



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

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

www.pasbdc.org

Christian Conroy
State Director

2012 SEMI-ANNUAL REPORT

JANUARY 1, 2012 – JUNE 30, 2012

Submitted by the

University of Pennsylvania under Cooperative Agreement
SBAHQ-12-B-0056

7/31/2012

2012 SEMI-ANNUAL REPORT

TABLE OF CONTENTS

SECTION 1 – NARRATIVE

Introduction	1
Locations	2
Summary	4
100 Advocacy	6
200 Capital Formation	7
300 Innovation & Technology Transfer	9
400 International Trade	13
500 Minority Business Development	15
600 Resource Development	16
700 Procurement	19
800 Special Focus	21
900 Economic Development	24
1000 Research	26
1100 Other Activity	27
1200 Success Stories	29
1300 Travel	29
1400 Problems	29
1500 Finance	29

1600 Women’s Business Development	29
1700 Economic Impact	30
1800 Veteran Business Development	30
1900 Manufacturing	31
2000 Online Activities	32

SECTION 2 – DELIVERABLES

SECTION 3 – APPENDICES

- A—Marketing and PR
- B—Success Stories
- C—News Articles

INTRODUCTION

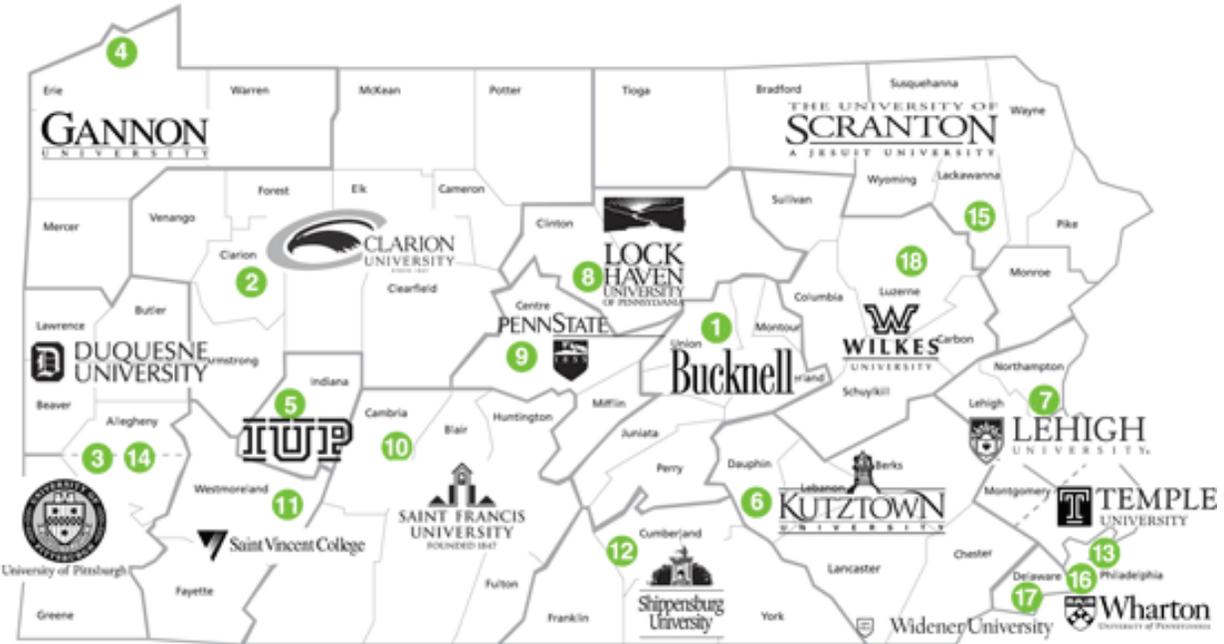
Established in 1980 with a mission to grow the economy of Pennsylvania through its entrepreneurs, the 18 university- and college-based centers provided timely consulting, education, and information to new and existing business owners. The SBDC focuses on three core areas: no-fee confidential business consulting, educational programming, and timely, useful information. This report reviews the economic environment and SBA-funded activities of the centers to support small businesses from January-June 2012.

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 2012, the SBDC delivered **39,119 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, **5,182 individuals and firms benefited directly from 257 educational programs**. The Pennsylvania SBDC network also responded to numerous inquiries, circulated printed materials, updated websites, and provided critical information to partners to address small business concerns.

Impact resulting from these activities is evidenced by the success stories in Section 3 – APPENDICES and described in detail throughout this report.

PENNSYLVANIA SBDC LOCATIONS



MISSION

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

PROGRAM HISTORY

Since its inception in 1980, the Pennsylvania Small Business Development Centers (SBDC) has evolved into a network of 18 university based centers and outreach locations operating under the guidance of the State Director located at the University of Pennsylvania.

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

IMPACT

Since its inception, the Pennsylvania Small Business Development Centers (SBDC) has provided over 2.5 million hours of consulting to more than 216,000 entrepreneurs and offered over 14,000 courses, workshops and seminars attended by 334,000 Pennsylvanians. SBDC services have helped small firms

throughout the Commonwealth raise more than \$2.5 billion in start-up and expansion capital, start more than 24,000 new companies, and sell \$10 billion worth of Pennsylvania products and services throughout the world. As a result, SBDC clients have created over 120,000 new jobs and generated more than \$5.68 million in new state income tax revenue.

In the first half of 2012, the Pennsylvania SBDC network reported the following outcomes:

- **Bought/Started a Business** **188**
- **Jobs Created** **645**
- **Jobs Retained** **494**
- **Increased Sales** **\$19,009,635**
- **SBA Loans (18)** **\$5,638,700**
- **Non-SBA Loans (120)** **\$16,616,848**
- **Equity Capital** **\$14,410,185**

SUMMARY

Consulting

During the first half of the year, the Pennsylvania SBDC provided **4,099 entrepreneurs** with a total of **39,119 consulting hours**. A detailed breakdown may be found in SECTION 2 – DELIVERABLES and is described throughout this report.

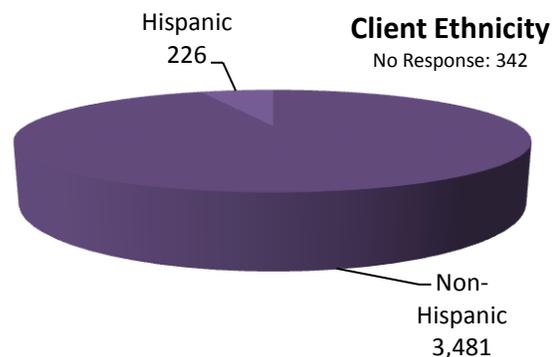
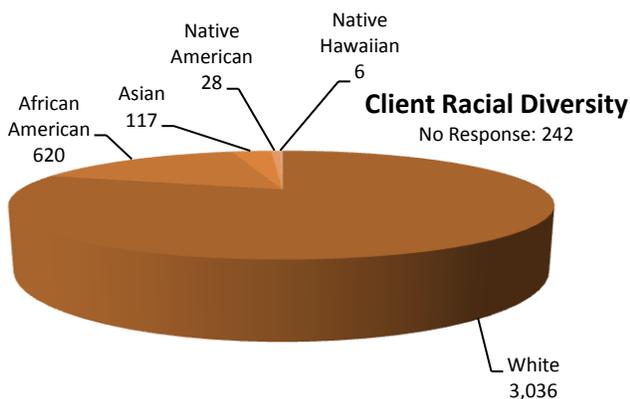
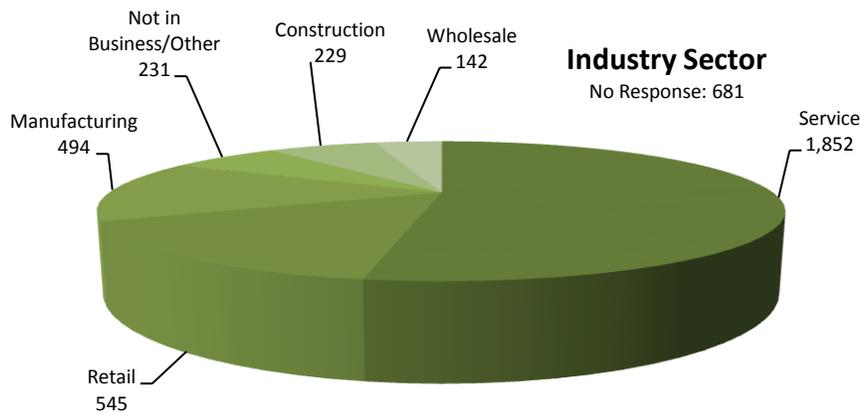
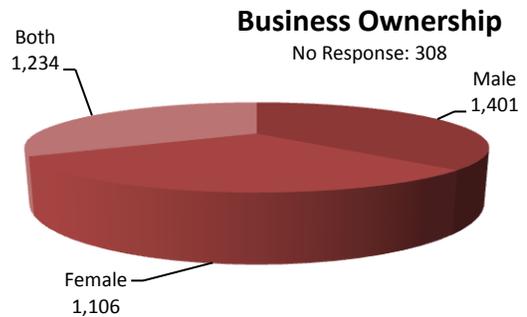
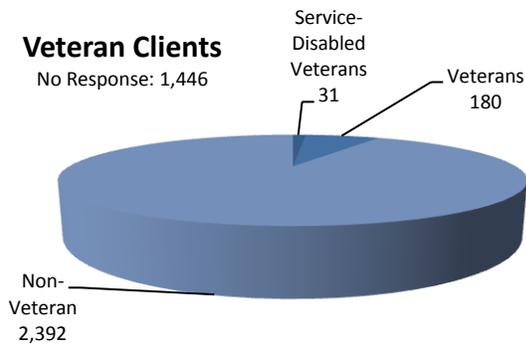


Education

The Pennsylvania SBDC network collectively **educated 5,182 individuals in 257 seminars and workshops** thus far, which included topics such as “Certification Made Simple” and “Doing Business with the Commonwealth.” A detailed breakdown may be found in SECTION 2 – DELIVERABLES and is described throughout this report.

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



100 ADVOCACY

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:

- Pennsylvania Congressman Glenn “GT” Thompson toured the Barnes Center for Biotechnology Business Development on March 20, 2012. During the visit he met with representatives of Clarion University and the Clarion University SBDC, NanoBlox and Clarion Research Group. In addition, Pennsylvania Congressman Mike Kelly also toured the Barnes Center and Clarion University SBDC in June 2012. The visit highlighted the services offered by the SBDC in the newly formed legislative district. The tour included the Clarion County Economic Development Corporation offices, which will be located in the Barnes Center starting July 2012.
- The Saint Francis University SBDC participated with Congressman Mark Critz during the Congressman's small business week tour. During that week, Congressman Critz met with over 100 businesses in his district.
- The Temple University SBDC director met with several legislative contacts to give updates about the services provided in their district and about funding for the program. The SBDC participated in several outreach events sponsored by legislators including the “Business Funding Seminar,” sponsored by Senator Farnese.
- To help keep SBDC activities in the spotlight with area legislators, the Wilkes University SBDC continues to organize grand opening events for clients where legislators are invited to attend. At these events, letters of recognition from the Governor's office are presented to the client by their SBDC consultant. These events are typically covered by local news media. In the first half of 2012, the SBDC successfully organized eight client grand openings and generated 101 legislative support letters.

National Small Business Week

- During National Small Business Week, May 20-26, the Bucknell University SBDC celebrated three long term clients who successfully reached their 10th year in business. The failure rate for new businesses has been estimated at as high as 80% in the first three years. However, research

has shown that entrepreneurs who receive training from the SBDC prior to and during the launch of their business have a far greater chance of success.

- Lehigh University SBDC celebrated National Small Business Week by partnering with Congressman Charlie Dent to bring a full week of free educational programs to Lehigh Valley entrepreneurs. Congressman Dent welcomed all attendees at each session and also allowed time for questions and answers followed by delivery of the educational materials by staff of the Lehigh SBDC and a few other speakers. Six seminars were conducted, including two First Steps; one international business; one small business financing; and two selling to the government. The sessions were well received and many attendees have now become clients of the SBDC.

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.

200 CAPITAL FORMATION

Capital formation is vitally important to small business development and remains an important focus for the SBDCs. With this in mind, the SBDCs undertook special efforts to educate lenders about small business needs and advise clients of realistic lending alternatives in the past six months. 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.

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

A total of **16 SBA-guaranteed loans and investments were approved, totaling \$5,638,700**. As for non-SBA loans, **120 were approved for a total of \$26,970,327**.

Examples of other activities include:

- The Bucknell University SBDC held a Bankers and Lenders Roundtable with representatives of the SBA, local development district (LDD) SEDA-COG, Chamber, and Keystone Innovation Zone (KIZ) sharing updates on financing programs available to clients and shares this information with clients seeking financing. SBDC staff also met with the Susquehanna Angel Investors Network for an update about their investment portfolio and interests.
- The Widener SBDC worked with client Cider Mill Landscapes to create a strategic business plan and financial projections. Cider Mill wanted to expand its business and to accomplish this goal it successfully acquired Askey Landscapes which was located in their targeted area of expansion. The acquisition required substantial capital so the Widener SBDC worked with Cider Mill to successfully apply and receive a loan of \$75,000. With added business growth, Cider Mill has added three new positions to its staff and business has been expanding in its new markets since the capital infusion.
- GKWorld.com is an online retailer who approached the University of Scranton SBDC for assistance with increasing sales and implementation of a marketing plan. Capital was needed to complete the expansion, so GKWorld began working on their business plan and projections with the help of the SBDC. After dissecting their business plan and updating it for investors, GKWorld was ready to secure funding and acquired nearly \$75,000 in financing. GKWorld was able to add close to 10,000 new products to its website and roll out its new marketing plan in the spring of 2012. Four jobs were saved and GKWorld continues to grow.
- In business for 10 years, Kelly O's Diner came to the University of Pittsburgh SBDC to explore the possibility of opening a second location of her nationally-recognized diner. Over nearly a two year period, Kelly O's evaluated five potential locations in various parts of the City of Pittsburgh. Each location was evaluated using breakeven analysis, market demographic analysis and real estate cost comparison. After the location was chosen, Kelly O's worked with the SBDC to develop financial projections to secure funding. With SBDC guidance, Kelly O's secured a \$125,000 bank loan and an additional \$125,000 in build out contribution from the property owner. The new location added four full-time and up to six part-time jobs to the community.
- After being furloughed from the local school district, a physical education teacher came to the University of Scranton SBDC looking for help to start his indoor golf simulator business. The client needed assistance with his business plan and loan package, which ultimately led to securing

a \$77,000 loan from People's Neighborhood Bank. The client successfully launched Golf 365 creating 1.5 jobs and continues to work with the SBDC on marketing efforts.

- Morning Stucco and Plastering, Inc. approached the Widener SBDC to gain the capital necessary to acquire an existing stucco and plastering company whose owner was leaving the country. The SBDC worked with the company to prepare a loan application to the First State Community Loan Fund and guided Morning Stucco and Plastering through the loan package and financials. Within a month, Morning Stucco and Plastering secured a \$80,000 loan to cover the purchase price, initial business fees and beginning operations.
- Owners of REV Sports Rehab and Athletic Development of Cranberry Township approached the University of Pittsburgh SBDC to help them develop their business plan and financial projections to assess whether their idea for a performance and rehab facility was feasible in the region. The SBDC worked with the owners over a two month period to prepare them for conversations with a personal investor as well as local banks. With SBDC guidance, REV secured \$60,000 in private investment and \$100,000 in bank investment from PNC Bank. REV now gainfully employs four full-time employees and two interns.

300 INNOVATION & TECHNOLOGY TRANSFER

In leveraging local assets such as universities and partnerships with technology and economic development organizations, the SBDCs support fledgling technology companies, providing support through consulting services focused on property rights protection, trade financing, copyrighting, and patent searches. The SBDCs complement these services with market identification, financing sources including Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) grants, and educational training. Thus far, **three businesses received \$510,000 in SBIR/STTR funding and R&D grants** as a result of SBDC assistance.

Innovation and Technology Development

The Pennsylvania SBDC continues to offer confidential technology services. The technology services were re-accredited by the Association of Small Business Development Centers in 2011. Services are marketed statewide and delivered by the technology consultants located at Kutztown SBDC (Eastern Pennsylvania) and Duquesne SBDC (Western Pennsylvania). Services include:

- Early stage product feasibility, planning and commercialization
- Networking and resource development

- R&D grant identification and proposal reviews
- SBIR/STTR proposal assistance
- Intellectual property assistance
- Identification of financing sources and investor pitch preparation

In the last six months, the **technology consultants provided 1,257 hours of consulting to 128 small firms** looking to advance, protect, and commercialize their research, innovations and new technology.

The Pennsylvania SBDC is fortunate to have additional resources to offer specialty assistance in the commercialization of energy related technologies. The SBDC provides in depth assistance to small businesses developing and deploying clean technologies through its **Clean Technology Resource Center (CTRC)** located at Penn State University. In the last six months, **49 small businesses received over 640 hours of in-depth clean technology consulting assistance**. These services are supported by a separate grant from SBA.

- The Kutztown University SBDC Technology Commercialization Program has consulted with and continues to work with more than 12 clients on various phases of proposal/financing efforts including SBIR/STTR inputs for R&D financing for new technology. New products currently in the works include Traumatic Stress Disorder medicines, logistics tracking software, super capacitor for custom configurations and lightweight/custom configured backpacks.
- On June 26, the webinar “CONTRACTORS — Taking Advantage of Emerging Opportunities in Renewable Energy” was presented by David Jordan, the CTRC business consultant. The purpose of the webinar was to educate the Pennsylvania SBDC consulting staff, contractors, installers, and potential SBDC clients. The following subjects were discussed during the webinar: opportunities in renewable energy, certifications that can advance your business into the energy market, marketing your product or services, and resources to increase your contractor business success.
- Another energy related resource is offered through the Wharton SBDC as part of the Greater Philadelphia Innovation Cluster (GPIC), with an emphasis on commercializing and deploying energy efficient technologies for existing buildings. As part of this initiative, which is funded by a separate SBA grant, the SBDC has been advising high potential businesses which are launching and growing new ventures to take advantage of opportunities in the sector. Opportunities are available for firms who are commercializing new business models and growing their traditional business operations to include energy efficiency in buildings. The Wharton SBDC has launched

the Commercialization Acceleration Program (CAP) for Energy-Efficient Buildings to assist start-up companies in establishing sound commercial pathways for the technologies they develop to grow and commercialize. The program is modeled on the Wharton SBDC's CAP for the Life Sciences.

- The SBDC technology services also include the Engineering Development Services offered through the Bucknell SBDC, which in the last six months provided over **2,000 hours of consulting assistance and connected 76 entrepreneurs with the technical expertise** and laboratory facilities of Bucknell University.
- In the first half of the calendar year, the Penn State University SBDC collaborated with the Ben Franklin Technology Partners, the Venture Investment Forum, the Industrial Development Corporation, the Penn State Office for Technology Management and Innovation Park at Penn State to develop and kickoff the TechCelerator @ State College. This is a space where eligible entrepreneurs, students, faculty, and small business owners can seek one-stop-shop access to incubation services and network within an entrepreneurial climate. The SBDC director spoke at the grand opening celebration on March 2 alongside other distinguished speakers, including Pennsylvania Department of Community and Economic Development secretary Alan Walker. Since its opening, the TechCelerator @ State College has held two “boot camps” for aspiring tech entrepreneurs and competitively awarded \$10,000 in seed funding to one participating business which is an SBDC client. In addition to having several clients participating in the boot camp programs, one of the SBDC Business Consultants participated in the program as an entrepreneurship mentor.
- In partnership with the Carbondale Technology Transfer Center's (CTTC) Kitchen Incubator program, the University of Scranton SBDC introduced a new seminar in 2012 for individuals interested in starting food-related businesses. “Starting Your Own Food Business” introduces participants to the necessary steps in getting a food business up and running. In addition, details are shared regarding the programs and services of The University of Scranton SBDC and the Kitchen Incubator at CTTC, a shared-use, licensed commercial kitchen with state-of-the-art equipment.

Multi-Media Environmental Assistance: Environmental Management Assistance Program

During the first six months, the Pennsylvania SBDC Environmental Management Assistance Program (EMAP) provided environmental compliance assistance to **323 small businesses**. Statewide, through the toll-free hotline and direct contact, EMAP consultants responded to **116 requests for environmental information and provided 1,325 hours of in-depth consulting assistance**. EMAP consultants were invited to conduct 35 on-site visits at a wide range of businesses, from retail and commercial entities to manufacturers.

EMAP consultants provided environmental compliance assistance with:

- Determining regulatory requirements
- Completion of air quality permit applications
- Development of new and modified air emission tracking systems
- Maximum Achievable Control Technology (MACT) / National Emission Standards for Hazardous Air Pollutants (NESHAPS) Area Source applicability reviews and notifications
- Outreach to wood pellet operators and manufacturers
- Outreach for new boiler NESHAP/MACT (including an on-line tool)
- Outreach to auto body shops (6H Rule)
- Outreach to dry cleaners & assisting with 2012 compliance calendar
- Underground storage tanks and environmental cleanup issues
- Storm water compliance and permitting

Examples of how the SBDCs supported environmental initiatives in the first half of the year include:

- EMAP consultants were invited to participate in many outreach events and produced and distributed a postcard alerting small firms to air permitting regulations that may impact their operations and the availability of EMAP services to assist them.
- In May, EMAP received national recognition when Pennsylvania won EPA's Small Business Environmental Assistance Program Award, presented in Washington DC.
- On June 7 and 14, the Center for Green Industries and Sustainable Business Growth held a seminar and the Duquesne University SBDC was a co-sponsor. Duquesne University SBDC staff were among speakers and industry experts on the following subjects: Top International Markets for Environmental Management Companies; Top International Markets for Renewable Energy and Green Industry Firms and Boosting Profits through Green Certifications; and Innovative Sustainable Business Practices.

- On May 17, the Penn State University SBDC EMAP held its 11th annual “U.S. Environmental Protection Agency (EPA) Toxics Release Inventory Training (TRI) Workshop” in State College. A representative from EPA Region III presented at the workshop which had 18 attendees, primarily manufacturers.

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.

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

During the first half of 2012, the SBDC consulted with clients on international trade issues in **980 consulting sessions**. A total of **11 educational programs**, including the “Doing Business with Asia” and “Growth through Exporting,” were attended by **719 individuals**. Clients reported an **increase in export sales, totaling \$36,043,111**, for the six month reporting period.

The SBDCs have been designated as a major contributor to fulfilling the goals of the National Export Initiative. To assure the network has the expertise to help more small firms sell Pennsylvania products and services around the world, staff at each center are receiving certification as export assistance counselors. The Pennsylvania SBDC is proud to work toward fulfilling this requirement and currently have **9 out of 67 full-time business consultants certified in international trade**. The following staff members of the Pennsylvania network can be counted toward this goal:

- Martin Brill at the Kutztown University SBDC (full-time), NASBITE certified, 2006
- Vickie Gyenes, Saint Vincent College SBDC (full-time), NASBITE certified, 2006
- Kate Hall, Clarion University SBDC (full-time), SBA/TPCC certified, 2012
- Brenda Holdren, Bucknell University SBDC (full-time), NASBITE certified, 2012

- Ed Huttenhower, Saint Francis SBDC (full-time), NASBITE certified, 2012
- Cora Landis, Lehigh University SBDC (full-time), SBA/TPCC certified, 2012
- Maria Montenegro, University of Scranton SBDC (full-time), SBA/TPCC certified, 2012
- Brent Rondon, Duquesne University SBDC (full-time), NASBITE certified, 2007
- Donna Simpson, University of Scranton SBDC (full-time), SBA/TCPP certified, 2012

Examples of activities in international trade occurring in the first half of the year include:

- During the first six months of 2012, the Global Business Program at Duquesne University SBDC reported that 133 clients received assistance for this reporting period accruing 616 hours of work. The Duquesne University SBDC also delivered a workshop “Capitalizing on Export Opportunities in Green Industries to Create Jobs and Company Growth.”
- Brent Rondon of the Duquesne University SBDC assisted the Pennsylvania Department of Community and Economic Development (DCED) in recruiting for 185 appointments held on April 2 with representatives from 40 local firms to meet one-on-one with Pennsylvania overseas trade experts. Participants discussed their export market potentials and opportunities as part of the midyear Pennsylvania International Week (PIW).
- During the first half of the year, the Saint Francis University SBDC’s Center for Global Competitiveness was active in several areas. The Center represented five companies at Mining Vietnam 2012 in Hanoi held March 7-9 and attracted buyers from Vietnam as well as a number of other countries primarily in Asia. There were 156 leads generated for the participating companies. The US Commercial Service provided some financial support for the show which offset a portion of the booth cost as well as for the show catalog. Additionally, senior Saint Francis student, Quy Cao, attended the show, as a native of Hanoi, Quy provided the translations used in the catalog and helped with interpreting during the show.
- Saint Vincent College SBDC’s Center for Global Competitiveness hosted its Fourth Annual Global Growth Conference on April 12 and 13 in Latrobe. This two-day conference, co-sponsored by Fifth Third Bank, Southwestern PA Commission and the U.S. Commercial Service attracted approximately 50 attendees. Featured presenters included representatives from ABB, Bentley World Packaging, TUV Rheinland of North America, Cohen & Grigsby PC, Compliance Assurance LLC, Three Rivers Marine and Rail, DHL Global Forwarding, Fifth Third Bank,

Kennametal Center for Operational Excellence, and the SBA Export Solutions Group.

Specialized sessions focusing on the EAR and ITAR were included.

- The International Trade Department at Temple University SBDC consulted with 52 clients during the first half of 2012. The number of clients serviced during this period increased in comparison to the same period last year. The international trade specialist held several meetings with the Fox School's Center for International Business Education and Research (CIBER) to explore service delivery options targeted to the Philadelphia business community. A major outcome of this collaborative effort was the "Going Global Series." Two international trade events were offered, "Doing Business with Asia" and "Growth through Exporting."
- On June 21, in collaboration with the Chairman of the Mayor's Commission on African and Caribbean Immigrant Affairs, the Wharton and Temple SBDCs co-sponsored an event featuring 50 local entrepreneurs at which Dr. Kingsley Chiedu Moghalu, deputy governor of the Central Bank of Nigeria spoke about opportunities for small businesses in Nigeria. International trade representatives from the City of Philadelphia, World Trade Center of Greater Philadelphia and U.S. Commercial Service also spoke on their services for business owners.
- On June 25, his Excellency Mauro Vieira, ambassador of Brazil to the United States, and the Honorable Ney Campello, secretary of state of Bahia for 2014 World Cup Brazil, briefed attendees in business opportunities related to the 2014 FIFA World Cup Brazil in trade, investment, and tourism. Philadelphia City Council members Jannie L. Blackwell and David Oh welcomed the Ambassador on behalf of the City of Philadelphia. Over 125 attendees from the greater Philadelphia business community were present.

500 MINORITY BUSINESS DEVELOPMENT

Assistance with certification programs, development of business plans, SBA 8(A) loan applications, and partnerships to increase outreach are just some of the ways the Pennsylvania SBDC supported minority business owners in 2012. In the first half of the year, the SBDCs consulted with **771 minority clients**, representing **19% of the total client base**. Of this group, **29%** counted themselves as Hispanic and **80%** percent identified themselves as African-American.

The Centers serving the highest concentration of minority clients during the first six months of 2012 include Temple University (67%); Widener University (50%); Wharton School (40%); Kutztown University (38%) and Duquesne University (35%) respectively. Examples of activities to support Pennsylvania's diverse population include:

- Duquesne University SBDC continues to deliver services through the Southwestern Pennsylvania Urban Revitalization Project (SPUR). Funds are being used over the course of two years and its goal is to connect residents from underserved communities—particularly the Hill District—with the local energy and health care industry clusters. This is being accomplished by focusing programs and activities on predominantly African-American communities that have, to date, not benefited from the resurgence of Pittsburgh through its notable clusters. Key partners are Pittsburgh Central Keystone Innovation Zone, Hill House Association and University of Pittsburgh Institute for Entrepreneurial Excellence. Business consultants have met with 16 distinct clients for 205.75 hours over 105 consulting sessions for this reporting period.
- The Latino Business Resource Center at the Kutztown University SBDC delivered several bilingual workshops including an eight-week, three hour session “Business Skills for Success for Latino Entrepreneurs” in spring 2012 along with one-on-one counseling for Latino entrepreneurs.
- The Temple University SBDC participated in the White House Hispanic Community Action Summit where White house representative, Marco Davis, and his team, met with Latino organizations to listen to their concerns regarding education, healthcare, jobs, and the economy. The forum created a platform for other local agencies and organizations to hear the concerns and form collaborations with Latino organizations.
- The Wharton SBDC collaborated with the Mayor’s Commission on African and Caribbean Immigrant Affairs on two large events in the spring reaching out to the internationally-focused small business community. On January 19, the Wharton SBDC, in collaboration with Stanley Straughter, chairman of the Mayor’s Commission on African and Caribbean Immigrant Affairs, hosted local entrepreneurs interested in applying to the USAID African Diaspora Marketplace Business Plan Competition to aid them in improving their business plans. This resulted in a Wharton SBDC client being one of the national winners of the competition. The Wharton SBDC director also spoke about opportunities for local businesses to take advantage of the SBDC support at the African and Caribbean’s Program on Finance and Trade on April 12.

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 2012, 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:

- Last year, Pennsylvania SBDC became a core member of DCED's Partnerships for Regional Economic Performance (PREP) which strengthens connections with partners in providing services and promoting economic development. The program encourages coordination of economic development efforts and promotes enhanced customer service to the business community. In the first half of 2012, many of the Centers began involvement with their PREP advisory boards and continue to participate in various working groups and committees. Projects such as MIS collaboration, customer service satisfaction surveys and others are being worked on within these regional alliances.
- The Clarion University SBDC, along with Northwest Commission and North Central Pennsylvania Regional Planning and Development Commission (NCPRPDC), offer an Entrepreneur's Training Series held in Venango, Potter and McKean Counties. Topics presented during the first half of 2012 were "Getting the Most Out of Your Generation Y Workforce;" "Fundamentals of Business Contracts, A Practical Approach;" "Developing and Operating a Successful Home-based Business Office;" and "The Art of Time Management."
- The Clarion University SBDC together with the NCPRPDC provided a two-day training series on financial statement analysis. This training was taught by an accountant and senior instructor of accounting at the Dubois campus of Penn State University and the loan program director of NCPRPDC. Attendees included economic development professionals, bankers, and business owners.
- In April, The Hill District Federal Credit Union (HDFCU) approached the Duquesne University SBDC seeking assistance to provide training to their members on how to operate a business. Training started in June and involved five consecutive Saturday sessions for three hours each session. Topics covered included business planning, financial projections, marketing strategies and credit repair. In addition, on Friday, April 27, the HDFCU held its 41st Annual Meeting at

the Hill House Kaufmann Center where Duquesne University SBDC director, Dr. Mary T. McKinney was the keynote speaker.

- Scott Schaeffer of the Kutztown University SBDC continues to serve as the representative for the SBDC and Jump Start Incubator to the Greater Reading Business Resource Center (BRC). The BRC, an organization made up of representatives from the Greater Reading Chamber of Commerce, Greater Berks Development Fund, Community First Fund, Greater Reading Economic Partnership, Kutztown SBDC and Latino Business Resource Center, Jump Start Incubator and the local SCORE chapter, is a collaborative portal for the local resources and tools available to help entrepreneurs and businesses succeed.
- Jump Start Incubator director Scott Schaeffer and Kutztown University SBDC director Ernie Post were instrumental in developing a proposal submitted by the Kutztown University Foundation to the Department of Community and Economic Development's, Neighborhood Assistance Program (NAP) Tax Credits. The proposal was approved by DCED which granted the Foundation a total of \$68,750 in 55% state tax credits. The Foundation leveraged these tax credits to raise \$125,000 in total program sponsorships of which Customers First Bank provided \$100,000 and East Penn Manufacturing provided \$25,000. These funds were used to bolster the support services provided to Jump Start Incubator both on- and off-campus.
- Penn State SBDC has forged a valuable partnership with Penn State Research and has opened the door for opportunities including partnership with the Office of Technology Management and Ben Franklin Technology Partners on several initiatives, including the TechCelerator @ State College, weekly "Triage" meetings with clients seeking technology commercialization assistance, and "Research to Start-up" training for Penn State students and faculty. This partnership with Research has also had a positive impact financially, enabling the SBDC to reduce rent expenses and increase efficiency through cross-unit staff collaboration.
- The University of Scranton SBDC and Lackawanna County Department of Arts and Culture teamed up to offer a four-part Building Your Art Business series in March. The 16 Lackawanna County artists who participated learned about entrepreneurship, developing business and marketing plans, legal issues, pricing strategies, financial considerations, and more. Experienced local artists also shared valuable information and lessons with the participants through a panel discussion at the last session. The program was well received and there is a list of artists waiting to apply for the next offering of the series.

- The Shippensburg University SBDC has re-focused its York service efforts to be in closer coordination with the York County Economic Development Corporation – a long-standing partner in York and now a “partner” under the Partnerships for Regional Economic Performance (PREP) funding model. The SBDC has also reinvigorated its relationship with the Cumberland Area Economic Development Corporation (CAEDC) during the first six months of 2012, also a PREP partner. A new office location in the Carlisle Borough building, new staffing and a new director have offered new opportunities for collaboration. The SBDC will begin offering workshops at CAEDC’s location and serving clients referred through CAEDC at their base also.
- By partnering with other organizations for co-sponsorship of seminars, Saint Francis University SBDC has the opportunity to spread its name further and to provide high quality workshops at a fraction of the cost compared to if the Center was to do them on its own. For example, the Center has partnered with the Bedford County Chamber of Commerce on e-commerce and other seminars in Bedford County and with Penn State-Altoona for workshops on various topics related to starting and successfully operating a small business. Another example of this is work with the Saint Francis University School of Business in the presentation of more well know speakers on a particular subject. In February, Dr. Art Laffer presented a session on the global economic outlook for 2012 which attracted 525 attendees.
- Wells Fargo became a Principal Partner of the Wharton School and the Wharton SBDC in late 2011. Since beginning the partnership, Wells Fargo has supported Wharton SBDC’s core programs as well as several special events, including Wharton SBDC’s “Meet the Lenders” and a special “Business Outlook 2012” by Wells Fargo senior economist Mark Vitner for local small business owners. In addition, the Wharton SBDC in collaboration with the Wharton-Netter Center Community Partnership, was the recipient of a grant in January 2012 from JPMorgan Chase to collaborate on supporting local entrepreneurship and economic development.
- As part of the regional partnership, Wilkes University SBDC has teamed up with the Pottsville Area Development Corporation, the Carbon County Economic Development Office and the Back Mountain Chamber of Commerce to continue to bring business education and training to area small businesses and entrepreneurs. Along with these relationships, two consultants from the SBDC are active on MetroAction’s Loan Review committee and one serves on the Board of Directors.

700 PROCUREMENT

The Pennsylvania SBDC is host to the Southeast Pennsylvania 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. Training topics included “Doing Business with the Government” and “Certification Made Simple” where attendees can learn more about MBE/WBE certifications.

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 Marketing” 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 **51 procurement-related training seminars or conferences with 994 attendees** in the first half of the year. In addition, **15 clients obtained MBE/WBE certification.**

Examples of information sessions with SBDC participation include:

- The Duquesne University SBDC continues to display its 30 page guide “Getting Started with Government and Private Contracting” on its website where it can be easily accessed by clients. The guide provides an overview of purchasing requirements, contact information for resources and what small businesses need to do to get ready to bid on contracts.
- The Kutztown University SBDC Government Marketing Program continues to be sought out by an increasing number of established companies who are seeking to replace some of their commercial markets loss with government procurement opportunities. Attendance at the GSA and WBE/MBE certification classes remained strong. During this reporting period, there were 15 DLA conferences/trainings with a total attendance of 314. \$30,335,880 in total awards were reported by 62 DLA clients for the first half of the year.
- On February 17 the Lock Haven University SBDC worked collaboratively by partnering with Senator Bob Casey’s staff and the PTAC located at SEDA-COG to host a Small Business Procurement Workshop on the campus of Lock Haven University. There were over 30 participants in attendance, which included presentations from the U.S. General Services Administration, clients who have successfully marketed their products and services to the federal government, the partners hosting the event, as well as remarks from Senator Casey.

- Saint Francis University SBDC cooperated with the state Department of General Services in an “Online Bidding for State Contracts” workshop help at the end of June.
- Procurement services continued to be in high demand at Temple University SBDC as in previous years. Business owners were curious to learn how to sell their products and services to federal, state and/or local government agencies. During the first half of the year, the Temple PTAP had a client base of 339 clients and so far has assisted in garnering \$2,442,156 in state and federal contracts. Temple University SBDC also held educational seminars such as “Introduction to Government Marketing,” “Doing Business with the Commonwealth of Pennsylvania” and “General Services Administration.”
- On June 22, the Wilkes University SBDC held a Government Contracting seminar in Scranton organized by the Northeastern Pennsylvania Alliance as part of their collaboration with PREP partners.

800 SPECIAL FOCUS

Shale Gas

Shale gas activities continue to increase in regions served by many of the Pennsylvania Small Business Development Centers. Several centers have continued to assist clients in capitalizing on opportunities presented by the development of the Shale Gas deposits.

During the first half of 2012, the Pennsylvania SBDC has consulted **271 Shale Gas clients for a total of 8,779 consulting hours**. These clients represent 47 out of 67 counties in Pennsylvania. **50 businesses** have been started or expanded with **56 business plans completed and \$36 million of investment applied for with \$17 million approved**. Overall, **236 jobs have been created with another 303 being saved** totaling **\$33 million in increased sales**.

Environmental Management Assistance Program (EMAP) consulting has been particularly important to support the development and sustainability of the Shale Gas supply chain. Between January 1, 2012 and June 30, 2012, **109 clients received 1,154 hours of in-depth environmental assistance from EMAP consultants**. Manufacturers and producers received assistance from EMAP consultants on obtaining air quality permits, waste permits, preparing reports and plans, and greening their operations to become more efficient, and therefore more competitive and more likely to win additional bids and contracts.

In April, the Pennsylvania SBDC met with a delegation of staff from the Ohio SBDC network in Williamsport. Representatives from the Lock Haven University SBDC, Clarion University SBDC, University of Scranton SBDC, Bucknell University SBDC, St. Francis University SBDC and staff of the State Director’s Office. The effort was orchestrated in collaboration with representatives from the Penn State Marcellus Center for Outreach and Research (MCOR), and included one and a half days of meetings with Pennsylvania SBDC and MCOR staff, local business owners, county officials and workforce development educators. The initiative provided great opportunities for members of the Pennsylvania SBDC network, from areas throughout the Marcellus Shale footprint, to showcase how the Centers have responded to local, regional, and statewide Marcellus Shale opportunities in their work with clients. At the conclusion of the visit, it was suggested that a group (from the New York, Ohio, Pennsylvania and West Virginia SBDCs) assemble in Western PA/Eastern Ohio later in the year to continue discussing the development of additional resources to be offered to entrepreneurs who are interested in connecting with the Marcellus and Utica Shale plays.

- The Bucknell University SBDC provides Engineering Development Services to several manufacturers in Union and Northumberland counties whose products are used in materials handling, construction, and maintenance operations related to gas extraction.
- To date in 2012, the Clarion University SBDC worked with at least 48 clients that are looking to capitalize on the Marcellus Shale supply chain activity and have secured financing of \$519,000. There have been four businesses started that are serving this industry and includes the following business sectors; construction (2), service (1), and transportation (1). Numerous training events and expos hosted by various area economic development organizations have been attended by the Clarion University SBDC staff to keep up-to-date with the activity of this industry.
- The Duquesne University SBDC participated during the trade show at the “Grow Your Marcellus Business Even if You Know Nothing about Drilling Gas.” The program was co-sponsored by the SBDC and the *Pittsburgh Business Times* and had more than 100 attendees.
- A University of Pittsburgh SBDC consultant participated in a roundtable sponsored by the Small Business Administration which brought together economic development leaders from the region to talk to business owners about resources related to the Marcellus Shale.

Social Media

Social media has also been a special focus for the centers. Assistance using social media as part of a marketing strategy has been in higher demand – both as platforms such as Google Analytics, Pinterest,

Twitter and Tumblr grow more popular among small businesses, and as entrepreneurs to seek more cost-effective communications and marketing tools. In addition to hosting education workshops on best online practices, the centers have invested time in growing their own social media presence.

- In the first six months of 2012, the Clarion SBDC offered four marketing seminars that discussed social media networking. “Facebook for Business” seminars continue to be high in demand and are always closed to registrations prior to the event. These seminars are marketed as a hands-on program that is taught in a computer lab. Participants are able to establish a Facebook account and are then guided through the available options that can be used for marketing and promoting their businesses and organizations. The Clarion University SBDC also offered an “Advanced Facebook” class in response to the request for additional more in-depth training by participants. In total, Clarion University SBDC provided training to 64 business owners or key management of small businesses in their region.
- Students at the Kutztown University SBDC continued to edit and update the social media eBook. This resource is a guide for entrepreneurs that outlines the advantages and processes of using social media tools to market a small business. This resource has been shared with the Pennsylvania SBDC network.
- The University of Pittsburgh SBDC has been actively consulting on social media practices for small business during the first half of 2012. A consultant assisted the Michigan SBDC in establishing a website/SEO analysis as part of the state’s economic gardening program. In addition, a “Facebook for Business” session was part of the Duquesne University SBDC Entrepreneur’s Growth Conference. The SBDC was also the featured presenter at the “Social Media Implementation: Take Your Business to the Next Level” at the Peters Township Public Library in conjunction with Peters Township Chamber of Commerce, Mt. Lebanon Public Library and the Mt. Lebanon Chamber of Commerce.
- SBDC staff from a number of Pennsylvania centers represented the Pennsylvania SBDC at the Google “Pennsylvania Get Your Business Online Event” in Pittsburgh.
- On June 14, the Saint Vincent College SBDC held a seminar on Google Analytics, a website visitor tracking program designed to provide statistics that aid in the development of an effective online marketing plan. Presenter Joe Polk showed participants the various types of information Google Analytics provides and how that information can be used to better serve their business.

Small Business Jobs Act (SBJA)

- Small Business Jobs Act funding was used to specifically assist pre-venture and start-up companies in existence for 2 years or less. These funds allowed Pennsylvania SBDCs to offer "First Step" workshops at no cost at all 18 centers in their network. Separate SBJA deliverables include assistance to **1,276 clients with 96 jobs created and 31 jobs saved**. New business starts registered at 50 for the first half of the year with capital formation at **\$5,164,489**.

900 ECONOMIC DEVELOPMENT

The mission of the Pennsylvania SBDC is to grow the economy of Pennsylvania through its entrepreneurs. Often, this involves participation in regional and statewide initiatives. Examples of the network's economic development activities are numerous; activities around the state in the past six months include the following:

- In spring of 2012, the Bucknell University SBDC opened new offices collocated and coinciding with the launch of Bucknell's new Entrepreneurs Incubator. The incubator facility encompasses the second floor of the new renovated DeWitt Building in downtown Lewisburg and SBDC consulting offices and an educational programming center are on the third floor. Coverage of the opening of the center's new offices and the incubator included local media, University press, and *Keystone Edge*, a leading online magazine reporting on innovation and entrepreneurship in Pennsylvania. The Entrepreneurs Incubator provides affordable office space, bundled office services, and opportunities for consulting and networking to early-stage companies in the Susquehanna Valley Region.
- In 2012, Clarion University SBDC received a Community Fellows Grant from Clarion University in the area of economic development. The grant was designed to support direct interaction between business students in the MBA program and profit/non-profit organizations in the region. As part of a capstone course, students perform an organizational strategic audit that resulted in the development of a strategic plan. The 2011 project provided direct support to students to coordinate strategic planning efforts at a local organization and also supported the purchase of specialized software to assist the organization in coordinating stakeholder management and fundraising efforts. This grant opportunity, which is available on an annual basis, has helped provide additional specialized assistance to a range of SBDC clients.
- The Duquesne University SBDC held its 14th Annual Entrepreneur's Growth Conference (EGC) on May 9, attracting 245 business owners and managers. The program kicked off with a panel discussion of CEOs on how they have successfully run their businesses over many years. The

luncheon keynote speaker was Dr. Raul Valdes-Perez, executive chairman at Vivisimo. In addition to the general sessions, fifteen workshops were held during three break-out sessions in areas of marketing, technology, finance, start-up and management. The Business Building Tradeshow ran in the afternoon following lunch with 37 exhibitor tables representing various companies from the surrounding area.

- An official grand opening ceremony was held on March 15 for the Jump Start Incubator (JSI) at Kutztown University SBDC. The ceremony introduced the two initial on-campus client businesses in the incubator, RB Legal Counsel, LLC and HighBeta, LLC who were chosen out of a field of nine applicants. In June, David Wise, Jr. of Boxaroo was selected for the on-campus JSI program, and became the incubator's third tenant. The Incubator staff is currently assisting David through the start-up phase of his business.
- Through the USDA funding initiative forged in 2011 between the Lock Haven University SBDC and Downtown Lock Haven Inc., the SBDC staff placed a priority in 2012 on assisting and targeting previously identified needs for the downtown small business community. As a result numerous workshops, including topics related to social media strategies and customer service training are being developed for small independent retail and hospitality businesses. This programming will support Downtown Lock Haven Inc.'s focus on revitalizing the downtown through community and economic development, educational programs, and implementing progressive ideas to vitalize the main street area.
- University of Scranton SBDC business consultant Keith Yurgosky collaborated with Elm Street Project staff to plan a "Marketing Your Small Business" seminar. Offered in June, the program was part of United Neighborhood Centers of Northeastern Pennsylvania's Elm Street Revitalization Project.
- The Temple University SBDC partnered with the Center for Design and Innovation at the Fox School to host the "2012 Design Challenge" event. The annual Design Challenge brought together students from Temple and partner institutions to collaborate across disciplines and create innovative solutions to challenging urban issues. The event generated ideas which were incubated in the Urban Apps and Maps Studio for further commercialization. One of the main objectives of the Design Challenge was to encourage business growth along the North Broad Street Corridor.
- Through its business development incubator, the Temple University SBDC fulfills its economic development objectives by providing space and technical support for aspiring entrepreneurs.

During the first half of 2012, the incubator housed seven companies. In addition, the center also collaborated with economic development organizations, which included: Urban League of Philadelphia Entrepreneurship Center, People's Emergency Center, Community College of Philadelphia, Free Library of Philadelphia - Widener Branch, Beech Community Services, CDC Partnership, and Beech Consortium.

- The Widener University SBDC's main business center of Chester, PA was named by the White House as one of six cities in the Strong Cities, Strong Communities pilot program in 2011. The program will allow the city to leverage existing federal programs and expertise to create new public/private partnerships. Specifically, the community solutions team in Chester will help diversify the local economy, support small business development and revitalize the downtown.

1000 RESEARCH

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

Robust resources are available at host university libraries, through the Penn State Data Center, and databases provided through the Regional Export Network and the Pennsylvania SBDC State Director's Office, including Hoovers Online, First Research, Profit Cents and Demographics NOW. The SBDCs also maintain a current library of solicitations for SBIR and Ben Franklin grants to support R&D efforts.

Examples of research projects conducted so far include the following:

- The Duquesne University SBDC consultants aided 21 clients in accomplishing research goals during the period of January 1 through June 30. In addition, survey research was conducted with clients, consultants and peer organizations to address client needs.
- In early May, Kutztown University SBDC international trade program manager completed a second consecutive year of Corporate International Partnership (CIP – international trade) research projects for three SBDC clients in cooperation with Elizabethtown College. Senior international business students presented oral reports and written research papers to each participating client.

- Saint Francis University SBDC utilizes a number of students to work with clients to help resolve a range of issues from market research to financial analysis. The practice of using students provides the clients with additional timely assistance at no cost and enables the students to apply the theory they learn in class to real-world scenarios which promotes creative thinking and enhances decision making skills. Examples of student research projects included updating the Marcellus Shale industry report and using ProfitCents to prepare client financial projections.
- Wharton SBDC's High Growth Consulting Program engaged over 50 Wharton MBAs and undergrads as well as six volunteer senior advisors in 40 projects for established businesses this spring. These projects apply business analytics and research skills to support CEOs in making strategic decisions. In a recent example, a team assisted a consumer start-up with VC-backing which was seeking to diversify into niches that could not be profitably served by larger and more consolidated players.
- Many students at Wilkes University are offered firsthand experience through relationships that the Wilkes University SBDC has established with the University and its professors. Routinely, students are involved in specialized research projects and programs that require additional time and dedication than the typical consulting arrangement offers. Examples of recent student work include energy efficiency evaluations and plans, developing in-depth marketing and operations plans and evaluating clients businesses through specific programs such as "secret shoppers."

1100 OTHER ACTIVITY

Network-wide Awards

- Clarion University SBDC nominated its client, Zacherl Motor Trucking Sales who won the SBA 2012 Western Pennsylvania and Region III Jeffrey Butland Family Owned Business of the Year Award. Their family was honored at the 36th Annual SBA Western Pennsylvania Small Business Awards Luncheon and Trade Show held on May 25, 2012. The company received additional kudos from their dealership, International, as they were featured in the June 2012 northeast regional newsletter and marketing publication.
- The Clarion University SBDC received the Small Business Administration, Pittsburgh District Office's Small Business Development Center's Impact Award for 2011. In 2011, Clarion University SBDC provided 8,844 hours of counseling to its 533 clients and assisted 78 clients in securing over \$12,860,727 in financing. In addition, the Clarion University SBDC provided 5,508 hours of training to 1,235 individuals at 86 events.

- On May 1, the vice president of Penn State Outreach, Craig Weidemann, presented the Entrepreneurship, Innovation and Creativity Award to Penn State SBDC director Heather Fennessey. The Vice President’s Award for Engagement honors Penn State Outreach faculty, staff, and technical-service employees who develop innovative cross-unit programs, processes, and services; and create viable solutions to problems, products, services, or processes uniquely designed to meet the evolving needs of its customers. This award honors the Director’s tireless efforts to maintain the high quality services of the Penn State SBDC for Centre and Mifflin County clients despite budget challenges and ongoing reorganization at the University.
- Ray Vargo, director of the University of Pittsburgh SBDC was named the 2012 Lending Champion of the Year for Western Pennsylvania by the US Small Business Administration (SBA). This award recognizes individuals who have had a profound impact on SBA loan activity. “For many years, Mr. Vargo has been very actively involved,” says Carl Knoblock, Pittsburgh SBA district director. “He is known throughout the community for his on-going and enthusiastic support of entrepreneurs and small businesses,” says Rebecca MacBlane, executive director of the Regional Development Funding Corporation.
- Michael and Jennifer Mancuso, owners of Figliomeni Drug Stores of Carbondale, were named SBA Small Business Persons of the Year for Eastern Pennsylvania and Region III. They were nominated by Keith Yurgosky, business consultant at the University of Scranton SBDC. The SBA’s Pennsylvania Small Business Persons of the Year award winner is selected annually from among nominees located across the state of Pennsylvania. The Region III award winner is selected annually from among nominees located in Pennsylvania; Delaware; Maryland; Washington, D.C; Virginia and West Virginia. In addition, Maggie Calpin, owner of Nibbles & Bits of Scranton, was named Young Entrepreneur for Eastern Pennsylvania. She was nominated by Lisa Hall, director, the University of Scranton SBDC.
- Three of the Saint Francis University SBDC 2011 small business award winners were recognized by the SBA at the district and regional level. On May 25, Jay Smithmyer of Smithmyer’s Superette in Loretto received the Western Pennsylvania Small Business Person of the Year award at the SBA awards luncheon in Pittsburgh. Additionally, Dr. Richard Somiari of ITSI-Biosciences in Johnstown received both the district and regional Small Business Exporter of the Year award and Renee Staines of Altoona Dance Theatre in Altoona won the district Young Entrepreneur of the Year award.

1200 SUCCESS STORIES

See SECTION 3, APPENDIX B – SUCCESS STORIES.

1300 TRAVEL

The Pennsylvania SBDC conducted no out-of-state travel in the first half of 2012 for SBA activities other than travel identified in the 2012 proposal.

1400 PROBLEMS

None noted at this time.

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 2012. So far, **nearly 58% of all clients represented women- and jointly-owned businesses**. Examples of outreach and successes include:

- On May 11, the Gannon University SBDC hosted the 5th Annual Women in Leadership Development (WILD) Conference at the Bayfront Convention Center. Featured speakers included national names Grace Killelea and Peggy Klaus. This major event attracted 585 attendees, 36 sponsors and 70 vendors. Attendees were surveyed after the event where 91% said they were satisfied with the conference overall versus 88% in 2011. In addition, the Lock Haven University SBDC staff accompanied 10 women to the conference consisting of 3 local business women and community leaders, as well as 8 participants from Lock Haven University.
- 14 aspiring woman entrepreneurs completed the 6-week WEC StartUP series in April hosted by the University of Scranton SBDC. The women represented diverse backgrounds and a wide variety of expertise and business ideas, but they all had one thing in common – the desire to start a business. Pennstar Bank sponsored the program, offering participants the chance to attend the \$165 per person series for free. Topics included what it takes to be an entrepreneur, business plan development, small business finance, goal setting, and marketing. The last session featured a

panel of local women business owners who offered guidance and encouragement by sharing their own experiences.

- Elizabeth Bowers of the Pennsylvania Department of General Services presented Certification Made Simple hosted by the Saint Vincent College SBDC. This hands-on, interactive, step-by-step review of the certification application took qualified women business owners through the process of completing the state application required to contract with the government.
- Temple University SBDC continues to develop partnerships with organizations that provide assistance to female entrepreneurs including Women Impacting Public Policy (WIPP), African American Chamber of Commerce, Bucks Business Development Department, Bucks County Commissioners, and Central Bucks Chamber of Commerce. The SBDC co-sponsored the event “Government Certifications for Women, Minority and Veteran-Owned Businesses” in Bucks County.

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.

Helping new businesses start is a hallmark of the SBDC program, which counts roughly half of its annual client base in the pre-venture or start-up category. New business activity has occurred across the state, even during the recession.

The SBDCs have also continued to respond to new needs of business communities which have been continually impacted by downturns in major industries and competition from offshore producers and mass merchandisers. Response is evidenced by the array of programs presented to clients and organizations in the business community and other aspects of economic impact have been highlighted throughout other sections of this report.

For examples of the impact of the Pennsylvania SBDC network, see Section 2, DELIVERABLES.

1800 VETERAN BUSINESS DEVELOPMENT

Thus far, the SBDCs supported a total of **180 veterans and 31 service-disabled veterans**, and **educated another 241 veterans** in seminars. Examples of outreach and successes include:

- The Duquesne University SBDC has been working with a veteran client who is developing a new technology that will assist the disabled to compete in bicycle races by improving shifting changes and safety. The technology also has applications in the bicycle transmission industry. The client has received SBIR funds and received assistance from their consultant to apply for phase II funding from NIH.
- Tuition was waived for veterans to attend Wharton SBDC's core programs in the first half of the year, where 14 veterans participated.

1900 MANUFACTURING

The Pennsylvania SBDC has a long history of providing assistance to manufacturers, still a significant industry in Pennsylvania. The SBDCs noted an uptick in assistance needed for the industry, specifically focused on marketing plans and marketing research to find new customers at home and abroad and new products to diversify their operations. In addition, the SBDCs provided financial analysis assistance to help manufactures identify operating efficiencies and to reduce costs. As a result, several companies were referred to the Pennsylvania SBDC's Environmental Management Assistance Program (see section 300) for energy efficiency assistance to help reduce operating expenses and identify grant funding opportunities.

In the first six months of 2012, **494 manufacturers, representing 12% of the total client base** turned to the SBDCs for such assistance, including:

- Gannon University SBDC continues to work with existing manufacturers to retain and grow jobs in the Erie region. One such success was plastics manufacturer North Coast Plastics, Inc. who was referred to the Gannon University SBDC after approaching the Northwest Commission to obtain new equipment through their Revolving Loan Funds. North Coast Plastics met with the SBDC to prepare financial projections for their loan package and also received financial analysis for competitive intelligence on other plastics manufacturers. In March, North Coast Plastics received a loan of \$200,000 and purchased their new equipment in April. They were able to retain 13 high-paying jobs and plan to add two additional employees before the end of 2012.

- Westmoreland County manufacturer and Saint Vincent College SBDC client Carbi-Tech, Inc. opened its doors to SBA Administrator Karen Mills and Congressman Mark Critz, on March 12. Rhett and Carol Crooks founded Carbi-Tech with Kenneth Sanner 16 years ago, after attending a workshop entitled “The First Step” at Saint Vincent College SBDC. “I was a tool and die maker by trade, but always dreamed of starting my own business,” said the 56-year-old Crooks. “I wanted to take my skills and do the job better.” The trio started their business in a garage in Lower Burrell, and within six years purchased their current 17,000-square-foot facility. Carbi-Tech now employs 20 Pennsylvanians and Crooks sees the potential for growth. Administrator Mills and Congressman Critz witnessed firsthand how Saint Vincent College SBDC enabled long-time clients Carol and Rhett Crooks and Ken Sanner to grow their business venture from blueprint to success while also providing high value manufacturing jobs for the community.

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. Online activities for the first half of 2012 include:

- The Pennsylvania SBDC continues to leverage its client database through increased usage among the network. As of July 1, all Centers are now required to upload non-confidential client documents to the client profile in WebCATS for a central storage location. This ensures a secure place for all documents since the system uses an encrypted network protocol and is housed behind the Wharton firewall.
- In June, the Pennsylvania SBDC network applied for a Disaster Resiliency Grant through the Economic Development Administration (EDA) to develop a suite of services to assist small businesses in becoming more disaster resilient. Educational programming would be taught

through disaster planning and the use of cloud-based technologies for increased efficiencies. In preparation for the grant, the Pennsylvania SBDC network has been utilizing video conferencing software to conduct meetings and research possible vendors for the proposed program. By utilizing this technology, the network has been able to reduce its commuting costs as well as reduce carbon emissions and save valuable working hours. The State Director's Office continues to look for ways to make this technology available network-wide for use in all 18 Centers in Pennsylvania.

- One of the highest-visited pages on the Pennsylvania SBDC website is its online "Starting a Business" tutorial. This online course helps entrepreneurs navigate through the process of starting their journey to self-employment and gives them a realistic view of what it takes to launch their new venture. In the first half of 2012, work has begun to redesign and revamp this tutorial to make it more user-friendly and interactive.

CONCLUSION

The Pennsylvania SBDC will continue to expand on its existing partnerships and work to further enhance its expertise in topic areas such as international trade and assisting second-stage growth companies. In so doing, the network will remain a critical partner for fostering the state's economic recovery. Although growth was slow during the first half of 2012, 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. By providing high quality services to Pennsylvania's entrepreneurs, the Pennsylvania SBDC continues to return stakeholder investment many times over.