

2008 SEMI-ANNUAL REPORT

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THE RIGHT DIRECTION



INTRODUCTION

Nearly 28 years ago, the **Pennsylvania Small Business Development Centers (SBDC)** were established to grow the economy of Pennsylvania by providing current and future small business owners with the education, information and tools necessary to build successful businesses. The network, comprised of 18 university- and college-based centers and more than 100 outreach locations statewide, draws from local resources and collects information to build unique capabilities. The coordination of these resources and partnerships with other economic development organizations under the guidance of the State Director located at the University of Pennsylvania helps the SBDCs deliver services statewide while continuing to focus on the needs and opportunities within individual regions.

As economic conditions change, the network evolves to keep pace with the issues facing small businesses in an effort to be ever-relevant and responsive to new needs. The past six months have brought forth tremendous challenges for small firms: rising energy costs, higher gas prices, and a weak dollar. Meanwhile, business owners across the Commonwealth are experiencing increased difficulty in accessing capital, finding tighter lending criteria than they were facing months ago and the option of leveraging a home equity line practically nonexistent. Rising credit card rates and cost-conscious consumers also contribute to growing unease.

In a turbulent economy more than ever, the SBDCs play a unique and vital role in building small firms' abilities to weather harsh conditions and compete effectively in domestic and international markets.

This report provides details of the services and impact of the Pennsylvania SBDC network in the first six months of 2008 to continue small firms' progress in *The Right Direction*.



JANUARY – JUNE 2008 HIGHLIGHTS

In the first half of the year, the Pennsylvania SBDC continued its commitment to serve small businesses, regardless of background, industry, or stage of business, providing essential help that can make all the difference between success and failure. Noting the worsening economic conditions, several centers took measures to help small businesses respond to new financial challenges while others uncovered new opportunities to position small firms for growth. Highlights of the first sixth months include the following:

- To help small business owners confront increasing pressures, the **University of Scranton SBDC** offered the *Small Business Institute*, an 8-week training program with a laser-like focus on the four core essentials of business development: success planning, market planning, cash flow, and operations.
- The **Penn State SBDC** also offered a special workshop titled *Growing Your Business in a Challenging Economy*, featuring Dr. Patricia Greene, Provost of Babson College, Wellesley, MA. Greene is a recognized expert in entrepreneurship, who also serves on the U.S. Small Business Administration Small Business Development Centers' Advisory Board.
- In the wake of mass layoffs, the SBDCs continued to support individuals newly pursuing entrepreneurship as a means of providing income to support their families. Experienced professional staff assisted clients in writing **324 business plans** and acquiring **\$79,396,926 in financing**. A total of **255 new businesses** have been started or purchased thus far.
- The SBDCs served as sounding boards for businesses looking to secure cash flow, reposition business models, and improve gross profit margins. A total of **10,605 individuals** attended one of the **607 workshops** and the centers reported **9,020 entrepreneurs** received **73,570 hours of consulting** addressing these and other business management topics in the past sixth months.
- Centers also encouraged small business owners experiencing hardships, presenting opportunities for small firms in times of economic duress. International specialists at the **Lehigh University** and **Saint Francis University SBDCs**, for instance, spoke to local media about how the weaker US dollar might open overseas markets for Pennsylvania companies and encourage companies to investigate new niche market prospects.
- Fifty-one Pennsylvania businesses also received the good news that they will have help with energy costs down the road. With help from the SBDCs' **Environmental Management Assistance Program** and the Pennsylvania Department of Environmental Protection, winners of the 2007-2008 Small Business Advantage Grant program received \$300,195 to match investments for projects as diverse as heating and cooling system upgrades, energy efficient lighting installations and a solar power system.
- Veterans, too, benefited from Pennsylvania SBDC resource development activities in the first half of the year. Working with **Congressman Jason Altmire (PA-4)**, the Military Reservist and Veteran Small Business Reauthorization Act (H.R. 4253) passed through Congress with wide bipartisan support and was signed into law on February 14, 2008. The legislation bolsters business resources for veterans nationwide.

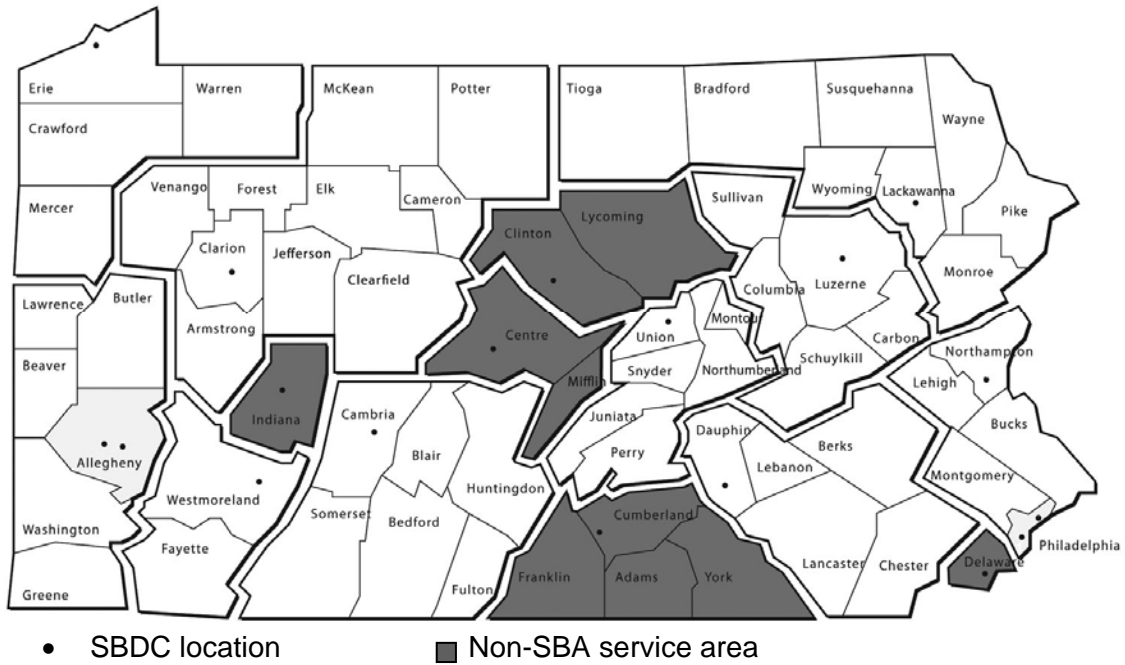
- The Pennsylvania SBDC also continued to support economic development initiatives vital to the state. For instance, the **Gannon University SBDC** continues to support tourism in northwestern Pennsylvania which counts as Pennsylvania's second largest industry. A business plan and financial projections were prepared in conjunction with a client purchasing a key attraction located on the shores of the Kinzua Reservoir in the Allegheny National Forest. With the assistance of the SBDC, the new owners were able to take over operations well in advance of the peak boating and fishing season.

SBDC-assisted clients continue to grow and survive at rates far greater than companies that do not avail themselves of SBDC services. In the past sixth months alone, clients reported **\$168,876,014 in new domestic sales** and clients continue to demonstrate long-term success. For instance:

- In February of this year, Brookville Equipment Corporation celebrated 90 years of continuous operation as a manufacturer of custom trains and underground mining equipment. For 20 of its 90 years, BEC has utilized the services of the **Clarion University SBDC** for a wide variety of business concerns. Since it began working with the SBDC, BEC has seen a 160 percent increase in export sales and a 198 percent increase in total production. In 2007, the company posted record sales of \$26.6 million and is projecting sales of nearly \$50 million for 2008. The company was featured on the History Channel's *Modern Marvels* show in April.
- Cherryhill Manufacturing began working with the **Indiana University of Pennsylvania SBDC** in 1998 when the company invited the SBDC to view a prototype of a new floor sander it had developed. The SBDC worked with the company to commercialize and begin selling the product, introducing the owner to a principle buyer. Two years later the company had developed eight prototypes, conducted considerable market research, and obtained financing all with the help of the SBDC. By 2003, Cherryhill Manufacturing posted sales exceeding \$2 million and today, the company counts Home Depot among its accounts and continues to grow into a multi-million dollar company, introducing innovative products and bringing jobs to Pennsylvania.

The network continues to use its strategic plan to drive activities through 2012 which respond to regional issues and small business concerns. Specifics regarding these activities to position small businesses in the right direction are included in the report which follows.

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 eighteen university- and college-based centers and more than 100 outreach locations operating under the guidance of the State Director located at the University of Pennsylvania.

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

IMPACT

Since 1990 alone¹, the SBDCs have helped Pennsylvania entrepreneurs:

- Start more than **24,300** new businesses
- Obtain over **\$2.1 billion** in start-up and expansion capital
- Expand sales by **\$8.7 billion**, including over **\$2.1 billion** in government contracts and **\$1.3 billion** in export sales
- Create over **104,800** new jobs at an average cost of \$1,145 per job
- Generate more than **\$796 million** in new tax revenues

¹ Data from 1990-2007, includes non-SBA service areas.

JANUARY – JUNE 2008 NUMBERS

Consulting

Thus far in 2008, the network of SBDCs has provided **9,020** individuals with a total of **73,570 consulting hours**. 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.

In the first half of this year, experienced consultants have helped clients address a range of topics. Details on consulting deliverables may be found in Section 2.

Training

Pennsylvania SBDC educational programs serve to inform and assist entrepreneurs with the many tasks a new business owner faces. Partnerships with SCORE and local Chambers of Commerce, among others, enabled the network to educate **10,605 individuals** in a total of **607 workshops and seminars** held in the first half of 2008.

All of the Pennsylvania SBDCs offer First Step workshops to help entrepreneurs looking to start their own businesses. The **164 First Step workshops** offered in the last six months served to assist **1,977 aspiring entrepreneurs** in starting down the path to successful business ownership – evaluating business ideas, developing a business plan, and exploring financing options.

Examples of training included:

- During the first half of the year, the **Duquesne University SBDC** presented workshops on topics including “Credit Repair,” “How to Import to the United Kingdom,” “Employee versus Independent Contractor,” “Crisis Management,” and “Using Demographic Websites.”
- The **University of Scranton SBDC** held a Small Business Institute in cooperation with Metro Action Inc., a “Women Win” program, five Lunch & Learn programs, and a Diversity Forum in the first half of the year. A marketing seminar and cash flow workshop were offered for the Wayne County area as well.
- In April, the **Saint Francis University SBDC** presented a seminar entitled “Doing Business with the Commonwealth,” an overview of government marketing, which attracted 18 attendees. There will be another such seminar in the fall.

Information

The Pennsylvania Small Business Development Centers ensure that business owners and aspiring entrepreneurs are armed with the resources necessary to make intelligent business decisions. Every center compiles available business and financing resources to provide individuals with the best and most comprehensive information available to them. Examples range from the state’s *Entrepreneur’s Guide for*

Starting and Growing a Business in Pennsylvania to more complex information regarding patents, trademarks, and copyrights as well as disaster preparedness resources.

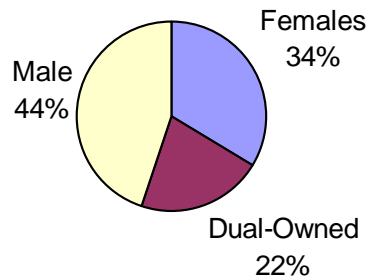
So far, the network has collectively:

- Responded to **16,549 phone, 4,955 mail and 16,167 email requests**
- Presented a breadth of resources in over **252,606 unique visits to SBDC websites**
- Distributed **129,057 newsletters**, including the statewide Pennsylvania SBDC *Advisor*, to increase awareness of activities and services.

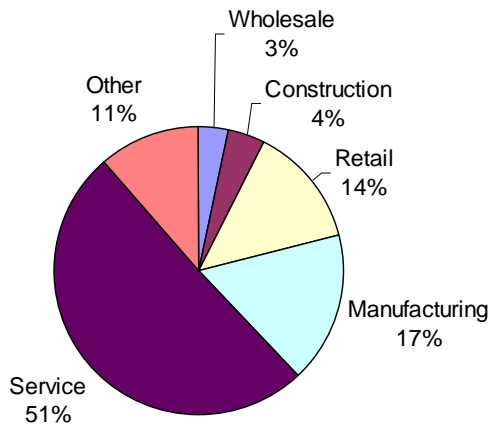
Demographics

Entrepreneurs served thus far represent Pennsylvania’s diverse populace. Well **over half of clients serviced so far are women and joint-owned firms** and **21% counted themselves as minorities**. Clients also represent a variety of industries as shown.

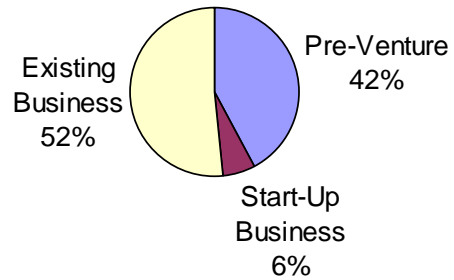
Client Ownership



Industry Sector of Clients



Age of Businesses Consulted



MILITARY STATUS	CLIENT TOTAL
Veteran	495
Service-Disabled Veteran	80
Non-Veteran	4,488
Unknown/No Response	1,204

100 ADVOCACY & 600 RESOURCE DEVELOPMENT

In the first half of 2008, the SBDCs continued to support and contribute to current programs proven to benefit small business owners and the community at large while addressing emerging issues, such as concerns for higher transportation costs, industry-specific issues, and rising unemployment. The Pennsylvania SBDC takes an innovative approach to help small businesses in bringing local resources and programs together to develop and foster an environment that encourages and sustains entrepreneurial efforts. With their deep understanding of the challenges facing Pennsylvania's small businesses, the SBDCs are able to respond with programs and services that best meet the needs of entrepreneurs. Some examples include:

- In Armstrong County, Careerlink—with partial funding from the Armstrong County Commissioners and the Armstrong County Department of Planning and Economic Development—provides office space to the **Clarion University SBDC** to bring together economic development services and workforce development services under one roof. The program provides resource identification and information to unemployed persons considering entrepreneurship.
- The **Shippensburg University SBDC** continued to focus on developing strong collaborative partnerships in the region. It has helped to establish the Entrepreneurial Support Alliance (ESA) in York County – essentially a one-stop shop for entrepreneurs seeking assistance located at the York County Economic Development Corporation. They have also entered into a sponsorship agreement with F&M Trust to deliver First Step and Business Planning workshops in Cumberland and Franklin counties.
- In the past six months, the **Lehigh University SBDC** attended 11 outreach events sponsored by the Greater Lehigh Valley and Upper Bucks Chambers. In an effort to maintain direct contact with the Center's primary banking and community-based financing resource partners, another 21 meetings and functions were attended with representatives of these organizations. Personal presentations were also made to lenders at five different regional banks. These events continue to be structured specifically for the purpose of outlining the broad array of consulting services and training programs available for their respective clients through the SBDC.
- The **Wilkes University SBDC** partnered with the **University of Scranton SBDC** to coordinate a regional Buy Fresh/Buy Local chapter for farmers and agribusinesses. This project assists clients by educating consumers about the importance of local food and helping them find that food in their local communities. Working with area agribusiness and retail outlets such as local restaurants and food suppliers, the campaign seeks to build awareness of local food producers and help them increase their bottom line, adding value to their farm.
- Also in an effort to reach this industry sector, a consultant from the **Bucknell University SBDC** presented a session “Understanding Your Business Cash Flow” at the annual Women in Agriculture program.
- The **Wilkes University SBDC** is also actively working with local business associations to form the Great Valley Independent Business Alliance in the Wilkes-Barre area. The alliance is designed to educate the public about the importance of supporting locally owned

businesses and to market locally owned businesses as a group.

- Outreach to Pennsylvania’s Hispanic population continued in the first half of the year. The **Duquesne University SBDC**, for instance, gave a presentation at the Hispanic Center entitled “El Primer Paso Para Empeza.”
- The **Gannon University SBDC** actively looks to develop resources for female entrepreneurs. In the first half of the year, consultants attended monthly meetings of Coalition of Women in Business, a networking group with two chapters in Mercer County that discusses topics affecting women in business.
- Altoona-Blair County Development Corporation’s (ABCD) Devorris Center for Business Development provides an excellent location for outreach to clients of Blair County, in the **Saint Francis University SBDC’s** territory. The SBDC has space there as part of a suite of business services available to the small business community.
- The SBDCs also champion recognition for small business owners’ achievements. The **Wharton SBDC** nominated a client, “Farm to City,” who was named the Small Business Person of the Year for the eastern Pennsylvania SBA region. **The Indiana University of Pennsylvania SBDC** used the Chamber of Commerce’s annual report mailing to distribute 3,000 copies of a local success story from the statewide newsletter to increase awareness of the SBDC’s activities and success.
- In May, the statewide office of the Pennsylvania SBDC coordinated an exposition in Harrisburg titled “The Right Direction,” representing the successes of over 40 clients from across the state. Legislators met with exhibiting clients, who reinforced the value and impact of SBDC assistance, and several presented citations in recognition of the businesses’ contributions to their local economies.
- Resource development also occurred at the federal level. The **Widener University SBDC**, for instance, participated in two events with Congressman Joe Sestak: the Veterans Summit and the Workforce Development Summit.

200 CAPITAL FORMATION

Financing—and developing the documents needed to get financing—continues to be one of the top consulting activities across the network. To help clients access the funds they need to proceed with their plans, the SBDCs have a process: they provide information on available bank and government lending programs, assist clients in selecting relevant sources, and help prepare smart loan packages. Services also include business plan preparation as well as cash flow analysis.

In a turbulent economy, the centers have observed increased difficulty for small businesses needing to acquire financing to start or grow businesses. Still, the SBDCs reported favorable outcomes in this area. Relationships with area lenders continue to benefit SBDC clients as do efforts to develop new resources for small businesses looking to acquire funds. In the first half of 2008, the SBDC helped clients bring in **568 loans totaling \$79,396,926.**

Successes

- In south-central Pennsylvania, the **Saint Francis University SBDC** helped clients obtain a total of 37 owner investment/loan/grant approvals during the first half of 2008 ranging from \$7,155 to \$400,000. The average investment was \$97,668. These loan/grant approvals have resulted in the start-up of six new businesses, the purchase of three businesses and the expansion of five businesses. They have also enabled businesses to create 35 new jobs based on what information was reported back to the center.
- For the first half of 2008, **Duquesne University SBDC** clients received \$3,043,649 in financing through numerous sources, including local financial institutions, venture capital, lines of credit, owner equity, micro-loans, state loan programs and the SBA.

300 INNOVATION & TECHNOLOGY TRANSFER

The Pennsylvania Small Business Development Centers' **technology commercialization assistance** equips entrepreneurs with the skills needed to develop a commercialization strategy and help bring technologies to market. Specific services include:

- Consulting services focused on planning, financing, market strategy development, intellectual property rights protection, trade marking and copyrighting, and patent search;
- Identifying appropriate partnerships with state, federal, and local economic development organizations to ensure businesses have access to a full array of resources and services;
- Identifying target markets and assisting firms in bringing new products to market;
- Developing processes and design strategies for commercializing technologies; and
- Identifying alternate sources of financing, including Small Business Innovation Research/Small Business Technology Transfer Research and other federally funded research opportunities, to help in the commercialization the process.

SBDC technology consultants are also skilled at helping clients access Small Business Innovation Research (SBIR) grants to assist with the R & D process prior to commercialization. Examples of these services thus far in 2008 include:

- The **Lehigh University SBDC** served over 120 clients with consulting services in the first half the year. The center ran 6 preliminary trademark searches in the following industries: fashion, medical/cosmetic, pet, furniture moving, and home goods; and 20 preliminary patent searches in the following industries: pet, office supplies, medical/cosmetic, sports & recreations, home goods, fashion, automobile, computer, paper, and electrical. The center's addition of pro-bono services from a local patent attorney has greatly increased the capacity for responding to in-depth questions from clients during this reporting period.
- In the first half of the year, the **Gannon University SBDC** assisted clients with new product commercialization regarding products such as: infant vision test equipment; a high-efficiency pellet stove furnace; a device to assist the handicapped in operating various household equipment; a new cancer treatment process and device; interactive marketing via mobile phones; innovative

composting equipment; re-engineering metal parts to lightweight composites; more efficient production processes for biodiesel fuels; protective circuits for energy efficient refrigeration equipment; new children's games; a proposed ethanol production facility; emergency preparedness software systems, and several others.

- A consultant at the **University of Pittsburgh SBDC** served on a National Science Foundation (NSF) SBIR Phase I Commercial Review Panel in March. As a panel member he reviewed, commented on and judged 14 NSF SBIR proposals with an eye toward their commercial merits. These insights were later shared during several SBIR workshop presentations hosted by the center in 2008.
- A client of the **Duquesne University SBDC** applied for SBIR funds in order to investigate the further development of conservative non-invasive methods of measuring the material properties of spinal and paraspinal tissues with the aim of improving the reliability and utility of spinal diagnosis. The SBDC consultant reviewed several drafts of the client's SBIR application with the National Institutes of Health.
- Partnerships are key to delivering technology services. A consultant at the **Temple University SBDC** worked with a client who developed a device that automatically converts pills to liquid form for people and animals that have difficulty swallowing. The consultant advised the client on securing funding and working with prospective strategic partners. A referral to the Ben Franklin Technology Partners resulted in technical assistance, \$15,000 in funding, and a testing partner.
- This spring, the **Wharton SBDC** also leveraged partnerships to launch the Commercialization Acceleration Pilot Program (CAPP), an experiential education program in which University students completed 5 market opportunity assessment projects.
- Training seminars specific to entrepreneurs looking to commercialize technology are held across the state. With a full-time project manager in place for the **Bucknell University SBDC's Engineering Development Services** division, the first half of 2008 saw an expansion in the educational program offerings related to this assistance. SBDC staff and invited experts in the field presented workshops such as "New Home Building Product Development Tools" and "New Product Development Series."

In addition, SBDCs partner with local incubators in an effort to service high-tech clients and participate in regional Business Plan Competitions that help entrepreneurs collect awards needed to commercialize new technologies. More information on these activities may be found in Section 900 – ECONOMIC DEVELOPMENT and Section 2200 – KEYSTONE INNOVATION ZONES.

400 INTERNATIONAL TRADE

The SBDCs' international business services are designed to help small businesses examine all of the issues involved in selling their products and services overseas. The SBDC can help a business owner determine which international markets might be a match for their products or services. Once a small firm has determined there is a market for their products or services, they frequently need assistance in researching foreign markets and competitors, connecting with the best international trade opportunities, and positioning their products or services in distant markets. SBDC consultants work to help clients

clarify objectives and to provide specific information concerning the economic, political, commercial, and cultural environments of these markets. Besides providing international trade market research, the SBDC helps clients with international trade issues such as shipping procedures, payment terms, legal documentation, and trade promotion activities. In the first half of 2008, the SBDC helped **1,824 clients** with international trade issues who reported **\$14,765,026 in new international trade sales**.

- From January to June, the **Gannon University SBDC** offered three international business related seminars. The seminars included topics such as Export Finance Risk/Mitigation, Export Compliance/Export Documentation and Export Basics. Regional export assistance provider partners that teamed up with the SBDC to deliver the seminars included Northwest Pennsylvania Regional Planning and Development Commission, U.S. Department of Commerce – US Commercial Service, and Allocca Enterprises, Inc.
- A global supplier of consumer insight market research came to **Lehigh University SBDC** for assistance with clothing markets in Europe and India. The SBDC prepared a report which included market size, economic data, market characteristics, demographic characteristics, consumer preference, consumer expenditures, leading retailers, distribution channels, sales intermediaries, trade shows, and a list of major buyers and sellers.
- The **Kutztown University SBDC** assisted five clients in accessing Pennsylvania overseas offices for specific export assistance. Another five companies were awarded Market Access Grants to match 50% of their trade and website development costs up to \$5,000 per application. In addition the SBDC assisted a client in establishing a working capital line of credit from the Pennsylvania Department of Community and Economic Development at a rate of 3.75% p.a. to cover pre and post-export expenses.
- A large part of the **Saint Francis University SBDC's** international work concerns the development of market entry strategies, including participation in trade events. The SBDC organizes and leads at least one international trade event for particular industry sectors or geographic markets each year, as well as identifies several trade events to promote individual companies. This year a consultant took the NASBITE international trade specialist certification examination and passed, lending additional credibility to the services.
- In February, the **Temple University SBDC** sponsored a conference gathering local and national business people, government representatives, students, and faculty for an intensive discussion and analysis of business opportunities in post-conflict Africa.
- Representatives of the **Wilkes University SBDC** serve on the steering committee for the Regional Export Assistance Network together with other international trade service providers to coordinate provision of services. The center has a resource library containing reference materials covering the specifics of exporting. Through the Pennsylvania Export Network System, the SBDC has access to its database, which matches new trade inquiries with local companies.
- Professional networking has served the **Duquesne University SBDC** well in increasing client referrals and establishing linkages with the economic development community. Fifty-two clients received assistance from the center in the first half of the year, accruing 430 hours. The center expects to see an increase in export activity this year as a result.
- At the **Saint Vincent College SBDC**, international successes include the following: a Westmoreland County manufacturer of boiler systems was assisted with financing options and

international payment method information that was used in negotiations for an export order to Abu Dhabi; an international company profile was provided to a Westmoreland County metal fabricator of vessels that received an inquiry from China; and a disability software management company received market research to assist in identification of international companies by market sector and other company specific data; a Fayette County company was assisted with a marketing plan to submit as part of a grant proposal to the US Department of Agriculture for marketing a new product; a Westmoreland County manufacturer of specialty glass tiles and sinks was provided with European contacts for potential distribution of their products; and a designer of high-end shoes and purses was provided with customs and logistical assistance, as well as suggestions for proper preparation for exhibition at a trade show.

As an extension of its consulting services, the SBDCs provide information on international trade opportunities, issues and exporting mechanics through introductory, intermediate and advanced level workshops. Examples of such programs include “Export Planning,” “Financing and Documentation,” “Developing an International Marketing Plan for Food/Agriculture Products,” “International Insurance for Business,” “Doing Business Overseas,” “Cross Cultural Communications,” and “Licensing Technical Data and Software for Export.”

500 MINORITY BUSINESS DEVELOPMENT

SBDCs from across the state continued to extend services to Pennsylvania’s minority communities. During 2008, **1,326** clients counting themselves as minorities received consulting services. The figure represents **21%** of all clients. Special emphasis is placed on educating minority clients about available certification programs, networking events, local purchase programs and funding resources for minority-owned companies. The SBDCs also work to build local resources to respond to the minority business population.

Pennsylvania’s urban areas of the state service the bulk of minority clients. The Temple University SBDC, for instance, finds minority clients account for **44%** of its total client base in the greater Philadelphia area.

- An example of a minority client helped in the first half of the year includes a client needing start-up assistance to open a beer distribution business in West Philadelphia. The client needed help with zoning permits. The **Temple University SBDC** called the zoning board to get procedures and advised the client to contact the state representative for the area as well as his councilman. The client also received assistance in developing a business plan, pro-forma statements, and applying for a loan. The client applied for a loan in the amount of \$150,000 and was successful in obtaining a mortgage to purchase a building.
- The **Wharton SBDC** continues to assist Tyraine Ragsdale, CEO and Founder of Grand Hank Productions, Inc. Grand Hank works with Philadelphia Public Schools using hip-hop and entertainment to encourage students to do science. His programs are televised throughout the area. The SBDC assisted with a marketing plan for a national roll-out of new educational programming.

- Meanwhile, the **University of Pittsburgh SBDC** provided training and consulting to a new program for minority and women contracting businesses offered through MWELA (Minority and Women Education Labor Agency). With the launch of a six-month pilot program in February, the SBDC has been working with 22 minority and women contracting business owners to develop their bond capacity for long-term growth. Through educational programming, a 24/7 peer advisory board and a business health assessment, the program is helping minority and women contractors develop skills and forge relationships that will allow them to continue to grow and enjoy long-term success in the years ahead.

Due to the population base of other areas of the state, such as central Pennsylvania, some centers do not see many minority clients. However, there are several examples of minority outreach and successes resulting from the help of these SBDCs.

- In the first half of the year, minority clients served through the **Kutztown University SBDC** benefited from government marketing assistance. The SBDC assisted 25 new certified minority-owned small businesses during the first half of the year; consultants conducted another 74 meetings with certified minority-owned small businesses which resulted in these clients receiving 13 prime contracts worth \$2,146,413. In addition, one certified client received a subcontract worth \$120,000.
- Thanks to assistance from the **Lehigh University SBDC**, a manufacturer and retailer of specially designed field hockey equipment received \$25,000 in working capital, enabling business expansion and retention of 2 employees.
- The **Gannon University SBDC** was able to help a minority client connect with a student program at another university for help in preparing marketing materials. The students created logos/branding at no charge for the client under the supervision of the marketing consultant. A logo was selected out of nine options and collateral materials were also developed on an as-needed basis for the client.
- The **Penn State SBDC** continues to promote MBE/WBE certification by distributing applications to appropriate clients and including this information in the First Step workshop materials. The SBDC also includes this information in “Doing Business with the Commonwealth” seminars.

SBDCs also continue to advocate for and develop resources to respond to the increasingly diverse population in Pennsylvania. A few examples for 2008 thus far include:

- When the Association for Helping Entrepreneurs Achieve Dreams (AHEAD), a non-profit entrepreneurship support organization based in York, approached the **Shippensburg University SBDC** regarding services for Spanish speakers, the SBDC was able to connect the group with the **Kutztown University SBDC’s** Latino Business Center. The center is now supporting AHEAD’s efforts to serve this population.
- The **Wilkes University SBDC** continues to focus on meeting the needs of a dynamic Hispanic business community in the Hazleton area. The consultant serving the Hazleton outreach area has continued to work with the Downtown Hazleton Hispanic Business Owners Association and the SBDC will continue to offer the First Step: Steps to Starting Your Own Business and other relevant business training in Spanish in the Hazleton outreach office as needed.

600 RESOURCE DEVELOPMENT

See combined section 100 ADVOCACY & 600 RESOURCE DEVELOPMENT.

700 PROCUREMENT

A large variety of products are routinely purchased by federal, state, and local governments, making the government marketplace a profitable opportunity for many small businesses. Specific services include developing government marketing strategies, providing consulting on the procurement process, assisting in proposal preparation and review, and serving as a liaison between government agencies and businesses. Additionally, the SBDCs connect clients with the BID MATCH system, which helps clients identify federal, state, local and foreign government leads with contractors and subcontractors. Clients in the government marketing arena also benefit from general business assistance.

Altogether, 61 clients received **433 contracts totaling \$136,194,468**. Examples of clients helped through the SBDCs' procurement technical services in the first half of the year include the following:

- **Gannon University SBDC** consultants and staff have worked closely with clients and other entities to develop an initiative that includes prospective and current business owners in construction and related industries. Local, state and federal economic organizations/agencies are collaborating in an effort to increase the number of qualified DBE (Disadvantaged Business Enterprises and Minority Business Enterprises) companies that secure significant government contracts. One minority-owned construction company helped by the SBDC was recently awarded a \$250,000 local government contract by the city, based on the company's bid and the quality of work.
- The **Temple University SBDC** provided assistance to many clients seeking **MBE/WBE** certification by reviewing and providing in depth feedback on business plans. One example, RTR Mechanical, is a Hispanic-owned business that installs heating and cooling equipment and mechanical control systems came to the SBDC for assistance with minority certification. The SBDC consulted with the client and provided business plan assistance and developed financial projections. The consultant also provided industry research and statistics for the business plan. The client was able to obtain minority certification and is now doing business with Department of General Services (DGS) at the state level.
- The **Wharton SBDC** has developed programs to help clients understand how to work with state government, how to leverage the support of their legislators, and how to make the most of these opportunities. The SBDC introduced clients to appropriate officials from the Gaming Commission, Office of Minority and Women's Business Opportunities at DGS, the Education Committee, and many legislative staff members on appropriate committees to assist with their business progress.

- Educational workshops on how to market to federal and state government continued to be offered around the state. The **Saint Vincent College SBDC**, for instance, presented a free workshop for small business owners interested in learning about contracting opportunities with the Commonwealth of Pennsylvania in April to a total of 18 attendees. The workshop was co-sponsored by the Pennsylvania Bureau of Contract Administration and Business Development (BCABD), and Seton Hill University's National Education Center for Women in Business (NECWB) now referred to as E-Magnify.
- The **Duquesne University SBDC** completed a 30 page guide entitled "Getting Started with Government and Private Contracting," which includes Frequently Asked Questions on selling products and services to the government or to corporations. It provides an overview of purchasing requirements, contact information for resources, and what a small business needs to do to get ready to bid on contracts. The guide is distributed to SBDC clients as needed, but was also distributed to approximately 30 attendees at a seminar on contracting at the Entrepreneur's Growth Conference in June.
- In March, the **Lock Haven University SBDC** partnered with Pennsylvania's Department of Transportation in Lycoming County to offer a free workshop for small businesses titled "Dealing with Road Construction and Your Small Business." There were 18 attendees, all of which were existing businesses.

800 SPECIAL FOCUS

To strengthen Pennsylvania's economy and to provide a competitive edge for its entrepreneurs, the SBDC has developed special programs specifically targeting youth education, entrepreneurship among women, displaced workers, environmental firms, small manufacturers, technology innovators, minority entrepreneurs, rural development, veterans, and disabled individuals. The SBDC ensures they properly serve the varied needs of the region's communities. Some examples of specialized focus in the past six months include:

Supporting the Arts

- A business consultant from the **Bucknell University SBDC** was a guest presenter at "The Business of Art" workshop that was sponsored by the Perry County Council of the Arts in association with SEDA-COG. The day long workshop recognized that "for an artist to make a living, a whole different kind of creativity often comes into play...business decisions can seem endless." Approximately 40 attended the workshop covering details of preparing and editing a working business plan.
- The **Temple University SBDC** continues to develop programming targeted to artists in the Philadelphia area. This spring, the SBDC made a presentation on starting a business venture to the senior graduating class at the University of the Arts. The training department is also working closely with the Art House organization to create other workshops that target this demographic.
- Based on the agreement between the Warren Main Street Program and the **Gannon University SBDC**, consulting work is being provided on a feasibility study directed at the formulation of an

art incubator in downtown Warren. The incubator's proposed design would provide a facility for art-based businesses to start, grow and prosper through specific professional development services, technical support, business consulting and a team-oriented environment. The Gannon SBDC will provide consulting for the proposed small businesses as they work to gain acceptance into the incubator. By providing business plan preparation and financial projection assistance, the SBDC will better prepare each proposed small business for entry.

Kitchen Incubators

- Thus far, the **University of Scranton SBDC** has worked closely with the Carbondale Technology Transfer Center (CTTC) to develop a Kitchen Incubator program, designed to stimulate current and future growth in businesses that involve food preparation and marketing. The center shared its expertise and information to ensure a successful project that will have a positive impact on the local economy and assisted in the development of the grant proposal to fund the initiative. In addition to assisting in the establishment of the program itself, the SBDC will continue to provide critical business planning assistance to Kitchen Incubator clients, offering them the resources they need to establish sustainable businesses.

Vocational Training

- The **Lehigh University SBDC** partners with Allentown's Office of Vocational Rehabilitation (OVR), an agency of the Pennsylvania Department of Labor & Industry, to assist clients who have successfully negotiated the earliest stages of feasibility evaluation and concept refinement. Clients are assisted with the creation of business plans, the identification of financing for the match required for OVR grant funds, and the development of a presentation of their business concept for the OVR's Business Enterprise Committee. Thirty-one hours of direct consulting, research, and support were provided to four OVR clients during the first six months of 2008.
- In fulfillment of a contract with the local Office of Vocational Rehabilitation, the **Clarion University SBDC** held training sessions on bookkeeping and communication skills.

900 ECONOMIC DEVELOPMENT

Despite an increasingly uncertain economy, the Small Business Development Centers continue to play an important role in fostering the revitalization of communities, working with Main Street programs, local incubators, and other economic development partners to reinforce the stability and growth of the local economy. In addition to small businesses, the SBDCs' efforts help ensure local communities are also moving in the right direction.

Sample efforts thus far in 2008 include the following:

- The **Temple University SBDC** collaborated with local developers, community development corporations and retailers on a project regarding a major retail complex in North Philadelphia. The SBDC held a joint meeting with a select group of the EDGE complex retail companies (Tea Country, Jimmy John's and the UPS Store) and representatives from councilman Clarke's office, the Merchant's Fund, City of Philadelphia Commerce Department and Temple University to discuss the problems the retailers have been facing. The SBDC worked with the businesses to resolve these issues and at the same time address growth issues for the businesses located in the complex.
- The **Saint Francis University SBDC** continues to make an effort to target displaced workers who may be interested in entrepreneurship as a career option. The start-up seminars continue to be successful in attracting attendees, including displaced workers. They are held monthly in Cambria and Blair Counties, and quarterly in Bedford, Fulton, Somerset and Huntingdon Counties. All the CareerLinks in the region are provided with information concerning these seminars, and attendance remains strong at these events.
- Closing in on its first full year, the **Gannon University SBDC** and Economic Development Corporation of Erie County (EDCEC) partnership is reporting success. The partnership placed an SBDC consultant in the Enterprise Development Center of Erie County Manufacturing Incubator on a full-time basis to specifically consult and mentor the incubator companies. During the first full nine months of the partnership, the SBDC consultant has worked closely with the Enterprise Development Center President on the new incubation program development. In addition, the consultant has assisted two manufacturing clients to gain admittance to the incubator via business plan and financial projection consultation. Currently the incubator is approximately 80% full and the consultant is working with yet another city of Erie manufacturing company to meet the admissions criteria of the incubator.
- In an effort to better respond to rural-based businesses, the **Wilkes University SBDC** has partnered with the Pocono Northeast Resource Conservation and Development Council and other relevant economic development partners to coordinate economic development programs and to identify other needs of the rural business community.
- A consultant from the **University of Pittsburgh SBDC** is a member of the committee that oversees a microloan program created by East Liberty Development, Inc. (ELDI). ELDI received funds to begin the program with the proceeds from a loan that allowed large supermarkets in the East Liberty area to upgrade their stores so they could better compete with Whole Foods. As the supermarkets continue to repay the loan, the microloan program will grow.

1000 RESEARCH

The statewide network of Small Business Development Centers uses the resources of host institutions and information only accessible to organizations and governments via subscription to give small business owners access to information they would not otherwise have. In many cases, if clients would take projects like these to a market research firm, it would have cost thousands of dollars to pursue the same type of statistics. SBDC staff members have expertise in using these resources and finding the information that clients need. Research helps both individual companies and local communities, and the SBDCs are

frequently called upon to research economic development and small business facts and trends by their host institutions, economic development agencies, and businesses.

In 2008, the SBDCs continued to build entrepreneurial information sources and extend research services to better serve business owners in all business stages and all industry sectors as in the following examples:

- In the first half of 2008, the **Wilkes University SBDC** performed many searches for clients utilizing Internet resources, commercial online databases, and D&B Marketplace. Search topics ranged from basic area demographic information to specialized in-depth industry and technical searches. The Center makes regular use of its affiliate status with the Penn State Data Center (PSDC) to obtain information from the Bureau of Census home page, paper sources provided by the PSDC, Bureau of Census CD-Roms and the PSDC home page. SBDC staff also have access to the JJ Hill Library.
- The **Duquesne University SBDC** fulfilled 109 requests for secondary research for clients. One request included preparation of an in-depth report on the assistive device industry comparing existing products on the market with a proposed product developed by the client. The report was required for an Innovation Works grant.
- Research conducted by the **Gannon University SBDC**, resulted in a database of potential prospective customers for Fidorra Design. The client informed the SBDC that three new potential customers have come from the list and these may generate over \$300,000 in new sales.
- The **Lehigh University SBDC** continues to fine-tune its research for international business prospects. Research done primarily for market identification and development has expanded to include partner identification this year. The SBDC, like many other centers, utilizes the Kompass Database through the Pennsylvania Export Network and has access to the Centradex database. These databases have enabled the SBDC to assist a number of clients by providing research that includes lists of potential partners in a number of different countries. The SBDC then collaborates with the Pennsylvania Overseas Trade offices in qualifying these lists. With the assistance of the Pennsylvania reps, the center has seen many successes with clients finding distributors and sales. Other research conducted includes, but is not limited to, export compliance issues such as export licenses, proper HS codes, ECCN, industry reports, market reports and logistical resources. The Lehigh SBDC accomplished a total of 25 research projects for clients during the first half of the 2008 grant year.
- The **Clarion University SBDC** conducted a state-wide research survey on Pennsylvania Family Firm Institutes. The results were reported to the President and other administrators at Clarion University. In summary, the research demonstrated that Family Firm Institutes at most universities generated deficit budgets for the host institutions. The funding down turn usually occurred after a two to three year period of operation. Local family-run companies represented a limited market and the companies seemed to withdraw from the programs in a short time, usually within five years.
- The **Wharton SBDC** has again begun to lead research efforts to determine the Philadelphia 100 compilation. The listing, a barometer of regional economic development, will be announced in October later this year.

1100 OTHER ACTIVITY

In June 2008, the University of Pennsylvania closed off applications for the Pennsylvania SBDC State Director position. Applications review is underway and a new state director is expected to be installed by year end. In the meantime, Christian Conroy serves as Interim State Director. All other substantial activity is covered in other sections of this report.

1200 SUCCESS STORIES

See Section 3, Appendix B – SUCCESS STORIES.

1300 TRAVEL

- A consultant from the **Gannon University SBDC** traveled to San Antonio, TX for 3 days to attend the National Business Incubation Association (NBIA) 22nd International Conference on Business Incubation to benchmark with other Manufacturing Incubators. The SBDC consultant is currently utilizing the knowledge gained at the conference to develop a mobile tenant area and entrepreneurial lab within the manufacturing incubator. The program would make office space and office infrastructure available to business owners and pre-venture entrepreneurs in addition to access to on-site SBDC consulting.

No other significant out of state travel occurred during this period.

1400 PROBLEMS

The lack of secure funding by far contributes to any problems experienced by the Pennsylvania SBDC program. Issues resulting from funds and other problems thus far include the following:

- The **Saint Vincent College SBDC** is currently down 2 full time staff from this same time period one year ago. While funding restrictions have necessitated this level of staffing, the remaining SBDC staff has worked diligently to maintain the program's quality standards and appears to have weathered the worst of this situation.
- Since November 2007, the **Saint Francis University SBDC** experienced the loss of two staff members. The lack of funding made it difficult to make plans to hire replacements for both individuals.
- The **Penn State SBDC**, like many other centers, continues to have more clients and work than the current staffing level permits. The director continues to provide hundreds of hours of consulting to clients which decrease the amount of time available for new initiatives and administrative duties.

- Several SBDCs administer the Self Employment Assistance Program (SEAP), at apparent value to investors, but 2008 state funding for the program was cut drastically. Several centers have had to discontinue the level of services provided as part of this program, including the **Wilkes** and **Gannon University SBDCs**. The SBDCs contacted all previous SEAP clients and informed them of regular SBDC services.

1500 FINANCE

All invoices for the first half of 2008 have been submitted for processing.

1600 WOMEN'S BUSINESS DEVELOPMENT

The services provided by the SBDC are available to all citizens on a non-discriminatory basis, and are tailored to the local community and the needs of individual clients. Understanding the unique challenges women face, the SBDCs provide services tailored to their specific needs. In fact, women-and jointly-owned businesses consistently represent over half of our client base: **54%** thus far in 2008.

Additionally, another **3,773 women** attended one of the many workshops held across the state.

Examples of women helped in the right direction by the SBDC in the first half of the year include the following:

- The **Kutztown University SBDC** sponsored 6 seminars with the Department of General Services entitled, "Certification Made Simple." During these seminars, a representative from the Bureau of Minority and Women Business Opportunities, reviewed and explained the application to receive the WBE (Woman Business Enterprise) and MBE (Minority Business Enterprise) certification from the Department of General Services. A total of 24 companies took advantage of this training opportunity.
- The **Clarion University SBDC** worked with 82 women-owned businesses in the first six months of 2008. Sixteen women-owned businesses received financing that totaled \$1,514,001. One such company, an oil and gas well servicing business in McKean County, was able to expand and receive \$350,000 for heavy equipment rigs, other related equipment, and materials used to service the wells. The Clarion SBDC initially assisted with business planning that helped secure the start-up financing in 2005.
- Women-owned and dual-owned businesses represent a significant portion of the **Saint Vincent College SBDC's** client base. There were 72 female and 60 male/female ownership clients throughout the first six months of 2008: 55% of the client base. Nine women completed business plans during the first half of the year.
- Three women looking to purchase a consulting practice where they had been working for many years were referred to the **Penn State SBDC** by a local bank. The SBDC helped the women develop a solid business plan and revise financial statements to negotiate the purchase of the business. Financing and investments totaling \$620,000 were approved and the business was successfully purchased. The project retained twenty-five jobs in Central Pennsylvania.

- The **Wilkes University SBDC**, which counts 46% of women and 11.3% of dual partnerships in its client base, includes many women business owners as success stories, including that of Ellen Murrell, owner of Cyber Calf internet café in Hazleton. After having to close due to loss of leased space, the SBDC was able to help the entrepreneur orchestrate a grand “reopening.” The client considers her new location even more advantageous than the previous location and is looking forward to many more years of serving the Hazleton downtown community.
- An example of a woman-owned businesses assisted by the **Temple University SBDC** included a beauty salon located in Morrisville. The client sought assistance from the SBDC with developing a business plan and securing a loan to replace equipment lost in a fire. The consultant assisted the client with the business plan and referred the client to a financial institution to apply for a loan. The client was able to obtain a micro-loan from the Women’s Opportunity Resource Center (WORC). The consultant also assisted the client with human resource issues including developing an employee manual for operational purposes.
- The **University of Pittsburgh SBDC** continued to act as a technical service provider to the Enterprising Women Program of the YWCA. The program offers a ten-week training program for women pursuing entrepreneurship. The SBDC met with many of these women after they completed the program to review their business plans and help develop their financial plans. Following the completion of the plan, the graduates of the program had the option of participating in a peer lending program.
- Seeing a lack of resources in northwestern Pennsylvania, the **Gannon University SBDC** hosted a Women in Leadership Development conference, which attracted 273 attendees. The conference concentrated on the areas of entrepreneurship, wellness and leadership, focusing on women presenting to women through educational seminars, panelists, exhibitors, and speakers.
- The **Wharton SBDC** co-sponsored and hosted the NAWBO Women’s Leadership Conference in May, attracting 100 women. This is but one example of the center’s extensive outreach to women, which includes partnerships with several organizations including the Women’s Investment Network (advisory board), the National Organization of Women Business Owners, Women’s Business Development Center, Women’s Opportunities Resources Center, Women’s Business Regional Council, and Women’s Yellow Pages.

1700 ECONOMIC IMPACT

The Pennsylvania Small Business Development Centers, since its inception, has had a significant economic impact on the Commonwealth. With help from experienced SBDC staff, known as specialists in business plan and finance proposal development, small businesses have started new businesses, expanded operations, and created jobs. Despite the recent economic downturn experienced thus far in 2008, the SBDCs have helped clients purchase or open **225 new businesses**, create more than **150 new jobs** and **expand domestic sales by \$168, 876,014**, serving to propel Pennsylvania’s economy in the right direction for the year.

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 client stories which evidence this impact, see Section 3, Appendix B – SUCCESS STORIES.

1800 VETERAN BUSINESS DEVELOPMENT

In total, the SBDCs consulted with **495 veterans** and **80 service-disabled veterans** as well as provided training to **435 veterans** thus far. Specific examples of outreach to veterans in this period include the following:

- Numerous veteran- and disabled veteran-owned businesses were helped by **Lehigh University SBDC** consultants with issues related to prerequisite certifications and registrations during the first half of 2008. The 65 veteran-owned businesses served by Center staff this period were provided a combined total of over 40,000 potential sales leads via the Center's BidMatch program.
- Recent help from the **Wilkes University SBDC** led to disabled veteran Mark Beegle's grand opening this winter. The SBDC and Veterans Administration were able to assist the veteran in starting Mid Life Stone Works in Sullivan County.
- The **Saint Vincent College SBDC** helped a female veteran open a Curves franchise this year. In conjunction with the SBDC staff, she developed a formal business plan leveraging her knowledge of the current business operation and market. Subsequently, a formal business plan was completed and submitted to the bank. The client was able to secure a SBA-guaranteed loan through PNC Bank, purchase the franchise, and begin operations in June.
- The **Gannon University SBDC** followed up with attendees of a special veterans event it hosted in May of last year. "From Service to Success," was designed for entrepreneurial veterans to learn about resources available to help them to succeed in business, including government procurement. The objectives of the event were to educate and share with all veterans the latest in veteran related legislation and to provide personal and business resources. From a select sample of five veteran-owned business owners and one veteran entrepreneur, it was found that 3 of these individuals who were not engaged in procurement activities at all prior to attending last year's program are now engaged in local and state federal government contracting.
- Additionally, all SBDCs offer the First Step workshop, which provides an overview of how to start a business, to all veterans free of charge. Many other centers, such as the **Wharton SBDC**, extend a discount to veterans for other educational programs.

1900 MANUFACTURING

The SBDCs also maintain good working relationships with other economic development organizations and regional service providers supporting the manufacturing industry, including local Industrial Resource Centers and Manufacturers Associations. Thus far, the SBDCs have supported **1,074 manufacturers**, providing fundamental business management assistance along with an array of specialized programs in technology commercialization, environmental management, product development, and government and international sales. Activities undertaken in the first six months to support manufacturers include the following:

- The **Saint Vincent College SBDC** continues to demonstrate strong relationships with its manufacturing clients. In the first half of 2008, the SBDC worked with 108 small and mid-sized manufacturing enterprises. This represented 45% of the Center's client base.
- This heavy representation of the industry is also seen by the **Gannon University SBDC**, which reports several manufacturing successes from the last six months. One such company located in Corry has been helped with developing strategies for the company to remain competitive in the global market. The SBDC assisted the client in the logistics and legalities of identifying and working with contract manufacturers located in India to help the client compete globally with sales comparable to domestic and international competitors. The client has been utilizing their business relationships with Indian contract manufacturers now for one year and the SBDC client has increased their export sales within the past year by \$800,000.
- The **University of Pittsburgh SBDC** continues to be an active member of the Washington County Manufacturers Association, which has approximately 200 members and meets on a monthly basis to discuss issues of concern to Western Pennsylvania in the field of manufacturing. Many of the Association's members are not aware of the services offered by the SBDC, and through its membership the SBDC gives other members the opportunity to learn about the programs it offers.
- On an as needed basis, many centers, such as the **Saint Francis University SBDC**, work closely with the **Bucknell University SBDC's Engineering Development Services**, the Ben Franklin Technology Partners, PennTAP, the Catalyst Connection and other local partners when there are manufacturing issues beyond the expertise of the consultants. In addition, center involvement with statewide business plan competitions, incubators, and Keystone Innovation Zones provide contact with future manufacturing concerns. For details, see elsewhere in this report.

2000 ONLINE ACTIVITIES

Efforts to extend online training opportunities to clients continue to make center activity more efficient and less expensive in the first half of the year. With concern for high fuel costs and generally tighter budgets, online activity has become more appealing on the center and client side. Examples of online activities to date include the following:

- The **Wilkes University SBDC**, like many centers, continues full involvement on the Internet and the Center’s website serves as a valuable tool for the area’s population of existing and start-up businesses. Existing businesses can obtain information on upcoming seminars and other events sponsored by the SBDC as well as information pertaining to financing programs and other services available to aid in their daily operations. Entrepreneurs can use the website to obtain licensing information and download such forms as the SS4, fictitious name application and PA100. Finally, the website offers links to other organizations in the area designed to aid in business success.
- Nine SBDCs continue to test use of SmallBizU online tutorials. The **Lehigh University SBDC** has found the suite of tutorials useful in accommodating clients who must wait, sometimes for weeks due to capacity constraints, for an appointment to meet with a consultant. As a part of the intake process, the clients are informed about the programs and encouraged to begin formulating their business plan and explore other assistance areas. The result many times is a client will have a good start on the business plan and also many good questions ready before they meet with an SBDC representative thereby making the consulting session much more productive.
- SBDC websites also serve to facilitate “live” workshop registrations. The **Clarion University SBDC** reported that online seminar registrations increased to 281 thus far while 1,396 forms and information sources have already been downloaded from the SBDC website. The center’s blog also continues to see substantial activity.
- In addition to online learning opportunities, the centers such as the **Saint Vincent College SBDC** also utilize online services to meet client needs. Several centers subscribe to the James J. Hill Reference Library and all use a variety of research sites available through the network of university libraries to complete research for clients.

2100 ENVIRONMENTAL MANAGEMENT ASSISTANCE PROGRAM

During the last six months, the Pennsylvania SBDC Environmental Management Assistance Program (EMAP) continued to provide the high quality environmental assistance small businesses require.

Through the toll-free hotline and direct contact, EMAP consultants responded to 400 requests for environmental information and provided **4,633 hours of in-depth consulting assistance** to **347 small business clients**. EMAP consultants were invited to conduct 90 on-site visits at a wide range of businesses, from retail and commercial entities to manufacturers, assessing over 2,620,118 square feet of office and manufacturing space.

Other highlights thus far in 2008 include the following:

- Matt Roberts of Keystone Pallet and Recycling won a 2008 Pennsylvania Governor’s Award for Environmental Excellence. Since opening in 2004, Keystone Pallet and Recycling has prevented more than 1.6 million pounds of wood waste from being sent to the landfill. With EMAP’s assistance, Keystone successfully implemented an innovative wood pallet collection system that has reduced the company’s annual diesel fuel consumption by 2,600 gallons, saving \$7,200 per

year in fuel costs and preventing 330 tons of carbon dioxide emissions. The award was presented April 22, 2008 in Harrisburg.

- EMAP consultants were very successful in helping small businesses find sources of financing for the energy saving and waste reduction projects they recommended. In the last six months, EMAP clients received \$636,000 in grant funds, including a \$500,000 DEP Recycling Market Infrastructure Grant to Engineered Plastics in Erie, PA and a \$100,000 National Fish and Wildlife Foundation Chesapeake Bay Conservation Innovation Grant to Windview Farm in Port Trevorton, PA to convert turkey waste to energy. With EMAP assistance, EMAP clients also received \$136,045 in DEP Small Business Advantage Grant funds and \$232,300 in loan funds. Businesses also invested \$223,000 of their own funds to support the implementation of projects that will quickly improve their bottom line. An additional six EMAP clients applied for \$3,991,991 in DEP grant funds and expect to hear whether their projects were approved this fall.
- Along with DEP, the Pennsylvania SBDC's EMAP co-sponsored the 2008 National Small Business Environmental Assistance Program Conference held in June in Harrisburg, PA. Over 120 attendees from other states and from the Environmental Protection Agency participated in the conference. Furthermore, due to demand and opportunity for co-sponsorships, during the last six months EMAP specialists produced 18 in-depth workshops attended by 411 entrepreneurs on topics including energy efficiency and alternative energy, health and safety, disaster preparedness, and waste disposal. An additional 1,970 new and prospective business owners were educated on important environmental issues to consider when starting a business through the "First Step: Starting and Growing a Successful Business" workshop series offered 165 times throughout the network.
- Special outreach projects included working with trade association and technology transfer with another SBDC program. EMAP is working with the Pennsylvania and Delaware Dry Cleaners Association (PACD) to provide the necessary paperwork and compliance assistance for an upcoming regulatory deadline that applies to all dry cleaners in Pennsylvania. EMAP continues to work with the Pennsylvania Alliance of Auto Service Providers, attending local chapter meetings when invited and presenting information about applicable regulations and funding opportunities. The Idaho SBDC invited the EMAP director and an environmental consultant to present information about EMAP's award winning program, particularly in the area of energy efficiency assistance. Idaho hopes to replicate Pennsylvania SBDCs' program and offer energy efficiency assistance to small businesses in the state.

2200 KEYSTONE INNOVATION ZONES

In combining regional resources, including universities and economic development partners, the Keystone Innovation Zones (KIZ) are a natural outgrowth of SBDC activities. The SBDCs have been key players in the development of these state-defined hotbeds of innovation and entrepreneurial opportunities from their inception. Examples of ongoing developments surrounding KIZ initiatives in 2008 include the following:

Planning

- The **University of Pittsburgh SBDC** is currently at work with the university and community leaders to establish a KIZ in three counties. Currently, a business consultant represents the SBDC as a KIZ partner in Waynesburg. The SBDC's involvement will serve to promote a variety of services at no cost to KIZ firms, including pre-venture consulting, financial projections, loan packaging, and market research.
- The **Saint Vincent College SBDC** has also participated in numerous planning meetings revolving around the college's efforts to obtain a Keystone Innovation Grant. During the first six months of the year, the SBDC was also able to hire a student intern to perform demographic analysis to better identify KIZ eligible companies within the Westmoreland County KIZ.
- In northwestern Pennsylvania, the **Gannon University SBDC** will support the business development needs of the 30 companies in the Erie KIZ. The first step in programming will include an assessment of how many of the companies are ready and committed to the business management process and consulting support. Additional steps will include meeting with each business owner and further enhancing the reach of the KIZ program resources.

Successes

- Now supporting the Southside Bethlehem Keystone Innovation Board (KIZ) as a board member for the past three years, the **Lehigh University SBDC** has seen some true results. For the first half of 2008, the KIZ reported 40 jobs retained, 7 new patents have been filed, 5 Technology Transfer grants totaling \$71,000 and \$261,000 in R&D expenditures.
- The **Clarion University SBDC** is a partner of the Northwest Pennsylvania KIZ and met with the board and other partners. Two biotechnology companies were awarded grants of \$10,000 each in this reporting period.
- In conjunction with the newly-established Pittsburgh Central KIZ (PCKIZ), the **Duquesne University SBDC** managed a business idea competition promoted through four area colleges and universities.

2300 LEGISLATIVE RELATIONS

The support of area legislators is critical for providing services across the state, and in the first half of the year all centers made special efforts to maintain a good rapport with local legislators and reinforce the SBDCs' integral role in the state's economic development efforts. Centers partner with local legislators on regional initiatives, such as furthering the state's efforts to develop Keystone Innovation Zones, and work with officials to extend SBDC services to populations including veterans, women, and minorities as an important part of fostering a healthy small business sector. Legislators are also invited to celebrate client successes as well as students' involvements in SBDC projects.

The first half of 2008 continued to evidence the centers' priority of building legislative relations, as in the following examples:

- Strong legislative relations at the **Saint Vincent College SBDC** have resulted in legislative sponsorship of “The First Step” workshop, offered approximately every four weeks at locations throughout Westmoreland and Fayette Counties. The following state senators support the course: Don White co-sponsors the First Step event in Ligonier; Bob Regola co-sponsors events in Latrobe, Greensburg, Norwin, and Mt. Pleasant; Sean Logan covers the event in Lower Burrell; and Richard Kasunic concentrates his efforts on the First Steps at Penn State Fayette.
- In June, the **Widener University SBDC** presented an environmental management seminar at the request of Representative Greg Vitali.
- Thanks to relationships fostered by the **Shippensburg University SBDC**, five state representatives and two state senators wrote letters of support for the Pennsylvania SBDC appropriations request to their caucus leadership.
- The **Gannon University SBDC** met with Senator Jane Earll for a tour of Engineered Plastics Incorporated (EPI), a company the SBDC’s Environmental Management Assistance Program helped obtain a \$500,000 Recycling Markets Infrastructure Development Grant (RMIDG). The grant was awarded to EPI to support the purchase of equipment which will allow for the recycling of plastic previously disposed of via Pennsylvania landfills. Senator Earll heard the owner’s future business plans and discussed the impact of the growth of his company on the region. Similarly, Representative Holden attended the grand opening of Trio Salon in Pottsville (Congressional District 6), an event coordinated by the **Wilkes University SBDC**.

Regular meetings throughout the first six months of 2008 help ensure that elected officials will continue to promote the availability of SBDC services in their respective areas and are well informed that SBDC developments are moving in the right direction.

