



Small Business Development Centers

Helping businesses start, grow, and prosper.

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2010 ANNUAL REPORT

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INTRODUCTION

The Pennsylvania Small Business Development Centers continued to face challenges in 2010. The main challenge was to ensure the delivery of quality consulting and educational programming to small businesses across the Commonwealth given the continued reduction of state funding support. That said, the Pennsylvania SBDCs have been very resourceful in the search for new funding to replace what was lost due to continued state budget cuts. Given the current employment situation, many individuals have turned to self-employment as a means of economic survival. Moreover, the Pennsylvania SBDC has been able to expand its programming in some areas, particularly for veterans, rural businesses, and technology entrepreneurs. Even with reduced resources, the Pennsylvania SBDC program was able to maintain its position as a leader in starting businesses and diversifying Pennsylvania's local economies.

Established in 1980 with a mission to grow the economy of Pennsylvania through entrepreneurship, 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 companies;
- The prevention of business failures and additional job losses through cost-saving measures;
- New jobs created by new companies and also existing companies that expanded domestic and international sales;
- Tax revenues generated by increased payroll and profitability;
- Tax revenues sustained by companies that were helped to stay in business.

This report reviews the SBA-funded activities of the Pennsylvania SBDC network to support small businesses from January-December 2010.

In partnership with the US Small Business Administration, the Commonwealth's Department of Community and Economic Development, host institutions and partners, the Pennsylvania SBDC provided a total **101,739 hours of consulting services** to **8,205 clients** in 2010. This is down 16% from 2009, a decline directly attributable to the significant reduction in state funding support. Even with reduced resources, the results of the network's services were impressive. The network recorded in 2010:

HIGHLIGHTS

Marcellus Shale

The extraction of natural gas from the Marcellus Shale is the biggest economic development in Pennsylvania in decades. The exploitation of the shale has both given opportunity to local drilling - related companies, some of whom have sought assistance from the SBDC, but also the regional heavy equipment companies and a range of other businesses from restaurants and hotels to bars and hair salons. In the regions of major drilling, the Pennsylvania SBDC network has focused its services on assisting those businesses that stand to benefit most from the shale. While the drilling itself might be controversial, the SBDCs have provided invaluable services for local entrepreneurs at a moment of great opportunity.

In 2010, four SBDC consultants traveled to Wise County, Texas, with a delegation from Pennsylvania coordinated by the Lock Haven SBDC to explore the region of the Barnett Shale, a previously-exploited natural gas formation similar to the Marcellus Shale. The four-day trip, which brought together 20 attendees in total, provided the consultants with valuable insights and information that will help them when providing support to small businesses with ventures relating to the Marcellus Shale.

Clean Technology Resource Center

In April 2010, the Pennsylvania SBDC established a Clean Technology Resource Center (CTRC) at Penn State University SBDC with a grant from the SBA. The competitive award was one of only three awarded nationwide. This new statewide service helps small businesses commercialize clean-energy related technologies of their own invention or find funding to offset the costs of installing new-to-market energy technologies. Still in its early stages, the center has already helped, for instance, a local farmer obtain state DEP funding to switch to a new furnace system. Additionally, the CTRC continues to work with and refer clients who have a new product or idea and are interested in developing and commercializing the product. When appropriate, the CTRC refers clients to a local patent attorney, specialized SBDC Technology Commercialization staff across the network, and Engineering Development Services at the Bucknell SBDC.

Veterans Business Outreach Center

The Pennsylvania SBDC network won an SBA grant this year to host the Mid Atlantic Veterans' Business Outreach Center (VBOC). The center, which serves the five-state area of the SBA's Region III (Pennsylvania, Delaware, Maryland, Virginia, and West Virginia, as well as Washington, D.C.), has

recently hired a director and has been developing new educational, outreach, and promotional materials and programming. In addition, the new center continues outreach to local service providers in Region III, including SCORE, SBA offices, the VA, and other SBDC networks.

St. Vincent SBDC Wins the 'E' Award

The St. Vincent SBDC won the 'E' Award for Export Service from the Department of Commerce this year for its excellence in international trade assistance. The 'E' Award is one of the most prestigious forms of recognition offered by the federal government for persons, firms, or organizations that contribute significantly to increasing US Exports. In addition, the St. Vincent SBDC has continued to offer seminars and workshops on introductory export issues and specialized topics, such as export controls, country-specific seminars, and international business strategies.

Technology Services

The Pennsylvania SBDC has developed a core competency in helping small firms bring new products to market, helping entrepreneurs address sophisticated business management issues, including finding alternative financing, intellectual property management, product development, and product commercialization. In 2006, the Pennsylvania SBDC received supplemental technology accreditation by the national Association of Small Business Development Centers, the accrediting body for the national SBDC program. After the program's temporary dormancy in 2009, after state budget cuts, the Technology program has returned to being a network-wide offering, and increasingly, a cornerstone of SBDC service.

The Pennsylvania SBDC's integrated network-wide technology services allow a firm to receive technology consulting from every one of the centers. Since 2000, over 33,000 hours of expert business consulting have been provided to more than 1,800 technology clients throughout Pennsylvania. During this same period, the Pennsylvania SBDC assisted 76 clients in preparing SBIR proposals, which culminated in 23 awards totaling more than \$23 million. This is a success rate of over 30 percent, or three times higher than the national average. The Pennsylvania SBDC not only assists technology based businesses seek SBIR/STTR funding, but also contribute to the overall development of the business venture. The resulting assistance has helped these firms obtain over \$48 million in investments. Additionally, many of these businesses went on to report more than \$107 million in federal and state contract awards.

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 operating under the guidance of the State Director located at the Wharton School at the University of Pennsylvania.

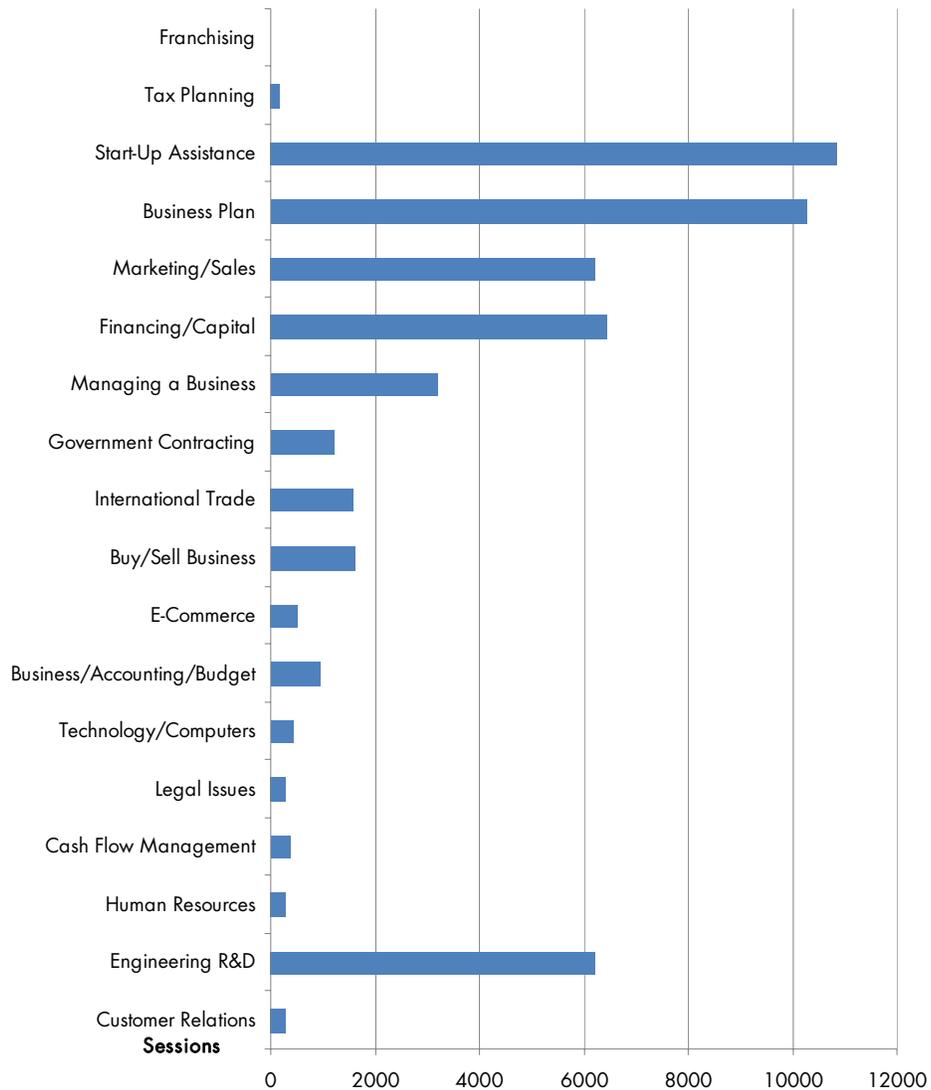
The Pennsylvania SBDC provides consulting services and educational programs to entrepreneurs looking to start or grow a small business. SBDC consultants work with entrepreneurs in one-to-one sessions to help test a new business proposition, shape a business plan, or investigate funding opportunities. 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 **8,205 entrepreneurs** with a total of **101,739 consulting hours** in 2010. A detailed breakdown may be found in SECTION 2 – DELIVERABLES and is described throughout this report.

Top Consulting Topics



Education

The Pennsylvania SBDC network collectively **educated 13,543 individuals in 721 seminars and workshops**, which included topics such as “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.

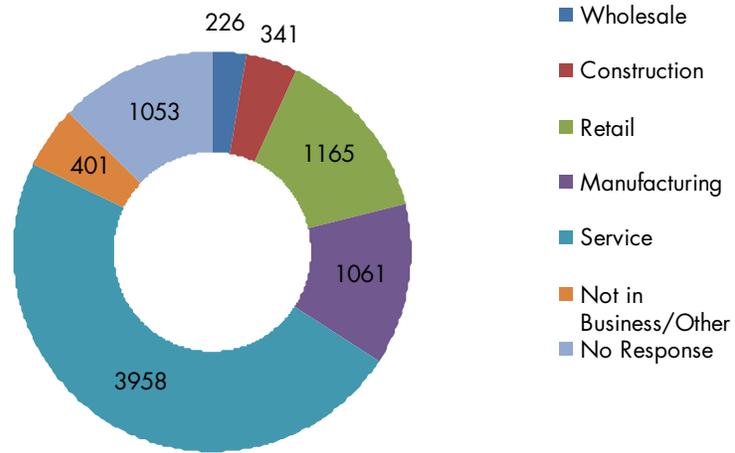
Information

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 large, SBDC-sponsored conference events such as St. Vincent’s two-day *U.S. Export Controls Compliance Conference* and Kutztown’s *Supplier Diversity Symposium* as well as participation in institutional or regional events, such as the Penn State SBDC’s promotion of the university’s Global Entrepreneurship Week and the University of Pittsburgh SBDC’s participation in the Tri-County Oil and Gas Expo in May. Additionally, the Pennsylvania SBDC has continually added new content to the pasbdc.org website, with a major redesign expected online in June 2011.

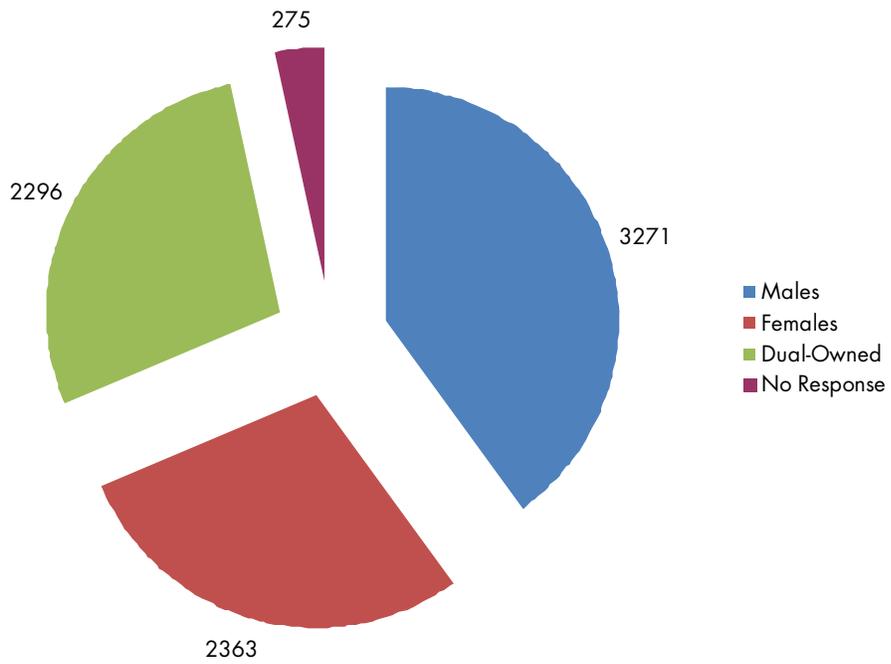
Demographics

Pennsylvania SBDC clients roughly mirror the demographics of the state as a whole. **Well over half of clients assisted were woman- and jointly-owned firms and 20.8% counted themselves as minorities.** Clients also represent a variety of industries as shown.

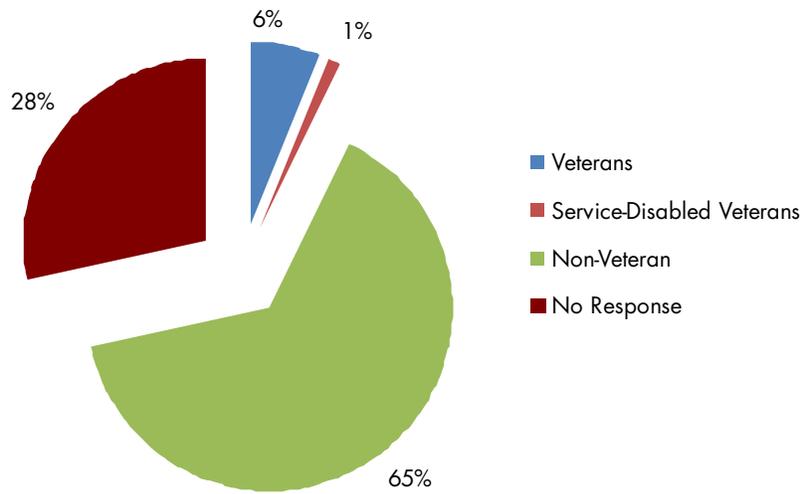
Industry Sector



Business Ownership



Veteran Clients



IMPACT

- Business Plans Written: 761
- Capital Formation: \$140,764,296
- New Businesses Opened: 731
- Businesses Bought: 86
- Domestic Sales Increased: \$556,883,625
- New International Trade Sales: \$173,783,043
- Jobs Saved: 748
- Jobs Created: 619

100 ADVOCACY

In 2010, the SBDCs continued to develop relationships to help restore small businesses to profitability and foster a healthier climate in which to operate. Staff participation in local chambers of commerce, networking groups, and business advocacy groups, and economic development corporations is a cornerstone of SBDC activities. Specifically, in 2010, the SBDCs have dramatically increased their

efforts to cement their relationships with local groups to expand referral networks and maintain services that might have otherwise been lost to state budget cuts.

The SBDCs routinely participate in local events to educate small businesses in obtaining capital, increasingly through means other than traditional bank loans:

- On October 22, 2010, the Penn State SBDC hosted a Bankers' Roundtable, where 12 local lenders and participants learned about lending programs and other issues from SBA, SEDA-COG, Pennsylvania SBDC Clean Technology Resource Center, State College Downtown Improvement District, and the College Township Industrial Development Authority (IDA).
- The Lehigh SBDC worked with the Lehigh Micro Finance Club to plan its Annual Microenterprise Expo. An expected 50 businesses, including SBDC clients, will participate in a trade fair on the University campus at no cost to the businesses. The audience will be the community, campus community and local purchasing agents.

In 2010, the centers proved themselves strong advocates for keeping businesses open and to help preserve well-paying jobs in the Commonwealth. The SBDC has advocated small business as an alternate means of economic self preservation for those who have been laid off from their jobs, as well as a satisfying second career:

- In the latter part of 2010, the Lock Haven SBDC engaged in a collaborative consulting relationship with the Governor's Action Team, the Steel Valley Authority, the Clinton County Economic Partnership, and Senator Wozniak's local aid to assist an SBDC client facing the possibility of closing their business along with the potential loss of more than 50 local jobs. The collective business turnaround efforts of this strategic consulting partnership resulted in stemming the loss of jobs and financial restructuring to allow the company to survive and grow.
- When the local Bank of America office announced it would be closing soon, the Penn State SBDC offered *The First Step of Starting a Business* seminar for free for bank employees. Due to that promotion, the Penn State SBDC was contacted by a soon to be laid off Bank of America employee interested in the starting her own business. After starting her own business, she has recently returned to the SBDC for assistance in purchasing an existing business that would compliment the services provided already provided by her own.

- The Philadelphia region’s life sciences sector has laid off thousands of workers, with more layoffs expected. The Wharton SBDC reached out to these displaced workers, visiting Pfizer to advise about-to-be-displaced workers about the resources available at SBDCs. The SBDC also collaborated with the University City Science Center and BioAdvance on a series of programs to support the development of life sciences entrepreneurs. “Entrepreneurs OnRamp,” a workshop and networking session, was held for 25 entrepreneurs in April. Those ready to start businesses convened at the SBDC in June for a follow-up event, “Planning the Next Leg of the Journey for Your Life Science Start-up.”
- The Indiana SBDC presented at an Indiana University-sponsored forum called “Successful Aging: Preparing for Life’s Transitions” before an audience of several hundred local residents. The SBDC lead a discussion on entrepreneurship as a means of income security and personal satisfaction after retirement.

Several centers also participated in public forums highlighting small firms’ role in the economic recovery.

Examples included:

- On January 26th the Shippensburg SBDC hosted a business roundtable with Congressman Joe Sestak, Vice-Chair of the House Small Business Committee. Congressman Sestak used this opportunity to share key points of the Small Business Recovery Act of 2010 and to get feedback from area business owners. The session was attended by sixteen area business owners who questioned Congressman Sestak on many issues. Local print media articles about the roundtable are in the appendices of this report.
- A client in Jefferson County approached the Clarion SBDC for assistance starting a pub. Aside from business planning assistance, the consultant helped the client formulate a strategy to get a measure on the local ballot allowing her to open her pub in a “dry” township. With the help of the SBDC, the client was approved by the town. The Clarion SBDC then assisted her in developing the financial proposal used to obtain the additional funding to open the business. In the summer of 2010, the business opened selling pizza, subs, soda, and beer.

200 CAPITAL FORMATION

2010 was a difficult year for financing small businesses. Even SBDC clients with good credit and solid business plans have had problems obtaining bank financing. As a result, the Pennsylvania SBDCs have made a vigorous effort in improving their relationships with banks and regional development corporations. More clients have turned to SBA-guaranteed loans, which have partially made up for some of the decline in traditional bank financing and were made easier to apply for thanks to the Recovery Act. In 2009, SBA loans accounted for 9% of SBDC client financing, rising to 15% of total in 2010. In addition, the Pennsylvania SBDCs have made strides in promoting microloans, venture capital, SBIR grants, and other less traditional forms of financing to its clients. In general, owners have had to invest considerably more of their own money in their business ventures than in the past. Despite these challenges, the SBDCs helped clients obtain **1023** individual loans or grants, totaling **\$140 million in start up and expansion capital** and averaging **\$137,600**, a marked improvement over the previous year. Examples of SBDC actions to help entrepreneurs access start-up and growth capital include:

- The Widener SBDC has developed a close working relationship with the Chester Economic Development Authority and the Chester Microenterprise Partnership. Chester Microenterprise provides loans up to \$25,000 and specializes in home based micro-businesses, while the Chester Economic Development Authority (CEDA) provides financing up to \$100,000 for businesses in the City of Chester. All CEDA borrowers are required to work with the Widener University SBDC for assistance in the borrowing process.
- The Clarion SBDC regularly speaks at the Clarion County Economic Development Corporation's bi-monthly Banker's Roundtable. The featured speakers have included PA Department of Community and Economic Development (DCED) representatives who discussed the guidelines of financing projects through the Pennsylvania Economic Development Financing Authority (PEDFA); a USDA representative, discussing their loan programs; and local government representatives, discussing new local development loans.
- The "Financing your Business" seminar, designed to address the fundamentals of managing small business cash flow and the sources of financing, has become ever more popular. This spring, the University of Scranton SBDC presented the seminar in conjunction with MetroAction, a local micro lender. Often a follow-up to The First Step, the workshop provides additional details on the

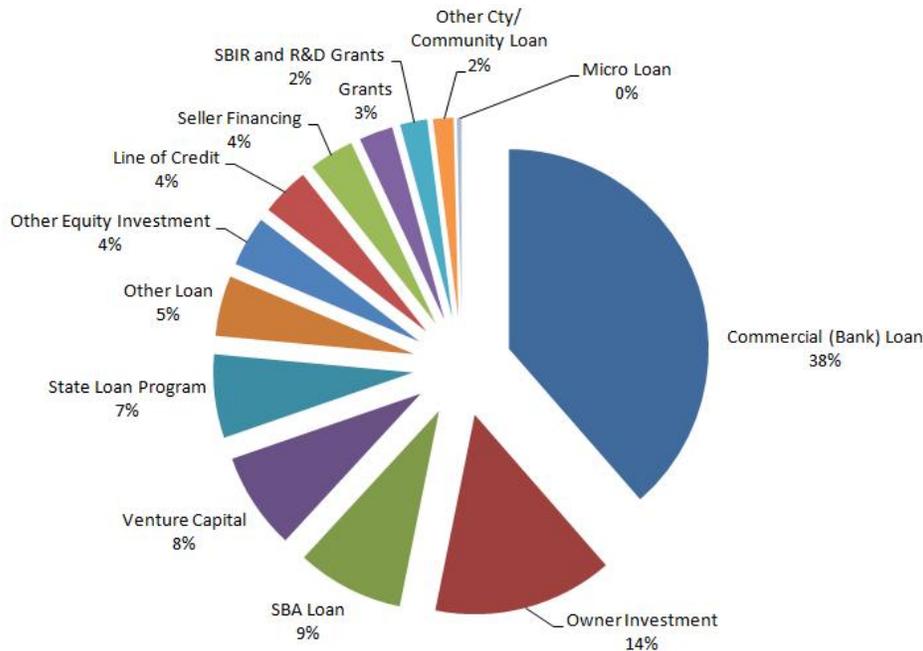
lenders, who they are, what they expect from an applicant, and what options a typical entrepreneur or small business owner has. Sources discussed include credit lines, venture capital, angel investors, and grants. The seminar also examined what investors seek when considering whether to finance a business or business proposal.

- The Wharton SBDC presented its semi-annual Meet the Lenders program in May, which convened representatives from SBA, several large banks, community banks, and microlenders. SBDC staff educated more than 50 attendees about what bankers look for in loan applicants, the importance of exploring financing opportunities with many possible lenders, and the current challenges and opportunities in small business finance. Attendees had the opportunity to talk personally and informally with the financial professionals.

Successes

- The Clarion SBDC assisted Sintergy, Incorporated with a business plan proposal that was used to successfully secure almost \$4,000,000 for a Reynoldsville manufacturing plant. The funding was used to build a new building, acquire new equipment and hire additional employees. The loans were structured with the assistance of the Jefferson County Department of Development and local banks. Over \$1.2 million dollars were secured from a PIDA loan for the project.
- A wind-energy-development client of the Gannon SBDC has secured a \$4 million line of credit from one of the world's largest wind-turbine manufacturers. The company also signed a memorandum of understanding with The Blackstone Group LLC— one of the world's leading investment firms— for over \$100 million in financing for an offshore wind-farm project for which the client has submitted a bid to the New York Power Authority. The client expects to hear the results of the bidding in the first quarter of 2011 for the wind farm to be located in Lake Erie.
- The Indiana SBDC assisted an entrepreneur with decades of experience in the mining equipment sector found his own company, Petra Drilling. The SBDC helped the entrepreneur develop a business plan and cash flow projections so he could obtain the large amount of start-up funding needed to buy the requisite equipment. Since that time he has continued to consult with the SBDC and had generated upwards of \$500,000 of sales.

- The Temple SBDC helped a family-owned construction firm obtain several lines of credit as its revenues increased. Construction companies have come under special scrutiny during the recession by traditional lenders, but the center was able to help the company obtain a \$60,000 line of credit from a factoring company. As the company grew to become a general contractor for the City of Philadelphia, the center successfully recommended the firm for a \$75,000 low interest PIDC loan.



300 INNOVATION & TECHNOLOGY TRANSFER

The Pennsylvania SBDCs have developed strong relationships with their host universities to support fledgling technology companies, providing support through consulting services focused on property rights protection, trade financing, copyrighting, and patent searches. Many Pennsylvania universities have had long-standing relationships with their local business communities, while others have used their relationships with the SBDCs to establish new technology commercialization centers or conduct academic studies. Many SBDC staff are publishing academics themselves, and SBDCs heavily utilize the talents of university students in consulting. 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.

- Consultants from the Pittsburgh SBDC have been heavily involved in the Innovation Partnership (IPart), a collaboration of economic development agencies in the Commonwealth of Pennsylvania. The collaboration aims to increase both the quantity and quality of statewide SBIR proposal submissions by providing assistance to potential applicants. In addition to a no-cost review of Pre-Phase I proposals, IPart offers financial support through micro-grants for as much as \$3,000 per proposal.
- The Clarion SBDC has taken part in the creation of two new technology commercialization incubators with its host university: the Barnes Center for Biotechnology Business Development and the Center for Applied Research and Intellectual Property Development. Collaboration with the university, the new faculty researchers, and student interns will lead to the Clarion SBDC being able to expand its consulting capabilities and increase its presence in the local community.
- The Wharton SBDC's Commercialization Acceleration Program, in collaboration with the Wistar Institute at the University of Pennsylvania, consulted 10 life science start-ups, a particularly important industry in Philadelphia. The Wharton SBDC is also a partner in the Greater Philadelphia Innovation Cluster (GPIC), a joint project of the US Department of Energy, SBA, NIST, and EDA to improve energy efficiency in Philadelphia and assist in the ongoing commercial development of the former Navy Yard.
- A Temple SBDC client who provides customized integrated circuitry services and is expanding into proprietary product development was awarded an SBIR contract for \$70,000 with a Phase I option for an additional \$30,000 by the US Navy. The company was awarded the IPART micro-grant. In addition, the consultant referred the client to the Temple SBDC legal clinic for assistance with confidentiality agreements for employees and independent contractors.

The Bucknell SBDC's Engineering Development Service (EDS) has continued to provide specialized engineering consulting and product development with a combination of professional and student engineers. The EDS consulted with over **150 clients** in 2010. Some examples include:

- The Bucknell SBDC, through its EDS program, helped Lake Forest Panel Systems in Bloomsburg design a type of prefabricated emergency shelter to be deployed in disaster zones. With direct technical assistance from the SBDC staff, the company was able to develop a

prototype and begin marketing to governments and aid agencies. Now awaiting its first orders, it expects to create 60 new jobs.

- The Pittsburgh and Bucknell SBDCs collaborated to help an entrepreneur in Pittsburgh develop a universal adaptor for garbage trucks to pick up different kinds of dumpsters. EDS consultants, using specialized software, helped the entrepreneur model the product and design it to the requisite specifications, while Pittsburgh SBDC consultants helped the client market it to manufacturers and distributors. The new company, Townsend Industries, LLC, patented the device and sold exclusive distribution rights to a national garbage truck manufacturer.

400 INTERNATIONAL TRADE

Falling domestic sales led many small firms to pursue international markets for customers in 2010. Many Pennsylvania firms have been able to sell products that they had once sold regionally or nationally to the world. The mining equipment sector has been particularly strong. 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 trade 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 **2,619 hours of international business assistance**. Clients reported an **increase of \$173,783,043 in export sales**. 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 2010 include:

- The St. Vincent SBDC won the 'E' Award for Export Service from the Department of Commerce this year for its excellence in international trade assistance. The 'E' Award is one of the most prestigious forms of recognition offered by the federal government for persons, firms, or organizations that contribute significantly to increasing US Exports. In addition, the St. Vincent SBDC has continued to offer seminars and workshops on introductory export issues and specialized topics, such as export controls, specific country seminars, and international business strategies.

- In March, the Saint Vincent College SBDC hosted *U.S. Export Controls Compliance Conference*. This two-day conference addressed export controls and regulations that fall under various governmental agencies, including the U.S. Bureau of Industry and Security, the U.S. Department of Commerce, and the U.S. Department of State. A total of 48 attendees were educated and informed on how to minimize exposure, liability, and risk in export transactions. The following month, the SBDC hosted the Directors of Pennsylvania’s Overseas Trade Offices in Beijing and Shanghai for a timely conference designed to help Pennsylvania companies succeed in China’s rapidly growing market. The China Business Strategies conference combined in-country business perspective with industry expertise. The event attracted 47 attendees.
- The SBDCs have successfully encouraged companies to expand their product offerings to overseas clients. Centers at Temple, St. Francis, St. Vincent, Duquesne, Kutztown, and Lehigh have long-standing relationships with Pennsylvania’s overseas trade representatives and experience in helping local companies navigate the daunting process of exporting for the first time. This year’s programming has included well-attended workshops on the export process, US Treasury, Defense, and Commerce Department export restrictions, and the Chinese market.
- The Duquesne SBDC Global Business Program has continued its work on a three-year grant project through the US-Mexico Training, Internships, Exchanges, and Scholarships (TIES) partnership initiative funded by USAID. The SBDC has assisted in commercializing clean energy technology with cross-border collaboration with faculty and students at the Universidad Autonoma de Nuevo Leon.
- The St. Francis SBDC has taken an assertive stance in both obtaining new clients and promoting them overseas. A consultant attended the Electra Mining trade show in Johannesburg, South Africa on behalf of nine clients. In addition, the St. Francis SBDC now provides Russian translation services. Several clients have expressed interest in the Russian market and a St. Francis representative will be attending the Mining World Russia Trade Show in April 2011 on their behalf.

Successes

- The Lehigh SBDC helped ABEC, Incorporated, a Bethlehem located manufacturer of bioreactors used in the pharmaceutical industry, start to export to India. Lehigh international business consultants conducted market research for the company and contacted Pennsylvania’s trade representatives in India to help find potential clients for ABEC. It has been successful - ABEC’s international sales have doubled in three years and continue to grow. The company won the US Department of Commerce Export Achievement Award in 2010, recognizing its success in expanding US markets overseas.
- The St. Francis SBDC helped the Rogers Brothers Corporation, a trailer manufacturer and long-time center client, obtain a \$250,000 order for low-bed trailers from Peru. The center had represented the company at a mining trade show in the country and has assisted the company in the logistics of the order.
- The Temple SBDC assisted M.H. Ziegler and Sons, LLC, a national apple cider producer, in finding new markets overseas. The International specialist worked with the client to develop a market entry strategy for the company. Since apple cider has a very short shelf life, the consultant worked with the company to develop a new product for export with a longer shelf life. With the help of the SBDC, the client began attempts to enter the Chinese market. After lengthy negotiations with distributors, the company was able to ship its first consignment to China in November 2010.

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 SBDCs supported minority business owners in 2010. Pennsylvania’s minority population is growing and sometimes requires specialized services: the centers have increasingly held First Step seminars, for instance, in Spanish, and are increasing outreach to immigrant entrepreneurs. In the first half of the year, the SBDCs consulted with **1708 minority clients**, representing over **20% of the total client base**. Of this group, **4.6%** counted themselves as Hispanic and **13.3%** identified themselves as African-American.

Urban areas, such as Pittsburgh and Philadelphia, see more minority clients. For instance, just over **50% of the Temple SBDC’s client base** identified themselves as minorities. Examples of activities to support Pennsylvania’s diverse population include:

- The Kutztown SBDC Government Marketing Program co-sponsored the *Supplier Diversity Symposium* with the Harrisburg Regional Chamber and Capital Region Economic Development Corporation. The event consisted of a breakfast panel discussion, a networking session and vendor exhibition. The event was attended by over 40 exhibitors, and consisted mainly of large companies and educational institutions looking for vendors. Over 140 businesses participated in the event.
- The Duquesne SBDC's Pittsburgh Immigrant Entrepreneur Program delivered four First Step seminars in Spanish in conjunction with presentations by local Hispanic community activists, successful immigrant entrepreneurs, and bank representatives.
- One of the attendees of Duquesne's Spanish language First-Step seminars, a recent Peruvian immigrant who himself had owned a plastic molding company in his home country, established a successful restaurant in Pittsburgh with the continuing help of the Duquesne SBDC. With the entrepreneur's business background and the help of the SBDC, the nascent business was able to obtain financing, a very difficult feat for many immigrant entrepreneurs. The restaurant broke even on the investment in its first year and the owner is now planning on opening a second location.
- Several of the centers held seminars on 8(a), HUBzone, MBE, and WBE certifications. These seminars have been consistently popular; in fact, the Kutztown SBDC reports that on several occasions they had to add new seminars to meet with the demand.
- The Penn State SBDC went to great lengths to promote its minority consulting services. During the summer of 2010 the SBDC consulted with a local African American female entrepreneur in starting a bakery. After learning about her difficult past, including bouts of homelessness and caring for a disabled child, the SBDC, with the help of the local women's business networking group, held an 'extreme business makeover' event, which drew volunteers, donations, and local news coverage to help the client start her business. The client has remained in touch with the SBDC and her business continues to grow.
- The University of Pittsburgh SBDC collaborates in programming with the Diversity Business Resource Center at the Riverside Center for Innovation, a high-tech incubator in Pittsburgh.

- The needs of small business in large cities are often different from those in the rest of the Commonwealth. A considerably higher percentage of Temple and Wharton SBDC clients are minorities than those of other centers. The services provided by the urban SBDC's are well adapted for the different regulatory, legal, and marketing environments that these businesses face. The strengths of those centers, such as their legal and procurement programs, are covered respectively in sections 1100 and 700 of this report.
- A Wharton SBDC client opened a successful wellness spa in West Philadelphia after repeated attendance at seminars and consulting over a period of years. Her business has become a leader in the African American entrepreneur community in Philadelphia and was featured in a *New York Times* article about starting a business.
- The Widener SBDC assisted a client in starting a soul food restaurant in downtown Chester with consulting help from students at Widener's School of Hospitality Management. The client moved into a location across from Chester City Hall in June of last year. She was recently chosen by the National Coalition of 100 Black Women Inc's Pennsylvania Chapter for the 2010 Madam C.J. Walker Award.

600 RESOURCE DEVELOPMENT

The SBDCs have demonstrated agility and creativity in developing resource partners, calling upon an extensive network of corporate, university, and economic development agencies to help the small business community. In the face of budget cuts, the SBDCs have had to rely more heavily on the network of small business development partners. As in past years, the centers have reached out to local chambers of commerce, Keystone Innovation Zone participants, Ben Franklin Technology partners, downtown partnerships, regional/local economic development corporations, SCORE, legislative offices, minority business organizations, and municipal governments to co-host programming. Increasingly, the centers have also relied on these partners to keep providing services that otherwise would have been cut.

Examples of resource development undertaken in the past year include:

- SBDC staff reached out to banks and other community partners to cover the cost of travel and materials for educational programs and consulting work in their counties. Renewed outreach to

local banks has raised awareness of time-honored SBDC services, including *First Step* workshops and business plan review. Several banks have stepped forward to provide training sites, including PennStar Bank of Hallsted. The SBDCs have also partnered with Credit Unions and local attorneys for trainings.

- The Gannon SBDC worked with three local agencies to develop and implement a “shop downtown” advertising campaign in Erie for the 2010 holiday shopping season. The SBDC designed posters and promoted the attractions of downtown Erie, home to many center clients. The SBDC, in conjunction with its service partners, also wrote and recorded a radio advertisement.
- The Lehigh SBDC partnered with Senator Casey’s office and the Department of Commerce for an International Business Forum which provided tools and resources on how to export. This builds on an ongoing relationship.
- Two University of Pittsburgh SBDC consultants participated in the Tri-County Oil and Gas Expo on May 8, 2010. With the oil and gas industry generating more than \$7 billion of economic impact each year in Pennsylvania, the expo sought to help entrepreneurs and small businesses learn about a wealth of opportunities and network with industry leaders.
- The University of Pittsburgh SBDC has also forged a strong referral alliance with economic development organizations such as Innovation Works, Pittsburgh Life Sciences Greenhouse, the Technology Collaborative and the Pittsburgh Technology Council. More than a dozen SBDC clients have been referred to those organizations for technology assistance and, in turn, they have referred clients who need business planning and development assistance to the Pitt SBDC.

Fortified partner relationships have enabled the SBDC to attract much-needed funding. For instance:

- The Saint Francis University SBDC has sustained service offerings in Bedford, Fulton and Huntingdon Counties as a result of additional funding received through the USDA’s Rural Business Enterprise Grant (RBEG) program.
- The Lock Haven University SBDC was able to act on a targeted federal earmark grant initiative to assist clients with tax compliance. This program is being provided to pre-venture and

established clients through the development and delivery of training modules, one-on-one consultations, and creation of a database of online resources to develop a culture of regulatory compliance within their organizations.

700 PROCUREMENT

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. The SBDCs helped **41** businesses obtain state MBE/WBE certifications for procurement.

Examples of procurement activities for 2010 include:

- The Kutztown and Temple SBDCs have hosted multiple workshops and seminars on contracting with the government, including (8)a/HUBzone, and MBE/WBE certification, contracting with the Commonwealth of Pennsylvania, Proposal and Bid submission, GSA Schedules, and others.
- The Kutztown SBDC’s Government Marketing Program co-sponsored the *Supplier Diversity Symposium* with the Harrisburg Regional Chamber & Capitol Region Economic Development Corporation. The event consisted of a breakfast panel discussion, a networking session and vendor exhibition. The event was attended by over 40 exhibitors, and consisted mainly of large companies and educational institutions looking for vendors. Over 140 businesses participated in the event.
- During the reporting period Lehigh PTAC launched a new in-depth Government Market Research service for its clients. Three companies were selected for the pilot service: a consulting company; a machine shop; and an environmental remediation service provider. Topics in reports included: research of open solicitations; information about communication with contracting and small business liaison officers; expiring contract dates; award history research; prime contractor information; government facilities research; agency profiles; state/local/international

opportunities; info about best practices in government marketing. Results from all the businesses were positive.

- The Indiana SBDC participates in IUP's Government Contracting Assistance Program (GCAP). Defense contracting is a substantial part of the economy of Indiana, Allegheny, Armstrong, Fayette, and Westmoreland counties. The center maintains its own Bidmatch system and ties with the defense industry and consults with clients in conjunction with the Indiana SBDC.

Successes

- A Temple SBDC client who provides customized integrated circuitry services and is expanding into proprietary product development was awarded an SBIR contract for \$70,000 with a Phase I option for an additional \$30,000 by the US Navy. The company was awarded the IPART micro-grant. In addition, the consultant referred the client to the Temple SBDC legal clinic for assistance with confidentiality agreements for employees and independent contractors.
- Temple SBDC client Lansdale Packaged Ice, won the 2010 SBA Small Business Persons of the Year Award, which recognizes the contributions of small businesses to the economic well-being of America. Located in Montgomery County, Lansdale Ice is a manufacturer and distributor of packaged ice to retailers throughout Greater Philadelphia and its neighboring countries. The company has been certified as a minority-owned business enterprise, through both the Minority Supplier Development Council of PA-NJ-DE and the Commonwealth of Pennsylvania Department of General Services. Currently, the company's customers include Wal-Mart, 7-Eleven, Save a Lot, Rite Aid and General Mills. Most recently, Lansdale Packaged Ice, Inc. is now supplying ice to the U.S. Military.

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

800 SPECIAL FOCUS

The Pennsylvania SBDCs differ in the types of specialized services they offer to their constituents depending on regional strengths. Those that multiple centers have recently focused on are listed in this section, while others are detailed in section 1100, Other Activity.

Marcellus Shale

The large-scale exploitation of the Marcellus Shale is possibly the biggest development in the economy of Pennsylvania in decades, creating for the first time in a generation a growth environment for small business. The exploitation of the shale has not only created opportunities for those contracting with large drilling companies but also those providing tertiary services, such as diners and gas stations.

- The Bucknell SBDC continues to partner with Penn State Cooperative Extension as a local sponsor to present webinars with speakers from the gas industry and local business communities. The SBDC partnered with SEDA-COG to market a winter webinar series and lead the discussion following the webinars. The series was offered in winter and spring/summer 2010. An aid to Representative Glenn Thomas attended the Marcellus Shale Webinars.
- The Penn State SBDC hosted two highly successful seminars in 2010 targeting businesses interested in the growing Marcellus Shale industry. The events were held on Tuesday, June 29th and Friday, November 5th and attracted 194 and 162 attendees respectively. The Marcellus Shale Procurement Fair brought together representatives from numerous companies and organizations that provided information on how to leverage these exciting opportunities. Following their presentations, the speakers were available to meet one-on-one with attendees. The collective response to the events was extremely positive with planning already underway for several more events in 2011.
- Two University of Pittsburgh SBDC consultants participated in the Tri-County Oil and Gas Expo on May 8, 2010. With the oil and gas industry generating more than \$7 billion of economic impact each year in Pennsylvania, the expo sought to help entrepreneurs and small businesses learn about a wealth of opportunities and network with industry leaders.

- In 2010 the Clarion SBDC began to develop professional contacts with large companies involved in producing natural gas from the Marcellus Shale in our 10 counties. A continuum of seminars has been scheduled for small businesses and meetings with natural gas company representatives are underway.

Student involvement/youth enterprise

One of the huge advantages of the Pennsylvania SBDCs is the collaboration with host universities. SBDC staff routinely teach courses as adjunct faculty and all centers hire student interns of different degree levels to conduct research for professional consultants and even consult with clients themselves. Many centers are active in promoting youth entrepreneurship, which particularly flourishes at Pennsylvania's larger universities.

- In 2010, the Penn State SBDC organized Penn State's second participation in Global Entrepreneurship Week. Between November 15, 2010 and November 20, 2010, Colleges across Penn State University worked together to "Inspire, Connect, Mentor, and Engage" young entrepreneurs through a variety of seminars, speaker panels, and competitions.
- The Pittsburgh SBDC has particularly utilized university students in direct consulting with clients. The program launched in 2007 and has grown steadily since then. In 2010, the student teams worked with 278 entrepreneurs and helped 26 small business owners open their doors for business for the first time as well as help four entrepreneurs purchase businesses. Student consulting teams also supported entrepreneurs in creating 84 business plans, 18 strategic plans and 76 marketing plans; helped 94 businesses with a market research project; performed financial analyses for 86 businesses; and helped 11 business owners secure \$2,045,265 in financing.
- The University of Scranton SBDC continued its Youth Entrepreneurship efforts, once again hosting the Forest City Regional High School Future Business Leaders of America for Youth Entrepreneurship Day. The students participated in activities and sessions on the topics of leadership, teambuilding, diversity, and business ethics. The University of Scranton's Students in Free Enterprise (SIFE) assisted with planning and facilitation.

Agribusiness

With the emergence of the “eat local” and “slow food” movements, as well as a larger public fascination with organic food, family farmers in Pennsylvania have become a particular constituency for the SBDC. The SBDCs can offer services to larger agricultural enterprises as well, particularly in product development, marketing, and energy efficiency.

- The Penn State SBDC displayed and staffed its conference booth at Ag Progress Days in August. Ag Progress Days is Pennsylvania’s largest outdoor agricultural exposition. Sixty-five percent of the 50,000 attendees of this event are engaged in agriculture-related professions. More than 400 exhibitors displayed their latest goods and services.
- In 2010, the St. Francis SBDC received two grants from the USDA. The first of these was an \$87,000 grant received in April through USDA’s Rural Business Enterprise Grant (RBEG) program for small business development in Bedford, Fulton and Huntingdon Counties. This grant enabled the SBDC to reestablish weekly outreach in each of the counties, provide for additional seminars, and allowed the SBDC to put videoconference capabilities in its building. A second USDA grant of \$85,000, under their Rural Microenterprise Assistance Program (RMAP), is for assisting start-up micro-entrepreneurs of fewer than 10 employees. It reestablished weekly outreach in the remaining counties of the St. Francis SBDC’s coverage area and will enable the center to conduct additional seminars and will establish peer networking groups in each of the six counties targeting the smaller entrepreneur.
- The University of Scranton SBDC continued to expand its Agribusiness and Food Specialty Centers, including The Buy Fresh Buy Local Northeast Region Chapter, a consumer education program that works to strengthen regional markets for locally grown foods. The Northeast Region chapter was chosen as one of four group projects for this year’s Leadership Lackawanna program. The project team is working on increasing awareness and recruiting new chapter members. Staff developed and coordinated production of the Buy Fresh Buy Local Northeast Region’s Local Food Guide, including creating mailing lists, visiting farms and farmers’ markets, collecting data, and working with a graphic designer.

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. Many SBDCs are partners in incubators, and in some instances have taken part in faith-based initiatives where they have been relevant to the core competencies of the SBDC. Examples of economic development activities in 2010 included the following:

- The Clarion SBDC director is the Clarion University Economic Development Representative on the Pennsylvania State System of Higher Education (PASSHE) Task Force for Economic Development. In 2010 he participated in PASSHE meetings to further define and continue initiatives with the SSHE Chancellor's Office for economic development projects at the 14 state universities. One of the goals of PASSHE is to work in tandem with the Pennsylvania SBDC on economic development in the state of Pennsylvania.
- The University of Scranton SBDC continued to play a vital role in the Carbondale Technology Transfer Center's Kitchen Incubator program, including hosting seminars and assisting clients in preparing business plans to use the kitchen.
- The Wilkes SBDC has been active in promoting business incubators in Northeastern Pennsylvania. It helped develop the Innovation Center @ Wilkes-Barre and an incubator in Bloomsburg, and has been active in creating a new incubator in Hazleton.
- The Temple SBDC is a lead participant in the Temple Incubation Program. To be considered for the program, applicants must submit a feasible business plan, which is evaluated by a team of SBDC business consultants. Upon acceptance into the program, business owners are required to establish reasonable short and long-term goals for their company. Progress towards these goals is evaluated each quarter. Tenants are required to attend monthly meetings with their business consultant and any professional development opportunities as specified by their consultant. In 2010, the business incubator housed twelve businesses (five new businesses), ten were minority owned and six were women owned businesses.
- The Temple SBDC also continued to maintain relationships with the Kingdom Care Reentry Network in the Philadelphia area. Kingdom Care Reentry Network is a faith based collaborative

partnership in prison aftercare. The partnership consists of a network of churches, community organizations, state and local agencies throughout the Pennsylvania area whose mission is to reduce the rate of prison recidivism in the Philadelphia area.

- The Philadelphia region’s strong life sciences sector has laid off thousands of workers, with more layoffs expected. The Wharton SBDC reached out to these displaced workers, visiting Pfizer to advise about-to-be-displaced workers about the resources available at SBDCs. The SBDC also collaborated with the University City Science Center and BioAdvance on a series of programs to support the development of life sciences entrepreneurs. “Entrepreneurs OnRamp,” a workshop and networking session, was held for 25 entrepreneurs in April. Those ready to start businesses convened at the SBDC in June for a follow-up event, “Planning the Next Leg of the Journey for Your Life Science Start-up.”

1000 RESEARCH

The Pennsylvania SBDCs conduct a wide variety of research. In many cases, research is conducted by students with the oversight of senior consultants, while other times SBDC consulting assignments are part of classes. Some SBDC staff are publishing academics, while a much larger number have close ties with faculty at their institutions who have produced research vital to the centers’ needs. 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.

- The Clarion University SBDC conducted a regional constituent needs assessment survey in late 2009 and early 2010. The center used this valuable information to evaluate, identify, and develop SBDC services. The survey of 3,023 business owners throughout the Clarion SBDC’s service area (of which 3.5% responded) gauged local interest in SBDC programming and their need for specialized consulting areas, as well as confidence and plans for expansion or contraction. In addition, the Clarion University SBDC Director, Kevin Roth, authored an article titled, “Rural Downtown Revitalization: Strategies for Community and University Collaboration.” This article will be published in a forthcoming edition of the Society for the Advancement of Management: Management in Practice.

- As part of a project in Mercer, the Gannon SBDC performed research via surveys, cold calls, and focus groups, in an effort to determine the feasibility of the multi-use shared kitchen incubator. The facility would enable local farmers and food producers to supplement their incomes by developing additional product uses and income streams.
- The Saint Vincent College SBDC partnered with the Economic Growth Connection of Westmoreland County on a transportation infrastructure research project during the fall semester of 2010. An SBDC student intern gathered traffic data and industry statistics on the need for a highway improvement project for the eastern part of Westmoreland County. The student intern was responsible for gathering and compiling employment statistics and traffic count information to measure the positive economic impact resulting from infrastructure improvements in eastern Westmoreland. County economic development officials were presented with the final report in late November.

1100 OTHER ACTIVITY

Practical, affordable training for small businesses is a core part of the Pennsylvania SBDC mission. In the past year, **721 workshops were delivered to 13,453 attendees**. Pre-venture workshops, such as the First Step, attracted a number of unemployed individuals exploring business ownership. A total of **240 First Step workshops** were held in 2010, 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. Centers also offer a wide variety of specialized programming catering to local needs, a few of which are displayed below.

- The Duquesne SBDC received a grant from the Defense Economic Transition Assistance Program to fund the center's work in helping businesses adapt after the closure of their local military facilities. The center works with partners in affected military bases and local business organizations and with the organizations that assist businesses with government contracting. The Duquesne SBDC has already had an ongoing relationship with some of these organizations, including the Southwestern PA Commission Government Contracting Program (supported by ARC and DCED) and the Government Agency Coordination Offices at the University of Pittsburgh, California University, and Slippery Rock University. These relationships have helped identify businesses that have suffered due to base closings.

- Temple's free legal clinic, staffed by 11 third-year law students, provided business-related legal assistance to 85 clients this year. The only specialized SBDC legal clinic in the system, Temple SBDC provides a valuable service to its constituents on issues ranging from non-citizen business ownership, regulatory assistance, partnership agreements, and tax help.

1200 SUCCESS STORIES

See SECTION 3, APPENDIX B – SUCCESS STORIES.

1300 TRAVEL

There was no unplanned travel during 2010.

1400 PROBLEMS

As the recession has worn on, the SBDC has lost over half of its state funding. Over the last two years the SBDC has faced repeated budget reductions that have forced individual centers to lay off consultants, close outreach offices, and curtail services. In addition, many of the state and state-related universities have cut both direct funding for their centers and the financial aid arrangements that allow students to work at the centers. Through all of this, centers have faced an increased demand for their services. The Pennsylvania SBDCs have maintained good relationships with state and federal legislators to maintain their essential services. A few centers, such as the St. Francis SBDC, have been able to find new federal funding to sustain its programming, but the arrangement is not ideal, as most centers have had to repeatedly curtail their core activities.

1500 FINANCE

All invoices 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 2010. The SBDCs have developed original programming and promotional events. **More than half of all clients represented women- or jointly-owned businesses.** Examples of outreach and successes include:

- In October, the Scranton SBDC hosted the 15th Annual Award for Woman Entrepreneur (AWE) luncheon, showcasing a special 15th Anniversary video highlighting the accomplishments of the award winners over the years. Following the luncheon screening, the video was placed on the center's YouTube channel.
- The Gannon SBDC is a Contributing Partner in the International Athena PowerLink, Erie and Mercer Chapters. Athena PowerLink is a mentoring program for women-owned businesses that provides 12 months of free consultation with a panel of experts focused on three goals the company has determined necessary to grow their business. These panels of professionals offer expertise in areas of management, law, marketing, finance, and operations. The Gannon SBDC has actively participated in the Athena PowerLink program for over 11 years.
- In October 2010, the Penn State SBDC participated in the second annual Entrepreneurial Women's Expo held in State College. The Expo was coordinated by a former female client of the Penn State SBDC who owns a successful organizing business. Over 100 women business owners attended the event and more than 50 women-owned businesses exhibited at this first-time event. Attendees hailed from Centre and several contiguous counties, including Mifflin, Blair, and Huntingdon. The SBDC displayed its booth and discussed SBDC services with the women business owners. At this time, it is the only all women business Expo being offered in central Pennsylvania.
- The Temple SBDC participated in the Women, Money and Opportunity Project organized by the Pennsylvania Department of Treasury on March 9, 2010. SBDC representatives played a major role by coordinating the business match making client meetings held during the morning and afternoon sessions.

- The Temple SBDC also partnered with the African American Museum in Philadelphia on a panel discussion with several African American and Latino women entrepreneurs in the Temple Incubation Program. The event was geared toward women aspiring to become successful entrepreneurs who needed guidance from those who have already succeeded before them.

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. The SBDC helped clients open **731** businesses and purchase **86** others in 2010, a notable improvement over both 2008 and 2009. Clients obtained **1023** individual loans or grants, totaling **\$140 million** and averaging \$137,600 each. SBA loans were **15%** of total (\$21,700,965). SBDC clients reported **749 jobs created and 619 jobs retained**. With SBDC help, clients were able to report an increase in domestic sales of **\$556,883,625** and **\$173,783,043** in exports.

The SBDCs have continued to adapt their consulting and programming to help clients in major traditional industries in Pennsylvania—housing, manufacturing, and construction—weather the downturn and even expand. At the same time, the SBDCs have helped their clients utilize (and obtain financing for) new and more efficient technologies, improve manufacturing processes, and expand into new markets so that they are poised for growth as the economy recovers. The SBDCs' outreach efforts and array of programs presented to clients and organizations in the business community have been highlighted throughout other sections of this report.

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

1800 VETERAN BUSINESS DEVELOPMENT

The Pennsylvania SBDC network won an SBA grant this year to host the Mid Atlantic Veterans' Business Outreach Center (VBOC). The center, which serves the five-state area of the SBA's Region III (Pennsylvania, Delaware, Maryland, Virginia, and West Virginia, as well as Washington, D.C.), has recently hired a director and has been developing new educational, outreach, and promotional materials and programming. In addition, the new center continues outreach to local service providers in Region III, including SCORE, SBA offices, the VA, and other SBDC networks.

The SBDCs supported a total of **508 veterans and 82 service-disabled veterans**, and educated another **656** veterans in seminars. Veterans have long been able to attend Pennsylvania SBDC workshops and seminars free of charge. In particular, veterans have heavily utilized our procurement technical assistance services. Examples of outreach and successes include:

- The Gannon SBDC helped a 20 year Coast Guard veteran increase his fishing charter business within Erie. The SBDC team worked to identify new markets and partnerships to increase passengers and/or bookings of this popular fishing charter service. The SBDC helped the captain start an advertising campaign, including appearances on radio talk shows, internet advertisements, and use of social media.
- The University of Pittsburgh SBDC is collaborating with the Riverside Center for Innovation on a new program focused on veteran businesses. The SBDC is committed to serving veterans and is working with Riverside Center for Innovation to develop appropriate seminars. The SBDC will provide consulting services to the veterans involved in the program.

1900 MANUFACTURING

The Pennsylvania SBDC has a long history of providing assistance to manufacturers, which remain an important sector of the economy of Pennsylvania. The SBDC provides confidential, one-on-one consulting to help manufacturers:

- Obtain financing
- Expand operations
- Commercialize new technology
- Develop new products and techniques

- Find new markets
- Environmental management and regulatory assistance

In the past year, **1,061 manufacturers** turned to the SBDCs for such assistance, including:

- The Clarion SBDC assisted Sintergy, Incorporated with a business plan proposal that was used to successfully secure almost \$4,000,000 for a Reynoldsville manufacturing plant. The funding was used to build a new building, acquire new equipment and hire additional employees. The loans were structured with the assistance of the Jefferson County Department of Development and local banks. Over \$1.2 million dollars were secured from a PIDA loan for the project.
- The Gannon SBDC worked with a Meadville based tool and plastic injection manufacturer to secure \$621,200 in funding for a major facility expansion, which is resulting in the creation of five additional full time jobs. The financing package included an owner cash infusion, a PA DCED Small Business First Loan (facilitated in conjunction with the Northwest Regional Planning Commission), an Economic Progress Alliance of Crawford County USDA IRP Loan, and a City of Meadville Redevelopment Authority Enterprise Zone Loan. The SBDC helped the client prepare the detailed financial projections and the specific qualifying rationales for each of the individual EDA loan programs.
- Gannon SBDC client Erie Molded Plastics expanded in 2010 after a down year in 2009. The company secured \$614,000 to purchase new machinery so it could provide more in-house services for customers. The SBDC prepared all the financial reports needed by the lending agencies. The company was able to bring back employees that were laid off in 2009. There were 43 employees in December 2010 earning excellent wages with very good benefits.
- The Penn State SBDC Environmental Consultant worked with the owner of a machine shop that uses computer numerical controlled (CNC) milling machines and as well as conventional milling machines to manufacture parts for their clientele. The owner requested assistance with sales tax exemption for electricity use. In Pennsylvania, a business involved in manufacturing or processing that purchases and uses electricity may be exempt from a portion of the sales tax on its energy use. The Penn State SBDC Environmental Consultant's assistance to the business included performing an on-site assessment to make energy efficiency recommendations as needed and assisting with the calculation of the tax exempt energy used for manufacturing.

- The St. Vincent SBDC helped Clearspan Construction Products found an affiliated new company, CDP Industries, to manufacture bridge deck and components at a facility in Latrobe. The principals have expanded into approximately 30 states that allow the use of permanent metal decking for bridge construction. The SBDC helped the two companies obtain just short of a million dollars in bank financing this year in order to purchase new equipment. Other assistance provided by Saint Vincent College SBDC included consulting assistance in the development of financial projections and financial analysis of both business entities. The two companies have added nine new employees between them, bringing their combined total employment to 19.
- The Shippensburg SBDC helped a Chambersburg entrepreneur open a start-up manufacturing firm that makes conversion kits to turn Jeeps into trucks. The entrepreneur, who initially won a grant from the Ben Franklin Venture Investment Forum for his outstanding business plan, has recently started construction on a facility so that he can transform his company from a garage-based hobby into a proper firm. Over three quarters of his orders so far have been from outside the region, and many have been from overseas. The product was featured on the cover of the September 2010 issue of *Four Wheel Drive & Sport Utility* magazine.

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. The resources available on the main Pennsylvania SBDC website, www.pasbdc.org, have accumulated to such an extent over the last few years that it has necessitated an entirely new design. The center expects to roll out its new website in June 2011. It will feature more intuitive organization and an increased use of video and social media. The EMAP site, www.askemap.org which launched in 2009, continues to add content and promote its services online.

All the centers report making increasing use of webinars in their educational programming, utilizing both those developed by the state and by local centers. The centers have particularly found webinars useful as an inexpensive way to reach a larger number of people than workshops or seminars alone in a time of reduced budgets and staff lay-offs. Other network-wide services include search engine assessments, offered by the Kutztown SBDC, and website analysis and SEO recommendation, offered by the University of Pittsburgh SBDC.

Centers continue to promote outreach through social networking sites with the help of staff media and marketing consultants and student interns.

2100 ENVIRONMENTAL MANAGEMENT ASSISTANCE PROGRAM

With the downturn in the economy resulting in the loss of businesses and jobs in Pennsylvania, the services the SBDC's Environmental Management Assistance Program (EMAP) provides are even more important to help keep existing businesses in compliance and start new companies with all necessary permits and approvals in place from the start. Over the past year, EMAP has continued to provide high quality environmental and energy consulting to small businesses. Although reduced resource limited EMAP services in northwest and northeast Pennsylvania, EMAP provided no-cost services to 1,032 small firms, with 407 small firms receiving extended consulting engagements and 102 receiving on-site assessments.

To maximize services to clients, EMAP funding during 2010 was directed toward the delivery of one-on-one consulting - primarily responding to calls to the EMAP hotline and other requests for EMAP services. Only one publication was produced in 2010, a timely brochure on alternative energy for small companies. By using an email newsletter, and the website, information was disseminated quickly and received in a timely manner so small businesses were kept informed of the latest news and information.

Some of the targeted outreach efforts during 2010 included:

- Assistance to the agricultural sector including farmers and other start-up companies using biomass to produce biofuels. These clients required a combination of regulatory compliance assistance in all media and funding assistance. These projects are resulting in the reduction of waste going to landfills and greenhouse gases emitted to the atmosphere.
- Working with the U.S. Environmental Protection Agency, EMAP helped organize and facilitate a series of workshops for auto body shops in Pennsylvania potentially impacted by the H6 regulations. Over 200 auto body professionals attended these workshops.

- Working with Philadelphia Air Management Services, EMAP helped organize, develop and promote workshops and other education to dry cleaners in Philadelphia impacted by new regulations phasing out the use of perchloroethylene in dry cleaning machines. This included extensive outreach to the Korean community.

The SBDC's Environmental Management Assistance Program also helped companies access funding for energy efficiency upgrades, alternative fuels and alternative energy installation. In 2010, EMAP clients invested \$1.3 back into the Pennsylvania economy through purchases made by grants received and investments made with EMAP's assistance. EMAP clients received 40 DEP Small Business Advantage Grants (SBAG) in 2010 for a total of \$226,996 in grant funds. Since 2004, EMAP clients have received 275 SBAG grants for over \$1.5 million in state funds.

2200 KEYSTONE INNOVATION ZONES

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