



Small Business Development Centers

Helping businesses start, grow, and prosper.

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2009 ANNUAL REPORT

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INTRODUCTION

The global recession, marked by rampant business failure, foreclosures, and soaring unemployment, left an indelible impact on the business landscape in 2009. Small businesses in Pennsylvania and across the nation continued to struggle in efforts to access capital and convince wary consumers to buy products and services. The Pennsylvania Small Business Development Centers (SBDC) continued its efforts to help small firms respond to the recession's effects and engage partners in shaping the recovery.

Established in 1980 with a mission to grow the economy of Pennsylvania through its entrepreneurs, the 18 university- and college-based Centers provided timely consulting, education, and information to new and existing business owners resulting in:

- The emergence of new industries and companies, often led by dislocated workers;
- The prevention of business failures and additional jobs losses through cost-saving measures;
- New jobs created by new companies and existing companies that expanded domestic and international sales;
- Tax revenues generated by payroll and sales increases that support other critical services.

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 A total of **7,156 clients** received **93,517 hours of consulting services** in 2009.

HIGHLIGHTS

A Presidential Platform

Small firms' reputation as innovators and job creators, overlooked in early policy discussions, became part of the national platform in 2009. President Barack Obama called for new help for small businesses through the American Recovery and Reinvestment Act (ARRA), citing examples from Pennsylvania. Wharton SBDC client Marco Lentini, owner of Giá Pronto Restaurants in Philadelphia, joined the President in February. Lentini had just opened his fifth Italian food shop, creating jobs in a city where unemployment has ratcheted to 11.4%. Meanwhile Dr. Debby Cougar, who started Simmonds Veterinary Hospital with help from the Lehigh University SBDC, was among the few invited to meet with the President during his November stop to talk job creation in Allentown, Pa.

The Recovery Act

The Centers were active in educating small businesses about opportunities available through the American Recovery and Reinvestment Act (ARRA). For instance, the SBDCs helped promote new provisions for SBA loan programs, expanded microlending, and government contracting. Announcements were pushed to small businesses through social networking sites, newsletters, and websites while new opportunities were discussed in detail through specially organized events, such as those co-sponsored by the Temple University SBDC. The Gannon University SBDC designated a consultant to serve as a regional expert for SBA's loan programs, which he discussed in a *Wall Street Journal* article.

New Business Formation

With the recession ranking the worst in terms of jobs lost since World War II, the Pennsylvania SBDC's activities to spur entrepreneurship proved crucial. New business formation—the first source of job creation—is a particular strength of the SBDC program. For example, assistance from the Saint Francis University SBDC helped Mark Zabitz of Tyrone, Pa. start Medical Transport Services, which created three full time jobs and took on 25 responders from a local staffing agency. The network bolstered business formation efforts by partnering with CareerLink and other entities to reach the unemployed. For instance, the Wharton SBDC joined the University City Science Center and Bioadvance to present Career GPS, aimed at recently displaced pharmaceutical executives.

Business Survival

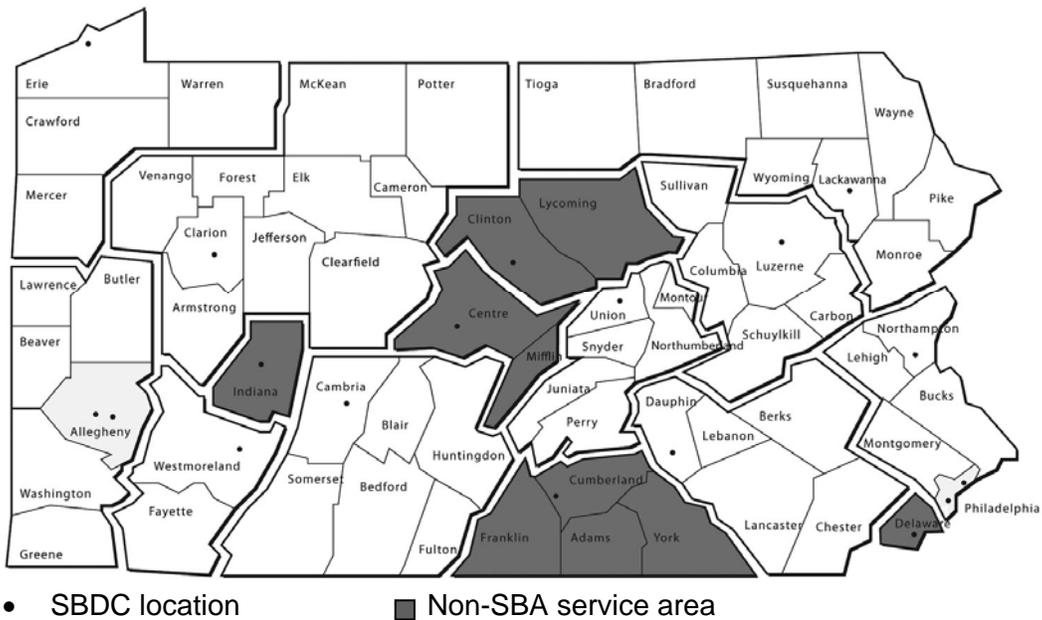
More existing businesses contacted the SBDCs for help, a clear reflection of the state of the economy and its negative effect on businesses. Sluggish sales have decreased overall profits, forcing many business owners to rethink their business model and adapt to changes in their customers' buying habits. Requested assistance included help with turning around declining sales and revenues, guidance with developing new markets in international government arenas, recommendations for accessing funding and addressing credit concerns brought by decisions to lower business credit amounts.

The past year evidenced the SBDCs' responsiveness to help these struggling businesses survive. For instance, the Saint Francis University and Wilkes University SBDCs helped clients develop customer loyalty programs to win back customers and generate new business. An educational series, "Gaining Ground in an Economic Slowdown," was rolled out to help businesses across the state mitigate the effects of the economic downturn. Centers such as the University of Scranton SBDC offered "Business 911"

workshops to help business owners identify emergency cost saving measures and stabilize cash flow. Centers also worked to connect small firms to desperately-needed capital by exploring non-traditional sources of funding.

Despite the increasing relevance of SBDC services and rising demand for services, the ability of the network to respond was constrained in the past year. A 29% cut in state investment since July alone has notably impacted historical outputs as the centers cut staffing, outreach activities, and services in an effort to maintain the program. Throughout the year, the SBDC demonstrated flexibility and prudent oversight to minimize the impact of the cut on service delivery. To help assure a robust recovery, yet mindful of the current state revenue picture, the SBDC has proposed a funding restoration plan to support restructuring.

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 18 university based centers and more than 100 outreach locations operating under the guidance of the State Director located at the University of Pennsylvania.

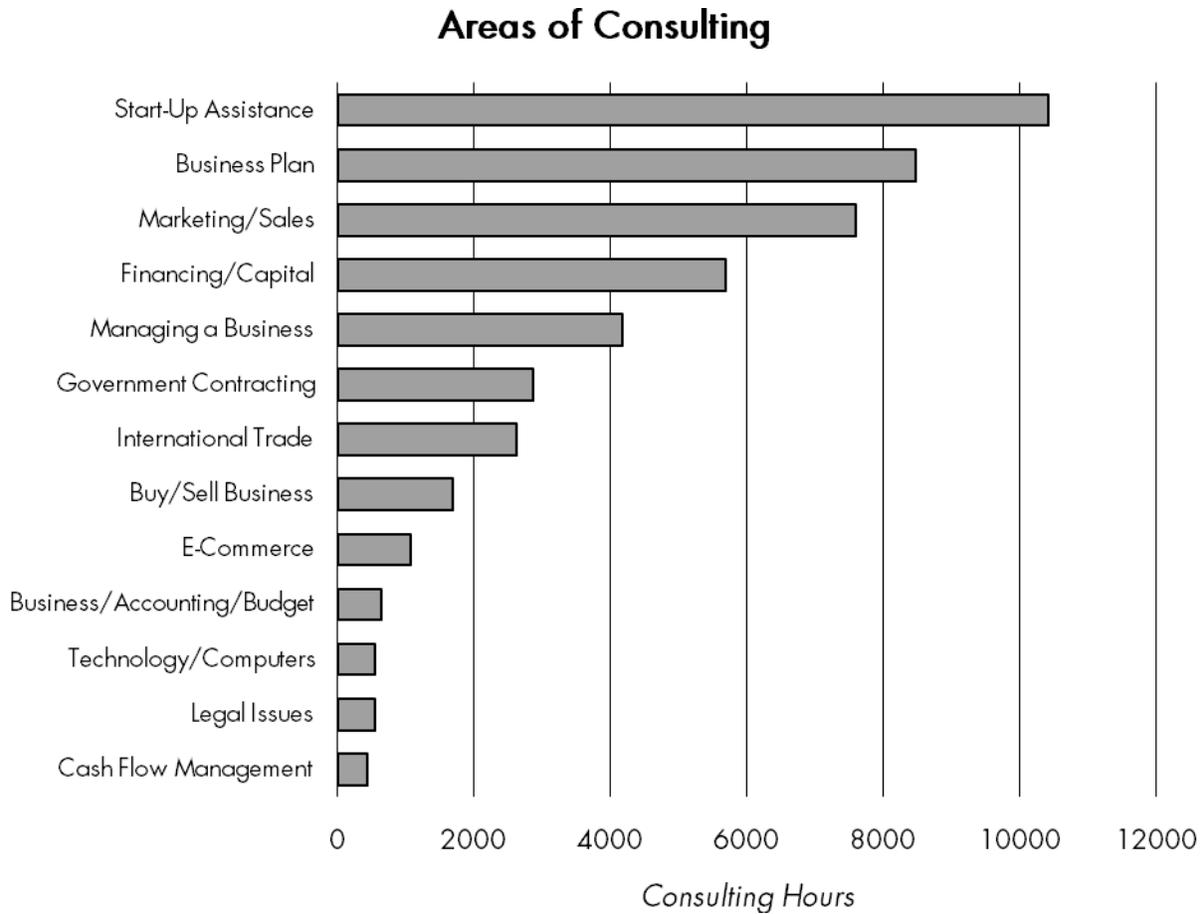
The Pennsylvania SBDC provides consulting services and educational programs to entrepreneurs looking to start or grow a small business. SBDC consultants work with entrepreneurs in one-to-one

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.

SUMMARY

Consulting

The Pennsylvania SBDC provided **7,156 entrepreneurs** with a total of **93,517 consulting hours** in 2009. A detailed breakdown may be found in SECTION 2 – DELIVERABLES and is described throughout this report.



Education

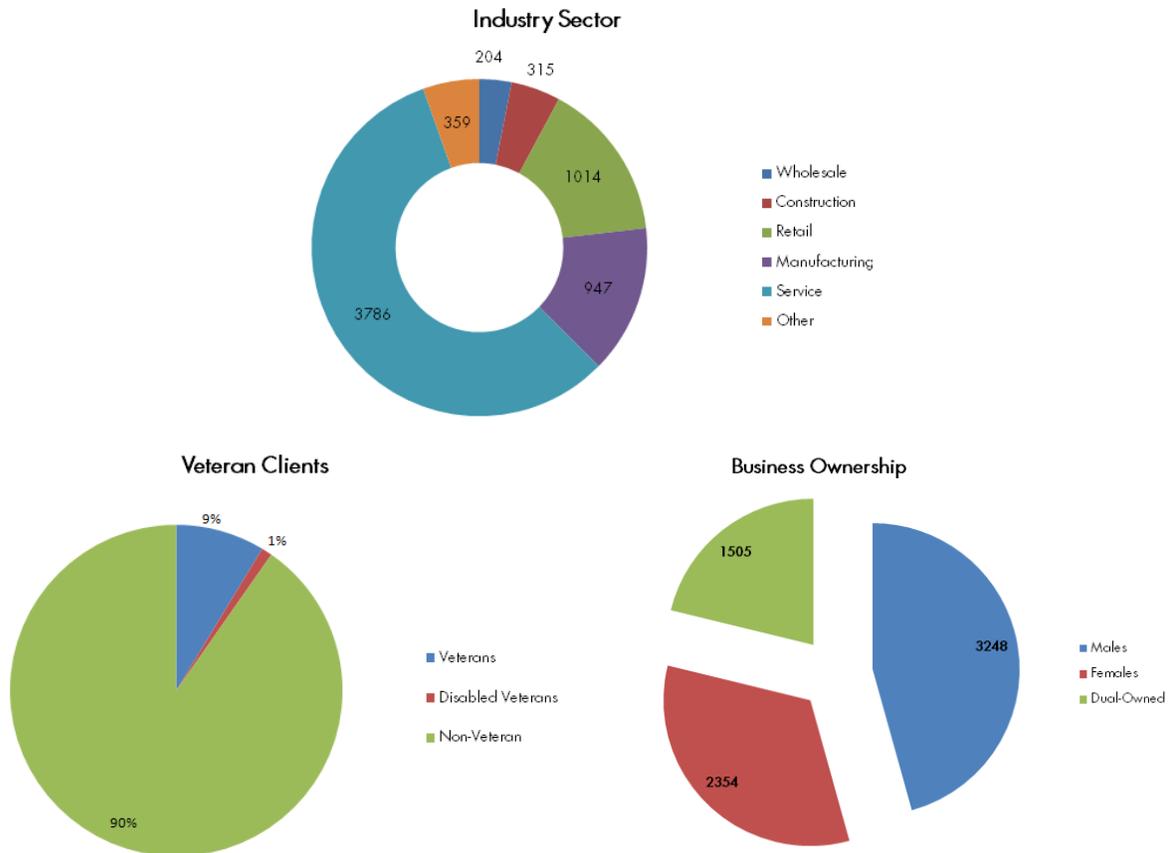
The Pennsylvania SBDC network collectively **educated 14,147 individuals in 731 seminars and workshops**, which included topics such as “The First Step: Business Start-Up Essentials” and “Gaining Ground in an Economic Slowdown.” A detailed breakdown may be found in SECTION 2 – DELIVERABLES and is described throughout this report.

Information

In a time of economic upheaval, the Pennsylvania SBDC proved a valuable source of information regarding significant changes to available assistance programs, tax incentives, and new regulations. The SBDCs were on-hand to respond to business owners’ requests for information, advising them of resources to help them make intelligent business decisions, and regularly providing updates to the business community in public venues, on websites, and in traditional and social media outlets. Examples include Saint Francis University SBDC’s coordination of ARC training for bankers; Wilkes University SBDC’s roundtable on IRS tax changes; and Lehigh University’s exporting series in the *Eastern Pennsylvania Business Journal*. Additionally, the Pennsylvania SBDC added content to pasbdc.org offering resources to avoid bankruptcy, a tax information center, and updates tracking relevant information for small businesses relating to the Recovery Act.

Demographics

Individuals served by the Pennsylvania SBDC thus far represent Pennsylvania’s diverse populace. Well **over half of clients assisted were woman- and jointly-owned firms** and **23% counted themselves as minorities**. Clients also represent a variety of industries as shown.



100 ADVOCACY

As effects from the battered economy rippled out to communities, the SBDCs continued to develop relationships to help restore small businesses to profitability and foster a healthier climate in which to operate. Activities begun last year to counteract the recession that continued in 2009 included:

1. Helping Companies Access Capital and Manage Finances

Despite new legislation to stimulate lending, access to capital—the lifeblood of small businesses—was still a major problem for many businesses. Lenders were slow to take on new loan programs and maintained stringent lending requirements beyond the reach of many small firms. This made it very difficult to get loans to support business development activity.

- In response, centers such as the Lehigh University and Wilkes University SBDCs ramped up outreach to commercial lenders and developed relationships with alternate lending institutions in their service areas. Careful financial analysis also enabled businesses to spot issues and plan for growth. Regular meetings with the Saint Vincent College SBDC about its financial position enabled Regulatory and Quality Solutions LLC to exceed its projections. The company now employs five full-time and five part-time consultants with plans to add another full-time position in 2010.
- Centers also helped businesses refinance current loans to position for growth. For example, the University of Pittsburgh SBDC worked extensively with Tela Beauty Organics to refinance \$1.7 million in current bank loans and obtain more than \$500,000 in new financing. Tela will save thousands of dollars in reduced interest costs annually and now has the capital to expand its business to the national level. Additional detail is covered in section 200 CAPITAL FORMATION.

2. Helping Companies Increase Sales to Grow

The SBDCs undertook concerted efforts to help businesses explore new markets and increase their sales in this reporting period. Examples include:

- Besides the “Gaining Ground in an Economic Slowdown” workshops offered statewide, several centers presented workshops on how to harness social media to promote products and services.

The Gannon University SBDC, for instance, presented on how to use LinkedIn as a professional marketing tool to 50 conference attendees in Grove City, Pa.

- Assistance from the Saint Francis University SBDC helped ensure Park's Garbage Services, Inc. would survive to see its 50th year of business in 2010. When the company began losing customers to a competitor that offered much lower pricing, the development of a customer loyalty program proved to be a winning strategy. The SBDC helped the company brainstorm ideas and develop the program in conjunction with the 50th anniversary. The program helped win back several customers and generated new businesses through referrals.

3. Help Companies Reduce Costs

- To help business owners better manage operating expenses, cash flow and profit margins, the Centers offered workshops, such as the Duquesne University SBDC's "Quickbooks: Analyzing Financial Data." The SBDCs also helped business owners harness available technology to reduce costs, increase efficiency and enhance services.
- The Temple University SBDC worked with a manufacturer of cat toys to define business goals and evaluate her business model. Detailed analysis of distributor pricing helped the owner rationally evaluate the distributor's role and value to the business. As a result of the consulting engagement, the owner revamped her operations and revisited the distributor relationship. The owner is now dealing directly with the retailers and finding new sales opportunities not apparent when the distributor was involved in the value chain. She reported that manufacturing productivity has increased and unit labor costs decreased.

4. Help Retain Assets and Businesses

- The SBDCs helped businesses manage a difficult market by providing several resources, including *How to pay business debts you can't afford*, a Recession Survival Checklist, and several online tutorial covering the importance of cash reserves and customer acquisition strategies.
- When a new massage therapy business, began experiencing cash flow problems when an investment fell through, the Wilkes University SBDC provided direction on applying for working capital, which the owners later received. Since that time they have continued to add clientele and are continuing to build a name in the community.

5. Help Unemployed Individuals Start New Businesses

- Several centers noted that their start-up seminars were growing in popularity as the number of displaced workers rose. The Saint Francis University and Lehigh University SBDCs took care to market these workshops to local CareerLinks to make sure displaced workers who were exploring entrepreneurship were aware of SBDC services.
- When Rick Kitchell was laid off from his job as an engineering manager at Cabot Corporation in Boyertown, Pa., the Kutztown University SBDC helped him act on idea he had been thinking about for years. With start-up assistance from the SBDC, Kitchell opened East Coast Threading Company, which manufactures and sells formed and fabricated bolts as well as custom threaded products.

Several centers also participated in public forums highlighting small firms' role in the economic recovery. Examples from the latter half of the year included:

- The Kutztown University SBDC collaborated with the regional SBA office to host several live teleconferences with clients regarding new SBA programs and stimulus funding opportunities.
- As an active member of the African American Chamber of Commerce, the University of Pittsburgh SBDC made sure members were aware of components in the economic stimulus package and the effect it could have on small business in Western Pennsylvania.
- In December, a consultant from the Wilkes University SBDC provided an overview of recession recovery strategies to the Small Business Institute in Pottsville, Pa.
- The Clarion University SBDC arranged for a representative from SBA to speak to members of the Armstrong County Manufacturing Consortium at their regularly scheduled monthly meeting in October. The District Director of the Pittsburgh office discussed SBA loan programs and information on accessing federal economic recovery funds.
- A Gannon University SBDC consultant attended a gathering at Union Station in downtown Erie discussing high speed rail service, which may produce business opportunities in the near future.

200 CAPITAL FORMATION

Despite the \$787 billion stimulus package approved by Congress in February, which waived fees for SBA loans and raised the public guarantee on these to 90 percent, many banks were still reluctant to lend in 2009. Capital formation is hugely important to small business development and remains an important focus for the SBDCs. As such, the SBDCs undertook special efforts to educate lenders about small business needs and advise clients of realistic lending alternatives in the past year. In total, the SBDCs

helped clients raise more than **\$114 million in start-up and expansion capital**. Examples of activities include:

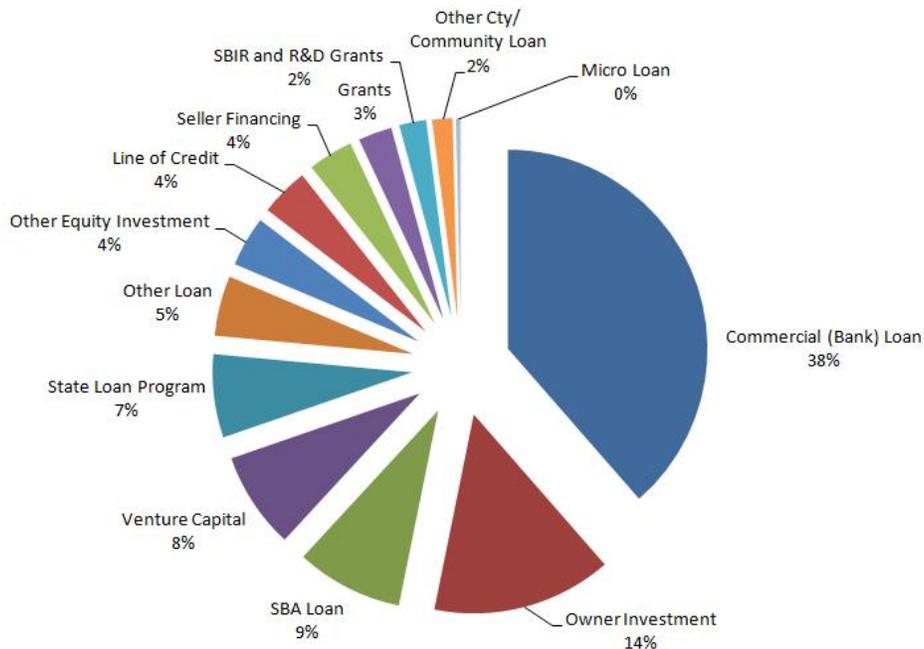
- With traditional lending increasingly tight, the Wilkes University SBDC closely followed local microloan programs, keeping current with loan providers regarding updates and changes to financing parameters in 2009. The SBDC maintains a list of loan and grant programs available in the service area. A copy of that list is available on the website and included in “The First Step: Steps to Starting Your Own Business” manual.
- The Gannon University SBDC had success with America’s Recovery Capital (ARC) loans, which were created by SBA to help businesses suffering financial hardship. At the end of December 2009, nine clients had been approved for these loans.
- In November, the Saint Vincent College SBDC hosted an Alternative Financing Forum that convened lending professionals from all sectors to discuss available financing. Financing representatives provided an overview of each organization’s financing programs and lending preferences, and were available to meet one-on-one with the 73 attendees.
- Following the success of its spring program, the Wharton SBDC offered a second Meet the Lenders program in the fall, convening representatives of SBA, several banks, microfinance organizations and entrepreneurs seeking capital. The SBDC director was also quoted as a subject matter expert in articles that appeared in Philly.com and *Knowledge@Wharton*.
- The University of Pittsburgh SBDC continued to provide technical assistance for a number of loan programs, including Bridgeway Capital, the Urban Redevelopment Authority, the Northside Community Development Fund, Regional Development Funding Corporation, SBA Microloan Demonstration program, Green County Industrial Development Authority’s Revolving Loan Fund, the Progress Fund, and Main Street Loan Programs.

Successes

SBDC consultants supported clients in producing solid business plans, analyzing markets and identifying commercial funding sources and agencies that control government loans. The sources of financing secured by clients included commercial bank loans, county and community loans and state loans with notably higher owner investment in many instances.

- The Gannon University SBDC assisted a client with business planning, financial projections, and business valuation, resulting in approval for loans totaling \$344,000 that enabled the purchase of Home Instead Senior Care. The owner plans to add 40 new jobs as she expands the business.

- Development of detailed financial forecasts and assistance with coordinating a financial presentation from the Lehigh University SBDC helped the owner of a hydraulic equipment sales and services business take the venture from part-time to full-time. The client was successful in securing a \$50,000 SBA-guaranteed Express Line of Credit.
- In December, Dennis Smith Farms hosted a ribbon cutting for its new Grain Elevator and Storage Facility. The more than \$1 million project involved loan packaging from programs of the US Department of Agriculture, the Jefferson County Development Authority and Emlenton Bank. The Clarion University SBDC was significantly involved in this effort, supporting the company with the development of the business plan and the financial projections.
- The University of Pittsburgh SBDC helped Turbine Control Service Associates develop a flexible financial forecasting model. The client was able to use this model to raise a \$350,000 term loan to continue to grow the company and improve long-term strategic planning.
- Assistance with a business plan and proformas from the Saint Francis University SBDC helped Dennis Wagner obtain a \$36,000 loan. The funds were used to purchase the truck service repair shop where he had been employed. Without this assistance, the business would have closed.
- While still students, Craig Dwyer and Eric Diamond met with the Bucknell University SBDC for advice on a business plan for a solar photovoltaic installation company. The SBDC helped them compile information needed to develop proforma financial projections to obtain funding. As a result, the students won a business plan competition and were able to realize Eclipse Solar.
- A solid business plan developed with assistance from the Temple University SBDC enabled a client to secure \$350,000 in financing needed to purchase a building to house an eye care center.



300 INNOVATION & TECHNOLOGY TRANSFER

Entrepreneurial creativity and innovation offer hope in restoring the economy. In leveraging local assets such as universities and partnerships with technology and economic development organizations, the SBDCs support fledgling technology companies, providing support through consulting services focused on property rights protection, trade financing, copyrighting, and patent searches. The SBDCs complement these services with market identification, financing sources including Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) grants, and educational training.

Notable examples of technology-related activities in the past year include:

- Y-Carbon, a Wharton SBDC client, was named to the R&D 100 by *R&D magazine* for its Tunable Nanoporous product, considered one of the most “technologically significant” of the past year. The company’s founder and Chief Technical Officer was also named by *Technology Review* as one of the world’s top young innovators of 2009.
- Bob Stein, consultant at the University of Pittsburgh SBDC, leads the SBDCs information technology services to help small businesses reduce costs, increase efficiency and enhance services through technology. In 2009, Stein was named a Microsoft MVP award winner. Microsoft MVPs are considered individuals that have deep knowledge and real-world experience to help others enhance their use of technology.
- In November, the Clarion University SBDC relocated to the new Gregory Barnes Center at Clarion University. The building also serves as an incubator for companies conducting nanotechnology, biotechnology, and molecular biology research aimed toward product commercialization. The SBDC will offer business development and training services.
- A consultant at the Gannon University SBDC spends approximately 50% of his time assisting technology-startup clients in developing and presenting investment pitches to angel and venture capital investors. During the period of July – December, several SBDC clients receiving this assistance obtained private equity investment capital totaling more than \$2,500,000. Three of these clients surpassed their \$1 million investment milestone during this period.
- Engineering Development Services provided through the Bucknell University SBDC enabled clients to launch five new products to market. The SBDC offered direct technical assistance that produced a patient position device to aid medical caregivers, a rapid-deploy protective barrier for law enforcement, and improvements to raw material for the automotive industry that enabled a client to regain \$500,000 in sales that had been lost due to a manufacturing problem.

- Through the Innovation Partnership, a consortium of economic development partners co-founded by the Pennsylvania SBDC, the Temple University SBDC assisted two clients with microgrant proposals for SBIR grant writing assistance. One client had developed a suture-free wound closure system and required assistance with marketing and finance. The SBDC participated in a market feasibility strategy session and made recommendations. A recommendation to apply to the Ben Franklin Technology Partners led to a \$15,000 award to assist with prototype modeling.
- The Kutztown University SBDC helped several high technology clients prepare proposals for SBIR and STTR contracts. Client technologies included a new weighted material, called Hydro Flex, that can be used for strength and conditioning; a novel approach for providing Radio Frequency Identification solutions integration; a low frequency communications antenna for military use; an instant ice pack to replace the current ice pack/ice cubes that need freezing; and a new approach to filtering fluids in the beverage and juice industry.
- The University of Pittsburgh SBDC hosted several workshops covering SBIR/STTR basics. Topics included pre-qualification issues, steps for applying for SBIR/STTR grants, proposal writing tips, trends in innovation, technology value realization, strategies to make their technologies appealing to R&D funders, and an overview of participating federal agencies.
- In November, staff of the Saint Francis University SBDC received training on a financial modeling tool to be used with potential wind energy projects. The model was tested for a project being considered for North Cambria County.

400 INTERNATIONAL TRADE

Falling domestic sales led many small firms to pursue international markets for customers in 2009. While overseas markets were also impacted by the prolonged recession, the SBDCs' international trade consultants worked with 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 consulting services, workshops are offered to help familiarize firms with international trade issues such as international insurance and cross-cultural communications.

During the past year, the SBDCs provided **2,625 hours of international business assistance**. Notably, the centers saw a need to integrate international and general business consulting to provide comprehensive support to clients needing to manage their books more closely. Specific concerns included

rising costs of raw materials, fuel and insurance costs. Examples of activities in this area occurring in the past year include:

- Noting opportunities for international opportunities for the mining industry, the Saint Francis University SBDC organized a trip to Peru to attend a trade show that examined potential markets. The SBDC helped companies prepare for the trip, even generating company information into Spanish. The show generated 145 leads for clients, with each of the participating firms receiving at least ten leads. One company received a request for quote in excess of \$250,000 with others anticipated in the coming months.
- The Kutztown University SBDC assisted nine clients with Market Access Grants, which provide a matching grant of up to \$5,000 for trade shows, visits to overseas prospects, and internationalizing websites. While the Pennsylvania state budget situation froze this program for four months and reduced remaining grants to \$3,000, the approval process was expedited through regional versus statewide selection. The SBDC also referred 17 clients to trade representatives for specific export assistance.
- The Lehigh University SBDC continued to author a series of articles for the *Eastern Pennsylvania Business Journal* about what it takes for businesses to “go global.” A total of six articles appeared in the series. Topics included export finance, global and web marketing, and legal and compliance issues. Copies of these articles appear in SECTION 3 – APPENDICES.
- Training programs offer another avenue for small businesses to learn more details about international opportunities. This fall, the Temple University SBDC offered “Importing for Everyone,” “Growth through Exporting,” and “Generating Capital for Importing” to a total of 85 attendees. Duquesne University SBDC presented its “Breaking into the Trade Game” series, a six-class program designed to educate small businesses about legal issues for exporters, transportation documentation, export licensing and controls, various types of insurance, rules, and regulations of all kinds.

Successes

- PMB, Inc., a 109 year-old, third generation family owned small business that manufactures ball valves and specialty valves for sanitary and industrial applications, was awarded the Export Achievement Award. The award was presented by U.S. Congressman Tim Murphy (R-18). With joint counseling from the US Commercial Service in Pittsburgh and Dhahran, Saudi Arabia, and the Saint Vincent College SBDC, PBM was able to successfully assign a sales representative in

the Saudi market. The award follows PMB, Inc.'s SBA Exporter of the Year Award for Western PA earlier this year.

- The collapse of the housing market in the US led a construction company to pursue overseas markets. With help from the Gannon University SBDC, the client saw success, shipping its first order to Indonesia and its second order to Australia during the last half of 2009. The SBDC assisted the client with all aspects of export marketing, including regulation compliance, financial transactions, and market research.
- With assistance from the Lehigh University SBDC, a company in the Lehigh Valley was awarded a Market Access Grant for travel to Europe and Japan for conferences. Results from contacts made at these events led to \$148,000 in sales.
- Marilyn D. Landis, a commercial lender, was looking to expand her business. Through the Duquesne University SBDC, Landis secured a Market Access Grant and participated in a trade mission to Mexico. The trip enabled her to secure a partner to represent her in Guadalajara. This partnership will increase her sales about 20% per year, or about \$20,000, and enable her access to a new group of clients.
- Continued assistance from the Temple University SBDC enabled Bassett's Ice Cream, a family-owned business that has been a Philadelphia tradition since 1885, to export to China. The company reported over \$200,000 in new revenues for this market. The ice cream is now sold in over 40 supermarket stores and restaurants in North China.

500 MINORITY BUSINESS DEVELOPMENT

Assistance with certification programs, development of business plans, SBA 8(A) loan applications, and partnerships to increase outreach are just some of the ways the Pennsylvania SBDC supported minority business owners in 2009. In the first half of the year, the SBDCs consulted with **1,638 minority clients**, representing nearly **23% of the total client base**. Of this group, 23% counted themselves as Hispanic and 61% percent identified themselves as African-American.

Urban areas, such as Pittsburgh and Philadelphia, see more minority clients. For instance, **60% of the Temple SBDC's client base** identified themselves as minorities. Examples of activities to support Pennsylvania's diverse population include:

- The Latino Business Resource Center, hosted by the Kutztown University SBDC, graduated 36 individuals from its bilingual seminars "Business Skills for Success" held in Reading, Pa. Of these, 16 started or expanded their businesses.

- The University of Pittsburgh SBDC provided consulting and training for minority and women contracting businesses offered by the Minority and Women Education Labor Agency. The SBDC worked with 19 contracting owners to develop their bond capacity for long-term growth.
- More than 40 individuals attended the Lehigh University SBDC's program for WBE/MBE/DBE to compare and contrast available certifications through the Department of General Services and the PA Unified Certification Program.
- The Temple University SBDC continued to nurture its relationship with the African American and Hispanic American Chambers of Commerce. In October, the SBDC co-sponsored an event with the Hispanic chamber titled "Greening Your Business."

Successes

- The Gannon University SBDC provided timely loan application assistance to Homestead Oak, an established Crawford County modular home retail sales corporation under the majority ownership of a Native American. Revenues had declined due to the slowdown in new home sales associated with the general economic downturn and in the spring, the company was notified that its two longstanding floor plan financing providers were withdrawing, adversely impacting cash flow. The SBDC provided the financial analysis and documented the necessary qualifications enabling the client to apply for and obtain a \$35,000 ARC loan which provided critical cash flow relief.
- Assistance from the Temple University SBDC enabled KAKS and Company, a civil engineering firm focused on bridge inspection and repairs, to begin operations this year. The SBDC conducted market research that included the number and status of bridges in Pennsylvania as well as provided competitive data for the firm. The SBDC also assisted the client with completing a business plan, registering the business, obtaining MBE/WBE certification, and developing financial projections.
- Elk County now has a new winery and cigar boutique business, owned by an African American woman thanks to assistance from the Clarion University SBDC.
- With help from the Lehigh University SBDC, a human resources consulting business received MBE certification and began pursuing contracts in seven states. The SBDC also offered recommendations for new market exploration and expansion based on findings from industry and market research.

600 RESOURCE DEVELOPMENT

With additional reductions in state funding, resources to address critical gaps in services were needed to help small business meet challenges brought by the sluggish economy. The SBDCs demonstrated creativity and agility in developing these resources, calling upon an extensive network of corporate, university, and economic development partners to help the small business community. Besides engaging in consulting and training activities, the SBDCs were on-hand to identify non-traditional sources of funding, industry-specific resources, and opportunities for businesses available through the Recovery Act. The Centers also developed seminars addressing survival tactics to get businesses through the difficult period. Examples of resource development undertaken in the past year include:

- The Clarion University SBDC led efforts to develop professional contacts with large companies involved with producing natural gas from Marcellus Shale, abundant in its 10-county service area. Several seminars were scheduled and meeting with many energy company representatives have continued in 2010.
- Financial institutions remain an important link in the SBDCs' success. These relationships enable SBDDC staff to present information on SBA and other loan programs to business lenders and vice versa. In many cases, outreach consulting is conducted at these institutions. Familiarity with SBDC also enables referrals to the Centers for assistance.
- The Gannon University SBDC worked to build its relationship with Bridgeway Capital and other economic development agencies. These organizations have facilitated funding for 10 SBDC clients in the past year.
- This fall, the Kutztown University developed a new webinar to assist clients in improving their website as a tool to reach potential customers. The webinar offers an overview of search engine optimization and how to improve keywords and content to drive click-through rates.
- Through connections with the business school, the Wharton SBDC brought in leading strategic consulting firms, including McKinsey, Deloitte, Bain, BCG, Booz, and LEK , to advise SBDC consultants on their approach to client projects.
- The Wilkes University SBDC has developed handy step-by-step guides for small businesses, including "Steps to Starting Your Own Business," "Steps to Success Marketing," "Steps to Successful Financing," and a consultant referral list.
- Several SBDCs, including the Saint Vincent College and University of Pittsburgh SBDCs, took steps to build the relationship with SCORE to encourage referrals.
- Overall, the network drastically reduced outreach activities in response to a severe cut in state funding. Where possible, Centers strived to continue outreach activities through legislative

offices, Chambers of Commerce, and banks. The Duquesne University SBDC, for instance, maintains its outreach services in Lawrence County through the learning center there.

700 PROCUREMENT

During the second half of 2009, realization of the American Recovery and Reinvestment Act and related federal economic stimulus activities generated significant interest. Business owners were curious to learn how they might access stimulus dollars, often seeking new markets in an effort to boost sales revenue. As a result, procurement services were in very high demand.

The Pennsylvania SBDC is host to the Southeast PA Procurement Technical Assistance Program (PTAP), a non-SBA project that assists companies with selling products and services to federal, state and/or local government agencies. In addition to training topics including “Introduction to Government Marketing,” “Doing Business with the Commonwealth of Pennsylvania,” and “General Services Administration,” PTAP developed and co-sponsored various events that addressed opportunities related to stimulus funding.

Examples procurement activities for 2009 include:

- The Lehigh University SBDC engaged in a cooperative effort with Congressman Charles Dent’s staff and the Pennsylvania Legislative Black Caucus to address questions and concerns related to the Recovery Act. Three events drew 138 individuals.
- Over 150 businesses participated in a Supplier Diversity Symposium co-sponsored by the Kutztown University SBDC. The event consisted of a breakfast panel, networking session, and vendor exhibit.
- In November, the Saint Vincent College SBDC hosted a “Marketing to Government Agencies” seminar. Forty-one attendees learned how to increase sales by marketing to the federal, state, and local governments. The workshop also covered certification of minority-owned and women-owned businesses.
- The Gannon University provided Isaac Baker Menswear in downtown Erie with information needed to do business with the federal government. This resulted in an initial order for apparel for the local VA Hospital in Erie, Pa. with additional orders likely to follow now that the company appears on the qualified list.
- The Duquesne University SBDC has a 30-page guide entitled “Getting Started with Government and Private Contracting” available for download on its website. This guide includes Frequently

Asked Questions on selling products and services to the government, an overview of purchasing requirements, contact information for resources, and items a small business needs to do to get ready to bid on contracts. The piece is a companion to the “Business Certification for Minority And Women-Owned Businesses” guide and is distributed to SBDC clients as needed.

- Meanwhile, content related to procurement and the Recovery Act that had been added to www.pasbdc.org earlier in the year was continually updated.

As procurement activities are not SBA-funded, they are not reported in further detail.

800 SPECIAL FOCUS

Marcellus Shale

- Several centers closely followed new developments with the Marcellus Shale, a stretch of natural gas-rich rock beneath the ground in central, north and western Pennsylvania that represents enormous business opportunities. The Clarion University SBDC participated in the Marcellus Shale Consortium in order to brainstorm how the region can expand and develop opportunities for local businesses. An Oil and Gas Expo is slated for 2010. The Bucknell University SBDC partnered with Penn State Cooperative Extension to present a series of five webinars, supported by the Union County Commissioners and SEDA-COG. A second series will be offered in early 2010.
- A webpage offering an overview of Marcellus Shale and its implications for Pennsylvania businesses was added to www.pasbdc.org. The page included a list of Frequently Asked Questions, links to resources, such as those available through the Department of Environmental Protection, and related news articles.



H1N1 Influenza

The network of SBDCs worked to educate small business owners about the H1N1 influenza, also known as the swine flu, and prepare businesses for its implications. For instance, the Bucknell University SBDC offered a workshop, “H1N1 Influenza: Preparing Small Businesses” in its service area. The Centers also distributed the US Department of Homeland Security’s “Preparedness Guide for Small Business” and encouraged businesses to develop a disaster plan that included pandemic preparedness. Resources related to disaster planning and the H1N1 flu were also posted to a newly-created page on www.pasbdc.org, which was widely shared through social media sites.

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Small Business Development Centers
Helping businesses start, grow, and prosper.

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Resources

- Online Learning
- Educational Workshops
- ▶ Preparing for H1N1
- Helpful Links for Small Businesses
- Small Business FAQs
- Recovery Act Updates
- Recession Resources
- Tax Center
- From Unemployed to Entrepreneur
- Emergency Response Planning
- Trader Sites
- Downloadable Signs

SHARE

Planning for H1N1 Influenza

Swine flu has increased rapidly in Pennsylvania, according to the Pennsylvania Department of Health. Every business plays a key role in ensuring its employees' health and safety as well as limiting the impact to the economy and society during a flu pandemic.

If you do not have a contingency plan for responding to an influenza outbreak currently in place - don't panic, but don't wait any longer. H1N1 is still widespread and predictions of 40% absenteeism are being mentioned. Even if the worst never happens, you need to plan ahead for business interruptions.

- ▶ [Get started now](#)
- ▶ [Review the Planning for 2009 H1N1 Influenza: A Preparedness Guide for Small Business](#)

Quick Links

- H1N1 Influenza FAQs >
- Other Emergency Planning Resources >
- Helpful Resources >
- Download Guide >
- Print Page

FLU.GOV
Know what to do about the flu.
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Visit www.flu.gov for regularly updated news information.

About the H1N1 Flu

The 2009 H1N1 influenza, also known as the swine flu, first caused illness in Mexico and the United States in March and April, 2009. On June 11, 2009, the World Health Organization signaled that a global pandemic of 2009 H1N1 flu was underway by raising the worldwide pandemic alert level to Phase 6.

Most people do not have immunity to this virus, so it spreads quickly. The [Centers for Disease Control and Prevention](#) anticipates additional cases associated with this pandemic in the United States during the U.S. 2009–2010 influenza season.

- ▶ Review the [H1N1 Flu Frequently Asked Questions](#) for additional details.
- ▶ Visit the [Pennsylvania Department of Health](#) website

Find your local SBDC:
[enter zip]

Targeted Outreach

- The Gannon University SBDC organized a seminar geared specifically to restaurant or food service businesses needing help during a down economy. The SBDC teamed up with the City of Erie to offer information about how owners, chefs and managers of diners, restaurants, cafes and grills could run a more profitable restaurant/food establishment by competing against chain restaurants, choosing themes, targeting market segments, exploring franchise options, and maintaining good financials.
- In partnership with the Jefferson County Department of Development and the Brookville Area

Chamber of Commerce, the Clarion University SBDC developed a new program series designed for those in the manufacturing, industrial, agricultural, mining, lumber, transportation and trucking industries. The program, “Brookville Business Solutions,” offers business executives an opportunity to meet once each month for a roundtable discussion of best practices.

- The Kutztown University SBDC worked with Ag Choice Farm Credit to develop a blended learning course for new and beginning farmers. By yearend, the SBDC identified finance and management courses from Farm Credit University that could be integrated into its curriculum.
- In the fall, the Lehigh University SBDC launched the South Bethlehem Assistance Program to increase coordination of service for this region. The South Bethlehem business community is diverse, with more than 600 enterprises ranging from manufacturers to retail surrounded by a dense residential population. The SBDC promoted business development, education and training opportunities via targeted on-site visits, a custom newsletter, and seminars.

900 ECONOMIC DEVELOPMENT

The mission of the Pennsylvania SBDC is to grow the economy of Pennsylvania through its entrepreneurs, which often entails participation in regional and statewide initiatives. In addition to wide participation related to Marcellus Shale (See Section 800- Special Focus), examples of economic development activities in 2009 included the following:

- Several Centers, including the University of Scranton and Gannon University SBDCs, are spearheading “Buy Local” campaigns in their respective areas. The Gannon University SBDC led a successful television campaign on behalf of 14 businesses to help spur holiday sales for local businesses.
- Rural business development is a priority area for many of the Centers. For instance, the Wilkes University SBDC reached out to the Pocono Northeast Resource Conservation and Development Council and other entities to coordinate economic development programs for rural businesses in the past year.
- The Lehigh University SBDC joined regional organizations including the Community Action Committee and the African-American and Hispanic Chambers to better serve the needs of the minority community. For instance, the SBDC presented a certifications workshop for clients interested in pursuing an MBE or WBE certification through the Commonwealth.
- The Clarion University SBDC’s leadership in the State System of Higher Education Task for Economic Development enables the Pennsylvania SBDC to be aligned with economic development initiatives at the 14 state universities.

- The Centers are also active in efforts to foster entrepreneurship among undergraduates and organize business plan contests at regional campuses. The Duquesne University SBDC was involved in several business plan contests in the past year.
- Downtown development is another key focus of the Pennsylvania SBDC network. For instance, the University of Pittsburgh SBDC works closely with the Wilkesburg Community Development Corporation to assist with the revitalization of the community by supporting its business district.
- The director of the Kutztown University SBDC served on the statewide professional development committee for the Pennsylvania Economic Development Association, evidencing the SBDCs' leadership in this area.
- A new organization, the Veteran Owners Business Alliance, has grown to a robust membership of over 200 businesses in the Delaware Valley. The Lehigh University SBDC actively engaged this organization, developing educational programs based on members' needs. Both organizations have committed to discussing new opportunities to address the needs of this community.

1000 RESEARCH

Market, industry, and other research provided to clients plays an important part in the Pennsylvania SBDC consulting services. In many cases, research is conducted by students with the oversight of senior consultants. This has been a mutually beneficial arrangement; clients benefit from getting in-depth research to help them make better business decisions and students are given the opportunity to participate in a real-world learning experience.

Robust resources are available at host university libraries, through the Penn State Data Center, and databases provided through the Regional Export Network and the Pennsylvania SBDC State Director's Office. The SBDCs also maintain a current library of solicitations for SBIR and Ben Franklin grants to support R&D efforts. Due to the substantial funding cut in the past year, subscriptions to Kompass, an international business directory, and Hillsource, available through the JJ Hill Reference Library, were suspended.

Examples of research projects conducted in the past year include:

- Temple University SBDC consultants oversaw students' market and industry research to support clients. Example of research conducted included that related to the green economy, waste management, construction, pharmaceutical purchases, and overseas markets.

- The Gannon University SBDC provided industry and market research to support client businesses covering restaurants, art galleries, retail incubation, ambulance services, online retailing, automotive repair, and HVAC systems.
- The Wharton SBDC again led efforts to identify businesses in the Philadelphia 100, a hallmark of entrepreneurial achievement in the region since 1988. The project, offered in partnership with the Entrepreneurs' Forum of Greater Philadelphia and the *Philadelphia Business Journal*, recognizes the 100 fastest-growing, privately held entrepreneurial companies in the region.
- With credit tough for many small businesses in 2009, the Lehigh University SBDC updated financing options available through local banks and alternative sources on its website.
- Research also pointed internally. The Kutztown University SBDC led efforts to interview network consultants and management staff to gain further insights into experiences with implementing online resources into consulting and educational activities. The interview promoted awareness of concerns related to adapting the medium which the network is now better able to address.
- The Gannon University SBDC performed research for a client on the logistics of importing soy and canola oil-based products into the United States for eventual processing and global distribution. The consultant provided Lake Erie Biofuels with a market research report along with lists of soy suppliers in Brazil and canola suppliers in Canada. Research was completed using a variety of secondary research resources, including biodiesel industry reports, global industry association websites, and related supplier databases.
- The Duquesne University SBDC completed a market feasibility study for the Bayer School of Natural and Environmental Sciences, Department of Chemistry and Biochemistry which assessed the potential markets, evaluated competitive products, and researched user opinions. The study focused on environmental and industrial applications for a patented lead-detection technology. Sources of information included statistical data; government reports; trade, professional, and scientific articles; product literature; and industry studies.
- With Women's Investment Network and the Ben Franklin Technology Partners of Southeastern Pennsylvania, the Wharton SBDC is conducting a study of Women Building High-Growth Businesses. The goal is to identify the economic impact of women who have built such businesses in the region during the last 10 years, identifying their challenges, approaches that worked, and programs that could support their further achievements. Pilot results were shared in May 2009.
- The Kutztown University SBDC followed up their research with consultant interviews, exploring ways to integrate the online tools with their entrepreneurial learners.

- The Lehigh University SBDC helped a human resources consulting business with an operational analysis study to delve into industry and market research in response to the downturn in their primary market, the financial services industry. The resulting study offered recommendations for new market exploration and expansion within the current economic climate.

1100 OTHER ACTIVITY

- Practical, affordable training for small businesses is a core part of the Pennsylvania SBDC mission. In the past year, **731 workshops were delivered to 14,147 attendees**. Pre-venture workshops, such as the First Step, attracted a number of unemployed individuals exploring business ownership. A total of 245 First Step workshops were held in 2009, which addressed common issues including finding the right business to start, developing a sound business model, procuring adequate financing to start the business, including dispelling myths about free grants many believed should be available to assist business start-up. More detail on educational activities may be found in SECTION 2 – DELIVERABLES.
- In response to the increased demand for services despite a substantial cut in funding, the SBDC retooled its intake process. For instance, the Wharton and Temple SBDCs introduced group consulting sessions to shorten the wait time for first-time users to meet with a consultant. This has enabled the Centers to more effectively use consulting time. Initial anecdotal evidence indicates that clients are more prepared to move forward following these sessions.
- In general, the network widely examined every opportunity to streamline processes and improve efficiencies, expanded partnerships, and exercised creativity to minimize any impact to client services despite reduced capacity and funding.

1200 SUCCESS STORIES

See SECTION 3, APPENDIX B – SUCCESS STORIES.

1300 TRAVEL

Due to funding reductions, travel was drastically cut in the past year, most notably for the ASBDC annual professional development conference. Traveling to client locations was also curtailed, and only occurred when absolutely necessary to facilitate the client's needs.

There was one instance of out-of-state travel for SBA activities in the second half of 2009:

- In November, a consultant from the Gannon University SBDC traveled to Washington, D. C. in support of a technology client that was scheduled to meet with three U.S. representatives, a

number of their support staff, and a number of biotechnology-related economic development agencies in western Pennsylvania and northeastern Ohio. The main focus of the meeting was to discuss the status and direction of the new Tech Belt Initiative, designed to support regional biotechnology entrepreneurs in overcoming the barriers presented by the state line. The client had an opportunity to speak about his business and praised the assistance he received from the SBDC.

1400 PROBLEMS

Effects of the recession continue to ripple out to small businesses, and lacking access to capital and the unfriendly business environment continue to be of concern. The network was engaged in discussions with resource partners and lenders on how best to address this ongoing situation as discussed elsewhere in this report. Despite the increasing relevance of SBDC services and rising demand for services, the ability of the network to respond was constrained in the past year. A 29% cut in state investment beginning in July, 2009 has notably impacted outputs as the centers cut staffing, outreach activities, and services.

- The substantial reduction in State funding led to the closure of outreach offices and reduction of several staff members across the network. In addition, the network cut student hours, eliminated travel, and drastically reduced administrative expenditures. This has unavoidably cut into the network's ability to provide services and has negatively impacted deliverables. Additional cuts will necessitate drastic measures, including Center closure.
- Engineering Development Services offered through the Bucknell University SBDC were no longer offered statewide. The Center is working on some stop-gap measures to acquire funding until funds are restored.
- Funding for technology commercialization was eliminated and several Centers no longer offer this valuable service.
- Subscriptions to Kompass, an international business directory, Hillsource, available through the JJ Hill Reference Library, and the SmallBizU online learning library were suspended indefinitely.

These challenges were compounded by the elimination or reduction of state-funded services, including the Self-Employment Assistance Program and Market Access Grants, which are complementary to SBDC services.

Throughout the year, the SBDC demonstrated flexibility and prudent oversight to minimize the impact of the cut on service delivery. To help assure a robust recovery, yet mindful of the current state revenue picture, the SBDC has proposed a funding restoration plan to support restructuring.

1500 FINANCE

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

1600 WOMEN'S BUSINESS DEVELOPMENT

The Pennsylvania SBDC continued to support women-owned businesses through specialized services and educational programs in 2009. **More than 54% of all clients represented women- and jointly-owned businesses.** Examples of outreach and successes include:

- The Women Impacting Public Policy invited the Government Marketing Specialist at the Kutztown University SBDC to participate in a forum “A Look at Business Strategies in a New or Different Economy.” She discussed the role of government marketing in assisting women- owned businesses in expanding their current markets through direct prime contracting and subcontracting.
- The University of Scranton SBDC hosted the annual Award for Women Entrepreneurs (AWE), in which the Wilkes University SBDC also participates. The 2009 AWE winner was Danielle Fleming, owner of Danielle and Company, a Scranton-based organic bath and body care products manufacturer.
- Sheila Wood, owner of Wood Technologies, Inc. /Dynasty Software LLC in Meadville, Pa. regularly met with the Gannon University SBDC for assistance with management, payables analysis, and general cash flow. Through these efforts, she was able to secure \$26,500 in short term private working capital loans and a \$35,000 CDC term loan for additional working capital in the latter half of 2009, enabling her to maintain current revenue streams while supporting product development activities.
- Anna Fusko and her daughter Amanda Rayberts were referred to the Saint Vincent College SBDC by their local bank for help in buying a combination beauty salon and nail salon in Lower Burrell that was put up for sale. The clients completed and submitted their Step-By-Step Guide and took their consultant's recommendation to open a new salon in a rental location. They submitted their business plan to their banker and were approved for a loan. They were able to open their beauty and nail salon and have been in successful operation since September. The business, A Finished Appearance, employs seven full time stylists in addition to themselves.
- During 2009, the Clarion SBDC worked with 210 women-owned businesses, including 32 women-owned businesses that received \$7,822,816 in financing. Dr. Alison Shufron, for instance, secured \$331,518 to open a new dental practice, Bright Smiles Dental Care, in Ridgway, Elk

County, that employs three full-time employees.

- The Lehigh University SBDC helped 15 woman-owned businesses secure \$3.1 million in capital. For instance, the SBDC helped a “doggie daycare” secure \$670,000 in bank and SBA financing to expand their building and operation and consolidate existing debt.
- Lisa Hagerich, a sight-impaired woman, contacted the Saint Francis University SBDC based on the recommendation of her Office of Vocational Rehabilitation (OVR) case worker. She attended one of the First Step seminars and then worked with an SBDC consultant on her business plan and financial projections. Based on her plan, she received financing from the OVR in the amount of \$10,000 that allowed her to purchase three alpacas and related equipment to start her business in November 2009.
- The Wharton SBDC collaborated with WIN and the Ben Franklin Technology Partners of Southeastern Pennsylvania on a survey to better understand the needs of women with high growth businesses. The pilot study found that just 35 women raised over \$500 million for their businesses.

1700 ECONOMIC IMPACT

Each year, the SBDCs help thousands of entrepreneurs to start and grow their small businesses. As such, the Pennsylvania SBDC network has a significant economic impact on the Commonwealth. With help from experienced SBDC staff, small businesses have created new technologies, expanded operations, and created jobs.

As the state’s largest provider of entrepreneurial services, the aggregate assistance of the SBDC program will have a substantial role in turning the economy around. For instance, the SBDC helped individuals open 338 businesses and purchase 54 others in 2009.

The SBDCs have also continued to respond to new needs of business communities which have been continually impacted by downturns in major industries, such as housing, manufacturing, and construction, as well as position for new developments in areas including clean technology. 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

The SBDCs supported a total of **475 veterans and 57 service-disabled veterans**, and educated another 517 veterans in seminars. Examples of outreach and successes include:

- The Gannon SBDC developed a productive relationship with a western Pennsylvania CDC, Bridgeway Capital. Bridgeway provided start up financing for a Vietnam era veteran owned Meadville based construction company which specializes in Federal Aviation Agency facility renovations and is well positioned to benefit from the incremental federal Recovery Act stimulus funds allotted to the agency.
- The Kutztown University SBDC assisted several veteran-owned businesses in responding to solicitations from the Veterans Administrations for work at the local VA Medical Centers.
- The Lehigh University SBDC assisted a service-disabled veteran who owned a Bethlehem-based paving business with negotiating a \$1 million+ financing package for the purchase of the business and short-term working capital.
- In honor of Veteran's Day, the University of Pittsburgh SBDC presented a special program in November titled "Introduction to Veterans Entrepreneurship."
- Veteran participation in educational programs presented by the Wharton SBDC has gone up substantially due to increased outreach to this population. For instance, the SBDC waives registration fees for veterans and participated in a Veterans Program convened by Congresswoman Allison Schwartz in November.
- Hardy-Graham, which focuses on the manufacture and application of a proprietary fastening system, offers another example. The business needed assistance with strategic planning and finding new markets. The Temple University SBDC worked with the client to develop a growth plan and define military and commercial markets. The consultant helped the client segment the markets by application and identify benefits important to each of these market segments. The client also received assistance with identifying suitable distributors in foreign countries.

1900 MANUFACTURING

The Pennsylvania SBDC has a long history of providing assistance to manufacturers, still a significant industry in Pennsylvania. The recession continued to take a toll on manufacturers in 2009. The SBDCs noted an uptick in assistance needed for the industry, specifically focused on marketing plans and marketing research to find new customers at home and abroad and new products to diversify their

operations. In addition, the SBDCs provided financial analysis assistance to help manufactures identify operating efficiencies and to reduce costs. As a result, several companies were referred to the Pennsylvania SBDC's Environmental Management Assistance Program (see section 2100) for energy efficiency assistance to help reduce operating expenses and identify grant funding opportunities.

In the past year, **947 manufacturers** turned to the SBDCs for such assistance, including:

- All SBDCs strive to provide manufacturing clients with comprehensive services, maintaining good working relationships with other economic development organizations and service providers for the regional manufacturing community. The Wilkes University SBDC, for instance, regularly checks in with the Northeastern Pennsylvania Industrial Resource Center and the Northeast Pennsylvania Manufacturer's and Employers Association for cross-referrals.
- The University of Pittsburgh SBDC continues to develop and enhance its relationship with Catalyst Connection. Catalyst (the Southwestern Industrial Resource Center) provides technical assistance and funding to manufacturers in Southwestern Pennsylvania. There are numerous examples of collaboration between the two groups with the focus on improving the bottom line of our clients and thus improving the regional economy.
- The Clarion University SBDC attended the Tri-County Manufacturing Consortium in July. Approximately 60 small business manufacturers attended in addition to other professionals representing local government and service agencies involved with manufacturers.
- The Kutztown University SBDC worked with several manufacturing clients on establishing a cost accounting system in their manufacturing facility that would pass audits for tracking labor and costs to a specific job/task. This not only assists the client to determine profitability of products but also qualifies them to perform government work. The SBDC also assisted several manufacturers in implementing or improving a quality system that would pass audits and provide cost of quality data along with a high quality product.
- A client of the Gannon University SBDC is pushing new technology to streamline processes and make foundry operations more efficient and effective. The client was awarded a \$90,000 grant from Ben Franklin Technology partners to finalize the development of a new automated process that combines both phases of the foundry process into one streamlined machine. The Pennsylvania State University has adopted the Gannon SBDC client's technology, which was recently hailed in a top industry trade magazine as the innovative company of the year for its design.

2000 ONLINE ACTIVITIES

Incorporating online resources into consulting and training activities has become more important in providing comprehensive services to small businesses, particularly as resources are strained. In 2009, many Centers used online resources as a stopgap when clients were required to wait for an appointment to meet with a consultant. As part of the newly streamlined intake process, clients are encouraged to use online resource to begin preparing background material for their business plan and review tutorials to firm up understanding in certain subject areas. In many cases, this approach has better prepared clients for consulting sessions, enabling more efficiency. There is still some resistance, however, where preference, age, or access limit a client's internet use.

Examples on online activities in 2009 include:

- The Pennsylvania SBDC website, www.pasbdc.org, was broadly updated throughout the year. New content included information related to the H1N1 Influenza, Marcellus Shale developments, new state loan programs, and updates regarding SBA lending enhancements. Additionally, the site was optimized to share content on social media platforms including Twitter, Facebook, and LinkedIn, among other services.
- Several Centers, including the University of Scranton and Clarion University SBDCs, have built a presence on social media sites including LinkedIn, Facebook, and Twitter. As marketing budgets are very limited, these tools have been useful for advertising SBDC services and workshops.
- Centers also maintained websites with region-specific information for existing and start-up businesses, including information on upcoming seminars and other events sponsored by the SBDC as well as financing programs and other services designed to aid business success. The Wilkes University SBDC offers licensing information and forms for download, including the SS4, fictitious name application and PA100.
- The Clarion University SBDC updated its website to improve usability and provide more resources, including online workshop registration, request for consulting, and downloadable forms. The Center also maintained its small business knowledgebase blog.
- Many of the Centers, including the Lehigh University and Temple University SBDCs, found online tutorials as a useful resource in between consulting sessions, enabling consulting sessions to be more productive.

2100 ENVIRONMENTAL MANAGEMENT ASSISTANCE PROGRAM

The Pennsylvania SBDC Environmental Management Assistance Program (EMAP) provides consulting and education in the following areas:

- Compliance - assists small business owners in understanding and complying with the environmental rules and regulations specific to their business, helping them avoid costly fines.
- Energy Efficiency - offers a step-by-step program to help small businesses recognize and realize energy and cost savings. Businesses are able to make sound investments leading to real savings in monthly operating expenses.
- New Technology Development - assists firms in the development and commercialization of new energy and environmental technologies by helping prepare and review proposals, finding new markets and opportunities, and identifying potential funding sources and partners.
- Pollution Prevention - Pollution is a drain to a firm's bottom line. Whether from air emissions, solid or hazardous wastes, or wastewater discharges, pollution is a waste resulting from inefficiencies in a firm's operations. EMAP can help small businesses use pollution prevention to improve their efficiency and save money.
- Worker Health and Safety - All businesses must comply with the regulations of the Occupational Health and Safety Administration (OSHA). EMAP can help small businesses identify and address potential health and safety risks to keep their employees safe and avoid costly fines.

The SBDC's Environmental Management Assistance Program also helped companies access new funding available for alternative fuels and solar energy installation. As these activities are not SBA-funded, they are not reported in detail.

2200 KEYSTONE INNOVATION ZONES

Keystone Innovation Zones (KIZ) were introduced by the Commonwealth of Pennsylvania as a means of helping 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.

As these activities are not SBA-funded, they are not reported in detail.