

## **START-UP/USA**

### **Self-Employment Q and A: Small Business Development Centers**

#### **Introduction**

Did you know that several business icons such as Nike, Federal Express, and Ben and Jerry's got their start with assistance from the United States Small Business Administration (SBA)? These companies took advantage of invaluable resources that are offered through Small Business Development Centers (SBDC). Because running a small business is a large challenge, a SBDC can help a business owner or potential owner assess their skills and weaknesses, and then build a team of support that will allow the owner to focus on his or her skills and obtain assistance on weaknesses. This basic understanding is vital to the success and longevity of a small business. In this fact sheet, the focus will be on the level of service that can be expected by a person with a disability from the SBDC and the information that is needed from a SBDC counselor. Although face-to-face services are available throughout the country, there is limited access in some areas, and therefore information also will be provided on working online with the SBDC program.

#### **Question: What services do SBDCs provide and where can I find a Center?**

**Answer:** The Office of Small Business Development Centers (SBDC) is the Small Business Administration's (SBA) largest non-finance program. In coordination with federal, state, local and private sector resources including funding through a cooperative agreement with the SBA; SBDCs provide assistance to current and prospective small business owners. The local centers offer a wide range of information designed to meet the needs of small businesses. This includes dissemination of information, counseling, technical assistance and training in areas related to business start up, operations, and management. Services include development of business plans and assistance related to manufacturing, financial packaging, contracting, and international trade. Assistance is available to anyone interested in beginning a small business for the first time or improving or expanding an existing small business, who cannot afford the services of a private consultant. In addition, there are specialized programs for minorities, women, veterans, reservists, those with low and moderate incomes, and individuals with disabilities.

Management and technical assistance is offered through 63 lead SBDCs and more than 1,000 service center locations. SBDCs are located throughout the United States, District of Columbia, Guam, Puerto Rico, American Samoa and the US Virgin Islands. Recent statistics indicate assistance is provided to more than 650,000 start up or existing business on an annual basis. A lead organization sponsors the SBDC and manages the program. The lead organization coordinates program services offered to small businesses through a network of sub-centers and satellite locations. These may be located in places such as universities, colleges, vocational schools, chambers of commerce and economic development corporations.

**Question: The SBDC was referred to as the SBA's largest non finance program. What does this mean?**

**Answer:** The SBDC is a consulting arm of the SBA. It offers no funding to businesses. Notably, the SBA does not loan money either. The SBDC can help identify current information about what funds are available. A person may sometimes hear of someone receiving a SBA loan. This has led to a widespread misperception that monies are available. What this really means is that an individual received a bank loan and the SBA served as a cosigner. Often, this serves to help someone access a bank loan that otherwise he or she would not qualify for. Again, the SBDC does not make loans, but helps locate funding resources. This may include assistance with locating monies available through city or county funds.

**Question: What is the relationship between SBDCs and other SBA programs?**

**Answer:** The SBA's goal is to help Americans start, build and grow businesses. Since its inception in 1953, it has grown and evolved to include a nationwide network of resource partners. In addition to the SBA's district offices serving every state and territory there are close to 400 SCORE offices, approximately 100 Women's Business Centers (WBCs) and 1000 SBDCs located across the United States. SCORE is a 10,500 member volunteer association which operates under a cooperative agreement with the US SBA. Most volunteers are retired business owners or managers who offer personalized in-depth management counseling and training to first time entrepreneurs and small business owners. The WBCs provide training, technical assistance, counseling and mentoring to women. Emphasis is placed on helping those women who are socially or economically disadvantaged. The SBDC focuses on promoting economic development in local communities.

**Question: What are some examples of services that a person with a disability might expect to receive?**

**Answer:** Services relate to business start up and operations. For business start up, most centers recommend that an individual initially attend a seminar that provides an overview of services and the information that a person will need to have on hand before receiving one-to-one consultation. Some SBDCs do not charge for the seminar. Others may require a nominal fee, such as ten dollars to cover expenses.

During the seminar, participants often receive a large packet of information. The packet may include a business planning guide, business plan templates, information related to local and state licensure, and a simple start up bookkeeping program. Naturally, each seminar will differ somewhat from location to location. However, generally it will be geared towards helping a person determine if he or she is ready to formulate a business idea. This means starting to think through the: who, what, when, where, why and how questions related to business start up.

- Who are my potential customers?
- Who are my competitors?
- What is my product or service?
- Where do I get start up funding?
- Where do want to be 5, 10 or 20 years down the road?
- When should I start my business?

- How will I promote my business, product or service?

After the seminar, typically within a couple of weeks, the individual will meet with a consultant. During this one-to-one consultation, assistance is tailored to meet personal needs. For instance, services may relate to writing a business plan, financial projections and meeting government regulations. The consultation service is confidential and offered at no charge to the individual.

**Question: What should a person expect during one-to-one business plan development consultation?**

**Answer:** There will be some variations from place to place. For example, some states offer a ten week small business management course. Each session lasts about three hours per week. During this time, different topics related to business plan development may be explored. For example, content may include marketing, specific state regulations, workers compensation issues, hiring practices, and sound management practices. Other topics such as making business transactions and networking may be reviewed. Start up costs will also be calculated, as well as determining what will be required to earn the money needed to meet monthly expenses. At the close of each week the entrepreneur should be one step closer to completing a business plan.

**Question: Do vocational rehabilitation service providers and SBDCs work together?**

**Answer:** Most individuals with significant disabilities will not "walk-in" off the street. Many VR counselors may not have the knowledge, expertise, or the time to provide business start-up services. SBDCs focus on business start up and operation issues. The vocational rehabilitation counselor focuses on how to make self-employment become a reality for the interested party. Therefore, a partnership between VR and a SBDC can be extremely valuable.

In Ohio, individuals with disabilities who are interested in pursuing self-employment are referred directly to the SBDC by their vocational rehabilitation counselors. Services are comparable to those offered to anyone with the exception of point of entry and implementation of accommodations if needed. For example the person with disabilities may need assistance with setting up transportation services. However, most often identifying and locating solutions to current and future barriers to business start up and operations are left to the entrepreneur with a disability and his or her vocational rehabilitation counselor, advocates, or family members. In other instances, vocational rehabilitation may have an in-house personnel specializing in business start up. The degree of intensity of the relationship required will depend upon the individual situation. Overtime, as more and more individuals with disabilities pursue self-employment increased collaboration should occur between SBDCs and vocational rehabilitation.

**Question: What is one of the most important considerations to address early on when a person with a disability is starting to plan his or her business?**

**Answer:** "Show me the money!" If the person is receiving services from a state vocational rehabilitation counselor, there will be an expectation that the business will generate income. Anyone thinking of starting his or her business must consider whether or not sufficient income can be earned. This can be projected through research and development services offered by the

SBDCs. SBDCs counselors will expect that a person's business will generate higher earnings than minimum wages such as double or triple minimum wage. If a person is going to go through the “pain” (hard work and stress) that may be associated with starting a business, why not be sure to make more earnings than in a wage job? With that said, it is also important to keep in mind that each person is different and expectations vary depending upon needs and desires. Some individuals with disabilities may pursue self-employment as an option to gain control over their destiny and participate in the labor market. A sense of self-worth and accomplishment may be the primary gain from self-employment.

**Question: How can a person locate the closest SBDC?**

**Answer:** Currently, there are 63 SBDCs. One in every state except Texas has four and California has six. Centers are also located in the District of Columbia, Guam, Puerto Rico, Samoa and the U.S. Virgin Islands. This is combined with a network of more than 1100 service locations. To locate a SBDC by phone, call the Small Business Answer Desk at 1-800-8-ASK-SBA. Or go online to find locations, phone numbers, e-mail addresses, and websites for each of the centers:

[http://www.sba.gov/aboutsba/sbaprograms/sbdc/sbdclocator/SBDC\\_LOCATOR.html](http://www.sba.gov/aboutsba/sbaprograms/sbdc/sbdclocator/SBDC_LOCATOR.html)

Information is also available in Spanish.

**Question: What other resources are available?**

**Answer:** The SBDC also has SBDC Net a National Information Clearinghouse where there is a wealth of information for both the novice and experienced business owner. The site is located at: <http://www.sbdcnet.org/>. The Small Business Information Center has information on 18 topics. For example there is information on topics like Getting Started, Business Plans, Marketing, Franchising and E-Commerce to name a few. There are also links to related research for 40 different industries. For example, pets, environment, plastics, social services and tourism are included. Individuals can also access other SBDCs news, including success stories. They can sign up for a free e-newsletter and get free downloads. Links to online SBDC training can also be accessed from this site.

**Resource Links**

**U.S. Small Business Administration:**

<http://www.sba.gov/>

**Office of Small Business Development Centers:**

<http://www.sba.gov/aboutsba/sbaprograms/sbdc/index.html>

**SBDC Net a National Information Clearinghouse:**

<http://www.sbdcnet.org/>

**Locate a Small Business Development Center:**

[http://www.sba.gov/aboutsba/sbaprograms/sbdc/sbdclocator/SBDC\\_LOCATOR.html](http://www.sba.gov/aboutsba/sbaprograms/sbdc/sbdclocator/SBDC_LOCATOR.html)

**Office of Women's Business Ownership Entrepreneurial Development:**

<http://www.sba.gov/aboutsba/sbaprograms/onlinewbc/index.html>

**SCORE / Ask SCORE for Business Advice:**

<http://www.score.org/index.html>

**Find the SCORE office nearest you:**

<http://www.score.org/findscore/index.html>

**America's Small Business Development Center Network:**

<http://www.asbdc-us.org/>

This Fact Sheet was produced by Self-Employment Technical Assistance, Resources, & Training (START-UP / USA), which is funded by a cooperative agreement from the U.S. Department of Labor, Office of Disability Employment Policy (Number E-9-4-6-0111). The information is based on a live webcast presented by Bill Wersell. Mr. Wersell works at a SBDC and with the Ohio Vocational Rehabilitation Commission. He assists people with disabilities in the State of Ohio, in northwestern Ohio, to start and expand small business opportunities using the SBDC. The webcast is available online at: <http://www.start-up-usa.biz/training/webcastDetails.cfm/108>.

For additional information on self-employment for individuals with disabilities, please visit <http://www.start-up-usa.biz> and <http://www.dol.gov/odep/>. You may also submit questions to the project staff by going to: <http://www.start-up-usa.biz/ir/ir.cfm>. Your questions will be answered as quickly as possible.

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