



**Small Business
Development Center**
directions solutions impact

Strategic Plan 2012

Background:

The Idaho Small Business Development Center (Idaho SBDC) was established in 1986 as part of a nationwide network created to improve the success of small businesses. The U. S. Small Business Administration, the State of Idaho, the hosting institutes of higher education, and private donations fund the organization.

The Idaho SBDC network includes business consultants, trainers, support staff and volunteers that operate from the state's colleges and universities. Boise State University's College of Business and Economics serves as the host with administrative responsibility for directing the type and quality of services across the state. Six Regional offices are funded under sub-contracts with their host institutions. The locations result in 90% of Idaho's businesses being within a 1 hour drive:

- ① North Idaho College - Coeur d'Alene
- ② Lewis-Clark State College - Lewiston
- ② Boise State University - Boise
- ④ College of Southern Idaho - Twin Falls
- ⑤ Idaho State University - Pocatello
- ⑥ Idaho State University - Idaho Falls



Services include confidential one-on-one consulting and focused training. Staff members are very involved in the business and economic development efforts in their areas and; therefore, are positioned to respond rapidly to the changing business environment.

Mission:

To enhance the success of small businesses in Idaho by providing high-quality consulting and training.

Vision:

Idaho SBDC clients are recognized as consistently outperforming their peers.

Tag Line:

Your Success is Our Business

Operating Principles:

Service is the primary product of the Idaho SBDC. Creating and maintaining a high standard of service requires a commitment to four principles:

1. **Focus on the Client:** The very future of the Idaho SBDC program depends on creating satisfied clients. To this end, each client contact must be considered an opportunity to focus on client needs and desires. Responding quickly with individual attention to specific and carefully identified client needs, then seeking critical evaluation of performance are standard processes followed with each client and training attendee.
2. **Devotion to Quality:** Providing consulting and training through a quality process and constantly seeking ways to improve that process are necessary to providing exceptional

- service. Fostering teamwork, eliminating physical and organizational barriers that separate people, establishing long-term relationships with partners and encouraging all to participate in quality improvement are some of the actions that demonstrate devotion to quality.
3. **Concentration on Innovation:** To innovate is to improve through change. Staff members constantly seek ways to improve methods and processes and assume a leadership role in trying new approaches to serve clients. Regular performance reviews, participation in related organizations, and attending professional development workshops are some of the ways that innovation is supported.
 4. **Commitment to Integrity:** The Center values integrity and will conduct all of our services in an ethical and consistent manner. We will do our best to provide honest advice to our clients with our primary motivation the success of the business. In return, we also expect our clients to be straight forward and share all information necessary to assist them in their business.

Priorities:

The Idaho SBDC will focus on the following priorities:

1. **Maximum client impact** – While the SBDC provides services to all for-profit small businesses, it is clear that a small percentage of businesses will contribute the majority of the impact. Improving the ability to identify impact clients, develop services to assist them, and create long-term connections will increase the effectiveness of the Idaho SBDC.
2. **Strong brand recognition** – The Idaho SBDC remains unknown to a large number of businesses and entrepreneurs as well as stakeholders. A consistent message and image to convey the SBDC value in conjunction with systematic marketing are necessary to raise the awareness of the SBDC value to both potential clients and stakeholders.
3. **Increased resources** – Federal funding remained level from 1998 until 2007 resulting in a very lean operating budget and loss of several positions. A slight increase was received for 2008 however; additional resources – both cash and in-kind – are necessary to have an impact on a greater portion of small businesses and entrepreneurs.
4. **Organizational excellence** – The Idaho SBDC is in the top 10% of SBDC's on all impact measures, is consistently one of the top 5 states on the Chrisman impact survey, and received accreditation in 2009 with no conditions. The organization must continually improve to maintain this excellence.

Market Segments:

The small business market served by the Idaho SBDC can be divided into three segments. With limited resources and the knowledge that in-depth, on-going consulting gives greater returns, the focus is on Segment 3 – high impact clients. The Idaho SBDC Marketing Plan contains additional information on state demographics and how these segments fit into the overall plan.

Segment 1:

Pre-venture – These potential clients are not yet in business. They will be assessed for the level of effort already put into the venture. Entrepreneurs who have not moved beyond the idea stage will be directed to a variety of resources to help them evaluate the feasibility of their idea. They will need to take further steps before scheduling an appointment with a consultant. These pre-venture clients will be less than 40% of the total clients and will receive 25% or less of consulting services. A small segment of these clients will be designated as high impact potential clients (Segment 3).

Segment 2:

Established businesses – This segment has already established a business. A consultant will meet with them to evaluate their needs and formulate a plan to address them. The majority of businesses in this category will have 20 employees or less. Over 60% of Idaho SBDC clients and over 75% of consulting time will be spend on clients in this category. This segment will also contain some businesses that will be designated as high impact potential (segment 3).

Businesses in this category will generally have 20 or fewer employees.

Segment 3:

High impact potential – This segment is composed of the top 15% of clients in each region based on their potential to grow sales and jobs. This segment is not consistent throughout the state but is relative to the business potential based on economic conditions in the region. These businesses will receive focused long-term services and coaching and be tracked separately in the MIS system. Businesses in this category will generally have between 10 and 50 employees or have the potential to grow to this size within five years.

Success:

Success is defined as a client achieving the best possible outcome given their abilities and resources. Success does not necessarily mean that the business will start or that there will be increases in capital, sales, and jobs. For some clients, the best possible outcome is to decide not to open a business which has a high likelihood of failure. Preserving capital can be success in some situations. There may also be circumstances that cause a client to choose to limit the growth of their business. It is important to recognize the clients' goals, help them understand their potential, and then jointly identify success.

Allocation of Resources:

The Idaho SBDC shifts resources as appropriate to achieve the goals of the Strategic Plan. The SBA portion of the Idaho SBDC's budget increased about 8% in 2008 after remaining flat since 1998. Lean budgets have prompted shifting financial resources from operating to personnel to assure that Idaho small businesses receive the same level of service. Currently, the operating budget for the Idaho SBDC is at what is considered a floor for supporting existing personnel and offices. Currently, the annual budget for the Idaho SBDC is distributed as follows:

- ♦ Personnel = 71% of total budget, 90% excluding indirect costs
- ♦ Operating (travel, consultants, supplies, etc.) = 8% of total budget and 10% excluding indirect costs
- ♦ Indirect costs = 21%

Increases in funding will be directed toward client assistance. Reduction in funding will favor minor reductions in employee hours versus eliminating positions.

In addition to financial constraints, the Operations Manual sets a policy for allocation of time as 60% consulting, 20% training, and 20% administrative. Milestones for each center and minimum hours for consultants and regional directors are based on the time allocation. To maintain service at the existing level, operate within the financial constraints, and meet the time allocation policy, the Idaho SBDC focuses on shifting personnel resources to achieve strategic plan goals. For example, to shift the focus to high impact clients, requests for assistance from pre-venture businesses are shifted to training and web resources to free up consulting time. The SBDC will continue to use this model for distribution of resources to achieve the strategic plan goals as long as a constraint remains on operating resources.

Needs:

In the statewide survey – two areas were identified as client needs that have not been a focus for the Idaho SBDC:

- Networking
- Health care insurance
- Web 2.0

In addition to these two focus areas, regional needs identified were:

- Access to capital
- Motivating employees/Customer service
- Pricing
- Websites/E-commerce
- Marketing strategies

These topics will be the incorporated into training courses and professional development for consultants.

SWOT

INTERNAL	EXTERNAL
Strengths	Opportunities
<ul style="list-style-type: none"> • No-cost • People – expertise, passion, and professional development system • Public and private partnerships and networks • Systems for high performance • Leadership at all levels 	<ul style="list-style-type: none"> • Changes in the economy • Strategic partners – leveraging resources • Entrepreneurial culture • Increase in angel investors • New business trends – green, etc. • Baby boomers
Weaknesses	Threats
<ul style="list-style-type: none"> • Market position – penetration of established small business market, brand, awareness beyond startup assistance (attraction of high growth companies) • Sharing tools and resources at state and national levels • Geographical area • Implementation – lack of focused planning and disciplined follow-up 	<ul style="list-style-type: none"> • Economy – especially in rural areas, hard for businesses to succeed and hard for businesses in all area to find funding • Reduced funding at state and federal level • Competitors

Goals and Objectives:

Maximum Client Impact

Goal 1: Grow client impact (capital, sales and jobs) 25% from 2011 goals to 2016.

Objective 1.1: Proactively manage high impact potential (HIP) clients (startup and established businesses) by identifying them in the MIS system, following up within 120 days, and capturing impact.

Performance Measure: # of high impact clients

Benchmark: Minimum of 15% of clients identified each year by 2016

Performance Measure: Follow-up with high impact clients within 120 days.

Benchmark: 100% contacted within 120 days

Performance Measure: Impact measures

Benchmark: 25% increase in capital, sales, and jobs by the end of 2016

Objective 1.2: Create a portfolio of services, tools and resources tied to the areas covered in the assessment tool.

Performance Measure: portfolio of tools

Benchmark: Tools for every area of the assessment tool by 2012

Objective 1.3: Create consistency in how impact measures are collected and recorded.

Performance Measure: create process and definitions on capturing impact by Dec. 2011

Benchmark: process integrated into the operations manual and consistently applied

Objective 1.4: Evaluate and create new initiatives to serve the changing needs of clients. Implement a statewide energy efficiency internship program and a sustainable business initiative in 2011.

Performance Measure: energy reduction over 1 year

Benchmark: average of 15% reduction in energy use per business served

Performance Measure: # of businesses engaged in sustainable business services

Benchmark: 100 businesses taking advantage of sustainable business services

Strong Brand Recognition

Goal 2: By 2016, stakeholders and the target market will recognize the Idaho SBDC brand and associate it with high performance small businesses.

Objective 2.1: Create and implement a marketing calendar for the state office and each regional office each calendar year.

Performance Measure: Marketing Calendars developed

Benchmark: 20% increase in awareness by 2016

Objective 2.2: Review the Marketing Plan each year to determine a few areas to focus on. Schedule review of marketing plan progress during the monthly management meetings.

Performance Measure: Yearly update and prioritization.

Benchmark: 20% increase in awareness by 2016

Objective 2.3: Establish a baseline brand awareness metric by Jan. 2011

Performance Measure: process established

Benchmark: baseline metric established

Objective 2.4: Develop referral system for partners referring clients to the SBDC and for SBDC to refer clients to other resources by January 2011.

Performance Measure: system established

Benchmark: capture referrals in MIS system

Objective 2.5: Update the Idaho SBDC website and make it more interactive by January 2012.

Performance Measure: website visitors

Benchmark: 20% increase in visitors

Increase Resources

Goal 3: By 2016, cash funding will increase by \$200,000/year above the 2007 level and in-kind resources will be valued at \$500,000.

Objective 3.1: Develop a funding strategy that identifies regional and statewide funding needs, the associated additional activities or gaps that the funding will address, potential sources for each need, who will be responsible for approaching the sources, and a timeframe for completion.

Performance Measure: funding strategy developed by March 2012

Benchmark: \$200,000 in additional funding

Objective 3.2: Promote and deliver NxLevelL online.

Performance Measure: # of online classes/year

Benchmark: \$20,000 generated from online classes by 2012

Objective 3.3: Create system to share Idaho SBDC success with key funding organizations.

Performance Measure: # of letters and recommendations

Benchmark: 10 letters/year to each JFAC member

Objective 3.4: Create common branded trainings, including webinars and other online training, and seek sponsorship.

Performance Measure: # of trainings

Benchmark: 6 trainings/year

Performance Measure: revenue generated

Benchmark: net \$5,000 in revenue from common branded trainings

Objective 3.5: Use students, faculty, volunteers and other experts to augment SBDC consulting. Set and attain yearly goals in the action plan.

Performance Measure: yearly goals set in regional action plans

Benchmark: 10 student projects or 500 volunteer hours per year per office

Objective 3.6: Increase the use of technology to serve clients more efficiently. Set and attain yearly goals.

Performance Measure: SBA technology assessment

Benchmark: highest score on SBA technology assessment

Organizational Excellence

Goal 4: The Idaho SBDC remains in the top 5 of all SBDCs each year as determined using SBA and Chrisman metrics adjusted for funding.

Objective 4.1: Integrate the highest standards and systems into day-to-day operating practices to achieve excellence on all reviews.

Performance Measure: reviews (SBA exam, office reviews, Accreditation, etc.)

Benchmark: highest rating

Objective 4.2: Evaluate, modify and meet critical measures yearly.

Performance Measure: critical measures

Benchmark: 100%

Objective 4.3: Strengthen the needs assessment process and incorporate into marketing calendar. Conduct statewide survey biennially and regional needs annually.

Performance Measure: systematic process

Benchmark: process implemented

Objective 4.4: Develop and implement a yearly calendar of topics for monthly management meetings to include strategic plan, accreditation standards, marketing, success stories, action plans and needs.

Performance Measure: plan implemented

Benchmark: top 5 ranking

Objective 4.5: Conduct a lean office exercise to identify and eliminate waste in the organization by 2012.

Performance Measure: waste identified

Benchmark: 100% of waste is removed from organization

Objective 4.6: Achieve greater engagement of the Advisory Board by including them on the newsletter distribution, monthly critical measures, and success stories.

Performance Measure: level of participation

Benchmark: 95% participation in each Advisory Council meeting

Objective 4.7: Collaborate with other states – the NW states for professional development and the top tier states for best practices benchmarking.

Performance Measure: # of collaborative meetings

Benchmark: 2/year with each segment

Objective 4.8: At least 4 Idaho SBDC employees are involved on an ASBDC committee or interest group by 2014.

Performance Measure: number of Idaho SBDC employees engaged in ASBDC

Benchmark: 4 employees/year

Program Performance Measures/Benchmarks

Performance Measure	Description/Benchmark*	CY2010
Consulting Hours	The total number of hours of consulting and preparation time; Goal is 16,000	16,589
Average Hours Per Client	Goal is 8.5	9.47
Customer Satisfaction	Percentage of above average	97

	and excellent rating, Goal is 90%	
Number of Client with 5 hours or more of contact and preparation time	Goal is 600	610
Business Starts	Goal is 72	87
Jobs Created	Goal is 251	588
Jobs Saved	N/A, The Center has not created a goal for this but in the current economic downturn this is a critical outcome	178
Sales Growth	Growth in sales year to year. Goal is \$27,000,000	\$31,940,371
Capital Raised	Capital raised in the current year. Goal is \$25,000,000	\$38,824,325
ROI (Return on Investment)	The cost of the Idaho SBDC versus the increase in taxes collected due to business growth by SBDC clients. Goal is 3.0	1.97

*The benchmarks (goals) are developed from with data from other SBDCs, the SBA, and from our accrediting organization.

External Factors

The items below are external factors that significantly impact the Idaho SBDCs ability to provide our services and are outside of our control.

1. **Economy.** The general state of the economy in Idaho and across the nation has a huge impact on the Idaho SBDC's ability to create impact through our assistance to entrepreneurs. The Center has observed that businesses that use our services do much better in poor economic times than does the average business in Idaho. The recent economic downturn has highlighted how challenging it is to grow sales, increase jobs, and start a new business.
2. **Funding.** Funding from Federal and State sources directing impact the resources available the Center. Without the financial resources available to hire the right people and provide them with the resources (phone, computers, etc), it will be challenging to serve Idaho's entrepreneurs effectively.