



Strategic Plan 2017-2021

Background:

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

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

- ❶ North Idaho College - Coeur d'Alene
- ❷ Lewis-Clark State College - Lewiston
- ❸ Boise State University – Boise and Nampa
- ❹ College of Southern Idaho - Twin Falls
- ❺ Idaho State University - Pocatello
- ❻ Idaho State University - Idaho Falls



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

Mission:

To enhance the success of small businesses in Idaho by providing high-quality consulting and training, leveraging the resources of colleges and universities.

Vision:

Idaho SBDC clients are recognized as consistently outperforming their peers.

Tag Line:

Empowering Business Success

Operating Principles:

The Idaho SBDC is committed to four principles to maintain a high standard of service:

1. **Focus on the Client:** The very future of the Idaho SBDC program depends on creating satisfied clients. To this end, each client contact is considered an opportunity to focus on client needs and desires. Responding quickly with individual attention to specific and carefully identified client needs, then seeking critical evaluation of performance are standard processes followed with each client and training attendee.
2. **Devotion to Quality:** Providing consulting and training through a quality process and constantly seeking ways to improve that process are necessary to providing exceptional service. Fostering teamwork, eliminating physical and organizational barriers that separate people, establishing long-term relationships with partners and encouraging all to participate in quality improvement are some of the actions that demonstrate devotion to quality.
3. **Concentration on Innovation:** To innovate is to improve through change. Staff members constantly seek ways to improve methods and processes and assume a leadership role in trying new approaches to serve clients. Regular performance reviews, participation in related organizations, and attending professional development workshops are some of the ways that innovation is supported.
4. **Commitment to Integrity:** The Idaho SBDC values integrity and conducts all services in an ethical and consistent manner. We will do our best to provide honest advice to our clients with our primary motivation to be the success of the business. In return, we also expect our clients to be straight forward and share all information necessary to assist them in their business.

Priorities:

The Idaho SBDC is focused on the following strategic priorities:

1. **Maximum client impact** – While the SBDC provides services to all for-profit small businesses, it is clear that a small percentage of businesses will contribute the majority of the impact. Improving the ability to identify impact clients, develop services to assist them, and create long-term connections will increase the effectiveness of the Idaho SBDC.
2. **Strong brand recognition** – The Idaho SBDC remains unknown to a large number of businesses and entrepreneurs, as well as stakeholders. A consistent message and image to convey the SBDC value in conjunction with systematic marketing are necessary to raise the awareness of the SBDC value to both potential clients and stakeholders.
3. **Increased resources** – Federal funding remained level from 1998 until 2007 resulting in a very lean operating budget and loss of several positions. A slight increase was received for 2008 however; funding was again reduced from the state and host institutions during the recession. Additional resources – both cash and in-kind – are necessary to have an impact on a greater portion of small businesses and entrepreneurs.
4. **Organizational excellence** – The Idaho SBDC has received accreditation with no conditions for the past 3 cycles covering over 12 years. The organization must continually improve to maintain this excellence.

Market Segments:

The small business market served by the Idaho SBDC can be divided into four key segments. With limited resources and the knowledge that in-depth, on-going consulting gives greater returns, the focus is on Segment 3 – high impact clients.

Segment 1:

Pre-venture – These potential clients are not yet in business. They will be assessed for the level of effort already put into the venture. Entrepreneurs who have not moved beyond the idea stage will be directed to a variety of resources to help them evaluate the feasibility of their idea. They will need to take further steps before scheduling an appointment with a consultant. These pre-venture clients will be less than 40% of the total clients and will receive 25% or less of consulting services. A small segment of these clients will be designated as high impact potential clients (Segment 3) and/or export/tech clients (segment 4).

Segment 2:

Established businesses – This segment contains established businesses. A consultant will meet with them to evaluate their needs and formulate a plan to work together. The majority of businesses in this category will have 20 employees or less. Over 60% of Idaho SBDC clients and over 75% of consulting time will be spend on clients in this category. This segment will also contain some businesses that will be designated as high impact potential (segment 3) and/or export/tech clients (segment 4).

Segment 3:

Impact clients – This segment is composed of businesses with the potential to grow sales and jobs. It is further divided into those with expected short-term impact and those that are considered long-term growth clients. These businesses will receive focused long-term services and coaching and be tracked separately in the MIS system with a goal of spending at least 40% of time on these clients. A proactive approach will be used with these clients.

Segment 4:

Export and Technology clients – Focus in this segment brings wealth into the state through exporting and the creation of higher paying jobs with technology companies. Cross network teams have been created to assist these clients. Export companies are typically existing businesses while tech companies can occur in either pre-venture or existing business segments.

Segment 5:

Rural businesses – Ensuring that the Idaho SBDC serves all counties in Idaho is important for local and regional economies. In conjunction with local economic development initiatives, the Idaho SBDC provides consulting, coaching and training to help small businesses in rural areas operate efficiently and effectively in a changing economy.

Success:

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

Allocation of Resources:

The Idaho SBDC shifts resources as appropriate to achieve the goals of the Strategic Plan. Lean budgets have prompted shifting financial resources from operating to personnel to assure that Idaho small businesses receive the same level of service. Currently, the operating budget for the Idaho SBDC is at what is considered a floor for supporting existing personnel and offices.

The annual budget for the Idaho SBDC is distributed as follows:

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

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

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

Needs:

In the statewide needs assessment process, the following areas were identified as top client needs and will be incorporated into trainings and professional development.

- Access to capital
- Financials/cash flow
- Marketing
- Business model

SWOT

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

Goals and Objectives:

Goal 1: Maximum Client Impact

Meet yearly established critical measures.

Objective 1.1: Integrate the Business Model Canvas approach into the network.

Performance Measure: Incorporate into professional development conference and present at national association meeting. All staff will be proficient in using the approach by 2019.

Benchmark: 100% by 2019¹

¹ This benchmark is based on established best practices.

Objective 1.2: Develop long-term relationships with growth and impact clients.

Performance Measure: Percent of clients impact clients

Benchmark: 50% by 2019.²

Objective 1.3: Expand expertise available to clients through cross-network consulting, adding programs, using tools, and increasing partnerships.

Performance Measure: Integrate the Procurement Technical Assistance Center (PTAC) program, increase cross-network consulting and identify new tools. Percent of accepted PTAC proposals.

Benchmark: 10% hours of cross-network consulting/region.

Goal 2: Strong Brand Recognition

Increase brand awareness with stakeholders and the target market.

Objective 2.1: Increase website usage and linkage with services.

Performance Measure: Continually refresh website. Increase website usage.

Benchmark: 20% by December 2016.³

Objective 2.2: Maintain strong community engagement through presentations, newsletters, articles, press releases, Chambers, etc.

Performance Measure: Increase referrals from community partners.

Benchmark: Year over year annual increase.⁴

Objective 2.3: Create and implement a yearly marketing plan.

Performance Measure: Development of an annual Marketing Plan

Benchmark: Completed Marketing Plan⁵

Goal 3: Increase Resources

Increase funding and resources to serve Idaho's small businesses.

Objective 3.1: Bring additional resources to clients through partnerships, students, and volunteers.

Performance Measure: hours of consulting from non-SBDC staff

Benchmark: 20% of hours reported⁶

Objective 3.2: Develop specialized training such as around the Business Model Canvas approach.

Performance Measure: new workshops generating additional revenue

Benchmark: one or more each year⁷

² This benchmark will be dependent on the success of the new marketing plan and is based on available resources for recruiting impact clients

³ This is a new benchmark, benchmarks for out years will be established based on performance increased determined December 2016.

⁴ This benchmark is a new benchmark a more specific annual increase will be established once a baseline is established.

⁵ This benchmark is based on the critical need for a yearly marketing plan and the dependence of other performance measures on an annually updated marketing plan.

⁶ This benchmark is based on availability of non-SBDC staff.

⁷ This benchmark is based on currently available staff resources for developing specialized training and projected community/industry need.

Objective 3.3: Seek additional funding for Phase 0⁸ program and to leverage DLA⁹ funding for the PTAC.

Performance Measure: Increase in funding

Benchmark: \$50,000 for Phase 0 program and \$50,000 for PTAC¹⁰

Objective 3.4: Seek continued and/or additional grants (FAST, ITD, etc.), sponsorships, etc. for increased funding in focused areas.

Performance Measure: funds received

Benchmark: \$200,000 increase in funds each year¹¹

Organizational Excellence

Goal 4: The percentage of Idaho SBDC clients' impact to the total national impact is greater than Idaho's percentage of SBA funding.

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

Performance Measure: Achieve highest rating and/or meet goals for SBA rating

Benchmark: Highest rating available¹²

Objective 4.2: Add 2 export certified consultant to the network.

Performance Measure: Completion of hire

Benchmark: total of 2 export certified consultants by Dec. 2019¹³

External Factors

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

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

Cases Serviced

Meeting the measures below will assure that the Idaho SBDC is meeting strategic plan goals and objectives in addition to the stated performance measures.

⁸ The Phase 0 (Phase "Zero") Program provides support for District-based small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR)

⁹ Defense Logistics Agency

¹⁰ This benchmark is based on the availability of and competitive nature of Phase 0 and DLA funding.

¹¹ This benchmark is based on projected availability of additional external grants and increasingly competitive nature of these grants.

¹² This benchmark is based on SBA best practices.

¹³ This benchmark is based on projected needs and available and projected resources.

Metric	Post Falls	Lewiston	Boise	Twin Falls	Pocatello	Idaho Falls	Total
Hours	2,724	2,132	7,171	2,100	2,434	2,579	19,140
Avg. hours/client	8.5	8.5	18.5	8.5	8.5	8.5	61
Impact %	40%	40%	40%	40%	40%	40%	40%
5+ hour clients	78	66	228	61	59	74	566
Business starts	12	13	37	10	11	11	94
Capital raised (MM)	\$ 3.70	\$ 2.15	\$ 11.86	\$ 3.28	\$ 3.29	\$ 3.49	\$ 27.77
Jobs created	81	63	228	68	73	77	590
Sales growth (MM)	\$ 3.98	\$ 3.05	\$ 12.64	\$ 3.28	\$ 3.53	\$ 3.75	\$ 30.22
Training Hours	1,000	728	1,520	728	1,000	1,000	5,976
Satisfaction	90%	90%	90%	90%	90%	90%	90%
Return on Investment							4:1