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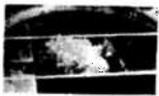
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Michigan Economic Development Corporation & Small Business and Technology Development Center

House Commerce Committee
Honorable Rep. Robert Jones, Chair
February 24, 2010

Presented by:
James McBryde, MEDC Legislative Liaison
Phil Tepley, SBTDC
Tamara Davis, SBTDC

Search



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Strategic Partners: Helping Deliver Services

- Small Business and Technology Development Centers (sbTdc)
- Procurement Technical Assistance Centers (PTACs)
- Michigan Manufacturing Technology Center (MMTC)
- NextEnergy

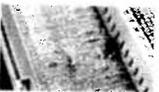
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SBA



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Strategic Partners: Helping Deliver Services

Small Business and Technology Development Center

- Network supported by the Michigan Economic Development Corporation
- 12 regional/20 satellite offices serving all 83 counties
- From 2007 to 2009, assisted start-up of **1,179 new businesses** with **9,793 jobs created by these companies ***
- Centers provide the following services to businesses with less than 500 employees – core of which is companies with under 50:
 - provide no-cost business management consulting and low-cost training to Michigan's small business community
 - certified counselors assist businesses in handling cash flow problems, developing sound accounting practices
 - producing marketing materials
 - packaging loan proposals
 - addressing personnel issues
 - referring clients to experts who partner with the MI-SBTDC network.
 - links resources of federal and local governments with community colleges, universities, and the private sector to produce practical solutions to business problems

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MI-SBTDC™ – FEET ON THE STREET!



Michigan Small Business & Technology Development Center™

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MI-SBTDC™ MISSION

The Michigan Small Business & Technology Development Centers

...enhance Michigan's economic well-being by providing counseling, training, research and advocacy for new ventures, existing small businesses and innovative technology companies.

The MI-SBTDC network positively impacts the economy by strengthening existing companies, creating new jobs, retaining existing jobs and assisting companies in defining their path to success.

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MI-SBTDC SNAPSHOT

- SBDCs were initially formed by Congress in 1985
- Are a Federal-State-Local Partnership of:
 - SBA, MEDC, and 12 regional host organizations
 - \$3.7 million annual funding through the Small Business Administration
 - MUST be matched by State and local funds-dollar for dollar to receive
- 2009 Michigan SBTDC statewide statistics:
 - Served 15,895 businesses
 - Helped those businesses raise \$247,478,883 in new capital
 - \$65,951,312 of that for tech companies; \$14,613,000 in SBIR/STTR (federal) commercialization dollars into Michigan-based businesses

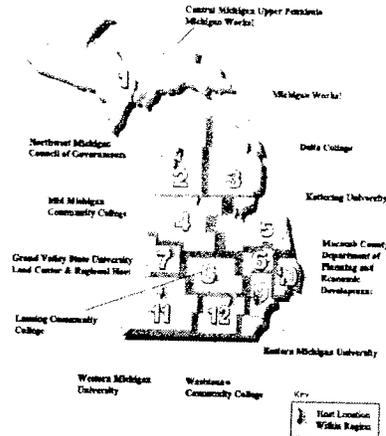
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**MI-SBTDC Regions
& Regional Hosts**



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MI-SBTDC SERVICES

- **CONSULTING** – provided at no cost/confidential
- **TRAINING** – provided at low or no cost
- **SECONDARY MARKET RESEARCH**
– low or no cost

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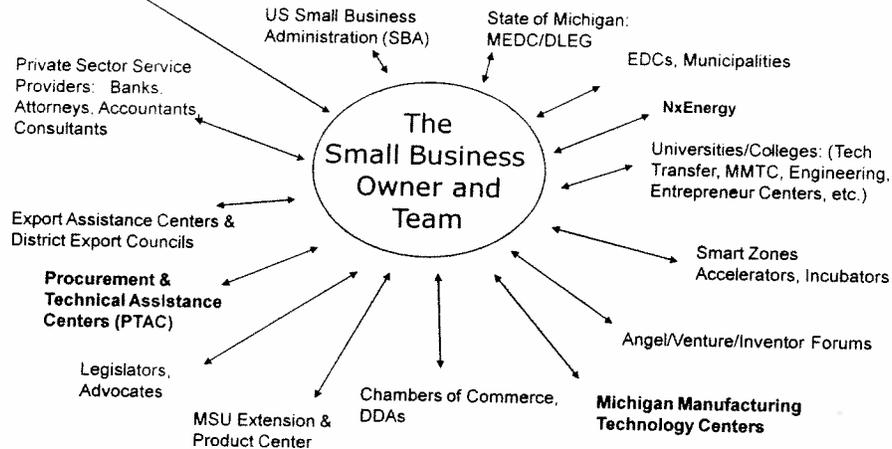
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RESOURCE PARTNERS FOR THE SMALL BUSINESS



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KEY SERVICES PROVIDED BY THE SBTDC CONSULTANT

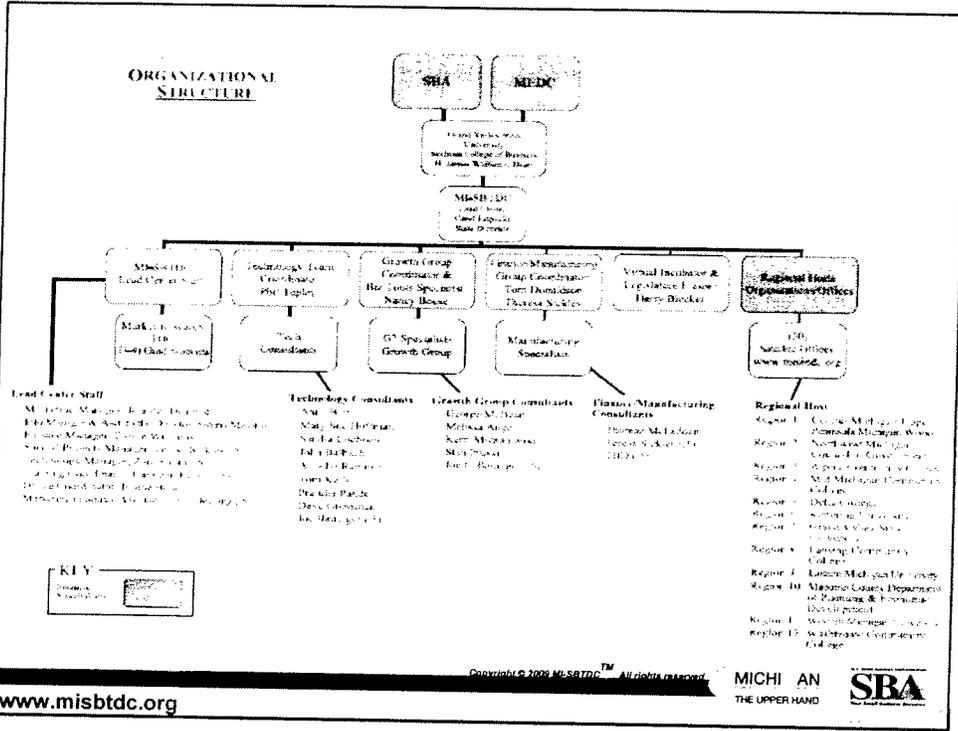
- Business Venture Feasibility Analysis
- Business Plan Development
- Capital Access
- Financial Analysis
- Cash Flow Management
- Strategic Planning
- New Market Development

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MISBTDC
MICHIGAN STATE BOARD OF ECONOMIC DEVELOPMENT
MICHIGAN ECONOMIC DEVELOPMENT CORPORATION
TECHNOLOGY DEVELOPMENT CENTER

TECHNOLOGY TEAM

A comprehensive statewide technology support network funded by the Michigan Economic Development Corporation.

- Statewide presence
- Statewide partnerships

TECHNOLOGY COMPANY DEFINITION

A business in which research and development brings forth an innovative product or process. The innovation typically involves intellectual property that contributes to a strong competitive advantage in the marketplace, and serves as a foundation for a high rate of growth.

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TECHNOLOGY TEAM BACKGROUND

- Launched in 2002 – Now a seasoned group!
- Second “SBDC” to receive Technology Accreditation in the nation, now 1 of 7.
- Recognized nationally as a **Best Practice**
- An integrated program, working in conjunction with the 12 regional offices statewide

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EMERGING TECHNOLOGIES FUND

- Matches federal SBIR/STTR research and development grants up to \$125,000
- Funds support technology commercialization
- \$1.4 M per year since 2008
- To date:
 - 34 awards - \$1.6 million disbursed
 - 138 applicants – 357 applications
 - 38 new FTE – 41 FTE retained

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TECHNOLOGY TEAM

BROAD EXPERIENCE & CREDENTIALS

Anna Bier, MS, MBA Physicist	- <i>SBIR / STTR</i>
Mary Sue Hoffman, J.D. Attorney	- <i>Corporate templates, due diligence</i>
Phil Tepley, BA Team Coordinator	- <i>Investor pitch, business plan development</i>
John Balbach, MA Finance	- <i>Banking, alternative financing</i>
Tom Kelly, MBA Marketing	- <i>Operations, sales, management</i>
Kayo Ramirez, J.D. Attorney	- <i>Venture Capital, business plan development</i>
Prafulla Pande, MS Engineering	- <i>Executive Coaching, industry partnerships</i>
Dave Grossman, ME Engineer	- <i>Technology roadmapping</i>
Sandra Cochrane, MBA Life Sciences	- <i>Business plan development, networking</i>
Joe Batteiger, MBA Management	- <i>Company growth strategies, HR</i>

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STATEWIDE TECHNOLOGY BUSINESS SUPPORT

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Plymouth Venture Partners collaborating with partners for success



Automation Alley



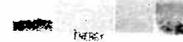
SPARK



southwest michigan innovation center



University of Michigan Business School Samuel Zell & Robert H. Lurie INSTITUTE FOR ENTREPRENEURIAL STUDIES



And many more...

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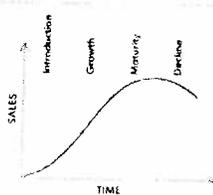
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GROWTH GROUP (G2)



- Targeted to assist companies intending to grow
- Diverse industries including manufacturing, service and retail
- Revenues of \$1 million to \$50 million
- 9 to 99 employees
- Team includes expertise in finance, manufacturing, strategic planning, and marketing

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GROWTH GROUP TEAM

- Melissa Angel, MBA Marketing/Finance** -9 years with SBTDC, entrepreneur
- George McBean, MBA Physics/Finance** -auto industry, finance, management
- Stan Pruski, MBA Engineering** -medical, electronics, manufacture
- Kerri Michalowski, MBA Medical Tech.** -19 with Dow Chemical
- Harry Blecker, M.S. Urban Planning** -AME Director, strategic planning
- Nancy Boese, MBA Business Strategy** -business tools, marketing
- Pat Salo, MBA Accounting** -18 years with SBTDC, finance
- Cathy Kaiser, MBA Teaching Certification** -facilitator, organizational consultant
- Joe Batteiger, MBA Marketing** -entrepreneurial software companies

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Increasing Impact

In just four years ending in 2008, these companies have generated \$1.1 billion in revenue and added more than 700 employees, a 126



MICHIGAN 50
COMPANIES TO WATCH

AN ANNUAL AWARDS PROGRAM CELEBRATING SECOND STAGE ENTREPRENEURS IN ASSOCIATION WITH THE EDWARD LOWE FOUNDATION

MI-SBTDC: Managing Partner – Event is entering its 6th year

Economic Impact in 2008 (2009 Event: April 29 2010)

\$405 million in total annual revenue

\$99 million increase in total annual revenue

1,530 employees

296 net new jobs

	2005	2006	2007	2008	2009 (projected)
Revenues (millions of dollars)	\$179	\$241	\$306	\$405	\$589
Employees	818	1,002	1,234	1,530	1,891

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MFG. ASSISTANCE TEAM

- Created in 2009 in response to economic stress in Michigan's manufacturing sector and MEDC's Manufacturing Diversification initiative
<http://www.michiganadvantage.org/diversification/>
- Dedicated to working with small and medium-sized Michigan manufacturers
- Team includes expertise in financial planning and control, access to capital, and strategic assessment and improvement

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MFG. ASSISTANCE TEAM

- Tom McFadden, MBA Access to capital *-banking manufacturing finance and entrepreneurship*
- Theresa Sickles, CPA, Financial analysis *-16 years public accounting experience*
- George McBean MBA Physics/Finance *-auto industry, finance, management*
- Stan Pruski, MBA Engineering *-medical, electronics, manufacture*

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MI-SBTDC REGIONAL PERSPECTIVE

CONNECTING THE DOTS AT THE LOCAL LEVEL

Services provided to meet the needs of the region

- Consulting
- Secondary Market Research
- Education through training and workshops
- Partnerships
 - Funding sources: Banks, Credit Unions and other sources of capital
 - Service providers:
 - MMTC, PTAC, SCORE, local Chambers of Commerce, Economic developers, SBA, USDA, MEDC, Michigan Works!, DDA's, local leaders, city managers
 - Professional services: Attorneys, CPAs, and Insurance providers

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EDUCATION THROUGH TRAINING

WORKSHOP	TOPICS
“Fundamentals of Entrepreneurship” training series	Allows individuals considering entrepreneurship access to low cost training and information. Topics include starting a business, business plan development, feasibility analysis, marketing a business, legal issues and finance fundamentals.
Fiscal Fitness	Allows for in-depth look at the essentials of using financial information to make effective business decisions and to improve company performance. Sponsored by 5/3 rd Bank.
FastTrac training series	New Venture, Growth Ventures and Tech Ventures
Locally Developed Workshops	Provided to meet the needs at the local level. Workshops include: Evening with the Experts, Market Diversification Series, 8a Certification, SBA Roundtable, Buy Michigan First, Retail Survival, etc.

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KAUFFMAN FASTTRAC PROGRAM

A 10-WEEK "BOOT CAMP" FOR ENTREPRENEURS
57 Certified Trainers Statewide

	Actual 2009	Projected 2010
Total Trained in 2009	527	
Projected Participants in 2010		
NEI (10 SE Michigan Foundations)		
Detroit		390
Macomb		60
Ypsilanti		60
Kent County		90
MEDC 2010		400
TOTAL		1000

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TOOLS TO ASSIST CLIENTS

Step 1: Assess and
strengthen company

- Strategic Needs Assessment
- Financial Analysis
- Capital Needs
- Organizational Development

Step 2: Assess future
growth opportunities

- Strategic Actioning
- Marketing Growth Plan
- Process Improvement
- Capital Access
- Internal Management Tools

Step 3: Implement
growth plan & monitor

- Monitor and Analyze Metrics
- Implementation Accountability
- Quarterly Variance Analysis
- Leadership Coaching

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ASSISTING CLIENTS IN ACCESSING CAPITAL

- Assess capital and cash flow needs
- Assist with development of a business plan, financial forecast, loan proposal, and lender presentation
- Educate clients on financial ratios and lending criteria used by financial institutions
- Connect the business owner with appropriate funding sources
- Post-funding consulting to maximize success and promote an ongoing strong relationship with the bank or other funding source

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FINANCIAL ANALYSIS

- Analyze data from financial statements for past 3-5 years:
 - Breakeven
 - Profits: Gross, Operating and Net
 - Working Capital, Inventory and Accounts Receivable
 - Asset Turnover
 - Cash Flow
 - Return on Assets
 - Interest and Debt Service Coverage
- Benchmark company against industry financial ratios
- Identify performance opportunities - "What If" and scenario building

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CAPITAL ACCESS PATHS

Assist clients to identify the most appropriate capital sources

- MEDC Programs
<http://www.themedc.org/Products-Services/A-Z-Programs/Default.aspx>
 - Capital Access Program
 - Michigan Loan Participation Program
 - Michigan Collateral Support Program
- SBA Programs www.sba.gov
 - Regular 7(a)
 - 504 program
 - Export Assistance Working Capital
- Small Business Innovative Research grants (SBIR) program
- Credit Unions and traditional banks.

Q & A ...