



Annual Report 2016-2017

I. **Mission**

The Arkansas Small Business and Technology Development Center (ASBTDC) applies creative approaches that stimulate entrepreneurship, innovation, and small business growth through the higher education system, resulting in measurable economic outcomes.

II. **Vision**

ASBTDC is the first and best resource for small businesses and entrepreneurs, helping start and grow businesses that in turn strengthen and sustain the economy and communities of Arkansas.

III. **Values**

- **Passion for Client Success**
We inspire and empower our clients to exceed their dreams.
- **Relevance**
We embrace innovation and emerging opportunities.
- **Accountability**
We are committed to delivering an exceptional return on investment, while measuring and reporting our results to stakeholders, partners, and the public.
- **Professionalism**
We are trustworthy and ethical, demonstrating unwavering respect and client confidentiality.
- **Collaboration**
We are a team, using internal and external partnerships to leverage resources and create mutually beneficial results.
- **Inclusiveness**
We engage talented people in order to effectively serve a diverse group of clients and markets.

IV. **Highlights**

a. **Economic Impact**

In AY 17 (July 2016-June 2017), the ASBTDC assisted clients in starting 139 new businesses, creating and retaining 1,677 jobs, and obtaining \$62,543,472 in financing. Client businesses received loans ranging from \$2,000 to \$6 million from nearly 50 different lending institutions, including traditional banks, microlenders, IDA programs, and SBIR/STTR funding.

b. **National Accreditation Renewed**

The ASBTDC network was re-accredited with no conditions by America's Small Business Development Centers, the national accrediting body for SBDC programs. Mandated by

Congress, the accreditation review process assures that SBDC programs operate efficiently and effectively. The America's SBDC Accreditation Committee reviews each state or regional network every five years.

Accreditation Committee members Katie Sewell of Idaho and Jill Kline of Wyoming visited Arkansas Nov. 6-11 for the on-site portion of the review. The committee voted Feb. 3 to award full accreditation without conditions and included six commendations highlighting best practices in its final report. The accreditation review included both the general accreditation standards and technology accreditation standards.

c. **New State Director**

Laura Fine, a 27-year veteran of ASBTDC, assumed the state director role in 2017. Fine, formerly the associate state director, had served as the interim director since the retirement of Janet Roderick, who was state director for 22 years. The state director is responsible for management and oversight of the statewide program, which has offices on six other university campuses in addition to the lead office at UA Little Rock.

d. **Client Featured at Capitol Hill Showcase**

A national small business showcase in Washington, D.C., included an ASBTDC client. Superior Bathhouse Brewery, located in Hot Springs National Park, was one of only 14 small businesses featured at the America's SBDC Client Showcase and Reception for members of Congress and their staffs Feb. 6. The brewery, the first Arkansas business to be invited to the showcase, was recommended by the ASBTDC.

e. **High-Impact Learning Experiences for Students**

Students learn valuable lessons as they engage area business owners through "Real-World Classroom" high-impact experiences coordinated by ASBTDC. Faculty design the projects, and ASBTDC finds local small businesses that match the project needs and are willing to participate. Integrating a small business project into a course brings life to the classroom content and provides an excellent environment for students to apply their skills and knowledge of the subject matter. In exchange for providing students a real-world immersion, the businesses receive innovative ideas and assistance.

In AY 17, ASBTDC facilitated 62 high-impact learning experiences involving 204 students and 14 faculty. Through the projects, student teams worked with 54 small businesses on business planning, personnel management, operations efficiency, financial efficiency, marketing plans and materials, and evaluation of exporting opportunities.

f. **Innovation and Commercialization**

For the seventh consecutive year, ASBTDC won a competitive Federal and State Technology Partnership grant from the Small Business Administration to assist Arkansas researchers and innovators with commercialization. The new award doubled the funding ASBTDC received previously through FAST, as the center was one of five SBTDCs in the nation to win a \$200,000 grant to support programs for innovative, technology-driven small businesses. In AY 17, ASBTDC assisted Arkansas companies with 34 proposals, helping them obtain \$3,468,970 in federal and state funding to further the commercialization of their research.

Rebecca Norman served on a National Science Foundation SBIR/STTR Phase I review panel in Arlington, Va., in March. In her role as ASBTDC innovation consultant, Norman helps Arkansas entrepreneurs and companies develop Small Business Innovation Research and Small Business Technology Transfer federal funding proposals. This was her first time to help evaluate SBIR/STTR applications. Dr. Anna Brady-Estevez, NSF's SBIR/STTR program manager, invited her to participate.

ASBTDC sponsored the Arkansas Life Sciences Summit organized by UAMS BioVentures Oct. 19 in Conway. Patrick Plues of Biotechnology Innovation Organization (BIO) spoke, and 14 Arkansas companies moving new technologies toward the commercial market presented. Technologies showcased included medical devices, drug delivery, diagnostics, and biotechnology and agriculture sciences.

g. Market Research

ASBTDC provides high-value market research to small business owners free of charge. ASBTDC pairs market research with its consulting services, so entrepreneurs receive valuable market intelligence data along with guidance on how to understand and interpret the data and utilize it to make business decisions.

ASBTDC offers economic and industry data as well as consumer psychographic information and geographic information systems (GIS) mapping. Through ASBTDC, Arkansas small business owners and entrepreneurs have access to the same information and decision-making tools used by larger companies including Nike, Home Depot, Target, and UPS. Providing high-quality market intelligence helps level the playing field for small businesses and allows them to be more competitive and profitable.

Lenders, economic developers, and entrepreneurs value strategic market intelligence and consistently cite ASBTDC as the best resource for market research in the state. The ASBTDC's market research is often used to assist business owners in obtaining capital funding. Business lenders routinely refer small business clients to the ASBTDC for comprehensive market analysis that includes demographics, information on prospective customers and their spending habits, as well as key competitors.

The ASBTDC provided market research services to 424 clients for AY 2017. Following is a sampling:

- Small business financial research – 582 financial profiles and studies were provided to clients.
- Demographic, market potential, consumer spending, traffic research – Approximately 2,120 reports were provided to clients for client-defined trade areas.
- Custom GIS mapping and analytics – Clients continued to benefit from receiving competitor maps, locator reports, and other custom maps. Research undertook 216 complex projects involving three or more hours of consulting time.

h. SBDC Day

Sitting in his new Little Rock office, Sam Carrasquillo recalled his childhood lawn-mowing days when he pantomimed the price to potential customers, since he couldn't yet speak English. The president of SC Home told the story to new University of Arkansas at Little

Rock Chancellor Andrew Rogerson and his wife, Janessa, March 22 when they asked about his path to business ownership on a visit to his company headquarters.

ASBTDC introduced the Rogersons to Carrasquillo and the owners of five other local businesses that are clients of the center on a special tour on the first-ever SBDC Day, a national celebration of the work and impact of the nation's small business development centers. America's SBDC launched the SBDC Day campaign to raise awareness and create buzz about the national network of centers and their clients and economic impact.

"Our clients were thrilled to have the Rogersons visit their businesses, since many of them are alumni, employ graduates, or participate in high-impact learning experiences with UA Little Rock students," said State Director Laura Fine.

i. **Programming**

In AY17, ASBTDC held 297 small business training events attended by 4,128 participants.

j. **Federal Reserve Bank Small Business Credit Survey**

In cooperation with the Federal Reserve Bank of St. Louis Community Development Office, ASBTDC helped promote and distribute the 2016 survey on small business financing needs, decisions, and outcomes.

k. **Community Engagement**

ASBTDC collaborates with many community partners to support economic development. Developing and maintaining close relationships with lending institutions, professional and trade associations, business professionals such as accountants and attorneys, economic development organizations, and local, state and federal government agencies and offices, is strategically important to ASBTDC.

Community partners co-sponsor ASBTDC events, refer business owners for assistance, and work with the center on special projects. The ASBTDC statewide network engaged with more than 240 collaborative partners in AY16.

ASBTDC involves subject matter experts from the community in approximately 50 percent of its events. By engaging volunteer speakers, the ASBTDC gives Arkansas entrepreneurs and business owners the opportunity to learn from and communicate with experts in the private sector and other organizations.

The Arkansas Hospitality Association teamed up with ASBTDC to create the STaR Institute for the annual AHA Vendor Showcase and Convention, the largest hospitality industry event in Arkansas, held Sept. 14-15 in Little Rock. STaR stands for "Strategic Training and Retention."

In AY 2017, ASBTDC has worked to strengthen its connection with local elected officials through face-to-face visits, participation in the Arkansas Municipal League Winter Conference, and the creation of a newsletter for mayors, other city officials, and county judges.

To grow the entrepreneurial ecosystem in Arkansas, ASBTDC supports the work of local business accelerators, incubators, and co-working spaces, such as the Little Rock Technology Park, the Venture Center, the Innovation Hub, Startup Junkie, and the Conductor, by delivering program content and providing consulting services to startup and emerging companies on topics including development of lean business canvas, market research and analysis, marketing strategies, financing proposals, and more.

ASBTDC co-sponsors 1 Million Cups, a free weekly showcase of startups and small businesses every Wednesday morning at the Innovation Hub. ASBTDC assists in generating new presenters to speak about their businesses, and ASBTDC business consultants act as event emcee, leading the Q&A with the presenters. Entrepreneurs from many stages of business take the mic at 1 Million Cups to get the word out on their service or product while also receiving feedback on their model. Started by the Kauffman Foundation, 1 Million Cups has spread to 120 communities nationwide.

V. **Assessment**

a. **Customer Satisfaction Survey**

The ASBTDC conducts an ongoing customer satisfaction survey of its consulting clients. ASBTDC tracks responses to two key questions as part of its annual trend analysis, which provides an excellent opportunity to measure and monitor client satisfaction over a period of time. Following are results from the ASBTDC’s CSS survey for CY2016:

ASBTDC Customer Satisfaction Survey Results – Key Questions <i>48% Response Rate</i>	
SURVEY QUESTION	CY 2016
Would you recommend ASBTDC? (yes)	97%
How would you rate ASBTDC assistance? (very good or good)	96%

b. **Training Evaluation Survey**

ASBTDC tracks responses to three key questions as part of its annual trend analysis in order to measure and monitor training customer feedback over a period of time. Following are results from the ASBTDC’s online training evaluation survey for CY2016:

ASBTDC Training Evaluation Survey Results – Key Questions	
SURVEY QUESTION	CY 2016
The information presented was practical. (strongly agree or agree)	97%
The program provided a good working knowledge of the subject matter presented. (strongly agree or agree)	96%
The program attended was sufficient for my purpose. (strongly agree or agree)	88%

c. **Economic Impact Study**

By design, ASBTDC is a results-oriented organization that continuously assesses the economic impact of its services. ASBTDC used an independent consultant to assess clients' economic impact. The study analyzed sales and employment changes, financing obtained, and tax revenues generated by a statistical sampling of established and pre-venture clients. The study compared clients' employment and sales data from the year they received assistance to the following year with the average changes for all Arkansas businesses during the same time period.

The independent 2016 ASBTDC economic impact study of long-term clients served in 2014 showed that ASBTDC-assisted clients: increased employment 18.5% more than the average Arkansas business, created 1,449 new jobs, retained 782 existing jobs, increased sales 29.2% more than the average Arkansas business, increased sales by more than \$92.1 million, and generated \$5.3 million in state tax revenues and \$3.5 million in federal tax revenues. For every \$1 invested in the program, ASBTDC-assisted clients return \$3.26 in state and federal taxes, a significant return on investment.

The study shows businesses assisted by the ASBTDC create more jobs and increase sales more – significantly more – than the average Arkansas business, illustrating the value of the ASBTDC to the clients it assists and to the state's economic development.

The jobs and tax revenues local small businesses generate are critical to communities across Arkansas. ASBTDC services result in documented economic impact for Arkansas, as consistently illustrated by the impact reported and verified directly by its clients.

VI. Priorities for Next Year

a. **Contracting/Procurement Events**

ASBTDC is helping plan and host a series of events on procurement and government contracting in collaboration with the Arkansas Procurement Assistance Center, Arkansas Economic Development Commission, SBA, and other partners.

"Doing Business with NASA" will bring representatives of NASA Shared Services, NASA Technology Transition, Johnson Space Center, and Marshall Space Flight Center to UA Little Rock July 20 to engage with Arkansas small business owners and entrepreneurs.

ASBTDC will host "Doing Business with the Government" information sessions in Magnolia, Mena, Little Rock, Conway, Jonesboro, and Fort Smith between July and December 2017. Partnering resource organizations will discuss ways they can assist participants with the steps necessary to work with the government. A discussion panel of representatives from the organizations as well as small business owners who have obtained and completed government contracts will conclude each session.

The 2017 Arkansas Small and Minority Business Matchmaking Event on Nov. 9 will provide small and minority business owners from across the state the opportunity to meet with buyers from colleges, universities, federal, state and local government agencies and major corporations who are motivated to award contracts and sub-

contracts to smaller firms. The goal of the event is to stimulate jobs and growth for small and minority businesses.

b. City of Little Rock Entrepreneurial Training Program Partnership

ASBTDC is in year two of a three-year agreement with the City of Little Rock to provide two multi-week entrepreneurial courses annually using the widely respected Kauffman FastTrac® curriculum. The ASBTDC and City of Little Rock have collaborated on this course since 2000.

c. Capital Access

Assisting clients with access to capital will continue to be a focus for the ASBTDC. ASBTDC works with hundreds of current and prospective business owners each year, helping clients determine how much money they need and which type of financing best fits those needs. ASBTDC helps with business plans, loan proposals, and applications. The ASBTDC will conduct various lender engagement activities to address lender training on government-guaranteed lending programs and ASBTDC services. Lenders are the key referral source to ASBTDC for both startup and existing businesses. Additionally, the ASBTDC will conduct events for small businesses to engage directly with lenders through events to explore funding opportunities.

d. Outreach to Women and Rural Communities

ASBTDC will conduct outreach and events targeting women and rural communities. Efforts will focus on increasing entrepreneurial activity in both of these market segments.