

**Renovation and Modernization Plan
for a
21st Century Pennsylvania SBDC Program**

2014 - 2017

VISION

Our work will have a positive transformational and lasting impact on aspiring entrepreneurs and small business owners.

STRATEGIC GOAL

Anticipate and adapt to changing circumstances to deliver a consistent set of services statewide that – based on current funding levels and adjusted proportionately if it should change – contributes to:

- 1,000 new businesses opened annually
- \$500 million in new sales obtained annually
- 2,000 businesses sustained annually

PROGRAM DIMENSIONS

- | | |
|--|---|
| <p>External</p> <ol style="list-style-type: none"> 1. Key Markets 2. Services 3. Tools & Resources 4. Service Delivery Infrastructure 5. Marketing & Outreach 6. Program Perception | <p>Internal</p> <ol style="list-style-type: none"> 1. Organizational Structure & Operations 2. Budget/Funding 3. People & Professional Development 4. Communications 5. Key Metrics and Performance Measurement |
|--|---|

MISSION

Provide entrepreneurs and small business owners with the knowledge needed to make smart decisions and prosper.

SUCCESS FACTORS

- Critical:**
- Operate with a clear vision, mission and values.
 - Assure client trust.
 - Fulfill financial and programmatic requirements, with transparency, quality and integrity.
 - Be adaptable and flexible.
 - Secure, increase and diversify funding sources and amounts.
 - Demonstrate value to host institutions.
- Vital:**
- Efficiently provide relevant, high-quality education and consulting.
 - Emphasize educational focus and value of services that build the capability of entrepreneurs and small business owners.
 - Continuously evaluate, update and improve services and processes, including integrating new consulting methods and technology, to best meet client needs.
 - Allocate resources to activities that achieve desired program impacts.
 - Hire, motivate and develop high quality staff at all levels of the network.
 - Market SBDC services and impact so clients and stakeholders clearly understand what the SBDC does.
 - Cultivate partnerships and collaboration.

VALUE PROPOSITIONS

- | | | | | |
|--|--|---|---|--|
| <p>Entrepreneurs & Small Businesses: services that meet their needs</p> | <p>Hosts: outreach, community service, student engagement and experiential learning, research</p> | <p>Employees: job satisfaction</p> | <p>Elected Officials: positive economic activities, employment, tax revenues, constituent services, community services</p> | <p>Funding Partners: goal attainment, well-run program with no problems</p> |
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WE VALUE

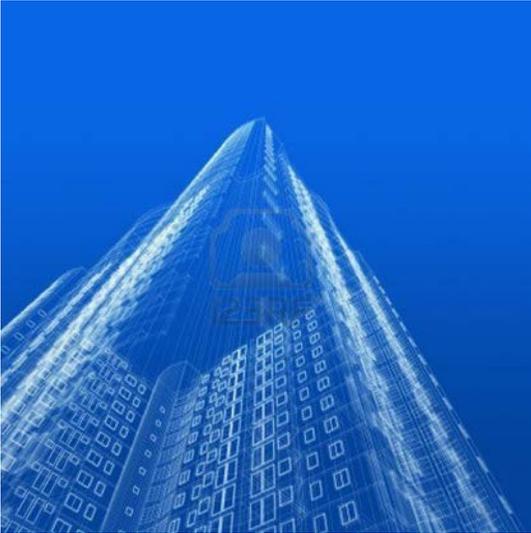
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| Innovative processes & delivery of services. | Positive contributions to economic impact. | |
| Integrity in our actions and decisions. | Respect and professionalism. | Continuous improvement. |
| Collaboration with others. | Excellence in client relationships. | Our dedicated staff. |

STRATEGIC MODEL
21st Century Pennsylvania SBDC Program



PROGRAM RENDERING:

Model of the Pennsylvania SBDC by 2017



The Pennsylvania SBDC network has the resources and tools to offer services to help aspiring entrepreneurs start new ventures with the strong potential for long-term viability, and assist established small businesses to survive and thrive. Services – online, in small groups, and individualized – include Business Management Consulting at no-fee; Business Management Educational Programs (some offered at no-fee and others for-fee); Market Research (some offered at no-fee and others for-fee); optional, Specialized Business Management Services offered for-fee; and Referrals.

The network – a public/private partnership – is comprised of university based centers, outreach offices, and consulting sites, and utilizes technology capabilities including video conferencing, to offer all core services to key markets in all 67 counties of the Commonwealth that are responsive to local needs. Center’s service territories are in closer alignment with PREP regions.

Clients and stakeholders understand the SBDC has limited capacity and that services have a cost and are supported by public funding. Clients know that they are expected to participate fully in their engagement and that they have access to the broad spectrum of expertise that exists throughout the statewide network. The consulting process begins with an application for services, with a limited initial time commitment that will be renewed based upon the client’s commitment to the scope of work developed with a consultant. Client alumni and SCORE are engaged to provide mentoring support and subject matter expertise.

The client portfolio is comprised of businesses in all industry sectors – including service and retail - with a significant number of manufacturers and companies in the Shale Energy supply chain. Many of these client companies are led by veterans, women, minorities, older adults, students and immigrants, and are located in all parts of the state including rural and underserved urban areas. The SBDC is also known as a resource for providing international business, procurement, business continuity, environmental compliance and technology commercialization services.

Services are delivered by professional SBDC staff, students (undergraduate and graduate), pro-bono professionals, outside contract professional consultants, faculty, and a partner network of subject matter experts. Working as teams, staff regularly share information on topics and functional responsibilities. Staff have individual professional development plans and are encouraged to pursue professional certifications; visits to other centers are required once every four years. Network professional development training is based on aggregated needs and emerging trends identified by leadership and offered in conjunction with other SBDCs in the region. Staff transition plans are in place throughout the network. New staff can take an online orientation and an updated tutorial on conducting market research. Successes are celebrated through a multi-faceted recognition program.

Communication within the network is multi-directional and staff have the opportunity to provide candid feedback through an annual survey and an open-door policy with network leadership.



To improve efficiency and data security, WebCATS is used for client intake; as a repository for client research; for surveys, communications and marketing; to produce standard engagement plans; for tracking projected milestones to completed milestones; and reports on real-time goal performance by staff member, center, and network.

The network's annual marketing and communications plan directs outreach through professional looking materials that present consistent branding to build support of stakeholders; educate referral sources about SBDC services; and establish strong brands for SBDC services. As a result, stakeholders recognize the program for its impact and as an effective program to deliver information, programs and services to entrepreneurs and small businesses. Meanwhile, the SBDC host institutions value the program for student engagement, community outreach and contributions to other institutional priorities.

The network is supported by a diversified funding base, with equal amounts of funding coming from SBA and DCED, along with a substantial investment by the host institutions. Additional funding support comes from local (city and county) sources, other government grants, program income and client contributions.

Continued core funding is provided through an *Annual Request for Renewal Funding* document which lays out performance expectations and priorities for the coming year, maximizes utilization of expected funds, and makes adjustments based on previous year's fulfillment of performance expectations. New financial resources are deployed following a policy and process that considers a variety of factors in determining if the service is something that will be deployed throughout the entire network with an expectation that all centers will have capacity, or if it is something that necessitates specialized knowledge and/or is directed at a particular target market.

Allocation of performance goals on seven key performance metrics [consulting hours, capital formation, start-ups + purchased, new sales, jobs impacted (created, saved and outsourced), client satisfaction and client support letters/Impact & Outcome Forms] continue to be tied directly to funding so that they are fair and equitable between all centers. Quarterly reports on key metric performance are shared with all network staff and annually with center hosts.

Core SBA funds are allocated based on the ratio to total as exists in CY 2013.

An annual Center Scorecard provides an overview of center performance on the key performance metrics plus all of the other important program dimensions.

To reward overall performance excellence, 5% of total state funds received above the level of \$3.2 million will be allocated through the Merit Performance Fund based on annual overall scorecard performance.

As a result of all of this, the Pennsylvania SBDC network will have a positive transformational and lasting impact on aspiring and current entrepreneurs and small business owners.

It is anticipated that it will take five years to complete all the different dimensions to realize this model, although some components will be achieved quicker.

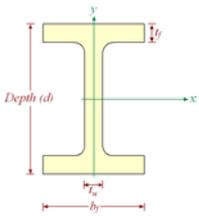




VISION	Our work will have a positive transformational and lasting impact on aspiring entrepreneurs and small business owners.	
STRATEGIC GOAL	<p>Anticipate and adapt to changing circumstances to deliver a consistent set of services statewide that – based on current funding levels and adjusted proportionately if it should change – contributes to:</p> <ol style="list-style-type: none"> 1. 1,000 new businesses opened annually 2. \$500 million in new sales obtained annually 3. 2,000 businesses sustained annually 	
PROGRAM DIMENSIONS	<p>External</p> <ol style="list-style-type: none"> 1. Key Markets 2. Services 3. Tools & Resources 4. Service Delivery Infrastructure 5. Marketing & Outreach 6. Program Perception 	<p>Internal</p> <ol style="list-style-type: none"> 1. Organizational Structure & Operations 2. Budget/Funding 3. People & Professional Development 4. Communications 5. Key Metrics & Performance Measurement
MISSION	Provide entrepreneurs and small business owners with the knowledge needed to make smart decisions and prosper.	
SUCCESS FACTORS	<p><i>Critical – things we must do to exist:</i></p> <ul style="list-style-type: none"> • Operate with a clear vision, mission and values. • Assure client trust. • Fulfill financial and programmatic requirements, with transparency, quality and integrity. • Be adaptable and flexible. • Secure, increase and diversify funding sources and amounts. • Demonstrate value to host institutions. <p><i>Vital – things that if left undone would not bring about our immediate demise but would lead to a slow deterioration:</i></p> <ul style="list-style-type: none"> • Efficiently provide relevant, high-quality education and consulting. • Emphasize educational focus and value of services that build the capability of entrepreneurs and small business owners. • Continuously evaluate, update and improve services and processes, including integrating new consulting methods and technology, to best meet client needs. • Allocate resources to activities that achieve desired program impacts. • Hire, motivate and develop high quality staff at all levels of the network. • Market SBDC services and impact so clients and stakeholders clearly understand what the SBDC does. • Cultivate partnerships and collaboration. 	

<p>VALUE PROPOSITIONS</p>	<ol style="list-style-type: none"> 1. Entrepreneurs & Small Businesses: services that meet their needs 2. Hosts: outreach, community service, student engagement and experiential learning, research 3. Elected Officials: positive economic activities, employment, tax revenues, constituent services, community services 4. Funding Partners: goal attainment, well-run program with no problems 5. Employees: job satisfaction
<p>WE VALUE:</p>	<ul style="list-style-type: none"> • Our dedicated staff. • Integrity in our actions and decisions. • Innovation in our processes and delivery of services. • Continuous improvement. • Respect and professionalism. • Collaboration with others. • Excellence in client relationships. • Positive contributions to economic impact.

PROGRAM DIMENSIONS



EXTERNAL

WHERE WE WANT TO BE BY 2017

Key Markets

1. **New:** Concept, Start-up and Early Stage (up to age 2)
2. **Survival:** In business more than 2 years, in stages of Continuity, Transition and Reinvention
3. **Growth** - In business more than 2 years and wants to expand
 - 50% of clients in the New market segment
 - 50% of clients in the Survival and Growth (established businesses) market segments

Increased Diversity by Targeting Demographic Groups:

- Rural
- Veterans
- Women
- Minorities
- Older Adults
- Students
- Immigrants

Targeted Industries:

- Energy
- Manufacturing
- Firms Impacted by Federal spending changes

Services

1. Business Management Consulting at no-fee in the areas of:
 - New*
 - Start-Up Planning
 - Capital Acquisition
 - Survival*
 - Business and Strategic Planning
 - Capital Acquisition
 - Business Disruption/Disaster Preparedness and Response
 - Regulations (environmental, tax, OSHA, ACA, labor)*
 - Management and Finance
 - Sales and Marketing
 - New Markets (Government*, International, Online*)



Growth

- Business and Strategic Planning
- Capital Acquisition
- Sales and Marketing
- New Markets (Government*, International, Online*)
- New Products and Innovation (Technology Commercialization*)
- Management and Finance

(*Basic services available at centers; subject matter experts available through the network)

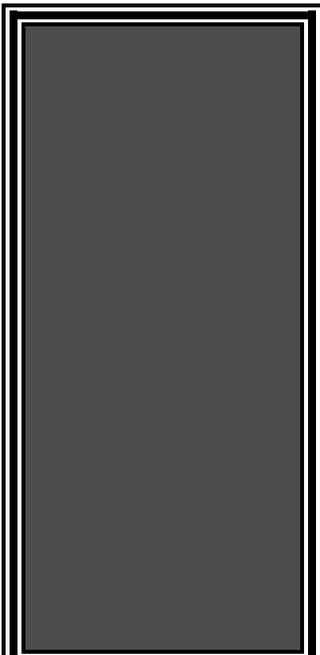
2. Business Management Educational Programs
 - *Determined by centers to meet market needs*
 - *No-fee, and for-fee – determined by centers to meet market needs*
3. Optional, Specialized Business Management Services offered for-fee
 - *Determined by centers to meet market needs*
4. Market Research
 - Secondary market research at no-fee.
 - Primary, and in-depth and advanced market research for-fee.
5. Referrals
 - Centers act as navigators that connect clients with subject matter experts.

Tools and Resources

1. Tools to support consulting in:
 - A. Business Start-Up
 - B. Business Planning
 - C. Financial Management
 - D. Secondary Market Research
 - E. Regulations
 - F. New Markets
2. Staff fully-trained on all research tools.
3. For Key Markets and Service Areas, the network to provide:
 - A. Professional Development
 - B. Tools, FAQs & Online Resources
 - C. Common Curriculum

Service Delivery Infrastructure

1. Network-wide services:
 - A. 877-ASK-EMAP
 - B. *Online/Self-Serve:*
 1. Introductory information for key markets and services
 2. Online Tools and Resources for Starting a Business
 3. Online Tools and Resources for target markets
2. Center responses to inquiries.
3. All Centers have the capacity to deliver core services to key markets, including:
 - A. *Group Services:*



1. First Step Program - live and webinar (live and archived)
2. Consulting on start-up basics
3. Educational Programs (webinars and live) on specialized topics
4. Consulting on specialized topics
- B. *Individual Services*
 1. Business Management Consulting
- C. *Targeted Industries and Services*
 1. Each center to have at minimum one staff member knowledgeable of:
 - Shale Energy
 - Manufacturing industry needs
 - International Business
 - Procurement
 - Business Disruption (disaster) Services
4. SCORE to provide mentoring support based on industry expertise for clients with long-term needs.
5. Engage clients to provide support for the SBDC, through things such as establishment of alumni groups, mentoring, workshop presentations, etc.

Marketing and Outreach

1. Annual network marketing and communications plan.
2. Clear communication about services, benefits and value of the various components of the program.
 - A. Key brand attributes:
 1. Build **your** capacity.
 2. We have business experts that are experienced, capable and knowledgeable.
 3. We know our local communities and provide valuable and worthwhile services that deliver results.
 4. We help small businesses in all stages of their lifecycle (not just start-ups).
 5. We are a trusted referral for quality services.
 6. Our data has integrity.
 - Use our data more robustly to demonstrate the breadth of the program and value.
 - B. Specific services have strong brands.
 - C. Known for having a professional, competent staff.
 - D. All materials have a professional look and feel with consistent branding.
 - E. Market Research services marketed as a unique advantage of the SBDC program.
 - F. Stakeholders understand our processes and where we add value so that they make good referrals.
3. Awareness that there is a network of centers that serve all 67 counties, and which are part of a national network.
4. More standardized and customizable materials on key services.
5. Good leveraging of host institution brands to boost credibility.
6. Recognition from stakeholders for program services and impact and as an effective program to tap to deliver information, programs and services to entrepreneurs and small businesses.
 - A. Hosts value the program for student engagement, community outreach and contributions to other institutional priorities.
7. Increased visibility of clients and success stories that demonstrate program impact.

**Program
Perception**

8. Client Ambassador network.

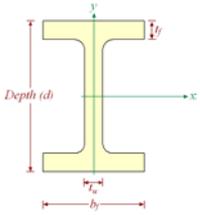
1. Services have a cost and are supported by public funding.

2. Capacity is limited.

3. Filtering and screening processes enable potential clients to determine appropriateness of SBDC services for their needs.

4. Contributory and participatory.

5. Access to the expertise available throughout the network.



INTERNAL

Organizational Structure and Operations

WHERE WE WANT TO BE BY 2017

1. University based centers, outreach offices, and consulting sites, and technology usage capabilities to serve all 67 counties.
 - A. Video conferencing deployed for meetings and client work
2. Closer alignment of center service territories with PREP regions.
3. All centers have capacity to offer all core services to key markets.
4. Centers partner with SCORE chapters to provide mentoring services.
5. Policy and process established for determining the development and deployment of core and specialized services.
 - A. Process will consider a variety of factors in determining if the service is something that will be deployed throughout the entire network with an expectation that all centers will have capacity, or if it is something that necessitates specialized knowledge and or is directed at a particular target market.
 - B. Factors that will be considered include, among possible others to be determined:
 - o target market
 - o expertise required
 - o accessibility of service to clients
 - o partnerships
 - o funder requirements
6. Annual Request for Renewal of Funding and Annual Subcontracts.
 - A. *Annual Request for Renewal Funding* to layout performance expectations and priorities for the coming year, maximize utilization of expected funds and make adjustments based on previous year's fulfillment of performance expectations.
 - B. Subcontracts that layout performance expectations and priorities for the coming year.
7. WebCATS used for:
 - A. Client intake
 - B. Repository for client research
 - C. Surveys
 - D. Communications and marketing
 - E. Producing standard engagement plans, and tracking projected milestones to completed milestones
 - F. Real-time goal performance by staff member, center, and network
8. Streamline Policies & Procedures.
 - A. Lean assessment of business processes to streamline budgeting, proposal preparation and

semi-annual reporting

9. Advisory Board restructured to support the role out of new initiatives.

Budget/Funding

1. Diversified cash funding to support SBDC services at centers:
 - A. SBA - 32%
 - B. DCED – 32%
 - C. Hosts – 15%
 - D. Local (City & County) – 5%
 - E. Other government grants (includes EMAP & PTAC) and private support (includes unrestricted gifts) – 10%
 - F. Program Income (includes corporate sponsorship) – 5%
 - G. Client Contributions – 1%
2. Goals on Key Performance Metrics tied directly to funding so that they are fair and equitable between all centers.
3. Team of corporate partners that contribute unrestricted funds.
4. 5% of total state funds received above the level of \$3.2 million will be allocated through the Merit Performance Fund based on annual scorecard performance.

People and Professional Development

1. Services deliver by:
 - A. Professional-level staff to deliver a minimum of 60% of services
 - B. Students (undergraduate & graduate)
 - C. Pro-bono professionals
 - D. Outside contract professional consultants
 - E. Faculty
 - F. Partner Network of subject matter experts
 - Client alumni networks of subject matter experts
 - SBDC staff and student alumni network of subject matter experts
2. Formal Staff Recognition Program (multiple components: SDO presented, peers, monthly staff profile, best new idea)
3. Transition/succession plans in place throughout the network.
4. Expert Ambassadors – staff who educate others in the network on a particular topic.
5. Professional Development:
 - A. 40 hours minimum, 25% outside area of expertise for full-time staff (pro-rated for part-time staff).
 - B. Individual plans, with pursuit of professional certifications encouraged.
 - C. Network training based on aggregated needs and emerging trends identified by leadership.
 - D. Training provided in conjunction with other SBDCs in the region (locally with other Pennsylvania SBDCs and with SBDCs in other states).
 - E. Staff visits to other centers required once every four years.
6. Intranet is a centralized knowledgebase of professional development opportunities.
7. New Staff Orientation webinar on The Hub.

Communications

8. Updated the Online Business Research tutorial.
1. Multi-directional and regular communication for all staff.
2. Add interactivity and ease of use of the intranet for communications and research.
3. Monthly Network Update (*In the Know*).
4. Annual Staff Survey.
5. Staff organized and engaged into teams to regularly share information on topics and functional responsibilities.

Key Metrics and Performance Measurement

1. All centers exceed annual goals on data collected from consulting clients on the Key Performance Metrics of:
 - A. Consulting Hours
 - B. Capital Formation
 - C. Start-Ups + Purchased
 - D. New Sales
 - E. Jobs Impacted (created, saved and outsourced)
 - F. Client Satisfaction
 - G. Client Support Letters/I&O Forms
2. Key Performance Metrics Goals allocated to centers based on funding. Performance on KPM accomplishment evaluated as part of the Annual Center Scorecard.
3. Quarterly reports on key metric performance; shared with all network staff and center hosts.
4. Annual Center Scorecard that reports on completion of all key program dimensions.
5. The Merit Performance Fund provides 5% of total state funds above \$3.2 million to be allocated annually to centers to reward overall performance excellence as measured on the Annual Center Scorecard.
6. Annual workplans toward fulfillment of the strategic plan.