities. These opportunities come with strict requirements that many small businesses are not prepared to meet. The SBDCs provide the technical one-on-one assistance, training and education, and access to resources to increase the number of small businesses entering and expanding into federal and state procurement.

The lion's share of SBDC government marketing activities occur through the Southeastern PA **Procurement Technical Assistance Program**, located at the **Kutztown, Lehigh, Temple, Wharton,** and **Widener** University SBDCs. In 2008, clients secured **1,067 contracts** and **689 sub-contracts**, totaling **over \$248 million**.

- Through the PTAP, these centers, including the **Widener University SBDC**, provide government marketing research services that include training in how to use online search tools to find contracting agencies and procurement representatives and how to identify subcontracting opportunities and determine the amount of procurement activity conducted for their particular product or service. In addition, the procurement consultants assist clients with proposal development, solicitation responses and contacts with Small and Disadvantaged Business offices in various federal agencies.
- Helicopter Tech, Inc., founded by President and CEO Rachel Carson in 1995, is one example of a how a company can grow its business through government contracts. Carson began relooking for growth in domestic markets after sales from overseas markets dropped. With help from the **Kutztown University SBDC** government procurement consultant, Helicopter Tech secured a contract from Hill Air Force Base, beating out multi-million dollar companies also competing. The contract incorporates landing gear systems for 34 fixed wing aircraft airplanes and one roto-

craft (helicopter). Helicopter Tech, Inc. has since grown to become a top competitor in the aviation replacement parts industry.

Other examples of procurement activities over the last year are as follows:

- During the second half of the year, several SBDCs, including the **Saint Vincent College**, **Shippensburg University**, and **Wilkes University SBDCs**, offered training and information seminars to educate small businesses about market development potential, opportunities, and possible pitfalls of the government contracting process.
- Partnerships enabled the SBDCs to provide targeted opportunities for clients. The **Widener University SBDC** worked closely with Congressman Joe Sestak, serving on panels for the Veterans Summit and coordinating aspects of the Workforce Development Summit covering procurement. The **Kutztown University SBDC** partnered with SEDA-COG for a “Doing Business with Letterkenny” Conference, which focused on federal opportunities. Representatives from the Letterkenny Army Depot, British Aerospace, Naval Inventory Control Point, and the Pennsylvania SBDC’s Southeast PA Procurement Technical Assistance Centers attended.
- Obtaining certification as a minority or woman-owned business is one specific way small firms can capture federal, state and local government contracts and subcontracts. In pursuing opportunities to increase minority small businesses’ share of procurement dollars spent by the private sector, the **Penn State SBDC** held a MBE/WBE workshop with 21 attendees while the **Wharton SBDC** published an article in the *Philadelphia Business Journal*, “Making the Most of your Minority Business Certification,” identifying lessons learned by those who have been successful in selling to the government.
- The **Temple University SBDC** targeted private companies in the construction industry for leads. The center partnered with a major construction company in Philadelphia to sponsor the event “Doing Business with Gilbane.” The event was marketed to minorities in an effort to attract MBE/WBE contractors for numerous construction projects currently underway.
- Assistance with accessing financial resources, including traditional (commercial lenders) and non-traditional (public lenders, revolving loan funds and agency backed programs), is another way the SBDCs supported small business bidders in 2008. The **Clarion University SBDC** continued to demonstrate its strength in helping small firms access capital needed to prepare to fulfill procurement requirements.
- The **Duquesne University SBDC** completed a 30-page guide, “Getting Started with Government and Private Contracting.” The guide includes frequently asked questions on selling to the government and provides an overview of purchasing requirements, steps to prepare to bid, and resources to improve operating systems to meet contracting compliance standards.

- The SBDCs also link small business clients with additional technical and networking resources. After helping a client become certified as a Woman-Owned Business Enterprise, the **Gannon University SBDC** referred her to the Northwest Commission’s procurement specialist to begin the process of bidding on contracts. The **Saint Francis University SBDC** provided another connection, joining Johnstown Area Regional Industries and several other organizations at a procurement expo to introduce prospective bidders to federal agencies.

800 SPECIAL FOCUS

Displaced Workers

The SBDCs have a long history of helping displaced workers explore entrepreneurship as a career option. With the economy flagging and job losses becoming more common, several centers stepped up efforts to reach these individuals.

- The SBDC reached out to local CareerLinks to help raise awareness of the SBDCs’ First Step workshops. The **Saint Francis University SBDC** saw high attendance in its First Step seminars through this outreach.
- The **Duquesne University SBDC** continued to help unemployed workers transition to business ownership through the Self-Employment Assistance Program. In the latter half of 2008, the SBDC helped one such client develop her own life and disability insurance firm, providing assistance with her marketing plan, website, and overall business plan and projections.

New Graduates

As the job market contracted, decreasing prospects for new graduates, the SBDCs responded by introducing entrepreneurship as a viable option for generating income.

- The **Gannon University SBDC** presented its First Step workshop to massage therapy students at the Great Lakes Institute of Technology. Several students followed up to receive one-on-one consulting from the SBDC.
- The **Penn State SBDC** also introduced business start information in a senior-level course at the university on landscape contracting while the **Indiana University of Pennsylvania SBDC** instructed nursing students on the basics of business plans. Several students followed up to receive one-on-one consulting from the SBDCs.
- Vo-Tech students from Northampton County became familiar with assessing business ideas, competitive analysis and business planning, ultimately developing a business plan, through the **Lehigh University SBDC**’s “Own Your Own©” curriculum.

Vocational Rehabilitation

Though the SBDCs typically assist individuals who have successfully cleared the earliest stages of business feasibility evaluation and refinement, a partnership with the Department of Labor and Industry's Office of Vocational Rehabilitation (OVR) presents a notable exception. OVR aims to provide services to individuals that enable them to prepare for, enter into, or retain employment. Some SBDCs participate when self-employment is an option. Examples of this relationship in 2008 include:

- Individuals who meet business feasibility requirements can obtain a direct cash match grant of up to \$10,000 through the program. In addition to vetting the feasibility of six clients, the **Lehigh University SBDC** helped one taxidermist obtain an OVR grant to match his investment to purchase equipment and supplies. The business launched in early December in time for the hunting seasons. Previously, the client was living on disability income, unable to pursue employment outside the home. He is now poised to fully support himself with the business.
- Individuals who meet business feasibility requirements can obtain a direct cash match grant of up to \$10,000 through the program. The director of the **Lock Haven University SBDC** serves on the loan review committee at the local OVR.
- The **Clarion University SBDC** provided training for OVR focusing on transitioning individuals who were unemployed. At least two individuals have started a business in following up with the SBDC, including a home inspection service.

Targeted Assistance

- Pennsylvania businesses in the wood industry stand to benefit from a rural business enterprise grant received from the US Department of Agriculture last year. Several SBDCs, including the **Clarion University, University of Scranton, and Penn State SBDCs**, began efforts to identify the industry cluster and provide environmental consulting, among other services, to wood businesses.
- The **University of Pittsburgh SBDC** focused on issues critical to the agricultural industry, including ag-tourism, farmers' markets, business and entrepreneurial issues, through its involvement in the Washington County Agricultural Program Committee. The SBDC raised the profile of local agriculture in economic development initiatives and promoted available resources to this industry.
- The **Kutztown University and University Scranton SBDCs** took steps to help small restaurants struggling with rising food costs and the sluggish economy through targeted training.

900 ECONOMIC DEVELOPMENT

Industry Clusters

- Pennsylvania businesses in the wood industry stand to benefit from a rural business enterprise grant received from the US Department of Agriculture last year. Several SBDCs, including the **Clarion University** and **University of Scranton SBDCs**, began efforts to identify the industry cluster and provide environmental consulting, among other services, to wood businesses.
- The **University of Scranton SBDC** was also part of a Strategic Teams Accelerating Regional Stimuli (STARS) initiative, with a focus on the Food Processing & Food Service industries. This strategy of clustering around regional and academic strengths is currently being implemented in cities across the United States. The STAR initiative is supported by the Northeastern Pennsylvania Technology Institute, the Northeast Pennsylvania College and University Presidents, The Greater Scranton Chamber of Commerce, The Greater Wilkes-Barre Chamber of Business and Industry, and the Greater Hazleton Chamber of Commerce/CAN DO. The group conducted extensive research and identified tangible action items to stimulate economic activity within the Food Processing and Food Services Industries in Northeastern Pennsylvania.

Main Streets and Downtowns

- The **Lehigh University SBDC** worked closely with the Main Street Coordinator at the Lehigh Valley Chamber of Commerce to develop a publication outlining resources and marketing strategies for distribution to retail businesses.
- A partnership with the Pocono Northeast Resource Conservation and Development Council, among other economic development partners, has enabled the **Wilkes University SBDC** to identify needs of the rural business community and coordinate programs that respond to the region.
- The **University of Scranton SBDC** presented “Succession Planning for Small Businesses” at the Annual Meeting of the Pennsylvania Downtown Centers, encouraging interaction between Main Street Managers and the SBDC.

Incubators

Business incubators enable entrepreneurs to transition into business ownership with support services, such as reduced rent and consulting assistance. The SBDCs continued to support high tech, kitchen, and retail incubators in 2008:

- The **Temple University SBDC** supported incubator activities by evaluating the feasibility of business plans of potential tenants. Upon acceptance into the program, business owners were

required to establish short- and long-term goals for their companies with evaluations occurring each quarter. Tenants met with business consultants monthly for recommendations.

- As a member of the Economic Restructuring Committee for Olde Town Grove City, the **Gannon University SBDC** advised efforts for establishing potential retail incubator in downtown Grove City. Several empty buildings have been toured and the development of a business plan is in progress.

1000 RESEARCH

Targeted research is part of the comprehensive consulting services clients receive from the SBDCs. Consultants tap into university resources, subscription databases and internet services that provide results such as: technical specifications, preliminary patent searches, demographics, sales prospects, competitor names, historical pricing, contract awards, sales leads, and market research. All full-time employees are required to complete Effective Business Research training to become familiar with the array of resources available for research purposes. Examples of research services in the past year include:

Client Services

- During 2008, research assistants at the **Lehigh University SBDC** provided over 1,054 hours toward 48 research projects for clients during 2008. One example of a project was for a company that developed and manufactures proprietary safety shelters for underground mines looking to assess the market potential in Russia. The SBDC identified where the mines are located and the volume. Accident statistics, government agencies, restrictions and regulations were all included in the report delivered to the client.
- Examples of topics researched by the **Penn State SBDC** in the latter half of 2008 represent a range of industries: craft brewery trends; turf grass management issues related to painting lines on athletic fields; Labor and Industry issues related to bed and breakfast occupancy permits; market trends in higher-end custom equipment for retail golf shops; and wood shavings cost and availability.
- The **Gannon University SBDC** performed research pertaining to the logistics of establishing a subsidiary in Mexico as well as industry research on the automotive 2nd and 3rd tier industries in Mexico for a client seeking to build a manufacturing facility. Research on business culture and climate in Mexico was also provided to the client. A referral for a local private legal business consultant specializing in the legal aspects of establishing a facility in Mexico was provided to the client as well.
- A client performing masonry and drywall installations at the Philadelphia International Airport needed information on software used to estimate construction work. The **Temple University**

SBDC researched and evaluated several estimating software. The client was able to select one and utilize the software in submitting a subcontracting bid for the work.

Commissioned Studies

- The **Clarion University SBDC** conducted a state-wide research survey on Pennsylvania Family Firm Institutes, reporting results to the president and other university administrators. In summary, the research demonstrated that Family Firm Institutes at most universities generated deficit budgets for the host institutions. The funding downturn usually occurred after a two to three year period of operation. Local family-run companies represented a limited market and the companies seemed to withdraw from the programs within five years.
- University faculty worked with the **Indiana University of Pennsylvania SBDC** to fulfill a research grant from the Center for Rural Pennsylvania. An “Examination of Small Business Owners in Rural Pennsylvania” is profiling rural business owners’ use of available resources throughout all phases of the business life cycle.
- The **Gannon University SBDC** compiled a research report on the effects that United States bilateral Free Trade Agreements have had on employment growth/deficit within the U.S. manufacturing sector. The research was conducted on behalf of the 3rd District in Erie, Pa. The majority of the completed report specifically concentrated on export/import data and job growth/loss data mainly to the NAFTA Free Trade Agreement.
- Through the SBA Portability Research Grant, the **Kutztown University SBDC** continued its evaluation of the effectiveness of using online learning methods to help nascent entrepreneurs with startup planning. The center completed the literature review, initial quantitative study, and the initial qualitative study in-depth interviews in the past year.
- The **Wharton SBDC** again led efforts to compile the list of the 100 fastest-growing companies in the Philadelphia area, known as the Philadelphia 100. The effort is a collaboration of the SBDC with the Entrepreneurs Forum of Philadelphia and the *Philadelphia Business Journal*.

1100 OTHER ACTIVITY

Entrepreneurial Education and Student Development

By employing students as consultants to support the small business activities, the SBDCs provide an important piece of students’ academic development. Client work exposes students to real-world examples of business, operations, management, and engineering issues. In addition to providing an opportunity for students to apply knowledge learned in the classroom, the interactions with SBDC clients prepare students for the workforce—or even business ownership—in helping them to develop independent work habits and interpersonal and project management skills.

In addition, many SBDCs are active in informing the growing trend of entrepreneurial curriculum at their host universities. Examples of efforts to develop students and entrepreneurial education in the second half of 2008 include:

- A new student consulting model continued to grow at the **University of Pittsburgh SBDC**. Teams of students work under the guidance of an experienced management consultant to help emerging enterprises in the region. Student teams worked with 165 entrepreneurs and helped 15 small business owners open their doors for business for the first time in the past six months. The teams also offered more than 1,926 consulting hours, supported entrepreneurs in creating 49 business and marketing plans, helped 11 businesses develop marketing materials, performed financial analyses for 39 businesses, and helped business owners secure \$1,560,000 in financing.
- Engineering Development Services offered through the **Bucknell University SBDC** often engage engineering students in client projects. The students are managed by staff engineers with over 40 years of industrial experience, as well as college staff and faculty offering design projects as part of the engineering curriculum. Students benefit by gaining hands-on experience; clients benefit by accessing technical expertise from a top-ranked engineering school.
- The **Shippensburg University SBDC** continued to increase the involvement of students in its work. The Students in Free Enterprise (SIFE) organization continues to work closely with the SBDC, often providing assistance with referrals. SIFE supports these organizations largely by focusing on enhancing their marketing activities. The SBDC also continues to formalize its intern program, focusing on assuring that students have a valuable learning experience at the center while providing value to SBDC clients.
- The **Temple University SBDC** worked closely with Montgomery County Community College staff on their entrepreneurship certificate program, offering yet another venue to promote entrepreneurship to business-minded students.
- High School students were introduced to entrepreneurship through the **Gannon University SBDC**. Over 100 students at Neshannock High School and over 150 students at New Castle High School participated in a weeklong business simulation program. The SBDC presented the traits and characteristics of entrepreneurs to the students.

1200 SUCCESS STORIES

See Section 3, Appendix B – SUCCESS STORIES.

1300 TRAVEL

Examples of travel in the second half of 2008 include:

- Several SBDCs, including **the Gannon University** and **Penn State SBDCs**, attended the national association of Small Business Development Centers' annual conference in Chicago, offering a range of professional development opportunities specific to the SBDCs' work.
- The **Clarion University SBDC** director attended the 2008 Financial Management Association meeting in Texas for professional development covering portfolio management, mortgage and credit markets, venture capital, and management consulting practices.
- The director of the **Kutztown University SBDC** traveled to a conference to present the findings from the SBA Portability Research study.
- In December, the Pennsylvania SBDC's Special Projects Director and the **Bucknell University SBDC's** Assistant Director of Technical Consulting met with the Missouri Small Business and Technology Development Center to explore best practices of services to technology clients. An online tool to assist clients in navigating new product development and technology commercialization is in development.

No other significant out of state travel occurred during this period.

1400 PROBLEMS

The current economic situation, loss of SBA DETA funding and state cutbacks have contributed to a constraint of financial resources for many SBDCs. In addition:

- Cutbacks with the Pennsylvania Labor and Industry's Self Employment Assistance Program impacted the **Kutztown University SBDC's** ability to respond to displaced workers at a time of rising unemployment rates. At the same time, the center is responding innovatively to the economic challenges ahead by redesigning job descriptions, consolidating office space, and utilizing web conferencing and online tools to serve an increasing number of people who need SBDC services.

1500 FINANCE

All invoices for the second half of 2008 have been submitted for processing.

1600 WOMEN'S BUSINESS DEVELOPMENT

During 2008, the Pennsylvania SBDC network worked with **3,121 women- and 1,953 jointly-owned businesses**, representing well over half of the total client base. Examples of services to women include:

- A laid-off worker was able to realize her dream of business ownership with the support of the **Gannon University SBDC** and a flexible local bank. Upon referral from the loan officer, the SBDC worked with the client on the written narrative and financial projections for a business plan for a proposed tavern. The client obtained \$105,000 to open the tavern in Warren, Pa.
- The **Clarion University SBDC** worked with 123 women-owned businesses in the calendar year and trained 519 women who attended SBDC-sponsored seminars. A total of 14 women-owned manufacturers received one-on-one consulting assistance, and 25 women-owned businesses who received financing that totaled \$3,047,459.
- A client helped by the **Duquesne University SBDC** opened her own kitchen and design firm after many years of working in her family's establishment. She successfully secured financing from the Urban Redevelopment Authority to finance showroom displays and working capital, working with the SBDC to address issues raised by the loan committee during the first loan review. The consultant helped the client summarize information relating to her credentials in the industry, abilities to manage the back office accounting and project management tasks, list the projects bid and acquired to date, and describe her abilities to obtain work on her own with a high end customer.
- The **Lehigh University SBDC** assisted 39 clients with women as primary owners or partners in the realm of product development. Preliminary patent searches, channels of distribution, manufacturing and prototyping referrals, and market research were among the areas of assistance.
- Building on the success of last year's single inaugural program, the **University of Scranton SBDC** offered two sessions of the Women Win! entrepreneurship series. The women participating in the series learned about entrepreneurship and start-up basics, business plan structure and development and finance options and applications. They performed individual self-assessments, used computers to explore research tools and set personal goals.

1700 ECONOMIC IMPACT

The Pennsylvania Small Business Development Centers, since its inception, has had a significant economic impact on the Commonwealth. With help from experienced SBDC staff, known as specialists in business plan and finance proposal development, small businesses have started new businesses, expanded operations, and created jobs. Despite the economic upheaval over the past year, the SBDCs helped clients purchase or open **537 new businesses**, create **1,307 new jobs**, retain **1,818 jobs** and **expand domestic sales by \$320,426,253** in 2008, all of which will help to rebuild Pennsylvania's economy.

The SBDCs have also continued to respond to new needs of business communities which have been continually impacted by downturns in major industries and competition from offshore producers and mass merchandisers. Response is evidenced by the array of programs presented to clients and organizations in

the business community and other aspects of economic impact have been highlighted throughout other sections of this report.

For examples of client stories which evidence this impact, see Section 3, Appendix B – SUCCESS STORIES.

1800 VETERAN BUSINESS DEVELOPMENT

A total of **739 veterans** and **116 service disabled veterans** were helped by the SBDCs in the past year, including the following:

- The **Bucknell University SBDC** helped a Navy war veteran combat serious challenges to business survival related to the slowing housing and construction industry. Shumaker Industries tapped the SBDC's Engineering Development Services (EDS) to submit a bid for a new specialty concrete mixing system for an international engineering firm. EDS reviewed the client's preliminary structural designs and performed sophisticated Finite Element Analysis calculations to verify key areas of the design. The analysis led Shumaker to confirm the success of the design, resulting in an award for the design and fabrication of the first unit, resulting in \$83,000 of new sales and a new product for the company. Purchasing the high-end engineering software available at the college of engineering would have been prohibitive for a small business.
- The **Saint Vincent College SBDC** worked with 23 veterans, including an Iraq war veteran. In conjunction with the SBDC, the client developed a formal business plan. She secured an SBA-guaranteed loan through PNC Bank to purchase a Curves franchise in West Newton.
- The **Clarion University SBDC** provided information on education, business and job opportunities for veterans at the Veterans Fair in Kittanning in August. The SBDC consulted with 33 veterans in a variety of business areas in the past year.
- The **Lehigh University SBDC** saw over 100 veteran-owned businesses in the reporting period. A service-disabled veteran-owned paving contractor was assisted with securing the financing necessary to purchase his business and was subsequently introduced to a local prime contractor in the demolition field. The two have partnered with other firms and in November submitted a proposal to the Army Corps of Engineers for a \$60 million contract to plan, coordinate and execute building and facility removal and demolition projects throughout the northeastern U.S. In total for 2008, five veteran-owned clients raised capital in excess of \$21 million for start-up and business expansion activities.
- The **Duquesne University SBDC** assisted 53 veteran clients in the second half of the year. One veteran bought a sushi bar franchise as a result of the assistance received. A consultant worked with the client on market research, the franchising process, and contract review. The client now

has two sushi bars – one in Giant Eagle, Century III Mall and one on Route 51 in the greater Pittsburgh area.

- In 2008, the **Wilkes University SBDC** consulted with 34 veteran owned businesses or preventure clients. One woman veteran successfully opened her coffee shop in a local downtown main street area, providing rejuvenation to an older main streetscape with a storied past.

1900 MANUFACTURING

Manufacturers have long faced challenges due to an industry-wide slowdown. In the 2008, **1,528 manufacturers** turned to the SBDC for assistance with identifying markets, finding cost saving opportunities, and obtaining capital to fund new strategic directions. Some found more favorable markets overseas, owing to the declining value of the US dollar against other currencies.

The SBDC provides confidential, one-on-one consulting to help manufacturers:

- Streamline manufacturing processes
- Optimize factory operations
- Integrate new technology
- Facilitate vendor contacts
- Increase global competitiveness
- Enhance work force development..

Examples of these services in the last six months include:

- The **Clarion University SBDC** consulted with seven manufacturers, six of which received financing totaling \$2,959,848.
- The **Gannon University SBDC** continued to support the Economic Development Center of Erie County Incubation program. Through this initiative, the SBDC helped a lighting manufacturing client successfully complete a strategic business plan and marketing strategy, resulting in a distributorship agreement with one of the region’s strongest electrical distributors.
- The **Saint Vincent College SBDC** continues to build strong relationships with its manufacturing clients. In calendar year 2008, the SBDC worked with 134 small and mid-sized manufacturing enterprises: 40% of the center’s client base. A success includes Harry E. Smith & Associates, Inc. of Rillton, Pa., who received its first order from the United Kingdom in December thanks to the SBDC’s international business assistance.
- In July, the **Lehigh University SBDC** began a partnership with the Manufacturers Resource Center (MRC) at the university. This partnership gave the SBDC a student dedicated to working with these clients, enabling the center to work with 15 businesses over and above clients that

which they work with on an ongoing basis. Examples of industries include: cosmetics and toiletries, industrial gases, pumps/valves, pharmaceutical, transportation, chemicals, and packaging products.

- Through its international business assistance, the **Saint Francis University SBDC** helped a Johnstown manufacturer of medical kits and research in bioinformatics continue to generate export revenue from consulting with companies in South Africa. The center served a total of 56 manufacturing clients in 2008.

2000 ONLINE ACTIVITIES

In August, the Pennsylvania SBDC began steps to revamp, reorganize, and recode www.pasbdc.org to make it a more useful resource for small businesses and partners. The new structure offers a quicker, more user-friendly way for entrepreneurs to find useful information for all stages of business.

Improvements include:

- Information is now segmented in “portals” that offer topic-specific services and resources – one-stop shops for information.
- “Quicklinks” boxes were added to nearly every page, enabling the site visitor to jump directly to related resources, such as an upcoming workshop or online tutorial, helpful links or downloadable brochure.
- The homepage features a current snapshot about the network, including upcoming SBDC workshops, regulatory alerts, featured SBDC news, a client success story, and new small business studies.
- Every page includes a zipcode-lookup feature to help site visitors locate their local SBDC and a Google search box to help find specific information quickly.
- The site is optimized to make it easier for individuals using search engines to find information.
- Finally, the new site adheres to accessibility guidelines set forth by the W3C’s Web Accessibility Initiative and US Section 508.

As budgets are limited, all work was done in-house.

The Pennsylvania SBDC also expanded its contract with SmallBizU to offer its online tutorials through all 18 centers. This suite of online programs, available at no cost, covers the following topics:

- Crafting A Business Plan
- Activeplans Business Plan Software
- Strategic Planning and Execution
- Starting a New Business
- Choosing a Legal Structure
- Buying a Business
- Hiring and Managing Employees

- Entrepreneurial Strategies
- Creating Buzz: Small Budget Marketing
- Market Insight and Research
- Positioning
- Pricing Strategy and Tactics
- Advertising and Promotions
- Marketing 101: the Fundamentals
- Understanding Intellectual Property
- Finding Money to Start a Business
- Creating a Loan Package
- Finding and Attracting Investors
- Creating Financial Projections
- Accounting 101: The Fundamentals
- Tax Seminars and Workshops

The **Clarion University SBDC** continued to develop its small business knowledgebase blog (<http://clarionsbdckb.blogspot.com>). The resource is designed for business owners, especially those thinking of starting a business. In 2008, the blog received 1,557 absolute unique visitors, 2,037 total visits, 9,695 page views, and average time on the blog of 2.56 minutes. SBDC consultants often utilize this research tool from remote locations and clients have been very receptive to the new tool.

The **University of Scranton SBDC** launched its online newsletter, *Small Biz Bits*. The newsletter highlights SBDC services and programs and contains pertinent information relating to small business. It is emailed monthly to over 2,000 partners, clients and other contacts.

2100 ENVIRONMENTAL MANAGEMENT ASSISTANCE PROGRAM

During 2008, the Pennsylvania SBDC's **Environmental Management Assistance Program (EMAP)** helped many small business owners find ways to offset rising energy costs – putting them in a much better position to weather the current economic downturn. Beyond energy, as the environmental assistance provider for Pennsylvania small businesses, EMAP continued to provide high quality environmental consulting assistance to help small business understand and comply with regulatory requirements.

In the last year, EMAP consultants responded to 785 requests for environmental information and provided over 8,600 hours of in-depth consulting assistance to 538 small business clients. EMAP consultants were invited to conduct 200 on-site visits at a wide range of businesses, from retail and commercial entities to manufacturers, assessing over 4,216,382 square feet of office, commercial and manufacturing space. Outreach efforts through presentations at conferences and other local partner meetings enabled EMAP to educate another 2,580 people about important environmental and energy issues as well as EMAP services.

For the 2008 funding cycle, EMAP clients received 43 percent of the total grant funding available through the Pennsylvania Department of Environmental Protection's (DEP) cost-share grant program, the Small Business Advantage Grant program. In the Commonwealth's fifth round of grant offerings, EMAP helped 81 clients to receive \$436,000 in grant awards to accomplish projects totaling \$1,136,018. EMAP clients also invested over \$700,000 of their own funds to successfully implement efficiency upgrades at their facilities.

EMAP consultants helped clients receive additional grant funds for their environmental and energy related projects. Engineered Plastics in Erie, Pa. received a \$500,000 Pennsylvania DEP Recycling Market Infrastructure grant to purchase equipment to recycle traditionally hard-to-recycle plastics; Windview Farm in Port Trevorton, Pa. received a \$100,000 National Fish and Wildlife Foundation Chesapeake Bay Conservation Innovation Grant to convert turkey waste to energy; and Susquehanna Smart Fuel received a \$462,000 grant from the Pennsylvania Energy Development Authority to expand their canola oil producing and bio-diesel manufacturing capacity by 120,000 gallons per year.

EMAP clients also won national and state recognition in 2008. EMAP clients won two of ten national US EPA Energy Star Small Business Awards. Priority Communications in Dubois, Pa. and Pine Forest Camps in Greely, Pa. were both selected as 2008 national award winners for their excellence in energy efficiency and because they serve as great examples of financial and environmental stewardship. At the state level, Matt Roberts of Keystone Pallet and Recycling won a 2008 Pennsylvania Governor's Award for Environmental Excellence. Since opening in 2004, Keystone Pallet and Recycling has prevented more than 1.6 million pounds of wood waste from being sent to the landfill. With EMAP's assistance, Keystone successfully implemented an innovative wood pallet collection system that has reduced the company's annual diesel fuel consumption by 2,600 gallons, saving \$7,200 per year in fuel costs and preventing 330 tons of carbon dioxide emissions.

EMAP continued to host two waste exchange websites for businesses to cut costs on both waste disposal and raw material acquisition. The websites received a combined average of 6,000 visits per month. A total of 115 farmers became members of Pennsylvania Manure Trader; an on-line resource dedicated to locating alternative uses for excess manure in Pennsylvania, and used the tool to find new markets for excess manure to comply with new restrictions developed to protect the Chesapeake Bay. More than 500 other businesses are members of Pennsylvania Material Trader and posted "wanted" and "available" materials on the website.

During the last year, the program's environmental consultants produced or co-sponsored 18 environmental, energy, and worker health and safety workshops offered to 756 attendees. Even more significantly, by attending the "First Step: Starting and Growing a Successful Business" workshop series offered throughout the Pennsylvania SBDC network, an additional 2,766 new and prospective business owners were educated on important environmental issues to consider when starting a business – thus continuing the SBDC's unique role of being able to reach entrepreneurs with valuable information and guidance before a business is started.

Along with DEP, the Pennsylvania SBDC and EMAP also helped plan and co-sponsored the 2008 National Small Business Environmental Assistance Program Conference held in June in Harrisburg, Pa. More than 120 attendees from other states and from the Environmental Protection Agency participated in the conference.

Responding to the needs of small businesses in Pennsylvania, EMAP developed some new outreach and education materials. One new brochure titled *Environmental Considerations for New Businesses* helps provides a laundry list of environmental issues to consider when starting a business. Another new brochure *EMAP Answers Questions about Air Permits in Pennsylvania* helps small businesses understand and navigate the air quality permitting process. For the many small businesses interested in “going green” and becoming more environmentally sustainable, the EMAP Building Block Approach to Greening Your Small Business was developed. Supporting materials include a brochure *Go Green Using the EMAP Building Block Approach*, *Go Green* postcard and a new section of the website, the green portal. The green portal includes additional information, links, incentives and other tools for businesses to improve their environmental management and become more efficient.

Special outreach projects included working with trade associations. EMAP worked with the Pennsylvania and Delaware Dry Cleaners Association (PDCA) to provide the necessary paperwork and compliance assistance for a July 2008 regulatory deadline that applied to all dry cleaners across the country. EMAP continues to work with the Pennsylvania Alliance of Auto Service Providers, attending local chapter meetings when invited and presenting information about applicable regulations and funding opportunities.

With the increased national emphasis on energy efficiency and alternative energy, EMAP continues to play a vital leadership role for these issues as they pertain to small businesses at both the national level and for other state programs. The EMAP director, Christopher Lynch, continues to chair the ASBDC Sustainability and Environmental Regulatory Interest Section – providing a much needed opportunity for state programs to share information and best practices. After the 2007 ASBDC annual conference, the Idaho SBDC invited the EMAP director and an environmental consultant to present information to their staff and lay program partners about EMAP’s award winning program, particularly in the area of energy efficiency assistance, which they did in January 2008. Idaho hopes to replicate EMAP’s program and offer energy efficiency assistance to small businesses in the state.

2200 KEYSTONE INNOVATION ZONES

The Commonwealth of Pennsylvania introduced Keystone Innovation Zones (KIZs) as a means to help the state leverage one of its greatest assets – its colleges, universities and research institutions – to foster innovation and create entrepreneurial opportunities that lead to new companies and new jobs. In aligning the resources of educational institutions, private businesses, business support organizations, commercial lending institutions, venture capital networks, and foundations, the SBDCs are a natural partner in this initiative.

Examples of ongoing developments surrounding the KIZ in 2008 include the following:

- The **Lehigh University SBDC** has served as a key member of the Southside Bethlehem Keystone Innovation Board (KIZ) for the past three years, along with other regional partners including Team PA, the Lehigh Valley Economic Development Corporation, Lehigh University and its wholly-owned subsidiaries Ben Franklin and the Manufacturer’s Resource Center, the City of Bethlehem and the Northampton Community College. Since its inception, the SBDC has provided counseling and access to support programs for over 25 start up companies many of whom received technology transfer grants totaling \$454,355 during this time period.
- The **Clarion University SBDC** is a partner of the Northwest Pennsylvania Keystone Innovation Zone and a member of the Tri-County KIZ economic development committee. An example of a KIZ company helped by the SBDC includes Clarion Research Group, featured in the SUCCESS STORIES appendix.
- The **Gannon University SBDC** and the Northwest Pennsylvania Technology Council, the administrator for the Erie KIZ program, partnered over the past six months to provide hands-on business consulting services to KIZ-designated companies. Overall, the SBDC provided 234 hours of professional support services to the 11 business owners. An example included assistance with the preparation of a SBIR proposal to the Department of Defense related to communications between deployed troops and their families. The client also received counseling regarding marketing and business growth strategies, including how to build value in the business.
- The **University of Pittsburgh SBDC** is currently working with university and community leaders to establish Keystone Innovation Zones (KIZ) in three counties, including one in Waynesburg. The proposed zone would connect the downtown business district with the EverGreene Technology Park and its high-speed, fiber optic network.
- The **Temple University SBDC** continued work with the University City Keystone Innovation Zone and the 611 Keystone Innovation Zone to develop programs to meet the needs of entrepreneurs located in these areas.
- The **Kutztown University SBDC** is a member of the Berks County, Chester County and the Harrisburg Regional KIZs and also works with the Lancaster County KIZ. The Chester County KIZ is currently investigating the feasibility of creating a business incubator focused on businesses in the life science/bio technology or information technology industries.
- Two Keystone Innovation Zones operate within the **Wilkes University SBDC** territory: the Great Valley Technology Alliance (Luzerne County) and the Greater Susquehanna Keystone Innovation Zone (Columbia County). The SBDC receives information from the coordinators of both programs that it forwards to appropriate clients and other interested parties.