



Entrepreneur and Small Business Development Assistance Program

Report to the Legislature
as required by Minn.2011 Special Session Laws, Chapter 4, Article 1, Section 3, Subdivision 2h

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Author: Gerry Wenner
Minnesota Department of Employment and Economic Development

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Annual Report to the Minnesota Legislature

Small Business Development Center
Minnesota State University, Mankato

Entrepreneur and Small Business Development Assistance Program

Minnesota Statutes Chapter 4, Article 1, Section 3 Subdivision 2h,
First Special Legislative Session 2011

Period Ending December 31, 2011

Special Appropriation

Allocation \$179,550

Minnesota Department of Employment and Economic Development

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Minnesota Statutes Chapter 4, Article 1, Section 3, Subdivision 2h
1st Special Legislative Session 2011
Period Ending December 31, 2011
Minnesota Department of Employment and Economic Development

The Minnesota Legislature, during the 2011 1st Special Session, adopted legislation and appropriated \$179,550 to the Department of Employment and Economic Development (DEED) to be used as a grant to eligible organizations each year to assist in the development of entrepreneurs and small businesses. The Small Business Development Center (SBDC), Minnesota State University, Mankato applied to DEED and was awarded the grant to provide these services. It is a regional Minnesota SBDC, based in Mankato, and serves Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Waseca and Watonwan Counties of South Central Minnesota.

In November 2011, DEED entered into a grant agreement with the Small Business Development Center at Minnesota State University, Mankato to establish and operate an entrepreneurial and small business development program. Under the authority of the enabling legislation, the Entrepreneurship program became established to provide direct technical assistance (with matching funds totaling \$247,000) to help entrepreneurs and small companies that need assistance to start and stay in business, and grow and compete. Grant funds were used to deliver services to these entrepreneurs and small businesses in the nine county area of South Central Minnesota.

The Entrepreneurial and Small Business Program assistance has been targeted to assist individuals starting a business and qualified existing firms with the following activities.

- A. Pre-venture business assistance
- B. Development of emerging and established businesses.
- C. Mid-sized business expansion (in business more than three years).

Services delivered by the SBDC to Entrepreneurs and small businesses included;

- A. One-on-one, confidential business development consulting
 - 1. Business Plan and Marketing
 - 2. Finance and Capital Access
 - 3. Cash Flow Management
 - 4. Start-up Assistance
 - 5. Other areas at client's request
- B. Business development, retention and expansion workshops and seminars.

Through December 31, 2011, the end of the required annual reporting period for the Entrepreneurial and Small Business Development Program, the SBDC, Minnesota State University, Mankato has:

- Delivered 1,817 entrepreneurs and small business development consulting hours which resulted in 305 jobs retained and created.
- Helped entrepreneurs and small businesses raise over seven million dollars (\$7,000,000) in capital.
- Delivered 413 business/marketing consulting hours which (using the statewide metric of \$25,000 of sales revenue created or saved per hour of Business Plan and Marketing consulting) generated \$10,325,000 in wealth creation.
- Directly assisted in the start-up of nine new businesses with 3 more in process.
- Delivered business consulting services to 467 entrepreneurs and small businesses with a success rate of 75%.
- A final report on the results of the entrepreneurial and small business development program will be provided to the Department of Employment and Economic Development (DEED) following the completion of the grant period, which runs through June 30, 2013.

At the December 31, 2011 grant contract mid-point, the SBDC-Minnesota State University, Mankato has been on-track to achieve or significantly surpass its original business development/job creation goals and metrics. These efficiencies and accomplishments are directly attributable to the leadership traditions of high quality service that the SBDC at Minnesota State University, Mankato has provided its entrepreneurs and business clients and the high professional standards that it expects and demands of its business development consultants.

DEED Contact:

Gerry Wenner

Office of Small Business Development Centers

Business and Community Development Division

651-259-7421

Gerald.Wenner@state.mn.us