

Application  
to establish the  
**Florida Small Business Development Center Network**  
as a  
**State of Florida Center**



Host Institution

University of West Florida

Other SUS Participating Members

Florida Agricultural and Mechanical University

University of North Florida

University of Central Florida

University of South Florida

Florida Gulf Coast University

Florida Atlantic University

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# Florida Small Business Development Center Network

APPLICATION TO BE ESTABLISHED AS A STATE OF FLORIDA CENTER

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## I. Introduction

A statewide partnership of higher education, economic development organizations, chambers, regional workforce boards and other sponsors dedicated to the economic prosperity of Florida—the Florida Small Business Development Center Network (FSBDCN) is one of the original pilot states funded by the U.S. Small Business Administration (SBA) in 1976. The organization successfully links the universities and other institutions of higher learning to community outreach, improved business research capabilities and opportunities for both faculty and students to aid in the development and education of the state’s entrepreneurs and small business community.

The national SBDC program has grown from eight pilots to 63 state/regional programs with over 1,000 individual service centers. These centers provide small business owners and entrepreneurs with direct technical assistance in virtually all areas of business management including marketing, finance, accounting, business planning, taxes, and business start-up. The core services include free and confidential counseling; entrepreneurial training workshops; conferences, seminars and tradeshows; extensive libraries; and business information and research resources. SBDCs also provide assistance in specialized areas, such as international trade, disaster preparedness and recovery, defense transitioning, government procurement, minority business assistance, business technology commercialization, and veteran-owned businesses. The Florida SBDC Network is considered one of the leading SBDC programs in the nation.

The Florida SBDC Network has evolved into an extremely effective partnership between federal and state government and the post-secondary education system, bringing business management and educational assistance directly to local businesses in Florida’s communities. Through the statewide network of 34 SBDCs, the FSBDCN represents seven of Florida’s finest universities, nine community and state colleges, chambers of commerce, economic development organizations, and many other enterprises. The synergistic effect of these partners working together has resulted in many years of positive revenue growth for the state, an impressive return on investment and multiplied success for Florida’s small business community. The Florida economy is built around small business (99%), and the SBDC Network is their principal business assistance organization.

As the largest and only statewide provider of entrepreneurial services, the FSBDCN plays a vital role in Florida’s economic development. The organization—

- assists entrepreneurs in all stages of business;

- works with firms from all industry sectors;
- utilizes the expertise and resources of some of the best colleges and universities in Florida;
- accesses the resources of a national network (ASBDC) of more than 1,000 centers;
- administers the state Small Business Advocate and Small Business Regulatory Advisory Council under the state’s business regulatory relief act (HB 7109); and
- is state designated as Florida’s principal business assistance organization (HB 7109).

On average, SBDCs directly assist Florida entrepreneurs and small business owners in creating/retaining 11,000 jobs, securing government contract awards worth \$270 million, acquiring \$120 million in capital formation, and increasing sales by \$125 million annually.

The FSBDCN has counseled 339,134 small business owners and entrepreneurs with 1,551,024 hours of one-on-one counseling, conducted 29,652 business training events for 642,482 participants, and provided answers to 2,202,519 requests for information since 1980.

Focusing on the critical needs of small business drives the FSBDCN’s direction and performance expectations. The FSBDCN is the most experienced economic development network serving Floridians statewide and is nationally accredited by congressional mandate. An experienced staff ensures that SBDC clients receive superior assistance, and ninety-two percent of clients indicated they would recommend SBDC services to friends and colleagues.

## Need and Demand to be a State of Florida Center

It is this history of service and future plans of growth and continued success that has prompted the FSBDCN to explore ways to maintain and expand its name recognition, credibility, funding, and, in turn, its services.

As a University of West Florida (UWF) center, the FSBDCN understands the important role the state’s universities and colleges play in Florida’s economy. These institutes of higher education are in charge of providing Floridians with an education that will allow them to engage in meaningful work that will advance their futures and also strengthen Florida’s economy.

Additionally, the FSBDCN understands the Florida economic development infrastructure as being maintained by three different entities, each with a distinct responsibility:

- 1) Workforce Florida—linking employers with employees and addressing workforce needs;
- 2) Enterprise Florida—recruiting high value businesses and their CEOs;
- 3) Florida SBDC Network—the only statewide agency providing statewide support for small businesses and entrepreneurs.

The State University System (SUS) has long identified its critical role in community outreach, service, and economic development. The Small Business Development Center program was specifically created by Congress and enacted by President Jimmy Carter to position the states' universities as the source for expertise and practical assistance for the country's entrepreneurs and small businesses.

At the same time, the state of Florida saw large increases in population, due to migration and immigration. With no programs permanently in place to help these new populations start and grow small businesses, Florida's higher education system recognized the benefits of partnering with the federal government. The partnership could fulfill specific niches of the participating institutions' missions as well as place them into leadership roles in local and regional economic development.

As such, the FSBDCN was designated and operated as a Type I Center under the SUS and was subject to Counsel of Academic Vice Presidents review for more than 30 years until the restructuring of the SUS transpired a few years ago. Given the on-going statewide mission and level of reach, the FSBDCN proposes to be renamed a State of Florida Center under the Board of Governors (BOG) to allow it to take its natural leadership position within the state's university system.

Today, the demand for information and direct assistance from SBDCs has steadily increased while becoming more sophisticated in nature. The state of Florida has all but neglected the small business community, by eliminating the House and Senate Small Business Committees, eliminating the Florida Department of Commerce and still focusing on the recruitment of corporations.

However, 2008 marked an awakening in the overall importance of small businesses. The Small Business Advocate was created to represent the state's small businesses; a regulatory relief bill was passed along with the implementation of an advisory council to research and provide recommendations to lessen the burden of rules and regulations on small business; and the state passed specific government contracting legislation that empowers service disabled, veteran business owners in Florida to be more competitive in state contracting. Each of these legislative pieces was assigned to the Florida SBDC Network for administration and implementation, giving clear recognition of the value this program adds to the state's economy and business success. A final note of recognition by Florida's legislature was the passage of "designation language" in statute recognizing the FSBDCN as the state's principal small business technical assistance provider.

The need and demand for business related information and technical assistance will continue to increase, and the state's participating universities will continue to be recognized as the source for that expert knowledge because of the SBDC program.

Despite the organization's long time classification as a University Center, a recent review of the definitions of both a State of Florida Center and a University Center revealed that the

FSBDCN has more of the characteristics of the first—a State of Florida Center. According to the BOG Regulation 10.015 Institutes and Centers, a State of Florida Center is:

An entity with a statewide mission, that may include two or more State universities, established to coordinate inter-institutional research, service, and teaching across the State University System.

As this application illustrates, the Florida SBDC Network meets all of the criteria of the State of Florida Center definition: its mission is statewide; the organization has presence not only at UWF but throughout the state at six additional state universities, including Florida Agricultural and Mechanical University (FAMU), University of North Florida (UNF), University of Central Florida (UCF), University of South Florida (USF), Florida Gulf Coast University (FGCU) and Florida Atlantic University (FAU), as well as nine state and community colleges; and it provides the service, teaching and research small businesses need to start, grow, and succeed.

The designation as a State of Florida Center will bring to light the need and demand for sustainable funding directly from the state legislature for the Florida SBDC Network, recognizing the long-standing financial commitments by those participating institutions to community outreach, service, and economic development.

## II. Mission of the Florida Small Business Development Center Network

SBDCs at each participating institution in the state subscribe to the FSBDCN's statewide mission and were established to coordinate inter-institutional research, service, and teaching/training as required by Florida business owners, managers, and entrepreneurs.

### Mission

The Florida SBDC Network's current and longstanding mission is:

The Florida Small Business Development Center Network is a statewide economic development partnership between higher education and other stakeholder organizations dedicated to providing entrepreneurs and established businesses with the assistance needed to start, grow, and succeed, contributing to the Florida economy.

As determined by consensus at the strategic planning meeting attended by a cross section of FSBDCN employees and statewide advisory board members in 2007, the guiding principles of the Florida Small Business Development Center Network are—

- Service excellence
- Honesty and integrity
- Productivity and continuous improvement
- Recognition and respect for all employees and clients
- Excellence in reputation

In working toward its mission through its guiding principles, the FSBDCN has been a positive and longstanding outreach program of its host and affiliate institutions. As such, it has ensured that the reputation of these organizations, within the small business community, is defined by outreach and economic development coordination efforts. The best minds of Florida's higher education institutions are utilized to assist with business development through the inter-relationship of research, service, and teaching all to benefit the state's small businesses. As a citizen of the participating universities, colleges, and the surrounding areas, the processes used in SBDC operations adhere to the requirements of the U.S. SBA and are governed by the policies and procedures of the host and affiliate institutions.

## Inter-institutional Research

As the FSBDCN's mission indicates, the scope of the organization is statewide; and with SBDC locations at or near each participating institution, the FSBDCN's arrangement is conducive to promoting inter-institutional research. Whether sharing a small business innovation research proposal, developing small business management assessment tools or jointly proposing business and education exchanges to international universities, the SBDCs foster inter-institutional cooperation across the state.

For example, since 1995, the FSBDCN has taken the leading role, through a joint agreement with UWF, in helping the Instituto Tecnológico de Merida to establish a Mexican SBDC program. UWF professors and FSBDCN Certified Business Analysts (CBAs) have been utilized to train the trainers; and students from UWF, USF, and FGCU have had the opportunity to assist with many aspects of its development. Some have even participated in internships on-site.

The inter-institutional cooperation fostered by the FSBDCN can be further illustrated by examining its relationship with university economists. FSBDCN CBAs seek advice and support from university economists throughout the state in order to provide clients with information such as analytical studies for business owners who may be trying new markets and need demand analyses. The FSBDCN also has developed deeper relationships with two economists in particular. Dr. Rick Harper, director of the UWF Haas Center for Business Research and Economic Development and Dr. Sean Snaith, director of the UCF Institute for Economic Competitiveness within the College of Business Administration have repeatedly been presenters at SBDC statewide events and have written articles on the state's economy for FSBDCN publications. Recently, the FSBDCN has also enlisted their help to jointly participate in analyzing the national SBDC programs' economic impact tool.

Additionally, FSBDCN specialized program initiatives often provide great opportunities for inter-institutional research and service collaboration. For more than 13 years the FSBDCN operated an Energy Conservation and Assistance Program (ECAP) with funding from the Florida Energy Office and U.S. Department of Energy. This project was initially conceived when summer supplemental funding was provided by the FSBDCN to a UWF faculty member to research opportunities for establishing a loan program to assist businesses in reducing

energy operating costs. This research served as a catalyst for the establishment of a unique technical assistance and loan program that was eventually replicated by several other state SBDC programs. The ECAP program worked closely with the Florida Solar Energy Center at UCF to evaluate real world applications of energy saving technologies and devices, provided field test data, and trained a team of six engineering student interns to conduct facility audits under the supervision of SBDC energy specialists.

## Service

Programs like ECAP are one of the many ways that the FSBDCN serves the small business community of Florida. Service is, in fact, at the center of all FSBDCN operations and is of utmost importance to its continued survival and success.

The service aspect of the FSBDCN can be seen in the personalized, one-on-one counseling services it provides to small business owners and entrepreneurs at no cost. The value and importance of these services can be best described by FSBDCN clients such as Gayl Nye, owner of Florida CPR in Sebastian, Florida, who said:

"Without the help of Ken Stephanz and the assistance received from the SBDC, I wouldn't be here today. I have created jobs for myself and others, and am meeting a crucial need in our community. I highly recommend that anyone considering a business venture seek out the expertise of the SBDC."

Besides offering expertise through counseling, the FSBDCN also provides outreach services to a diverse group of small business owners and entrepreneurs through its workshops, conferences, seminars, and tradeshows. These services provide current and practical information on business topics ranging from the basics of starting a business to more advanced business management skills. Instructors include CBAs, faculty, and government and private-sector professionals. Some of these workshops, conferences, seminars and tradeshows are targeted to specific segments of the community, such as veterans. For example, the SBDC at Brevard Community College and the FSBDCN's Veterans Business Outreach Center in Panama City jointly hosted Operation Financial Freedom at the 8th Annual Veterans' Conference in September. Other special programming is also offered by the FSBDCN in the areas of government procurement, business continuity and risk management, business technology commercialization, defense transitioning, minority business assistance, and international trade development. Although each program broadcasts the community service mission of the participating universities and colleges, the Business Continuity and Risk Management Center program is perhaps one of the FSBDCN's most appreciated programs, as it reaches out to small business owners in critical need of support following a hurricane or other disaster. Service programs such as this one are just some examples of how the FSBDCN benefits the universities, state, and the state's small business community.

Beyond assisting the small business community in the state, the FSBDCN and its staff realize that they are members of their host institutions' communities as well. Therefore, they

recognize that committees must be led, students recruited, and expertise shared with organizations in and out of the institution. To aid in these efforts, SBDC professionals serve as faculty/staff advisors for student groups, and some SBDCs have hosted events for students to network with area business owners and community leaders. Other SBDCs help in the recruitment process by holding conferences to educate area youth.

For example, the SBDC at FGCU offered its sixth annual 'Girls Going Places', an entrepreneurial conference for teenage girls. Held on the campus of FGCU, the SBDC involves both faculty and the administration by inviting them to serve as guest lecturers and act as advisors. Since 2002, the conference has encouraged hundreds of young women to take control of their financial future. The conference seeks to broaden their understanding of business, create awareness of non-traditional careers, and highlight the advantages of financial independence. In doing so, it also allows participants to learn a great deal about the host university and the value of a solid education.

## Teaching

The central mission of any college or university is to provide its students with a solid education. SBDC staff, all who counsel clients and have real world business experience, aid the universities in meeting this mission by using their knowledge and skills to assist in curriculum development and to teach graduate and undergraduate coursework in the respective colleges of business.

Many of the SBDCs at the participating universities have qualified professionals who teach academic coursework ranging from undergraduate level courses to MBA capstone level courses, on a regular basis.

Larry Strain, director of the SBDC at UWF, teaches three classes per year and also serves on the College of Business Council. Due to his various business connections in the community, Strain is able to provide his students with ample opportunities for real world experiences. For example, as part of Strain's Small Business Consulting course, he paired a team of UWF graduate students with the Santa Rosa County Chamber of Commerce to identify ways in which the Chamber could increase efficiency, reach new members, improve communication, and enhance its performance. The student team invested over 400 hours into the consulting engagement. Similarly, CBA and CPA, Mario Iezzoni teaches a senior level entrepreneurship class for the USF College of Business. This level of participation provides a direct value-added service to the college/department.

While working through its statewide mission and guiding principles, the FSBDCN's value-added services have proven that the organization meets the requirements set forward by the BOG's definition of a State of Florida Center by providing opportunities for inter-institutional research, service, and teaching.

### III. Consistency with the Board of Governors Strategic Plan

In addition to meeting the requirements set forward by the State of Florida Center definition, the FSBDCN fulfills all actions necessary to support the BOG's mission and strategic plan.

The mission of the Board of Governors is '*to mobilize resources and diverse constituencies to govern and advance the State University System of Florida*'. By way of comparison, as explained throughout the previous paragraphs, the purpose of the FSBDCN is to mobilize network resources, in cooperation with institutions of higher education and economic development agencies, to support a statewide infrastructure that assists diverse constituencies of business owners and entrepreneurs. In helping these constituencies fulfill their quest to start, grow, and succeed in business, the FSBDCN plays a vital role in advancing the university system's goals of community outreach and economic development.

As mentioned earlier, the FSBDCN also mobilizes its resources to advance participating universities and colleges. Florida SBDC Network professionals have taught many courses ranging from undergraduate to MBA capstone level courses. Additionally, they have provided students with countless opportunities to gain real world, hands-on business experience assisting with SBDC client cases and daily SBDC functions. Leading a multitude of service activities, from filling guest speaker appointments to assisting with curriculum development, is a part of SBDC operations that directly supports the progress of their host academic institutions. These activities and other academic networking opportunities, resulting from the partnership between the Florida SBDC Network and participating colleges and universities throughout the state, benefit both sides: SBDC clients and staff benefit from student assistance and university resources, including the knowledge of its faculty and staff; and universities gain valuable opportunities for students and faculty to interact with small businesses throughout the state and an improved economic environment.

To further illustrate how the FSBDCN aids in fulfilling the Board of Governors Mission and Strategic Plan, it is necessary to examine each aspect of the Board's strategic plan. The BOG adopted the **State University System of Florida Strategic Plan 2005-2013** in June 2005. As such, the BOG's goals are—

Goal 1—Access to and production of degrees

Goal 2—Meeting statewide professional and workforce needs

Goal 3—Building world-class academic programs and research capacity

Goal 4—Meeting community needs and fulfilling unique institutional responsibilities

#### Access to and Production of Degrees

The BOG's first goal, *access to and production of degrees*, conveys the Board's expectations that all Floridians will have access, in Florida, to the degree of their choice. The FSBDCN furthers this goal to also ensure that all Florida business owners and entrepreneurs have access to educational programming, ranging from the basics of business start-up to more

advanced business management skills training. These programs provide up-to-date management advice, training, and information to help business owners make sound decisions needed to start and grow a business. Additionally, in the course of accessing SBDC services numerous business operators and potential entrepreneurs are exposed to a university institution and community—many for the first time. For some, this encounter serves as a stepping stone into a degree seeking program.

Furthermore, the FSBDCN supports this first goal even more directly, since several members of its staff teach undergraduate and graduate level courses and help business faculty develop curriculum that adequately prepares students for employment in small businesses or as entrepreneurs following graduation. For example, staff members from the SBDC at UNF developed two courses: “Entrepreneurial Marketing” and “Family Business Management” for the Coggin College of Business.

## Meeting Statewide Professional and Workforce Needs

In addition to helping the faculty at the participating universities and colleges prepare their students for employment after graduation, the FSBDCN also aids in reaching the BOG’s second goal, *meeting statewide professional and workforce needs*.

According to the SBA, 99 percent of all businesses in Florida are small. Small businesses are truly the backbone of Florida’s economy, employing more than 45 percent of all workers. With FSBDCN assistance, its clients have reported creating/retaining nearly 280,000 jobs since 1980, which averages to 10,000 jobs created/retained annually. According to the *Economic Impact of SBDC Counseling Activities in Florida*, an impact study compiled by Dr. James Chrisman in 2008 based on a sampling of 2006-2007 clients, the number of people employed by FSBDCN clients increased by 14.5% compared to a 1.7% increase in employment for the average Florida business.

In addition to general FSBDCN services boosting employment opportunities for the state, all regions of the FSBDCN have formed some type of formal/informal relationship with their region’s workforce agencies to better meet the workforce needs in their specific areas. For example, the SBDC offices at FGCU, USF, and FAU have formed partnerships with the Southwest Florida Workforce Development Board and received funding for one full-time CBA each to provide entrepreneurial training to economically-challenged areas of the state, particularly in the rural areas. As a result of this partnership, the SBDC at FGCU Clewiston Office recently completed its second 10-week course using the Rural Entrepreneurship through Action Learning (REAL) teaching method. Partnerships and courses such as these assist host institutions in reaching out to their communities and helping them to meet the state’s professional and workforce needs. After all, many entrepreneurs provide employment opportunities not only for themselves but for others too.

## Building World-Class Academic Programs and Research Capacity

The FSBDCN also aids the BOG in accomplishing its third goal, *building world-class academic programs and research capacity*.

A key aspect of creating world-class academic programs is having qualified faculty members, who are experts in their fields of study, as professors. FSBDCN professionals assist in this goal by teaching academic courses and guest lecturing. Many of them are recognized as experts in their fields, have graduate level degrees in business related disciplines, and have obtained real world business experience through not only counseling small businesses but also by either owning a small business themselves or by holding a management position in a business.

The greatest contribution the FSBDCN makes in support of creating world-class academic programs, however, is by providing students with ample opportunities to engage in experiential learning activities with actual Florida businesses. In a world of increased competitiveness in the job market, providing students with real world job experience is a vital aspect of proving the excellence of the educational institution which they attend. The opportunity to complete a business plan or an analysis for a business that has employees, actual profit levels and real costs is not comparable to an academic exercise. Just as analyzing a case study is much better than preparing an academic report, working with a business is far more beneficial to the student than a case study. Whether the student is completing the MBA capstone by working with a Tampa-based defense contractor; learning the creativity needed for marketing plan development for a SBDC client that has no budget for promotion; or interning at the SBDC office and completing a needed project with real implications, the learning is multiplied when the examples used are real and affect the company—the business client.

The SBDC at USF is one of many SBDC centers that have made this concept a reality for many undergraduate and graduate students in Florida. For example, it placed approximately two dozen SBDC clients with student-based tangible projects, including full strategic plans through the MBA capstone two-semester class; business plans for financing through the USF Center for Entrepreneurship's graduate business planning class; and valuations and private placement memoranda through the Center's graduate venture financing class, in Spring 2006.

Students have invested over 50,000 hours into FSBDCN clients over the last five years. These hours have produced countless business plans, analyses, and other forms of business information for the participating businesses to put into action. The clients have been grateful for the assistance, and the students have reported being equally pleased with the practice and knowledge they have gained from the experiences.

By providing students with opportunities such as these, universities are able to produce job ready professionals upon graduation. These learning opportunities give students experience and tangible evidence to add to their resumes and portfolios as they begin their job search. Gayann Green, a long-time graduate assistant in the SBDC at UNF, landed a job with KPMG,

a world-wide professional services firm that provides audit, tax, and advisory services, soon after graduation. Green credits her experience staffing the SBDC Help Desk and assisting CBAs with research, business plan review, and financial analysis with helping prepare her for her new position.

## Meeting Community Needs and Fulfilling Unique Institutional Responsibilities

Just as the FSBDCN has aided participating universities and the BOG in providing experiential learning experiences for Florida students, it also plays a role in the Board of Governors' fourth goal: *meeting community needs and fulfilling unique institutional responsibilities*. Florida's universities and colleges are responsible for ensuring that Florida has a rich economic development climate and that their regions of the state are advanced through civic engagement and community-based learning. The FSBDCN facilitates this part of the universities' missions by providing services that promote business growth at all stages of business development, encouraging its staff to take active roles in their communities, and by constantly adapting to the changing needs and demands of Florida's diverse population.

As mentioned earlier, small businesses are the heart of Florida's communities. Without their services, many necessary functions would not occur. Day cares, restaurants, private emergency services, and other entities that people rely on every day operate as small businesses. Often with limited budgets, many of these business owners have turned to the FSBDCN for quality assistance, offered at little or no cost, in areas such as: business planning, recordkeeping, accounting, computers/internet, marketing, taxes, international trade, procurement, business financing, product innovation and commercialization, and other specialty areas developed in response to local demand. Whether it is a prospective entrepreneur looking to start a business or a mature business looking for growth opportunities, the FSBDCN works with clients from virtually every industry sector such as retail, service, agriculture, wholesale, manufacturing, and construction to ensure that small businesses can thrive in Florida's communities. See the Industry Sectors of Business graph on **Attachment 1** for a graphical illustration of the industries the FSBDCN serves.

FSBDCN professionals care about the success of their small business clients. Therefore, they take active roles in their communities by hosting forums, serving as members of various economic development organizations and coordinating other types of events to encourage community networking. These types of activities ensure that they stay up-to-date on the issues facing small business owners and remain proactive in the pursuit of healthy regional economies.

For example, the SBDC at FAU participated in FAU's Join It! Civic Engagement Week activities leading to the Republican Presidential Debate held at the university. Several SBDC professionals prepared a presentation for students and the community, focusing on the presidential candidates' positions on matters that affect small business. SBDC at FAU staff also presented information as part of a round table discussion on taxes, general economy, government contracting, international trade, and health care.

By staying actively involved in its communities, relying on needs assessment surveys and other mechanisms for obtaining client feedback, and addressing the priorities of the national SBDC program, the FSBDCN is able to constantly adapt to the ever changing, diverse needs of the state's communities especially in regards to services offered to minorities, women, and special emphasis groups.

Minority and women business development has long been a priority of the statewide program. As a state with a significant immigrant population, the FSBDCN has found that it is imperative that its services meet the needs of the minority community, particularly the fast growing Hispanic community. Bi-lingual counseling, training, and literature has been routinely available at centers servicing Miami-Dade, Broward, Palm Beach, Hillsborough, Pinellas, Collier, Charlotte, Lee, Alachua, and Marion counties. Other centers that have experienced growing demands for Spanish speaking capability have accommodated this need through volunteer counselors or by leveraging other university resources. To increase outreach to these entrepreneurs, mentoring programs, networking groups, and other activities are hosted by the FSBDCN. Strong working relationships have also been established with a variety of minority and women organizations to augment the FSBDCN service delivery capacity to the minorities and women in Florida's communities including: Black Business Investment Boards, Minority and Women's Business Alliance, Minority Business Development Centers, and Hispanic and Asian chambers. Close to forty-six percent of the FSBDCN's client base is non-white and/or reports Hispanic heritage, and an average of forty-six percent of its clients are women.

Another important priority of the FSBDCN has been to address the needs of special emphasis groups such as veterans and disabled veterans, Native Americans, young entrepreneurs, welfare recipients, rural businesses, and other industry groups needing unique or targeted services. Many centers have worked with local housing authorities to provide on-site training services in conjunction with other self-sufficiency programs, while centers located near military bases have continued to provide training services to personnel transitioning out of military or civilian service. Perhaps the most popular of these training programs has been FastTrac™ for veterans, funded by grants from Workforce Florida, Inc. The initial offering of the FastTrac™ entrepreneurial training program held in 2003 was targeted toward veterans or disabled veterans eligible under the Workforce Investment Act throughout Florida. The program resulted in a total of 135 veterans graduating from the program. With such great success, the FastTrac™ program has been offered on numerous occasions each year since the program's inception, resulting in many veterans successfully starting and/or growing their own businesses.

As a longstanding federally-funded organization, the FSBDCN is a model citizen of higher education. It actively advances the BOG's goals through a number of ways including educating students and small business owners and entrepreneurs, providing faculty with opportunities to utilize their expertise in business operations and/or research, facilitating employment opportunities, providing countless ways for university students to engage in experiential learning activities, and reaching out to its communities to provide services and a culture of entrepreneurial success.

#### IV. Guidelines for Appointing, Funding, Supervising and Evaluating the State Director of the Florida SBDC Network

A driving force behind the successful operations of the FSBDCN program must largely be credited to its leadership. The state director of the FSBDCN is appointed by the President of the host institution—the University of West Florida.

The current state director, Jerry Cartwright, has held this position for over nineteen years; he was appointed by President Morris Marx in 1989. Prior to the appointment, a search committee chaired by Associate Vice President Dr. Carl Backman completed the search process as dictated by Florida statutes and university policies. As a finalist, Cartwright was interviewed by Chancellor Charlie Reed. Following the interview, the appointment was made.

The state director of the FSBDCN is an Academic Affairs funded faculty line, and the position is evaluated annually. The state director was originally supervised by the provost. However, when the provost changed from Doug Friedrich to Sandra Flake, the provost's designee was named immediate supervisor. Since that time, Dr. Richard Podemski, Associate Vice President for Research and Dean of Graduate Studies, has directly supervised the state director's position.

In addition to being supervised by Dr. Podemski, the state director's position and SBDC senior leadership is also reviewed every four years as part of the National Association of SBDCs (ASBDC) accreditation process. This accreditation review is mandated by Congress and must be successfully passed for the SBDC to be eligible for continued federal funding. Part of the accreditation criteria, Standard 1.0, which covers Leadership and Organizational Issues, seeks specific input on the ability of senior leadership to create "an environment in which the lead center director...routinely guide[s] and sustain[s] the SBDC organization, communicate[s] with the workforce and encourage[s] high performance, organization values and ethical behavior" (1.1 Senior Leadership, ASBDC Accreditations Standards, 2008). Along with setting direction and addressing opportunities, the director must also meet 1.2, which addresses the role of senior leadership and speaks to aligning the organization with key stakeholders and support organizations. Along with common interests at the national level, the SBDC must ensure sound fiscal, contractual and operational management, and control the SBDCs' budgets (ASBDC Accreditation Standard 1.0).

State Director Cartwright has had a history of fulfilling these standards throughout his tenure as director. In doing so, the FSBDCN has long been recognized as a leader among the states in the ASBDC program. It is with this history that Cartwright was chosen to serve as a member of the national ASBDC Board of Directors in 2006 and was recently elected by the Board as its Chair for 2008-09.

## V. Criteria for Appointments to the Florida SBDC Network Advisory Board

As often noted in history, a good leader is often not without good advisors; and in the case of the leadership of the Florida SBDC Network, the situation is no different.

The Florida SBDC Network Advisory Board consists of no more than 23 members appointed by the provost of UWF as host institution for the FSBDCN, through the following process:

Nominations representative of the various segments and industries of the Florida marketplace are considered by SBDC leadership from each of the eight regions of the FSBDCN and are forwarded to the state director. The state director considers the individual(s) for membership by researching each candidate's credentials.

The majority of the board must be from the private sector and represent small businesses. They must be sympathetic and familiar with small business needs and problems. The qualifications of each candidate are also evaluated based on the following questions:

- Is the corporate knowledge of the board enhanced with this person's addition?
- Has the candidate been active in small business economic development in Florida?
- Does the candidate represent a segment of the marketplace which adds to the board?
- Is the expertise of the board broadened by the membership of this individual?

Following the careful review of the candidate's credentials, the state director forwards the nominee under consideration to the current chair of the advisory board. The chair and several members of the advisory board discuss the nominee and the needs of the board. If they accept the member and determine that his/her expertise would be beneficial, the acceptance or denial is forwarded to the state director and provost for final approval. The letter of appointment and congratulations is then forwarded by the Provost's Office to the new member. The state director also sends the new member a congratulatory letter along with an invitation to participate in upcoming events.

Advisory board members serve as advisors and counselors. They confer with the state director on a regular basis regarding strategic programmatic direction, advocacy, and additional partnerships which will enhance the FSBDCN's assistance to the small business community of Florida. Board members may serve for three years and may be reappointed, as many times as deemed prudent. A member who misses two consecutive meetings, unexcused, will be considered to have resigned from the board.

**Attachment 2** provides a current listing of the FSBDCN Advisory Board, both voting members and ex-officio members; and **Attachment 3** presents the official bylaws of the FSBDCN Advisory Board.

## VI. FSBDCN Structure and Logistics

While the past success of the Florida SBDC Network can be attributed to strong leadership and supportive stakeholders, its success has also been derived from its strong organizational infrastructure and its 30 year history of securing funds, processing grants and contracts, and issuing reimbursements to SBDCs and their host institutions.

### Organizational Infrastructure

For more than 30 years, the existing network of SBDC centers in Florida has been administered by the Florida SBDC Network State Director's Office, based at UWF in Pensacola, Florida. The State Director's Office provides all direct financial and programmatic oversight for all SBDC contracted programs in the state. **Attachment 4** illustrates this oversight with a current organizational diagram for 2008 and a projected organizational diagram for 2009. As part of UWF, the State Director's Office has existing financial systems and controls in place to ensure all funds are accounted for and appropriately spent. Its current staff has more than 150 years of experience administering economic development programs in the state of Florida. This staff experience coupled with the support from UWF's Office of Research and Sponsored Programs provides a solid foundation for administering current and future contracts.

The FSBDCN encompasses eight regional centers and 34 offices from Pensacola to Key West. Current SBDC regional centers are based at UWF, Gulf Coast Community College (GCCC), FAMU, UNF, UCF, USF, FAU, and FGCU. For a map of SBDC coverage and the location of regional centers for 2008 and 2009, see **Attachment 5**. With more than 150 full time personnel, the FSBDCN delivers five major federally funded programs: Small Business Development Center—SBDC, Procurement Technical Assistance Center—PTAC, Defense Economic Transition Assistance—DETA, Veterans Business Outreach Center—VBOC, and Business Continuity and Risk Management Center—BCRMC.

### Funding Sources

As a provider of these five programs, the FSBDCN State Director's Office oversees \$11,000,000 to \$12,000,000 of program funds (federal, cash match, indirect, and in-kind) annually. **Attachment 6** provides a spreadsheet of actual expenditures from 1981 to 2009 and a breakdown of the FSBDCN's funding sources to illustrate how these program funds are composed.

The FSBDCN receives funding and oversight from the U.S. SBA on the SBDC, VBOC, DETA, and BCRMC programs and the U.S. Department of Defense/Defense Logistics Agency on the PTAC program. The SBDC and PTAC federal funds must be matched through cash, indirect, and in-kind contributions. The minimum match requirement for federal funds is 50 percent cash with the balance being indirect and in-kind contributions; however, contributions may exceed the minimum 50 percent cash match requirement.

Matching funds can be provided by a variety of sources including state legislatures, counties and cities, regional workforce boards, private sector foundations, state and local chambers of commerce, state and local economic development organizations, public and private universities and colleges, and vocational and technical schools. Unlike the vast majority of the FSBDCN's national counterparts, however, the FSBDCN receives no direct state funding to support any of its programs. Nevertheless, it does receive cash match and indirect from host universities, colleges, economic development organizations, regional workforce boards and some counties and cities. In-kind contributions are also provided from private sector firms, chambers of commerce and other organizations.

Each participating university, including the FSBDCN's primary host institution, UWF, is responsible for contributing the required cash match and indirect to draw the federal funds that are available for each service area. For instance, the FSBDCN asks that the host of a regional SBDC such as UCF, USF or UWF pay for at least their region's SBDC director and support staff in addition to providing some expense money to run the program. The balance of the required cash match can come from other partners such as counties, economic development agencies, and other organizations.

Should the FSBDCN receive any additional funding, the State Director's Office can ensure that local match will not be reduced. New funds would be allocated to the subcontracting SBDCs only if they maintain their existing match levels.

## Specifications for Processing Grants and Contracts

In order to ensure that program funds are properly applied throughout the state, the FSBDCN has developed a funding formula that allocates funds to SBDCs based on a formula weighted 60 percent to population, 10 percent to business population, and 30 percent to geographic service area. Any new funds that the FSBDCN receives as a State of Florida Center would be allocated to the SBDCs using this same formula.

To be eligible to obtain these allotted funds and to maintain consistent and effective budgeting throughout the state, the FSBDCN requires all SBDCs to respond to an annual Request for Proposal (RFP) that is managed by the State Director's Office. The proposal must contain three parts: a detailed budget, program narrative, and deliverable goals detailing how the funds will be utilized.

Center proposals are reviewed and compiled into a statewide proposal. Once awarded, contracts for regional SBDCs are prepared and all financial and programmatic accountability is managed by the State Director's Office.

To improve the efficiency of many of the FSBDCN's operations, including the parts related to the RFP process, all current procedures, forms, and other pertinent proposal preparation and contract administration information is posted on the Florida SBDC Network Intranet. The Contract Administration section of the FSBDCN Intranet is designed for SBDC and host organization personnel who are involved in the pre-award and post-award of SBDC projects

(SBDC, PTAC, DETA, BCRMC, etc). Requests for proposals, contracts and documents, budgets and financial reporting formats, due dates, and other budget and administration material are housed in this section of the Intranet. SBDC and participating organization personnel are directed to this site in lieu of receiving hard copies of materials. On the pre-award side, this enables the State Director's Office to disseminate new or revised materials to the SBDCs in a timelier manner. For post-award, contracts are processed and forwarded to SBDCs sooner, as supporting language and documents can be found on the Intranet site. This allows the contract review and approval process at the university to proceed more efficiently.

## Reimbursement to SBDCs and Host Institutions

Once contracts are processed, reimbursement to the SBDCs occurs on a cost reimbursable basis. Participating SBDCs cover the cost up front and are reimbursed on a quarterly basis. Invoices from the SBDCs are forwarded to the State Director's Office for review and approval every quarter. These reports are certified and forwarded to UWF's Office of Research and Sponsored Programs for payment. The UWF Office of Research and Sponsored Programs consolidates the SBDCs' invoices into one request for reimbursement from the funding organization.

Participating host institutions in the SBDC program are allowed to recapture indirect on the federal funds they receive provided there is an approved Health and Human Services (HHS) Indirect Rate Agreement (aka Facilities and Administrative Cost Rates, F&A). Federal funding agencies, however, may limit the amount of indirect that can be taken. The SBA allows for indirect of 25 percent of total direct costs on the Small Business Development Center project. Participating host institutions/SBDCs also apply their approved HHS indirect rate to their cash match, which is counted as part of the SBDCs' total match. Total match consists of cash, university indirect, and in-kind. Contracts with state agencies allow for indirect of 10 percent based on total direct costs.

## VII. Expectations and Procedures for Cyclic Review, Planning and Monitoring of Operations and Impact

Although strong plans are in place for the leadership, operations, and budget processes of the FSBDCN, no organization is able to survive without constant evaluation, a drive for continuous improvement, and a willingness to adapt to the ever changing needs and demands of the world it operates in. Therefore, the FSBDCN has many review measures in place to ensure the satisfaction of its client base and to strengthen the overall effectiveness of the FSBDCN organization.

### Mandated Reviews

As a federally funded program that operates with matching funds and support from many universities and colleges, the FSBDCN is required to receive satisfactory approvals from review processes of the SBA and the FSBDCN's host institutions.

The Florida SBDC Network is mandated by Congress to be reviewed for national accreditation every four years. The accreditation program is managed and conducted by the ASBDC under contract from the U.S. SBA. As required by the Small Business Act, the SBA may not renew or extend any cooperative agreement with a SBDC unless it has been approved under the accreditation program. The ASBDC Accreditation Review is a thorough statewide examination process based upon the Malcolm Baldrige criteria. It is designed to drive improvements in the SBDC's leadership system and structure along with its associated management systems and processes, enabling the SBDC to become a world-class delivery system. The FSBDCN is scheduled for its accreditation review in December 2008 and is in the process of preparing its self-study.

Additionally, the U.S. SBA conducts bi-annual financial examinations of the Florida SBDC Network as required by regulations. The financial examiners review the systems and controls that are in place to ensure expenditures are accurate and reported properly. Over the past ten years, the FSBDCN has received positive reviews from this examination process without any material findings.

Every SBDC in the FSBDCN is also reviewed annually by a designated SBA project officer on specific SBA compliance criteria.

Beyond reviews required by the SBA, the FSBDCN is also subject to reviews by its host institutions. As with any department of a Florida higher education institution, the FSBDCN is subject to a review every 10 years by the Southern Association. Additionally, each host institution places its SBDC center on its own internal plan for cyclical audit of major operational functions. For example, the State Director's Office was recently subject to an internal audit, by UWF, of its procedures for using and approving credit card charges for operational expenses. The finding was excellent.

## Internal FSBDCN Assessment and Review

In line with these required reviews, the FSBDCN also undergoes other assessments independently to ensure that the organization will continuously improve.

**Quality Improvement Program:** The Quality Improvement Program Review (QIP) process has gone through various changes over the years. Initially implemented as a peer review process to review center operations and share best practices that involved regional directors, SDO staff, SBA project officer/district directors, and other outside resource partners, the review was extremely thorough including interviews with resource partners, clients, host institutions, and all staff. The process was streamlined to a less intense version focusing more on programmatic/financial performance review and with less involvement of peers, SBA, and outside stakeholders. The QIP checklist was aligned with the standards associated with the national accreditation process and recommendations emanating from the SBA financial exams (originally required annual financial reviews) in the late 1990's early 2000. With the implementation of the State

University System agreement (associated with an ASBDC certification review), an annual visit/letter by the state director and sometimes an advisory board member with the key administrators at the host institution was incorporated into the process. In 2003, the QIP was streamlined again to be an annual visit and review by the SDO assistant directors—financial and programmatic aspects not necessarily conducted at the same time—to review the standard checklist, answer questions, identify best practices, and spend time with the field staff on an informal basis. Disruption by eight hurricanes in 2004-05 resulted in only one official QIP being conducted.

The Quality Improvement Program Review is now being modified, once more, to align with the national accreditation standards and the processes of the Florida Sterling Council. This new performance management system will use trained assessment teams to conduct Center Reviews based on a submitted self-study. This will be implemented during 2008 and be fully functioning by 2009. Annual Financial Reviews will continue to be conducted, per required SBA guidelines.

**Strategic Planning Process:** In addition to the QIP, the FSBDCN also maintains a strategic plan. The strategic planning process of the Florida SBDC Network ensures that all SBDCs in its network work from the same plan for their initiatives, programming, and priorities. The Strategic Plan for 2007-2012, **Attachment 7**, identifies the current initiatives, programming, and priorities for the FSBDCN. Typically, the strategic plan runs on a five year cycle; however, it is monitored and updated annually to ensure that it is meeting the needs of the FSBDCN. The FSBDCN leadership team meets on a quarterly basis to receive reports from task leaders regarding the progress the FSBDCN is making towards accomplishing its specific objectives and to make sure that all of the SBDCs' activities are in line with the goals and objectives set forward in the strategic plan.

**Surveys:** Some of the many indicators that are taken into account when developing the strategic plan are survey results. The FSBDCN participates annually in the National ASBDC Impact Survey and contracts to have a Florida specific impact report conducted. This independently conducted economic impact survey assesses both the qualitative and quantitative impact of SBDC counseling services.

To further improve its effectiveness, the FSBDCN also conducts an annual survey of all counseling clients and repeat training attendees to assess both qualitative and quantitative impact as well as to identify any new service needs. Statewide and local needs assessments are also periodically conducted to identify service needs by stakeholders. Results from studies are used to modify and improve services and generate marketing and outreach material.

**FSBDCN Professional Development Program:** Another way the FSBDCN seeks to maintain and improve the services it offers to its clients is through its professional development program. A nationally recognized model program of the FSBDCN, the

professional development and certification program is a staple of maintaining quality counseling services throughout the statewide network. The program was created to provide an orientation and training process for new business analysts joining the FSBDCN and to ensure that current business analysts stay up-to-date on new business trends, changing small business legislation, and other small business concerns.

The training program results in certification. All business analysts must complete the certification process within six months of their date of hire and then maintain their certification by recertifying once every three years.

Initial certification requires business analysts to earn a total of 100 professional development credits. Credits can be earned based on applicable work experience, academic degrees, attending professional development workshops, writing articles on business topics that are published by other organizations, and by successfully completing modules one through five of the Professional Development Manual: FSBDC Network Orientation, Professionalism, Communication Skills, Starting a New Business, and Business Plan Development.

In order to be recertified, a business analyst must earn 60 professional development credits. These credits can be earned by attending pre-approved, job-applicable training events. 42 of the credits must be related to the technical aspects of business such as marketing, procurement, etc.; and the remaining 18 credits must be obtained by attending behavioral training events that cover topics such as improving communication skills, how to deliver better workshops, and other similar topics.

The FSBDCN offers an annual professional development conference to ensure that these requirements can be met. However, the business analysts may also obtain training at the ASBDC National Conference, outside training workshops, or in internal workshops that their center may hold. They do not receive credit for any workshops that they teach themselves.

The FSBDCN Professional Development Program has been cited as a national best practice, with approximately 16 state/region SBDC programs and two international programs adopting it in some manner.

**Client Success:** While all of the above methods of monitoring and improving the FSBDCN and its services are important to the organization's continued success, the true measure of the FSBDCN's effectiveness can be seen through the accomplishments of its clients.

The FSBDCN's most recent annual report, **Attachment 8**, and its 30<sup>th</sup> anniversary publication, *Showcase of Florida Successes over Thirty Years*, **Attachment 9**, feature businesses that are representative of the thousands of clients and diverse industries the FSBDCN serves statewide. It illustrates the many programs and services that the FSBDCN offers entrepreneurs and small businesses through partnerships with Florida's

higher education system and economic development organizations. Most importantly, however, these publications show the economic impact that small businesses generate in their communities and the state with assistance from the FSBDCN.

## VIII. Conclusion

As evident by the numerous examples provided in this application, the FSBDCN is committed to its mission and to being an integral part of the success of its host institutions and the economic prosperity of the state. With strong leadership and advisors, well established and proven administrative structure and processes, and a drive for continuous improvement and success, the FSBDCN is prepared to take any steps that are needed for it to continue to enhance its delivery of service and success.

The State of Florida Center designation will give the FSBDCN the classification it needs to continue its growth, strengthen its name recognition and secure well-deserved state legislative funding. As this application illustrates, the Florida SBDC Network meets all of the criteria of the State of Florida Center definition: the mission of the FSBDCN is statewide and it was designed to facilitate inter-institutional research, service, and teaching across the state. The State of Florida Center designation will open doors for the FSBDCN that have previously been barred. Now is the time for the Florida Small Business Development Center Network to be given the opportunity it gives to so many entrepreneurs and small business owners each day: the opportunity to grow and succeed.