



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

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2010 SEMI-ANNUAL REPORT

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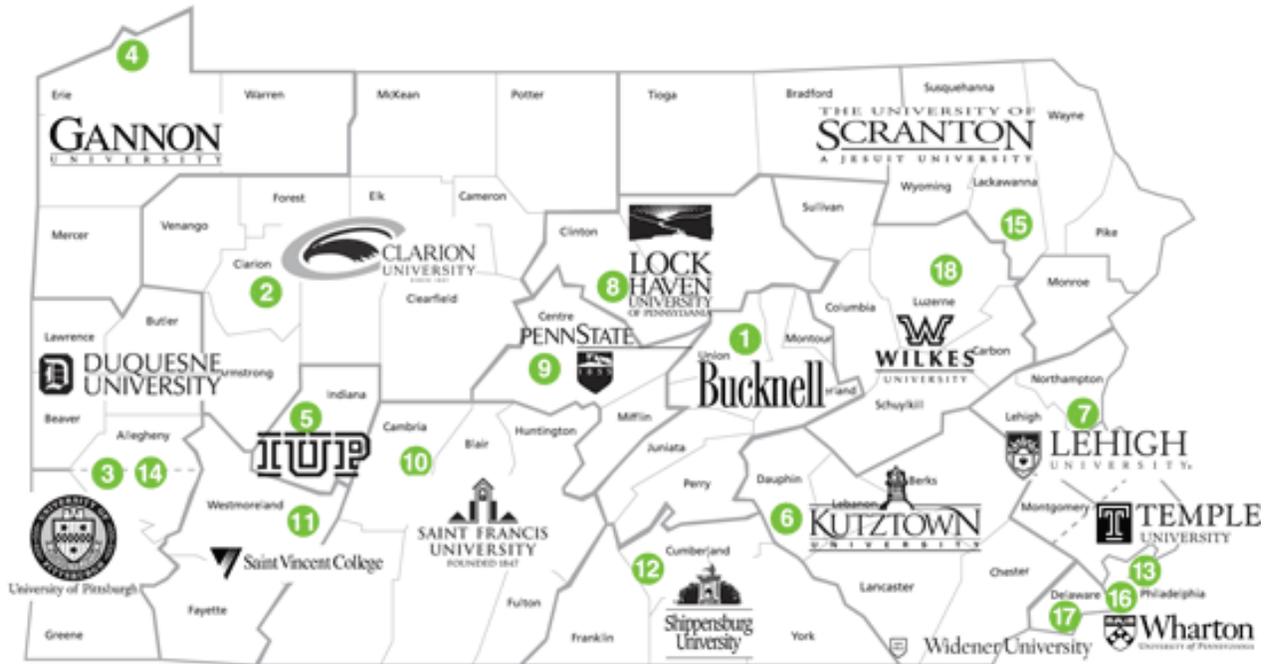
INTRODUCTION

Since its inception in 1980, the Pennsylvania Small Business Development Centers (SBDC) network has had significant impact on the success and growth of new and existing small businesses throughout the Commonwealth. The SBDC focuses on three core areas: no-fee confidential business consulting, educational programming, and timely, useful information.

The SBDC utilizes a staff of experienced professionals to serve their customers in both traditional business assistance as well as offering specialized consulting. In the first half of calendar year 2010, the SBDC delivered **50,956 hours of no-fee management consulting**. Consulting is confidential and provided at no charge by a staff of skilled professionals that emphasize education and guidance in finding practical solutions to business problems.

Educational workshops and conferences aid entrepreneurs in articulating goals, evaluating and improving business ideas, researching and attracting needed advisors and resources, and writing business plans to build their businesses. During the first half of the calendar year, **7,085** individuals and firms benefited directly from **344** educational programs. The Pennsylvania SBDC network also responded to numerous inquiries, circulating printed materials, updating websites, and providing critical information to partners to address small business concerns.

PENNSYLVANIA SBDC LOCATIONS



MISSION

The mission of the network of Pennsylvania Small Business Development Centers is to support the economic development of Pennsylvania by providing entrepreneurs with individual consultation, comprehensive education, and information necessary to help their businesses start, grow, and prosper.

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.

TRENDS

In 2010, the small business community continued to deal with the evolving nature of the economic downturn. Several regions were also affected by large employers downsizing or closing due to economic pressures. Unemployment remains at or near double digit levels across the Commonwealth. In response to these continued challenges, the SBDC network reexamined its service delivery, its position in the marketplace, and the needs of its clients.

Individuals, whose present or future outlooks on employment are slim, find themselves seeking self employment as a final option. Many more turned to the SBDC with the idea of starting their own business in the first half of 2010. These include a renewed interest in home-based businesses as hobbyists seek to supplement lost income with sales revenues. Unlike the 1990's, when laid off individuals had hefty severance packages, many unemployed today have no savings and little to no home equity to offer as collateral.

The challenges prospective businesses faced were:

- Finding the right business to start;
- Developing a sound business model;
- Procuring adequate financing to start the business ;
- Identifying grants which many believe should be available to assist them to start a business.

Demand for one-on-one consulting continues to increase, and the SBDC is working to help small businesses cut costs, establish new marketing strategies, and not only survive, but thrive, in the current economic conditions. Existing businesses sought assistance to address:

- A decline in sales and revenues;
- Developing new markets in international and government marketing arenas;
- Funding through bank loans and non-traditional sources;
- Decreasing costs through lowering energy usage.

The inability to obtain sufficient funding remains at the top of the list of challenges for start-up companies or those with expansion strategies. Entrepreneurs are frustrated with tightened credit markets and lengthened credit underwriting processes. Many of the small businesses that had been on a high growth track prior to the meltdown were crippled by carrying high debt loads to support expansion at the same

time their sales fell off. The SBDC worked with these firms to stabilize their businesses by restructuring loans and trimming costs.

The Pennsylvania SBDC was also hit hard by economic realities, reeling from a 41% cut in funding at the state level in FY 2010. As such, the organization established budgets in line with the conditions. The network pared staff and curtailed a number of activities, including travel, outreach consulting and training in the first half of the year but maintained its central focus to help individuals start and grow successful businesses that will restore the Commonwealth to prosperity. To mitigate impact of service delivery, the network sought supplemental funding to continue critical activities.

Highlights

- The growth in the Marcellus Shale gas industry from is starting to impact much of Pennsylvania and this activity is projected to grow for decades. The Pennsylvania SBDC network has continued to focus its attention on the resulting growth of the gas industry with targeted training, networking, and consulting. Add info on the Texas trip.
- In April, the Pennsylvania SBDC network established a Clean Technology Resource Center with a grant from the SBA. The competitive award was only one of three in the U.S. This new statewide service focuses on both the commercialization of new clean technologies (e.g., solar, geothermal, wind, and fuel cells) as well as the implementation of the clean technologies to drive the market for them.
- The SBDC has gained an outstanding reputation for its small business services which continued to rack up awards throughout the past six months. For instance, the Saint Vincent College SBDC received the President’s “E” Award for Export Service from US Department of Commerce. This award is one of the most prestigious forms of recognition offered by the US Government to those involved in business or business service. The US Small Business Administration also formally recognized a number of regional Centers and consultants in a variety of categories.
- To provide greater assistance to veteran entrepreneurs and business owners, the Pennsylvania SBDC network was awarded a Veterans Business Outreach Center grant from SBA.

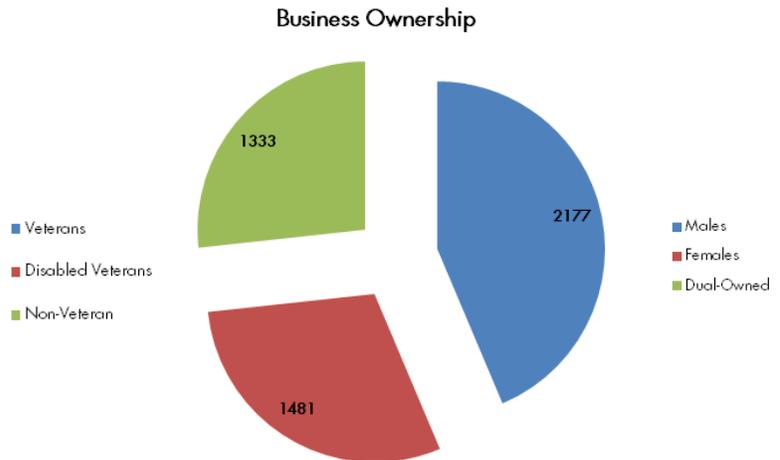
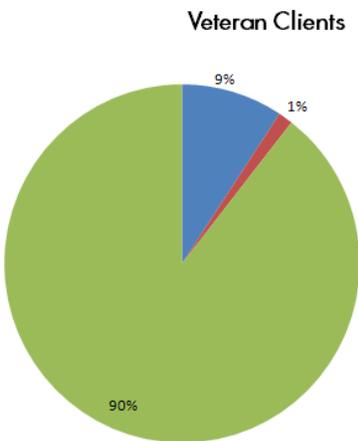
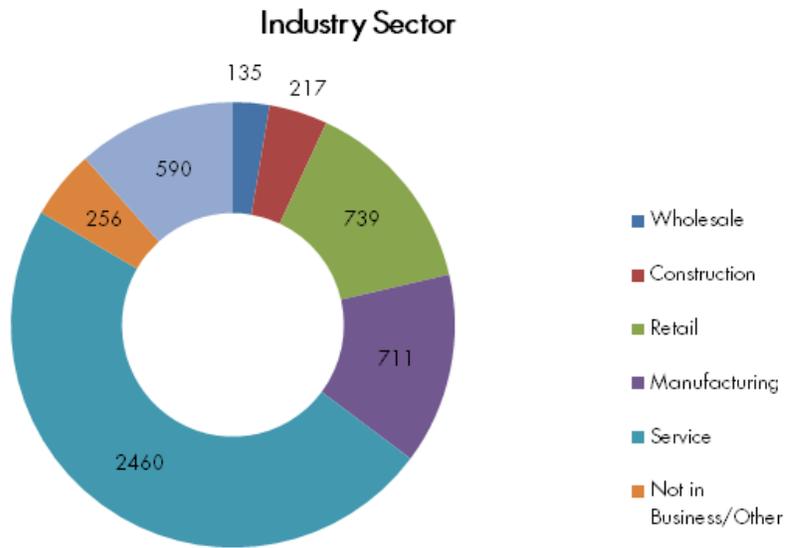
In the first half of 2010, the Pennsylvania SBDC network reported the following outcomes:

- **Bought/Started a Business** **362**
- **Jobs Created** **1,362**
- **Jobs Retained** **2,312**
- **Increased Sales** **\$64,148,000**

- **SBA Loans (39)** **\$11,916,200**
- **Non-SBA Loans (155)** **\$25,279,482**
- **Equity Capital** **\$19,498,743**

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 nearly 19% counted themselves as minorities. Clients also represent a variety of industries as shown.



100 ADVOCACY

If the past is any indication, the road to recovery will be long. As a result, the Pennsylvania SBDC is being proactive, within its financial constraints, in meeting the needs of the Commonwealth's small business community. The SBDC continues to meet with key program partners on a regular basis to keep a pulse on regional activities and respond appropriately.

For instance:

- Several large employers, once anchors of their communities, announced mass layoffs and shutdowns. The SBDCs contacted these businesses to offer free admission to *The First Step* seminar for displaced workers. In many cases, these seminars were offered in conjunction with local CareerLink. Several people took advantage of the offer and followed up to receive SBDC consulting services.
- The Saint Francis University SBDC attended a hearing of the House Democratic Policy Committee dealing with Marcellus Shale. The Center has participated in several meetings to plan an event for the small business community and the larger players in both the Marcellus Shale and the alternative energy field.
- In January, several Centers hosted Congressman Joe Sestak, Vice-Chair of the House Small Business Committee, who shared key points of the Small Business Recovery Act of 2010 to get feedback from area business owners.
- Collectively, the Centers reached out to area loan officers and staff regarding the many changes to public loan programs and providing an overview of SBDC services. The SBDC also hosted representatives from the Internal Revenue Service and participated in a telephone conference with small business owners. Primary topics of the discussion were the implications of the new federal health care legislation, the "Hire Act," and energy credits. There has been a direct increase in referrals coming from these entities as a result of these meetings.
- When a massive fire destroyed the Old Cadillac Building in downtown Bellefonte, the Penn State SBDC reached out to affected businesses by distributing information about the SBA Disaster Loan, offering to assist affected businesses. Information was distributed by the SBDC through both Representative Benninghoff's office, whose office was destroyed by the fire, and the Bellefonte Area Chamber of Commerce.
- Centers continue to integrate faculty and students into the delivery of SBDC services. This relationship has proven mutually beneficial to clients, the host institution and the SBDC in numerous ways. The experience with the SBDCs help students gain firsthand experience as

consultants and acquaint young entrepreneurs with on-campus resources to start their own businesses while business owners benefit from many hours of no-cost assistance that have a measurable impact on their businesses.

- Add in here on the Pennsylvania House Commerce Committee regional hearings, which included testimony by the directors of the Pitt, St. Francis, Temple, Wharton and Lock Haven SBDCs

During the first half of the year, SBDC staff attended numerous networking events, participated in panel discussions, conducted workshops, and represented the SBDC on several committees. Through speaking engagements, service on advisory committees, and response to media requests, SBDC staff members position themselves as regional leaders in business knowledge and business services.

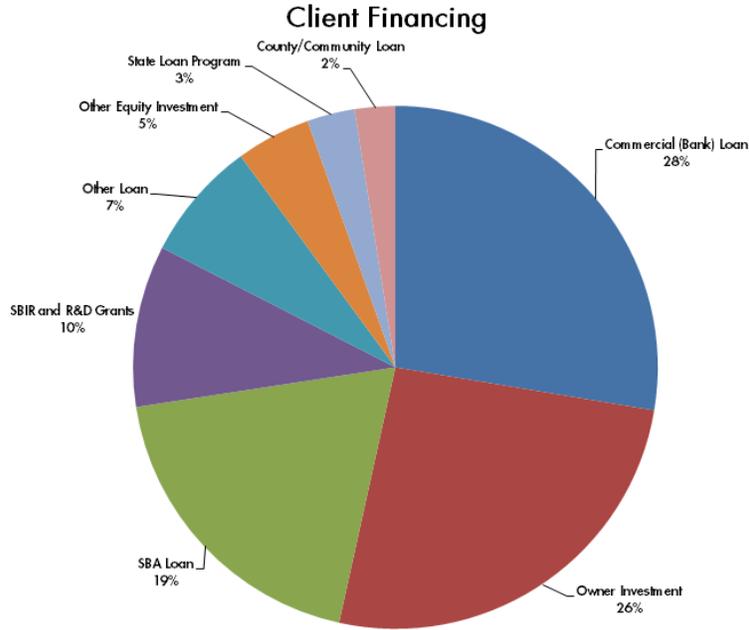
SBDC advocacy efforts came full circle in the first half of 2010. Hearing of the fiscal crisis facing the SBDC as result of the state budget, small business clients, partners, and community members have offered support by contacting legislators to acknowledge the value of the SBDCs' programs and services.

200 CAPITAL FORMATION

The inability to obtain sufficient funding remains at the top of the list of challenges for both start-up companies and those attempting to act on expansion strategies. Entrepreneurs are frustrated with tightened credit markets and lengthened credit underwriting processes. Area banks, still cautious, provide assistance to high-quality credit individuals. Financial institutions continue to review loan portfolios. If existing companies exhibit cash flow issues, more often than not, the lending institution will close their line of credit or request other loans be paid or be subject to higher interest rates. Businesses who want to begin, continue, or expand exports also have limited access to capital.

A total of 39 clients received funding offered through SBA-guaranteed loans. A total of 562 loans and investments were approved, totaling \$66,930,785 in the first half of the year.

Many of the small businesses that had been on a high growth track prior to the meltdown were crippled by carrying high debt loads to support their expansion at the same time their sales fell off. Clients have been forced to use whatever cash reserves they had available because commercial banks are not willing to assist them by increasing lines-of-credit, extending any new credit, or refinancing existing debt to help support and strengthen business operations.



The SBDC worked with several of these firms to stabilize their businesses by restructuring loans and trimming costs. For instance, a large manufacturer in Jefferson County had been doing business with the same bank for 42 years. In 2009, the company had a 70 percent decline in sales and was forced to lay off 25 employees. In 2010, the company secured a large contract with a major vendor, which would have allowed the company to hire back all 25 laid off employees. Their sales doubled in the first quarter and the business needed to secure bank financing to buy new equipment needed to honor the new contract as well as add personnel. The company’s request was turned down by their bank. In cases like these, the SBDC can be a vital partner in locating non-traditional sources of financing.

Examples of SBDC efforts to support capital formation activities in the first six months include:

- Local, community banks have not been hit as harshly by the credit crunch when compared to their larger counterparts. This continues to bode well for SBDC clients who have good ideas, strong plans and meet the criteria being sought by the banks. The centers have a positive relationship with the Pennsylvania Association of Community Banks and Pennsylvania Credit Unions, which it has stepped up in the past year. For instance, the P&G Credit Union in Tunkhannock, tapped the Wilkes University SBDC for insights it could bring to its development of a commercial loan department.
- The “Financing your Business” seminar, designed to address the fundamentals of managing 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 workshop, 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.
- The Lehigh University SBDC joined up with the campus Micro-Finance Club and the Community Action Development Corp. of Bethlehem to present a Financing Trade Show targeting local area micro businesses. Over 40 small and micro-businesses attended – the largest event of its kind in the Lehigh Valley.
- The Saint Francis University SBDC developed a *Mastering Business Loan Proposals* workbook which is a guide to help small businesses understand business expectations, types of loans, and business plans. This will be used as another resource for our clients as they continue to work to find funding to begin their businesses.

Successes

- Erie Molded Plastics has manufactured quality custom injection molded parts for over 25 years. The company has assisted its customers in bringing hundreds of products to market in industries ranging from electronic connectors to household goods. In an effort to combat the recession, the company wanted to purchase state-of-the-art equipment to generate more sales. The company approached the Gannon University SBDC for help with an ARC loan and then again for an equipment loan. The SBDC prepared the financial projections for both loan proposals. The SBDC also prepared a financial analysis for the company to benchmark their ratios and margins against industry standards. The company succeeded in obtaining over \$600,000 in loans. As a result, it has avoided layoffs and plans are to rehire at least 12 before the end of 2010.

Please see APPENDIX for more success stories like these.

300 INNOVATION & TECHNOLOGY TRANSFER

Entrepreneurial creativity and innovation are oft-cited as critical to restoring the economy. The SBDCs support fledgling technology companies, providing support through consulting services focused on intellectual 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. Meanwhile, Engineering Development Services (EDS) provided through the Bucknell University SBDC offer clients in the early “concept” or preliminary investigation stage of product development with direct technical assistance in support of a commercialization strategy where there is little to no funding. Thus far, **8 businesses received \$6,206,700 in SBIR/STTR funding and R&D grants** as a result of SBDC assistance.

In April, the Pennsylvania SBDC learned that SBA chose to fund its proposal to establish a Clean Technology Resource Center. The competitive award was only one of three in the U.S. This new statewide service focuses on both the commercialization of new clean technologies as well as the implementation of the clean technologies to drive the market for them. The SBDC established staffing for the program and began to engage its initial clients. Additionally, an initial webinar with network staff members was held in June to review available services and highlight various technologies (e.g., solar, geothermal, wind, and fuel cells). Services provided by the Clean Technology Resource Center include:

For Clean Technology Providers/Developers

- Evaluating market opportunities
- Providing business development assistance
- Developing business plans
- Assessing commercialization potential
- Subcontracting
- Securing financing
- Education and training

For Potential Clean Technology Users

- Securing financing and other incentives
- Feasibility analyses
- Education and training

Examples of how the SBDCs supported technology companies in the first half of the year include:

- The Clarion University SBDC moved into the Gregory Barnes Center for Biotechnology Business Development at Clarion University, a new business incubator developed to support the growth of high technology businesses in the northwest Pennsylvania region. The SBDC offers business development and training services to help biotechnology and molecular biology companies commercialize their research.
- The Gannon SBDC has also deployed consulting resources to local incubator initiatives. For instance, the SBDC was instrumental in realizing the Erie Technology Incubator. The SBDC Product Commercialization Business Consultant is housed full-time within the incubator. Community leaders have asked the SBDC to assist in creating an incubator program for future entrepreneurs. This process includes an operations plan, a business plan, entrepreneurial training, and consulting activities which will draw on the SBDC's many relationships with public and private sector funding partners.
- The Innovation Partnership, a collaboration of economic development agencies in the Commonwealth of Pennsylvania, was formed 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. University of Pittsburgh SBDC Director Raymond L. Vargo and Assistant Director Robert Stein participate in this organization on behalf of the network.
- Founded in collaboration with the University of Pennsylvania Center for Technology Transfer, the Wharton SBDC's Commercialization Acceleration Program for Life Sciences supports the commercialization of life sciences research by working with early stage start-up companies, university technology transfer offices, and early stage funders. Projects provide critical information about technology pipelines, competition, and market research important to prospective investors, entrepreneurs, and CEOs guiding the early stage companies.

Successes

- Penn Semi-Conductor, which provides customized-integrated circuitry, has expanded into proprietary product development consistent with their vision for more aggressive growth and profits. The client contacted the Temple University SBDC who had previously assisted him with a \$2,000 Innovation Partnership micro-grant for SBIR grant writing assistance. The client asked the SBDC to review his proposal for a Department of Defense Phase I SBIR award. The consultant provided feedback, most critically for the commercialization and the needs statement.

The proposal was submitted in January. The client was subsequently notified of an SBIR award from the Navy for \$70,000 with a Phase I option for \$30,000.

- Beginning in January, the Bucknell University SBDC's Engineering Development Services have focused on achieving more business results. For instance, through the involvement of the school's engineering faculty and students, one client was able to increase sales by \$1 million and preserve 25 local jobs by solving a persistent quality problem for an international customer. (See NEWS ARTICLES.)

400 INTERNATIONAL TRADE

Companies can see opportunity in the global economy as they expand their outreach of where their products can be sold. What existing businesses seeking these markets don't realize is that establishing overseas markets may take a year or more. The SBDC works with companies new to exporting, through consulting, educational seminars and webinars, to explain the lengthy and complex system of exporting.

During the first half of 2010, the Pennsylvania SBDC worked diligently to improve its working relationship with the local Regional Export Networks as well as with the state Office of International Business Development. In order to provide the best possible service to the Commonwealth's small businesses, it is critical that the organizations work together. A prime example of this is the work being done in conjunction with the RENs and the state in relation to the Electra Mining Africa tradeshow. The companies involved with the show are from several REN districts. The SBDC has worked in conjunction with the applicable RENs and the state to ensure that work orders are submitted so the Electra Mining Africa tradeshow can be as effective as possible. The SBDCs cosponsored several export seminars, including "Basics of Exporting: What You Need to Know," in conjunction with the RENs. The network hopes to build on this successful trend throughout the year.

During the first half of 2010, the SBDC consulted with clients on international trade issues in **739 consulting sessions**. A total of **21 educational programs**, including the "Economics of Exporting" and "Doing Business with Africa," were attended by **433 individuals**. Clients reported an **increase in export sales, totaling \$15,894,000**, for the six month reporting period.

Other examples of how the SBDCs supported international trade activities thus far include:

- In March, the Saint Vincent College SBDC’s Center for Global Competitiveness 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 Wharton SBDC strengthened its collaboration with Lauder Institute of The Wharton School and Arts and Sciences School at the University of Pennsylvania, which integrates management education with international studies and advanced language and cross-cultural proficiencies. A Department of Education grant for CIBER (Center for International Business Education and Research) supports SBDC consulting projects and educational activities related to international affairs. For instance, CIBER supported the “Doing Business in Hong Kong” seminar, co-sponsored by the Temple University SBDC and Hong Kong Trade and Investment. Over 100 participants attended.
- The network also rolled out a webinar designed to introduce business owners to the benefits and concerns of exporting, help them evaluate their products and export potential, help them to determine the best export approach for their business, develop an entry strategy, assist with pricing their product, examine compliance issues, and identify export financing sources.
- Under the supervision of senior consulting staff, student interns at the Kutztown University SBDC assisted in creating a new export guide. It was developed to provide start-up entities interested in exporting with relevant, practical background information prior to an initial session. The guide is available on the Center’s website and in paper copy.

500 MINORITY BUSINESS DEVELOPMENT

The Pennsylvania SBDC makes a concerted effort, through programs, partnerships, and outreach to ensure that all members of Pennsylvania’s small business community are aware of SBDC services.

Assistance with funding programs, development of business plans, and SBA 8(A) certification, are just some of the ways the SBDC network supported minority business owners thus far. In the first half of the year, the SBDCs consulted with **949 minority clients, representing nearly 19% of the total client base.**

Of this group, 22% counted themselves as Hispanic and 62% percent identified themselves as African-American.

Examples of activities to support Pennsylvania's diverse population include:

- This year, the Temple University SBDC received significant recognition for its outreach to minorities. The Director of the Center, Eustace Kangaju, was recognized by the *Philadelphia Business Journal* as the 2010 Minority Business Advocate for his leadership and advocacy efforts on behalf of minority entrepreneurs in the greater Philadelphia region.
- The Duquesne University SBDC delivered two First Step seminars in Spanish in the first half of 2010. A total of 50 people were trained.
- The University of Pittsburgh SBDC continues to work with the Southwestern Pennsylvania Engineering Outreach (SPEO). The primary objective of the program is to support and mentor minority and women-owned business enterprise (MBE/WBE) engineering firms in Southwestern Pennsylvania and to enhance their long-term viability by providing opportunities and resources.
- Wharton SBDC staff attended several town hall meetings with The Honorable Cherelle Parker and her mostly-minority constituents in Northwest Philadelphia as well as the Beyond Translation Forum, which specifically targets Hispanic and Asian entrepreneurs.

Successes

- The owners of Lansdale Packaged Ice, Inc. recently claimed the 2010 SBA Small Business Persons of the Year Award for Eastern Pennsylvania. Temple University SBDC clients Vinod Bagdwal and Frank Siriani, owners, grew their business by tapping the SBDC for help in contracting with local and state government entities. After taking advantage of the SBDC's workshops, Bagdwal and Siriani received consulting services. They became 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 customers range from Wal-Mart, 7-Eleven, Save-a-Lot, Rite Aid, and General Mills. Lansdale Packaged Ice, Inc. has recently begun supplying ice for the U.S. Military.
- Cheryl Stevens approached the Widener University SBDC with aspirations to expand her southern style cooking into a full sit-down restaurant. The SBDC provided her with financial and business assistance, while students from Widener's School of Hospitality Management advised her on the layout. She moved into a location across from Chester City Hall in June of last year. Since then, her

business has steadily grown. 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

Partner relations are an important aspect in getting SBDC clients the information and resources they need to realize success. SBDC assistance is done in conjunction with many partners: regional and local economic development organizations, chambers of commerce, financial institutions, state and federal agencies, and local legislative offices, among others. Clients have directly benefitted from the network's contacts and relationships with these entities. In addition, these relationships promote collaboration, avoid duplication of efforts and expand outreach and referrals. In a time of reduced budgets, this last point has proved valuable in continuing to provide high-quality services to the small business community.

Thus far in 2010, the SBDCs have formed stronger partnerships within their respective communities. Many local agencies are also experiencing reduced revenues and are seeking greater partnership involvement. As a result, SBDC expertise in a variety of areas has been more widely recognized.

Examples 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 SBDC has also partnered with credit unions and local attorneys for trainings.
- The Wharton SBDC strengthened its partnership with the Sustainable Business Network of Greater Philadelphia. The two organizations collaborated on educational programs related to Sustainable Business Practices and B-corporations (a new type of corporation which uses the power of business to solve social and environmental problems).
- The University of Scranton SBDC collaborated with the Penn State University Cooperative Extension to offer a "Food for Profit" workshop.
- All centers have made efforts to strengthen the connections across campus to provide more value to clients. This, in turn, has benefitted university students and raised the profile of local institutions in their communities.

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

- The Saint Francis University SBDC has been able to sustain 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.

The Centers also identified critical gaps in resources brought by the changing economy and called upon their extensive networks to step forward. Examples of some of these activities in 2010 include:

- Several SBDCs hosted training seminars targeting businesses interested in learning how they might tap the growing Marcellus Shale gas industry. For instance, the Saint Vincent College SBDC’s Marcellus Shale Procurement Fair attracted 194 attendees. More detail on Marcellus Shale activities is covered in SECTION 800 – SPECIAL FOCUS.

700 PROCUREMENT

With the current economic climate, the federal government has increased spending in an effort to jump start the economy as a whole. SBDC Government Marketing services continue to be in high demand as an increasing number of established companies are seeking to replace some of their commercial markets lost by selling their products and services to federal, state and local government agencies. Existing businesses seeking new markets slowly realize that selling to the government is not simple.

Government markets are not a universal remedy for increasing revenues, and the SBDC encourages companies to self-evaluate products, processes and facilities to determine if they are prepared to compete efficiently in this complicated marketplace. The network offers several tools to do so. For instance, a center may refer clients to the Pennsylvania SBDC website to view the “Basics of Government” tutorial. Centers also discuss the importance of Pennsylvania certifications, the certification requirements and

benefits, how to identify state contracting opportunities, and how the state purchases goods and services in educational seminars. Attendance at training programs related to the certifications process was particularly strong. The network conducted **44 procurement-related training seminars or conferences with 1,676 attendees** in the first half of the year. In addition, **25 clients obtained MBE/WBE certification.**

- In response to increased spending related to the Recovery Act, the Wilkes University SBDC offered its seminar “Doing Business with the Government” more frequently. This seminar offering was a direct result of the increased publicity and public’s perception of increased contracting opportunities for small businesses.
- The Kutztown University and Widener University SBDCs were instrumental in coordinating a special event in Chester County with Federal government procurement officers. The Manufacturers’ Outreach Conference provided an opportunity for clients to meet directly with the officers. The event was heralded as a best practice.
- The Saint Vincent College SBDC offered “Grow Your Business through Government Procurement” in the first half of the year. This event included presentations by the Government Agencies and Prime Contractors, as well as time for 34 businesses to meet one-on-one with representatives from organizations such as the NAVICP (Naval Inventory Control Point)-Mechanicsburg, whose mission is to provide program and supply support to keep Naval forces mission ready; EMD – a business unit of Curtiss-Wright Flow Control Company, a contractor to the US Navy; Bettis Laboratory, a Prime Contractor to the US Government; and the National Center for Defense Manufacturing & Machining, supporting the broad manufacturing and machining needs of the US Department of Defense and its suppliers.

Thanks largely to efforts from the Southeastern Pennsylvania Procurement Technical Assistance Centers, hosted by four SBDCs and funded by a grant from the Federal Defense Logistics Agency, many clients were awarded state and federal contracts. As these activities are funded separately, they are not reported in further detail in this report.

800 SPECIAL FOCUS

Marcellus Shale

In 2010, the Pennsylvania SBDC continued to focus its attention on the tremendous opportunities brought by the growth of the gas industry as a result of the Marcellus Shale development. These activities continue to increase, representing a major shift in the economic base of the state. The Department of Environmental Protection's Bureau of Oil and Gas Management reported that 2,847 drilling permits have been issued and 1,164 wells have been drilled as of May 2010. Fostering the establishment and retooling of local companies to support this industry helps to assure revenues generated by this tremendous resource stay in the state and create much-needed jobs for Pennsylvanians.

To succeed in this emerging economic environment, small companies need to be nimble; they need to think strategically, employ creativity, and leverage available resources to meet these opportunities. As such, the network has been actively organizing Innovation and Growth Services that help small companies to think long-term as well as identify opportunities with the major gas companies. A new business climate has developed around the Marcellus Shale that requires businesses to become a 24/7 operation if they are to become a valuable resource to these gas production companies.

The Pennsylvania SBDC has sponsored several seminars on the topic to bring awareness to the region. As a result of its outreach, including training and networking events, the SBDC network is currently working with several clients that are looking to expand or start a small business to serve this emerging industry. Examples of Marcellus Shale activities in the first half of 2010 include:

- For the northwestern portion of the state, the resurgence of the natural gas industry in connection with the development of the Marcellus Shale couldn't come at a better time. The gas deposits have kept hotels, motels, and campgrounds relatively full in an area that has seen shutdown after shutdown of major plants employing hundreds of workers. The Clarion University SBDC, which counts 40 percent of all permits and 35 percent of all wells in its territory, participated as an exhibitor at the Natural Gas Expo in Coudersport. The event was organized by the Potter County Natural Gas Task Force to provide education and workforce training to residents as well as an opportunity for local businesses to network and connect with the 72 exhibitors. The event was attended by over 3,000 people including business owners and executives, community leaders,

economic development representatives, private citizens and federal and state legislators and their representatives.

- Significantly, the Lock Haven University SBDC recently led a trade visit to the Barnett Shale region in Texas, aimed at learning best practices discovered by area business owners, officials and educators as a result of the impact of shale gas development in that part of the country. In total, 22 participants traveled to Texas for a four- day visit, including Pennsylvania SBDC network staff, Penn State Cooperative Extension representatives, as well as local and regional small business owners and economic development professionals.
- Several Centers, including the Bucknell University SBDC, continue to be a local partner for the Marcellus Shale webinar series “Your Business and Marcellus Shale,” developed by the Penn State Cooperative Extension Office. In the first six months of 2010, the series covered topics including “Local Business Success Stories and Lessons Learned I and II;” “Working with the Industry: Natural Gas Company Perspectives;” “Partnering Industry and Local Business Panel;” “Working with Industry.” These webinars have provided a substantial amount of business resources, networking opportunities, and business success stories to help new and existing businesses understand the services needed by the major gas companies in this region and how to position and market themselves to this industry. The SBDC partnered with SEDA COG and local Chambers of Commerce to help market the series and led the discussion following the webinars.
- A consultant from the University of Scranton SBDC was part of a planning/organizing committee for the Northern Tier Marcellus Shale Business-to-Business Expo held in Troy (Bradford County) in June. The committee included the Bradford County Commissioner and several representatives from Penn State and gas industry organizations. The SBDC developed a checklist for businesses on how to prepare a successful trade show booth and assisted with promotion for the expo. There were over 250 vendors who secured booths and approximately 5,000 attendees.

900 ECONOMIC DEVELOPMENT

The broader economy has had an immediate impact on regions, with many reporting major employee layoffs and plant closings in a broad range of industries and businesses. These workers represent a significant portion of many smaller businesses’ customer base, who count on workers for sales revenue. The business climate has also been heavily impacted by the inability of local businesses to access financing needed to manage through the recessionary period. This is consistent with reports from economic development partners that cite anemic loan volumes for business expansions. In general, large

national banks are holding back on lending. Smaller regional banks simply cannot make up the difference that the large national banks were doing in the small business arena.

Because of the tightening of credit by banks, more and more businesses are falling behind on their short-term payment obligations and in turn this is having a ripple effect with the cash flow of their suppliers. Companies are producing their products and sending them to their customers but because their customers are taking more than 90 days for payment, the suppliers must wait longer for their payment.

Higher unemployment, coupled with retired persons seeking to supplement their retirement income, has increased the number of individuals considering starting their own business. However, many of these aspiring start-ups are coming to the table with less personal cash and equity and are having difficulty securing required financing. Even entrepreneurs with sufficient equity and sound business plans are experiencing difficulty in securing financing. New service-based ventures are most prevalent due to lower start-up and overhead costs, but there is increasing competition within the consulting and freelance opportunity market.

Alarmingly, small businesses—repeatedly hailed as engines of job creation—are in general reluctant to hire. Many are concerned about cash reserves, sluggish sales, and uncertainty brought about by new legislation, including health reform. Some explicitly are not hiring to avoid taxes, choosing instead to employ contractors without having to provide costly benefits. Small retailers appear to be the most affected by the economy. Many lack product demand or exposure and have or will be closing. Several upscale retailers have also closed due to lack of demand. Restaurants are remaining strong, depending on location, marketability, or extent of leveraged assets. Established family ethnic restaurants are on solid ground, as are some sports bar restaurant chains. Other financially weaker establishments, including bars, are sold or closed. Construction has mostly been limited to repairing road and bridges and the projects are temporary.

Business owners, entrepreneurs, and their customers continue to grapple with rising fuel costs, drastic increases in utility expenses, property tax hikes, as well as the grim overall economic picture. With widespread unemployment and more layoffs likely, SBDC services to help business owners and entrepreneurs achieve their business goals has become ever more important. The SBDC's mission is to support the economic development of Pennsylvania through its small businesses. As evidenced by the

numbers, the Pennsylvania SBDC continues to have a positive impact on the region’s small business community and its economy.

Even as 2010 presented new economic challenges, the SBDC network demonstrated creativity and tenacity in providing the best possible services to existing and prospective small business owners. Constrained by the available budget, the SBDCs pulled in outside sources of funding and deployed its vast network of partners to back its efforts. Hundreds, knowing the SBDC’s 30-year track record of providing effective services that lead to measurable impact, lobbied for state funding to sustain the program. This included State Senators John Gordner (R-27) and Michael O’Pake (D-11), who led a bipartisan effort with 15 of their colleagues to sustain state funding for the program, which has been dramatically reduced in recent years.

Examples of the network’s economic development activities are numerous. Examples of the variety of activities around the state in the past six month include the following:

- The Philadelphia region’s strong life sciences sector, anchored by big pharma, laid off thousands of workers, with more layoffs expected. The Wharton SBDC reached out to these displaced workers, addressing the BioPharma Research Council, and, in conjunction with Commonwealth Career Resources, 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.”
- Because of the increased presence of “big box” retailers, the Wilkes University SBDC has been offering its “Competing against Mass Merchandisers” seminar more frequently and in more locations. In the greater Wilkes-Barre area alone, there is a second super Wal-Mart currently under construction as well as another new Wal-Mart and Home Depot under way. The SBDC focused on customer service tips in a newsletter delivered to all contacts and clients. Consultants have also stepped up talks about the importance of customer service in both individual consulting sessions and appropriate seminars.
- The network also focuses on issues critical to the agricultural industry, including ag-tourism, farmers’ markets, business and entrepreneurial issues, visibility, and legislative issues. The

SBDC is a vital link in helping agricultural producers’ understand and utilize available economic development and ag-business resources and increase the understanding of local agriculture within the economic development community.

- The *Buy Local* effort is beginning to strengthen as people are looking for more ways to support the local economy. Many communities are increasing their efforts to promote the *Buy Local* initiative. These initiatives include downtown and regional activities hosted by local chambers of commerce and SBDC events. For instance, the Clarion University SBDC hosted Entrepreneur’s Club events that focused on buying local and the University of Scranton SBDC helped develop the 2010 Buy Fresh Buy Local “Local Food Guide,” which features local food providers in seven northeastern counties.
- In the last six months, the Philadelphia Union Soccer Stadium has opened and Harrah’s Casino has continued to grow in Chester. Revitalization along the waterfront area has brought a concomitant effort to revitalize the downtown and local small businesses. The Widener University SBDC has continued its successful work with the Chester Economic Development Authority to promote the growth of new businesses in support of this effort.
- Management consultants from the University of Pittsburgh SBDC participated in the Tri-County Oil and Gas Expo in May. With the oil and gas industry creating an economic impact of more than \$7 billion each year in Pennsylvania, the expo sought to help entrepreneurs and small businesses learn about a wealth of opportunities and network with industry leaders. More detail about the SBDC’s activities related to the Marcellus Shale is included in SECTION 800 – SPECIAL FOCUS.
- The recent death of Congressman John Murtha may have a lingering effect on the small business community and the greater Johnstown economy, which relies heavily on its defense industry. The Saint Francis University SBDC is working with Congressman Mark Critz (PA-12), who will serve the remainder of the late Congressman’s term. Congressman Critz was named to the House Small Business Committee, and the Center has been able to provide him with information in relation to small business issues.
- In response to the challenging business climate, the Kutztown University SBDC partnered with the Capitol Region Economic Development Corporation (CREDC) and the Small Business Administration (SBA) to offer three “Small Business Solutions” programs in the region. The programs shared information on technical assistance available through the SBDC and on state and federal business financing programs. More detail about these activities is included in SECTION 200-CAPITAL FORMATION.

1000 RESEARCH

When customers are hard to come by, market research becomes a powerful tool. With access to an array of tools available through host university libraries, the Penn State Data Center, and partners such the Regional Export Network, the Pennsylvania SBDC can provide businesses with a rich source of demographic and business data to help them find buyers. Databases such as Centradex, Kompass, and the JJ Hill Library enable clients to target customers both regionally and internationally. The SBDCs use research for another valuable service: finding funding. For instance, the centers maintain a current library of solicitations for SBIR/STTR and Ben Franklin grants to support R&D efforts. The Environmental Management Assistance Program tracks down funding opportunities related to renewable energy and energy efficiency projects. 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.

In 2010, regional partners called upon the SBDCs to identify regional needs. For instance:

- The Gannon University SBDC conducted a regional study of two industries to assess which type of incubator program would be more suitable for regional farmers and community interests. The study was completed in June and determined that while the dairy industry is a vital part of the agriculture industry, the mix-use incubator program would provide the most feasible solution for agricultural entrepreneurial endeavors. The year-long study included surveying farmers, producers, wholesalers and retail partners. The SBDC conducted focus groups, which gathered primary data to further validate the direction of the report. Presentations were provided to the Munnell Run Farm Foundation, which includes farmers, commissioners and other elected officials.
- A consultant from the University of Scranton SBDC serves on the Economic Restructuring Committee of Scranton Tomorrow's Main Street Initiative. The committee undertook an inventory and analysis of the businesses currently located in the downtown footprint. The SBDC pulled contact and demographic information through research by the SBDCnet as well as from data selected in the D & B Million Dollar Data Base. During the summer of 2010, student volunteers will survey the businesses and compile a report. This is the first major project for the restructuring committee.

Success

- A regional recreational park that has been family operated since the early 1900's contacted the University of Scranton SBDC for assistance when the owner transferred the business to the next generation. The older owners had largely neglected the 70 acre campground and allowed it to fall into disrepair. The younger generation sought assistance in securing financing, refocusing marketing efforts and bringing management of the business into the 21st century. Research provided by SBDC is helping the owners prioritize the physical plant work that needed to be done. The SBDC also provided Information on new DEP regulations for septic treatment systems. The consultant also researched the varying demographics of campers, helping the owners classify their customers and adjust their marketing for each group. The SBDC then used this information to guide the owner on ways to utilize their website to better market the park.

1100 OTHER ACTIVITY

Training

Practical, affordable training for small businesses is a core part of the Pennsylvania SBDC mission. A total of **344 seminars**, including First Step workshops, were conducted during the first half of 2010 for **7,085 attendees**. Seminars offered represent a range of topics, including:

- Building Your Business
- Business Planning
- Entrepreneurship: What Does it Take?
- Financing Your Business
- Food For Profit
- Goal Setting
- Marketing on a Tight Budget
- ServSafe® Food Safety Certification
- Social Media & Your Small Business
- The First Step
- The Second Step
- Who Killed the Customer?
- WBC Women Win!

Centers also took pains to respond to community needs, developing and delivering several programs based on emerging needs from the regional small business economy, including direct requests to respond to regional needs identified by partnering organizations. For instance, agribusiness specialists at the University of Scranton SBDC developed and presented two Farm Profitability seminars at the annual Pennsylvania Association for Sustainable Agriculture convention in State College. in February.

“Growing Your Farm Business: Business Planning, Forms of Organization & Operations Tracking” and “Essentials of Good Farm Recordkeeping: Managing Seasonal Cash Flow” were very well received with standing (and floor sitting) room only. Approximately 160 farm enterprise owners were trained during the presentations.

The Wilkes University SBDC also ramped up timely programs, including in-depth training on business trend areas such as “On-Line Social Networking”, focusing on marketing through Facebook and Twitter, and “Competing Against Mass Merchandisers”, a seminar that focused on how smaller businesses can compete against the influx of Wal-Marts and other large retailers. The “Who Killed the Customer” workshop, meanwhile, focused on the advanced need for customer service in order to earn sales in a tough economy.

More detail on educational activities may be found in SECTION 2 – DELIVERABLES.

Oversight

To help address many of the challenges brought by the funding situation, the State Director’s Office hired an Associate State Director for Program Management, a position which had been vacant since 2007.

Diane Sandstrom was previously the Consulting Manager at the Duquesne University SBDC in Pittsburgh. Her 15 years of experience with the SBDC program will be an asset in this position. Her many responsibilities include management of internal network operations; obtaining resources to sustain the network; managing network policy and program development; strategic planning and management of activities to improve network performance and efficiency; and assisting the State Director in representing the program in cooperative activities with stakeholders and partners.

1200 SUCCESS STORIES

The client success stories included in the APPENDIX of this report offer a small sampling of the success that SBDC clients have earned, even in a tough economy. Many of these success stories reflect the point

that the core of the SBDC services—strategic consulting, including business plan preparation --drive the success of the clients. The stories also reflect what the SBDCs are able to offer clients in terms of research, guidance, and business education essential to starting and running successful ventures.

1300 TRAVEL

Out-of-state travel for SBA activities in the first half of the year included:

- The Lock Haven University SBDC coordinated a trade visit to the Barnett Shale region, aimed at learning best practices related to shale gas development in that part of the country. For more information on Shale activities, please see SECTION 800-SPECIAL FOCUS.

1400 PROBLEMS

The Pennsylvania SBDC was also hit hard by economic realities, reeling from a 41% cut in funding at the state level in FY 2010. As such, the organization established budgets in line with the conditions. The network pared staff and curtailed a number of activities. As a result, outreach offices scaled back hours or were closed altogether until new funding can be found. Training programs were also significantly scaled back. The network has also cut travel budgets to professional conferences and monies spent on marketing, printing and postage. The network has increased its dependence on online marketing, including email and website for promotion.

Nevertheless, the network maintained its central focus to help individuals start and grow successful businesses that will restore the Commonwealth to prosperity. Consulting teams pulled together to strategically overcome the downsizing of staff. With the continued threat of cuts to state budgets and increased competition for state monies throughout Pennsylvania, the SBDC revisited its strategic and marketing plans to more strongly position itself to serve clients and stakeholders. To mitigate impact of service delivery, the network sought supplemental funding to continue critical activities.

1500 FINANCE

All invoices for the first 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 2010. So far, **55% of all clients represented women- and jointly-owned businesses**. A total of 2,814 women- or jointly-owned clients received SBDC consulting services.

Examples of outreach include:

- The Gannon University SBDC, attentive to local and national small business trends, used findings about the growth pattern of women-owned businesses to provide customized services and training. Three key factors direct the agenda of the educational venue: entrepreneurship, leadership and wellness. When surveying women business owners, it became evident that these components influence the likelihood of a business owner's success. The Center has honed its Women in Leadership Development Conference (W.I.L.D.) to better meet the needs of women with these in mind. In March, the SBDC hosted over 430 attendees and 100 small business vendors.
- The Temple University SBDC collaborated with other organizations that provide assistance to women entrepreneurs in the Philadelphia area as a way to increase additional resources for women. The Center worked with Elizabeth Randon, the Director of the Women, Money and Opportunity Project – Pennsylvania Treasury on a conference geared toward women. The conference was held in March. The SBDC played a major role in the conference by coordinating the business matchmaking client meetings that were held during the breakout sessions.
- In March, the Wharton SBDC hosted a Women's Business Roundtable Discussion. Attendees cited marketing, financial, accounting, and finding property as their main challenges and also emphasized the difficulties of multitasking a career and family life. Women are still faced with biases based on age and gender. This is seen most often when applying for a loan or looking to lease a property. The SBDC was on hand to offer an overview of its services to help them overcome these challenges.
- The University of Scranton SBDC offered the first "Locally-Grown, Woman-Owned" curriculum, a highly interactive training experience that is built upon *The Consortium for Entrepreneurship Education's National Content Standards for Entrepreneurship Education*. Modules examine risks and rewards, business planning, strategic planning, positioning in the marketplace, pricing product and service, understanding cash flow management, business legal formation pros and cons, insurance coverage, financial management reporting, recordkeeping and

accounting, and access to capital lending. Training participants graduated from the eight-week program in May.

- The University of Pittsburgh SBDC has also taken a proactive role in consulting with women-owned businesses through the Athena PowerLink. This entrepreneurial mentoring program utilizes the consulting assistance of the SBDC to support the selected entrepreneurs through consulting activities and the coordination of a business panel consisting of attorneys, bankers, accountants, advertising agencies, and other small business experts. The women business owners learn networking skills and practice implementing best practices with support from their advisory panels.

Successes

- Shortly after Harmony Boore, Ashly Tagle, and Joesephine Stoltzfus struck out on their own to form SPRAMA.design, they found their fledgling business challenged by the economic conditions. They contacted the Kutztown University SBDC for assistance. With marketing and loan counseling, the partners were able to obtain a loan from a private investor. The SBDC also assisted them in revamping their website, resulting in a 125% increase in website traffic.
- Alicia Leydig, owner of a massage therapy business in Bedford observed that many of her clients were interested in organic food, beverages, and other products. She decided to construct a store adjacent to her massage therapy business to cater to this market. Ms. Leydig met with the Saint Francis University SBDC to for help in securing financing. The SBDC assisted her in preparing a business plan, a three-year projected income statement, balance sheet, and a statement of cash flow. The SBDC also advised her to lease rather than construct a new store to significantly reduce her start-up costs. Wholesome Living Marketplace was approved for \$221,000 in financing and she has created four part-time jobs.

1700 ECONOMIC IMPACT

Throughout the first half of the year, the network has maintained its central focus: helping individuals explore, research, start and run successful establishments. The data below provides a snapshot of SBDC outcomes during the reporting period:

- **Bought/Started a Business 362**
- **Jobs Created 1,362**

obtained through a Pennsylvania Department of Community and Economic Development loan fund for underserved areas. He took over the business in January.

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. 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. Notably, the Procurement Technical Assistance Centers hosted at the Kutztown, Lehigh, Widener and Temple University SBDCs held a Manufacturers Outreach Conference in April, where invited small businesses capable of manufacturing to the required quality standards were able to meet with contracting officers and other acquisition personnel from the Naval Inventory Control Point (NAVICP) and Defense Logistics Agency (DLA). The SBDCs also provided financial analysis assistance to help manufactures identify operating efficiencies and to reduce costs. 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 first six months of 2010, **711 manufacturers, representing 14% of the total client base**, turned to the SBDCs for assistance.

Successes

- Time Machine, Incorporated of Venango County recently added 28,000 square feet to their manufacturing facility. The Clarion University SBDC assisted in developing a business plan that enabled them to secure optimal financing of \$3.8 million. The new equipment will give the company the capability of machining larger, more profitable parts. The company expects to hire 55 additional employees by the end of 2012.
- Since 1978, Precision Wire Products, Inc has manufactured dust collector wire cages and other forming and resistance welding of wire goods out of their Blairsville, Indiana County location. In February 2009 Mr. Bryan Pryce, General Manager of Precision contacted the environmental consultants with the Indiana University SBDC to discuss energy efficiency measures. Consultants suggested he apply for a Department of Environmental Protection's Small Business Energy Efficiency Grant to cover the cost of updating the lighting and insulation. After being

awarded the grant, it is estimated that their annual savings total approximately \$3,312 in addition to a more aesthetically appealing work environment for their employees.

- To extend services and build additional capacity to assist manufacturers, the network applied for a NIST Manufacturing Extension Partnership grant to provide in-depth services to manufacturers in a twelve county region of central Pennsylvania through building on the expertise available in the Bucknell, Lock Haven, Penn State and St. Francis SBDCs. Although the grant was not awarded to the SBDC network, the application process helped to establish a relationship with NIST and demonstrated the SBDC's broad outreach to and success with manufacturing companies.

2000 ONLINE ACTIVITIES

With many business owners seeking new markets and additional sales, many have turned to an Internet presence to broaden their market base. Some retailers have closed traditional storefronts to operate exclusively online, and many business owners are frustrated by the time required to learn new technologies. Facebook, Twitter, and search engine optimization continue to be enigmas. Marketing and sales—and social media in particular—continue to be among the most requested topics for training. The SBDC network has collaborated with local chambers and downtown partnerships to offer these programs.

Meanwhile, the Centers have concentrated on more online resources to compensate for the decrease in consulting hours per client and still meet Center goals in terms of the number of clients seen. Examples of online activities in the first half of 2010 include:

- The Clarion University SBDC continued to update and enhance its web-based Research and Knowledgebase Blog that contains tools and resources geared toward pre-venture and existing business owners.
- In response to increased customer inquiries about Internet marketing and website development, the Lock Haven University and Wilkes University SBDCs developed workshops to cover these topics. The Lock Haven University SBDC partnered with a local marketing firm to develop a two-part social media workshop.
- The Kutztown University SBDC has begun to provide search engine optimization assessments for client websites.

- The Centers also looked inwardly to improve online strategies to increase efficiencies and provide greater services. The Duquesne University SBDC, for instance, teaches clients how to access information through its vast array of electronic resources. This enables clients to access timely, business- critical information needed to develop successful strategies. Information is available through the SBDC’s WebNotes, Census data, and a multitude of other databases.
- Several Centers, including the Penn State SBDC maintain a presence on the social networking sites. The SBDC has 224 “Friends” on Facebook and counts 309 “Followers” on Twitter. The SBDC uses these sites to promote SBDC educational programs and events, as well as provide information that is useful to small business owners.
- The University of Scranton SBDC redesigned its website to include more online learning tools for clients. In the first 6 months of 2010, the website attracted 4,170 unique visitors who made 7,883 visits to the SBDC website.

2100 ENVIRONMENTAL MANAGEMENT ASSISTANCE PROGRAM

The past six months continued to challenge small businesses: Energy costs are on the rise--and will be increasing further as electricity rate caps come off-- customer demand has declined in many sectors, and many small firms are just trying to hang on and weather the recession. The SBDC’s Environmental Management Assistance Program (EMAP) has not been immune to the economic downturn and has been facing the challenge of handling increased workloads with reduced resources. However, the EMAP team remains firmly committed to addressing and solving environmental problems that are impediments to survival and growth and finding new opportunities for businesses to cut costs and become more efficient. Whether it is helping a new clean energy technology company get started and meet all the proper regulatory requirements, or assisting a long-time client reduce their operating expenses and become more sustainable, EMAP is ready to help.

Examples of activities in the first half of the year include:

- The EMAP team rolled out a new training event to promote the “Go Green Building Block Approach.” Going green involves four general objectives, including
 - Energy – Improve efficiency and reduce consumption
 - Materials – Use sustainable materials and eliminate waste
 - Assurance – Comply with environmental regulations
 - Purchasing – Buy green products, equipment and services

Each of these blocks includes a number of specific strategies, ranging from simple do-it-yourself improvements to more complex projects that may require professional assistance.

- In order to provide more complete consulting to clients with questions relating to renewable energy, a consultant from the Penn State SBDC obtained a certification as a Renewable Energy Professional as issued by the Association of Energy Engineers. The consultant also completed an online seminar entitled Energy Auditing Fundamentals.
- All EMAP consultants attended the Clean Technology Resource Center webinars to learn more about the Center to then begin promoting its services and resources to regional clients.
- In March, a consultant from the Shippensburg University SBDC participated in the Huntingdon Energy Expo at the request of Senator Eichelberger. The energy expo was provided as a part of the local Home and Garden Show.
- Finally, EMAP continued to update the recently-revamped Ask EMAP website with special interest topics, including available grant funding for energy and pollution prevention upgrades and new environmental technology development.

CONCLUSION

In spite of the continued downturn and grim economic predictions, there are many positives anticipated for the second half of the calendar year. For instance, the SBDC will continue to expand its newly-fortified partnerships and enhance its expertise in a number of topic areas. In so doing, the network will remain a critical partner for fostering the state's economic recovery. The first half of 2010, while challenging, has evidenced that the network's unwavering focus on service delivery and understanding of clients' needs, as well as its flexibility in responding to these needs regionally, will allow the SBDC to continue to meet and surpass stakeholder expectations in the coming year. In continuing to provide high quality services to Pennsylvania's entrepreneurs, the Pennsylvania SBDC will return stakeholder investment many times over.