



Enterprise Minnesota Small Business Growth Acceleration Program

**Report to the Legislature
as required by Minnesota Statute 1160.115**

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Minnesota Department of Employment and Economic Development**

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Business and Community Development Division

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**Annual Report to the Minnesota Legislature
Enterprise Minnesota
Growth Acceleration Program
Minnesota Statutes 116O.115
Period Ending December 2011**

The Minnesota Legislature, during the 2009 Session, adopted legislation and appropriated \$500,000 each year to the Department of Employment and Economic Development (DEED) to be used as a grant to Enterprise Minnesota during the biennium. An additional \$250,000 per year was appropriated during the 2011 session. Enterprise Minnesota is a non-profit organization, based in Minneapolis, serving all of Minnesota.

Beginning in late 2009, DEED entered into grant agreements with Enterprise Minnesota to establish and operate a small business Growth Acceleration Program (GAP). Under the authority of Minnesota Statutes 116O.115, the GAP was established to provide direct matching funds of \$500,000 each year, later changed to \$485,000 and \$475,000 in FY10 and FY11 respectively. In FY12 the Legislature appropriated \$250,000 (\$237,500 after State administrative fees). These funds are used to help small manufacturing companies that need assistance to stay in business, grow and compete. Funds are used to deliver Enterprise Minnesota's services to these companies.

Growth Acceleration Programs funds are targeted to assist qualified firms with the following activities.

- A. Bridging the gap between standard market pricing for technology business improvements, and the amount qualified companies can afford to pay.
- B. Helping qualified manufacturers and companies in related industries that employ up to 250 full-time workers.
- C. Awarding funds not to exceed 75% of project costs or \$25,000 for any project or \$50,000 for any company during the calendar year.
- D. Aiding eligible firms to foster business improvements, increase job creation and job potential, and contribute to the quality of life of citizens and communities throughout Minnesota.

For the twelve months ending December 2011, the end of the required annual reporting period for the Growth Acceleration Program, Enterprise Minnesota has:

- Disbursed \$322,919 under the program, and matched it with \$629,471 provided by the assisted companies. This represents 73 companies receiving GAP funding during the year.
- Enterprise Minnesota Inc. has approved total projects with 125 unique clients.
- The full \$485,000 on the FY10 program was disbursed as of late 2011. There are on-going projects with 26 companies using funding from the FY11 program and one from the FY12 program. This represents \$139,185 and \$9,000 in funding allocations, respectively.
- Based on past client outreach Enterprise Minnesota estimates an average return of \$15 for every \$1 invested in the program. Estimates are based on similar services and similar companies surveyed by an independent third party. In 2011, 212 companies surveyed by Enterprise Minnesota Inc. responded attributing increased sales, cost reductions, investments, and jobs created or retained totaling \$79 Million.

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- Some examples of consulting services delivered by Enterprise Minnesota Inc. to GAP Clients include: Value Stream Mapping, Lean Enterprise Programming, Business Management-Financial Analysis and Budgeting, Workplace Organization, Business Management Services, Corporate Strategic Planning, Business Process Review, Strategic Planning-Situation Analysis, and Operation Excellence, Marketing and Innovation Management and Pathways to Business Growth (an integrated approach to business growth).
- Final reports on the results of the Growth Acceleration Program will continue to be provided to the Legislature following the completion of each grant period. That report will include an estimate of the financial impact of funds awarded to each company receiving service under the program, as prescribed by M.S. 116O.115, Subd. 6.

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