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## **Pennsylvania SBDC Offers Resources for Businesses Affected by Government Sequestration**

PHILADELPHIA, PA – Following last week’s sequestration, which initiated automatic, across-the-board spending cuts to government agencies, the [Pennsylvania Small Business Development Centers](#) (SBDC) can help companies who could be adversely affected.

“These cuts will have an impact on many small businesses, especially those who contract with the government. These small firms will need to find new markets to make up for lost sales,” said Pennsylvania SBDC State Director Christian Conroy. “One way business owners can offset a decrease in revenue is to consider selling internationally or increasing their online sales,” he added. “It is also critical to look at ways to reduce costs.”

The full impacts of sequestration have not yet been realized, but as the weeks go on the effects will be felt by small businesses nationwide and here in Pennsylvania. Last week, the Congressional Budget Office estimated that sequestration will cause U.S. GDP to grow .6 percent slower, creating or retaining 750,000 fewer jobs once the cuts are fully implemented by the fourth quarter.

The Pennsylvania SBDC expects many small businesses will be seeking assistance to help plan for the impacts of these cuts. Below are strategies that the SBDC advises business owners to consider during the impending downturn:

### **EXPLORE SELLING INTERNATIONALLY**

Businesses are encouraged to look at international markets as a way to diversify their sales base. Global markets can offer great potential for both manufacturers and service based companies who fit the market need. The SBDC can help businesses research, develop and implement an exporting strategy, as well as locate new supply channels to diversify operations. Business owners are also encouraged to connect with state and federal trade organizations who provide direct links to overseas trade representatives and organize annual trade missions targeted to small- and medium-sized businesses.

### [International Success Story: Bassett’s Ice Cream – Philadelphia, Pa.](#)

After the onset of the Great Recession, Bassett’s Ice Cream was struggling to meet its projected sales goals. After careful deliberations with family, friends and associates on how to improve the situation, it was suggested that the company consider exporting its ice cream to international markets. After receiving market research assistance from the Wharton School SBDC and working with the lead international trade specialist at the Temple University SBDC, Bassett’s acted on the SBDC recommendations and their ice cream is now sold in over 40 supermarket stores and restaurants in China. ([more](#))

**SBDC Locations**

Bucknell University

Clarion University

Duquesne University

Gannon University

Indiana University  
of PennsylvaniaKutztown University  
of Pennsylvania

Lehigh University

Lock Haven University

Penn State University

Saint Francis University

Saint Vincent College

Shippensburg University

Temple University

University of Pittsburgh

University of Scranton

The Wharton School,  
University of Pennsylvania

Widener University

Wilkes University

## **EXPAND YOUR ONLINE BUSINESS**

Having a solid online presence is key to doing business in a competitive market. Google says that while 97% of Americans look online for products and services, 56% of Pennsylvania's small businesses do not have a website or online presence. These businesses are virtually invisible to many potential customers not only in their local community, but also nationwide and internationally. SBDC consultants can help companies develop their online marketing strategy and offer website analysis. Many SBDC locations also provide training on website optimization and the latest eCommerce technology that help business owners gain the knowledge they need to attract new customers online.

### [Online Success Story: GK World – Lackawaxen, Pa.](#)

In 2009, GK World started to feel the effects of the economic downturn on their eCommerce business; customers were not purchasing as much, and by 2010 gross sales declined by nearly 40 percent. GK World knew that they had to update their business plan, consider expanding into new areas, and add additional inventory and new products to remain profitable. GK World reached out to the University of Scranton SBDC, where they presented their plan to increase sales by adding new products, as well as rolling out a unique marketing plan. With help from the SBDC, GK World was able to secure nearly \$75,000 in financing that allowed them to add almost 10,000 new products and to implement their new marketing plan. ([more](#))

## **REDUCE COSTS AND IMPROVE EFFICIENCIES**

During a downturn, small firms can streamline their internal processes to find new efficiencies and reduce costs to offset losses in sales. The SBDC's Environmental Management Assistance Program (EMAP) provides confidential environmental management and regulatory compliance consulting assistance to small businesses. In addition to assistance with permit and compliance requirements, EMAP consultants also can provide advice on how to become more sustainable by reducing waste and energy use.

### [EMAP Success Story: Village Laundry – Halifax, Pa.](#)

When the owner of Village Laundry wanted to reduce his energy costs, he was referred to the Kutztown University SBDC where he worked closely with an EMAP consultant to get his business started on the path toward energy efficiency. As soon as the owner found out how much he could save by changing the fluorescent lights to more efficient ones, he had the old bulbs replaced. The lighting project cost \$1,443 and was eligible for a \$700 utility rebate from PPL Electric Utilities, for a net cost of \$743. In the first four months after the lighting upgrade, Village Laundry has seen their total electric bill reduced by 34 percent, saving approximately \$147 per month. ([more](#))

While the full impact of sequestration might be months away, the Pennsylvania SBDC encourages small businesses to deploy strategies to counteract lost revenue starting as soon as possible. Small businesses affected by sequestration are encouraged to contact their [local SBDC](#) or visit [www.pasbdc.org/services](http://www.pasbdc.org/services) to find out what type of assistance is available to their firm.

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## **About Pennsylvania Small Business Development Centers (SBDC)**

*The Pennsylvania Small Business Development Centers (SBDC) supports the economic development of Pennsylvania by providing entrepreneurs and small businesses with individual consultation, comprehensive education and information necessary to help their businesses start, grow, and prosper. SBDCs deliver consulting services and educational programs through a network of [18 locations](#) across Pennsylvania. SBDC consultants work with small business owners and entrepreneurs in confidential, individualized sessions to help*

*them with issues including new business development, shaping a business plan, investigating funding opportunities, and much more. For more information on the Pennsylvania SBDC services and impact, please visit [www.pasbdc.org](http://www.pasbdc.org).*