



Office of Performance Management Oversight (OPMO)

**Massachusetts Small Business Development
Center
FY2020 Report**



Agency Mission

- **Mission:** The Massachusetts Small Business Development Center (MSBDC) Network provides free and confidential one-to-one comprehensive services focusing on business growth and strategies, financing and loan assistance, as well as strategic, marketing and operational analysis. In addition, low cost educational training programs are offered across the state targeted to the needs of small businesses. This is achieved through three integrated product lines: Business Advisory Services, Government Contracting, and International Trade Assistance.
- Services are delivered through a statewide network of skilled professionals supported by a vast network of federal, state, educational and private sector partners. With five regional centers and two specialty initiatives, as well as 41 outreach locations across the state, services are available within 30 minutes of most potential clients in the state. The program is a partnership of the U.S. Small Business Administration (SBA), U.S. Department of Defense, the Massachusetts Office of Business Development, the private sector and a consortium of higher educational institutions led by University of Massachusetts Amherst, Isenberg School of Management.
- **Contribution to Partnerships for Growth:** As a results of advising and training, contribute to sustainability and business starts, as well as create and retain jobs in communities across the Commonwealth.



Agency Goals

- **Agency Goal 1:** Foster the start, growth and sustainability of Massachusetts small business by providing high quality, in-depth business advising and training for 4,000 prospective and existing small businesses encompassing 16,000 hours of service.
- **Agency Target for Goal 1:** Incorporate performance goals into work plans - professional staff achieve 24 hours of professional development, administrative staff 16 hours. Use of technology to enhance outcome. Alternate with face-to-face meetings to leverage effectiveness. Standardize job descriptions for positions. Achieve a minimum of 90% client satisfaction rate through surveys and annual third-party impact surveys.
- **Results of Goal 1:** Provided advising and training to 10,435 prospective and existing small businesses encompassing 57,255 hours of assistance through the MSBDC regional centers, Massachusetts Export Center, Government Sales Advisory Program and Procurement Technical Assistance Center consisting of 16,625 of counseling assistance and 40,630 training hours.
- All staff achieved a minimum of 24 or 16 hours professional development depending on position. Staff are goaled each year with respect to clients serviced, positive feedback from clients, as well as job creation retention and capital secured for clients. Statewide centers achieved an overall 92% satisfaction rating from clients.



Agency Goals

- **Agency Goal 2:** Leverage funding by maintaining and expanding working relationships with stakeholders and other funding sources. Identify and pursue new funding sources consistent with the Massachusetts Small Business Development Center's mission.
- **Agency Target for Goal 2:** Generate a minimum of \$1,077,308 as cash match for U.S. Small Business Administration and \$181,936 for the U.S. Department of Defense/Defense Logistics Agency federal funds. Maintain minimum \$1,077,545 in indirect waived cost sharing from higher educational institutions participating in the program. Each center raise a minimum of \$10,000 cash match from the private sector to leverage federal funds.
- **Results of Goal 2:** Secured \$1,325,769 in cash match (\$1,244,286 from State Line Item 7007-0800 + \$81,483 from the private sector for the MSBDC regional and Massachusetts Export Center for SBA federal funding). Higher educational institutions waived \$1,010,277 in direct costs as cost sharing. The regional centers and the Massachusetts Export Center raised an average of \$10,000 in cash match per center.



Agency Goals

- **Agency Goal 3:** Provide economic impact and a strong return on investment.
- **Agency Target for Goal 3:** Generate \$2 million in tax revenue for the Commonwealth based on a \$1,174,360 investment. Increase export sales for clients from \$10 million from \$100 to \$110 million. Create and retain 1,200 jobs. Secure \$45 million in capital for clients. Generate 100 business starts. Increase incremental sales for clients by \$70 million.
- **Results of Goal 3:** Generated \$10.91 million* in tax revenue for the Commonwealth. Created and retained 5,787 jobs based on financing secured and assisted clients in securing \$92,135,306 in financing as a result of one-to-one business advising. Generated 348 business starts and increased incremental sales for long-term clients by \$214.5 million*. The average cost to create a job was \$2,894*.
- **Agency Goal 4:** Maintain a presence in Gateway Cities to service clients and generate economic impact.
- **Agency Target for Goal 4:** For Gateway Cities, based on Massachusetts Small Business Development Center advising, service 650 clients, secure \$4.5 million in capital for clients and retain and create 60 jobs.
- **Results of Goal 4:** Provided advising and training to 1,552 clients, secured \$23,709,088 in capital, created 305 jobs and retained 1,891 jobs. Assisted clients to start 120 businesses.

**data verified from Chrisman economic impact study*



Agency Goals

- **Agency Goal 5:** Support growth to scale by investing budget and resources in specialty areas such as the Massachusetts Export Center, Small Business Innovation Research (SBIR) program initiatives and government contracting, to provide assistance to technology to high-growth companies. Assist young technology, high-growth companies in exploring global markets.
- **Agency Target for Goal 5:** Increase export sales for clients by \$10 million; conduct Partners for Trade export trainings; secure a minimum of \$3 million in Small Business Innovation Research (SBIR) awards for clients.
- **Results of Goal 5:** The Massachusetts Export Center helped companies increase export sales for clients by \$8,495,679 million and conducted 24 Partners for Trade export training sessions comprised of 3,566 training hours. Provided 1,517 hours of advising to 259 clients comprised of 1,517 advising hours helping them to secure \$3,704,374 in financing to create 28 jobs and retain 1,393 jobs.
- Government Sales Advisory Program assisted 19 clients in securing \$7,384,225 in Phase I and Phase II Small Business Innovation Research (SBIR) awards creating one job and retaining 30 jobs.



Agency Goals

- **Agency Goal 6:** Continue to increase counseling and training services to generate impact for women and minority clients across the Commonwealth.
- **Agency Target for Goal 6:** Strive to attract 3,450 women and minority clients to advising and training sessions across the state or 50% of total advising and training attendees. Secure \$35 million or 50% annual financing secured for women clients and \$17.5 million or 25% of total financing secured for minority clients. Create and retain 1,000 jobs for women and minority businesses and assist 100 women and minority businesses to start a business. Advise 1,092 clients in Gateway Cities to secure \$20 million in financing, create and retain 1,000 jobs and start 100 businesses.
- **Results of Goal 6:** Counseled 1,785 women clients and 2,301 minority clients for a total of 4,086. Training attendees consisted of 2,236 women and 674 minorities for a total of 2,910. Secured \$29,796,042 in financing for women clients (32.33% of total financing) and \$17,175,290 in financing for minority clients (18.64% total financing). Created and retained 2,059 jobs for women clients based on financing. Created and retained 603 jobs for minority clients based on financing. Helped women and minority clients to start 251 businesses.



Massachusetts SBDC (5 Regional Centers and Government Sales Advisory Program)

- **Program Description:** Provide one-to-one business advising and training to the small business sector on a variety of topics. Regional offices provide services in the following areas, including, but not limited to:
 - Start-up businesses, business plan development, financial plan development, marketing and sales strategies, cash flow analysis and organizational and personnel Issues.
 - The Government Sales Advisory Program assists Massachusetts advanced technology and life sciences companies with making successful application(s) for Small Business Innovation Research (SBIR) funding. This funding helps companies with: funding of innovative, sometimes high risk, research and development; transitioning transformational ideas and technologies into products; and non-dilutive working capital. The program provides free assistance in the areas of: business entity and formation, identifying Small Business Innovation Research (SBIR) funding opportunities, strategies for approaching SBIR funding, reviewing proposals, identifying potential partners, preparing for and understanding post-award issues, understanding and interpreting reviewer comments.
- **Program Budget:** Total budget is \$4,337,803 (SBA Federal Funds \$2,146,948 + Cash Match of Line Item 7007-0800 and Private Sector \$1,099,417 + Waived Indirect Costs \$1,091,438).



Massachusetts SBDC (5 Regional Centers and Government Sales Advisory Program)

- **Partnerships for Growth Goal Alignment:** (Housing, Business, Community, Workforce)
- **COVID – 19 Response:** Since March 2020, all MSBDC centers across the state have assisted existing businesses in applying for the CARES Act funds including Paycheck Protection Program (PPP), Economic Injury Disaster Loans (EIDLs) and other loan products to survive. The MSBDC participated in webinars jointly with the U.S. Small Business Administration, Massachusetts Office of Business Development, chambers of commerce, and various cities and towns to educate individuals and businesses. Topics included: Reopening Your Hospitality Business, Adapting Your Business, Safety Policies, Empowering Business Owners, Approved for a PPP Loan and Now What?, 3-part COVID-19 Global Trade Webinar Series, to name a few.
- **Fiscal Year Goal 1:** Provide economic impact and strong return on investment through advising and training activities.
- **Fiscal Year Target 1:** Create and retain 1,200 jobs, generate \$2 million in state tax revenue for each \$1,174,360 invested by the state, 100 new business starts, increase export sales for clients from \$100 million to \$110 million, secure \$45 million in capital for clients, advise 650 clients in Gateway Cities, secure \$3 million in Small Business Innovation Research (SBIR) awards for clients.
- **Results of Goal 1:** Created and retained 4,336 jobs. Generated \$10.91 million* in state tax revenue. Assisted clients to secure a total of \$88,430,932 in capital based on MSBDC advising (\$81,046,797 via regional centers and \$7,384,225 from the Government Sales Advisory Program for Phase 1 and 2 SBIR awards).

**data verified from Chrisman economic impact study*



Massachusetts SBDC (5 Regional Centers and Government Sales Advisory Program)

- **Fiscal Year Goal 2:** Leverage funding and expand working relationship with stakeholders.
- **Fiscal Year Target 2:** Raise \$90,000 from the private sector. Maintain State Line Item 7007-0800 at \$1,174,360 for overall Massachusetts Small Business Development Center program.
- **Results of Goal 2:** Raised \$81,483 from the private sector and secured \$1,244,286 from the State Line Item appropriation to leverage Federal funds.



Massachusetts Export Center

- **Program Description:** The Massachusetts Export Center offers small- and medium-sized Massachusetts companies business advice on assessing export opportunities, market research analysis and educational training programs through the Partners for Trade executive seminar series. Assistance includes elements of an international trade business plan, assisting in the development on an international marketing strategy, providing market research reports, and organizing multiple training programs. Service are available statewide with offices housed in Boston, New Bedford and Westborough.
- The Export Center works closely with the Massachusetts Office of International Trade & Investment on the Massachusetts State Trade Expansion Program (STEP), a U.S. Small Business Administration grant to help eligible Massachusetts small businesses increase export sales. Maintain the Massachusetts Export Resource Center, a one-stop resource for accessing a wide range of instructional and practical information on exporting.
- **Program Budget:** Total budget is \$630,557 (SBA Federal Funds \$275,633 + Cash Match of Line Item 7007-0800 and Private Sector \$226,352 + Indirect Waived Costs \$128,572).
- **Partnerships for Growth Goal Alignment:** Aligns with business, community and workforce by assisting businesses to assess export opportunities and increase export sales. Create and retain jobs and create new markets for products.



Massachusetts Export Center

- **COVID – 19 Response:** Provide direct support and training to businesses impacted by COVID-19 in such areas as global supply chain optimization, global digital marketing, export finance enhancements, and more.
- **Fiscal Year Goal 1:** Continue with the Compliance Alliance and Partners for Trade export training.
- **Fiscal Year Target 1:** Increase export sales for clients by \$10 million. Attract 400 training attendees with 90% positive evaluations.
- **Results of Goal 1:** Increased export sales for clients by \$8,495,670. Attracted 1,625 individuals to training events and secured a 93% “very good to excellent” rate on evaluations from training clients. Of the total training sessions, three were for COVID-related topics and attracted 23 individuals.
- **Fiscal Year Goal 2:** Leverage funding by maintaining and expanding relationships with stakeholders and pursue new funding sources.
- **Fiscal Year Target 2:** \$10,000 cash secured. Expand and maintain business participation in the Compliance Alliance.
- **Results of Goal 2:** Secured \$10,00 in sponsorship from The Provident Bank to leverage Federal funding and added 17 new companies to the Compliance Alliance membership.



Massachusetts SBDC Procurement Technical Assistance Center

- **Program Description:** Procurement advisors are dedicated to providing assistance in bidding, managing and performing on government contracts. Much of the counseling is performed at the client's business location, making the technical support delivery available in a timely and cost effective manner.
- Clients receive an understanding of contracting requirements and the know-how to obtain and successfully perform federal, state and local government contracts. Small businesses headquartered in Massachusetts and in business for at least two years can subscribe to a free bid-matching service informing them of bidding opportunities matching their specific product and/or service profiles.
- The Procurement Technical Assistance Center provides a wide range of assistance, such as: guidance on initial registrations and small business certifications, researching procurement histories, small business matchmaking conferences, proposal guidance and review, and contract performance issues, E-commerce, including registering, bidding and performing on-line, in a paperless environment is a vital part of federal contracting.
- The PTAC staff supports vendors in those efforts. Technical data, such as military specifications, standards, pricing histories and technical information by part number is supplied.



Massachusetts SBDC Procurement Technical Assistance Center

- **Program Budget:** Total Budget is \$676,500 (DLA Federal Funds \$382,570 + Cash Match State Line Item 7007-0800 \$181,936 + Waived Indirect Costs UMass Amherst \$111,994).
- **Partnerships for Growth Goal Alignment:** Aligns with business, community and workforce by advising and training to assist companies in successfully bidding on government contracts to expand markets for products, increase sales and retain and create jobs.
- **COVID – 19 Response:** N/A
- **Fiscal Year Goal 1:** Foster the start, growth and sustainability of small business.
- **Fiscal Year Target 1:** Hire two new Procurement Technical Assistance Center (PTAC) advisors with expectation to generate a minimum of \$40 million in government contracts, 365 new clients, 1,980 hours of advising, and 46 participating events.
- **Results of Goal 1:** A total of \$142,886,599 in government contracts was awarded to clients. There were 552 new clients receiving 2,249 hours of advising. Staff participated in 35 training events. Hired one additional advisor.



Massachusetts SBDC Procurement Technical Assistance Center

- **Fiscal Year Goal 2:** Leverage funding by maintaining and expanding relationship with stakeholders.
- **Fiscal Year Target 2:** \$10,000
- **Results of Goal 2:** Did not meet goal.