

**Small Business Development Center
Minnesota State University, Mankato
Entrepreneur and Small Business
Assistance Grant
SPAP-11-0011-P-FY12**

**Report to the Legislature
Period Ending December 31, 2011**

Submitted by Michael Nolan, Director
February 7, 2012



The SBDC provides a variety of services to help entrepreneurs start, operate and expand their small businesses and fine-tune their business skills -- assisting them through all stages of their life cycle:

- Pre-venture
- Emerging and Established
- Mid-Sized (in business more than three years)

Services delivered by SBDC to entrepreneurs and small businesses include:

- One-on-one, confidential business development consulting
 - Business Plan and Marketing
 - Finance and Capital Access
 - Cash Flow Management
 - Start-up Assistance
 - Other areas at client's request
- Entrepreneurial development, business development and management education
- Assessment of funding options and loan packaging
- Access to business information and research

Grant funds were targeted for the purpose of providing free business consulting services to entrepreneurs and small businesses throughout the region. These services include, but are not limited to, pre-venture assistance for individuals considering starting a business.

Though delayed in implementation by the state shutdown in July 2011, delivery of services has progressed well. The Small Business Development Center (SBDC) has implemented contractual arrangements with the Regional Center for Entrepreneurial Facilitation (RCEF) and Martin County. These contracts greatly increase our center's ability to provide start-up assistance in the region.

The Martin county collaboration has served as a great model for creating SBDC satellite centers in our region. We are currently in the processes of developing a broad collaborative effort in Waseca, and have plans for further satellite center development in St. James, Brown County and Le Sueur.

Expenditures to-date:

Grant expenditures as of 12/31/11 are \$53,783.25. Since the matching federal funds are issued on a calendar basis, there is a slight imbalance of draw against the two sources of funding. Because the grant was not executed with the state until November 18th but allowed to provide services back to July 1st, 2011, all parties were conservative in expenditures prior to the contract date.

Note: As the date of this report, final year-end reports have not been submitted to DEED. Minnesota State University is currently reviewing the expenditures, and there may be a slight variance with the figures below and the final adjusted totals.

Budget	State	SBA Grant	Total
Personnel		158,000	158,000
Fringe		51,000	51,000
Travel		15,000	15,000
Equipment			-
Supplies		23,000	23,000
Contracts			-
Consultants	179,550		179,550
Other			-
Total	179,550	247,000	426,550

Expenditures	State	SBA Grant	Total
Personnel		57,315	57,315
Fringe		17,735	17,735
Travel			-
Equipment			-
Supplies			-
Contracts			-
Consultants	53,783		53,783
Other			-
Total	53,783	75,050	128,833

Grant Progress:

We have delivered 61% of our consulting hours goals as of 12/31/2011.

Professional Consulting Deliverables by MnSBDC Target Market Segment*	% of Total Hrs	GOAL (Hours)	YTD (Hours)	% of Goal
TOTAL CONSULTING HOURS DELIVERED	100%	3,000	1,817	61%
Economic Impact (Projected) - Jobs Created and Maintained	Hrs per Job	GOAL (Jobs)	YTD (Jobs)	% of Goal
TOTAL JOBS CREATED AND SAVED	--	393	305	78%

As of December 31, 2011 we have helped small businesses raise over \$7,000,000 in capital.

Service Segment Deliverable - Financing and Capital Access Assistance	% of Total Hrs	GOAL (Hours)	YTD (Hours)	% of Goal
CAPITAL ACCESS CONSULTING HRS DELIVERED	30%	900	515	57%
Economic Impact (Actual) - Investment Capital Raised	\$ per Hr (Goal)	GOAL (\$)	YTD (\$)	% of Goal
Commercial (Debt) Capital Raised [C1 - C6]	--	--	\$2,554,000	--
SBA Capital Raised [F1 - F7]	--	--	\$4,464,300	--
IMPACT ON BUSINESS INVESTMENT RAISED (DEBT)	\$10,000	\$9,000,000	\$7,018,300	78%

The following calculation uses the statewide metric of \$25,000 of sales revenue created or saved per hour of Business Plan and Marketing consulting. Client-reported data will be provided at a later date by DEED as part of their annual survey process.

Service Segment Deliverable - Business and Marketing Plan Assistance	% of Total Hrs	GOAL (Hours)	YTD (Hours)	% of Goal
BUSINESS/MRKTING CONSULTING HRS DELIVERED	35%	1,050	413	39%
Economic Impact (Projected) - Sales Revenues Created and Saved				
Economic Impact (Projected) - Sales Revenues Created and Saved	\$ per Hr (Goal)	GOAL (\$)	YTD (\$)	% of Goal
IMPACT ON BUSINESS WEALTH CREATION	\$25,000	\$26,300,000	\$10,325,000	39%

We have assisted in creating nine new businesses in a short period of time, with several more in process.

Service Segment Deliverable - New Business Start-up Assistance	% of Total Hrs	GOAL (Hours)	YTD (Hours)	% of Goal
START-UP CONSULTING HRS DELIVERED	10%	300	575	192%
Economic Impact (Actual) - New Businesses Created				
Economic Impact (Actual) - New Businesses Created	Hrs per New Biz	GOAL (\$)	YTD (\$)	% of Goal
IMPACT ON NEW BUSINESS CREATION	20	15	9	60%

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