Strategic Business plan
Agenda

1. Methodology
2. Population Serve and Needs Assessment
3. Strategic Plan
4. SBC Services
5. Program Performance and Evaluation
6. Implementation Time Table
7. Budget
What’s the Best Business Development Model?

• Criteria for Model Selection
  – Greatest economic impact on local community
  – Used for a target group similar to that of Brooklyn College*
  – Greatest potential for economic sustainability

✓ Selection - A Fusion of Two Models
  1. Study by Professor Michael Porter: “Anchor Institutions and Urban Economic Development”

Agenda

1. Methodology
2. Population Serve and Needs Assessment
3. Strategic Plan
4. SBC Services
5. Program Performance and Evaluation
6. Implementation Time Table
7. Budget
State of Brooklyn’s Economy
Small Business positioned to revive the faltering local economy

• Residents’ Profile
  – > 2.5 million residents (31% of NYC’s population), Brooklyn is the most populous borough
  – Poverty increased from 23% in 1990 to 27% in 2010
  – Unemployment 1.5% above the national average
  – Precipitous fall in relatively high paying jobs, especially in manufacturing, which has declined by 7.5% annually since 2000

• Business’ Economic Impact
  – Big businesses (> 500 employees) have shed over 42,000 jobs since 2008
  – Brooklyn’s approximately 40,000 small businesses created 30,000 new jobs
  – About 4% of small businesses (Gazelles) in expanding & emerging industries like healthcare, biotech and food processing are responsible for 95% of net new job creation in Brooklyn
Target Population Served

Entrepreneurs and businesses primarily located in the Flatbush area of South-Central Brooklyn

SBC target population has the following characteristics:

– 55.4% immigrant/foreign born residents as compared to 11% of the US population; with most immigrants from the Caribbean
– Female population to male ratio 15% greater than that of the US population
– 40% speak a language other than English at home
– Only 12.4% have a bachelor's degree or higher, compared to 27.5% for US
– Diverse ethnicity-79.8% were Black, 14% Hispanic, 6.5% White, 2.8% Asian, 0.4% Native American, 5.7% and 4.9% were two or more races
– Deep distrust of formal institutions
– Mostly “mom and pop” ventures (non-employee)
Target Population Under-served

Only 1 Small Business Development Center (SBDC) in Brooklyn offering a full range of development services

<table>
<thead>
<tr>
<th>NYC Borough</th>
<th>Residents</th>
<th>SBDC</th>
<th>Resident Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bronx</td>
<td>1,397,287</td>
<td>1</td>
<td>1,397,287</td>
</tr>
<tr>
<td>Brooklyn</td>
<td>2,567,098</td>
<td>1</td>
<td>2,567,098</td>
</tr>
<tr>
<td>Manhattan</td>
<td>1,629,054</td>
<td>3</td>
<td>543,018</td>
</tr>
<tr>
<td>Queens</td>
<td>2,306,712</td>
<td>2</td>
<td>1,153,356</td>
</tr>
</tbody>
</table>

Table II.2 showing the coverage for SBDC in New York City; Source Census.gov

- Brooklyn has SBDC coverage to population ratio that is on average three times lower than that of the other 4 NYC Boroughs.
- Closest SBDC at New York City College of Technology mostly targets the growing Hispanic population (20%) and not demographic of BC’s target population.
Businesses that create Jobs are Under-served

Absence of a business assistance program targeting the 4% of small businesses (Gazelle) that creates 95% of net new jobs in Brooklyn.

Gazelles as target segment:
- Creates 95% of net new jobs in Brooklyn
- Located in growing industries (health care, food processing)
- & emerging industries (renewable energy)
- No other business assistance program targets this segment

Brooklyn Small Business Segmentation:
- Gazelle 4% (slightly + net new job creator)
- Elephant 50% (Zero net new job creator)
- Big biz 2% (- net new job creator)
- Other small biz 44%

Significant Economic Growth by targeting & attracting Gazelles in Flatbush
Agenda

Methodology

Population Serve and Needs Assessment

**Strategic Plan**

SBC Services

Program Performance and Evaluation

Implementation Time Table

Budget
Brooklyn College as Anchor Institution

Brooklyn College can drive economic development in its surrounding community by adopting an anchor strategic framework.

Successful Anchors have the following characteristics:

– Rooted in the community and will be there for the foreseeable future
– By its sheer size has the ability to influence economic development activities in the local community
– Control many important levers of local economic development
– Actively engaged the community based on “shared values” as opposed to the traditional “good corporate citizen” approach
Creating Shared Values: BC-Flatbush

The success of Brooklyn College is inextricably linked to the economic & social vitality of it’s surrounding community.

**Brooklyn College**
- Anchor Institution Competitiveness
- Increased application and retentions
- Enhanced reputation and ranking
- Growth in endowment
- Applied learning opportunities for students and faculty
- Improved community relations

**Flatbush Community**
- Local Economic & Social Vitality
- Increased retail activity for BID members
- Increased real estate value and attractiveness
- Greater local investment
- Stronger and more competitive local businesses
- More jobs and wealth for community members
Proposed Role as the Flatbush Anchor

- **Workforce Developer**
  Address workforce needs of local businesses

- **Business Infrastructure Builder (SBC)**
  Provide resources & expertise to local businesses

- **Purchaser**
  Direct institutional purchasing from local businesses

- **Real Estate Developer**
  Partner with BID and others

---

**Legend**

- **Direct**
  Anchor’s own business activities

- **Leader**
  Lead a joint effort with other specialist organizations

- **Services Collaborator**
  Use influence in collaboration with a broad range of stakeholders

---

**Brooklyn College**

Anchor for Flatbush Community

Core Institutional Role
(Provide educational Services)
Anchor’s Roles Reinforce Each Other

Efforts in one area impact on all other areas while simultaneously amplifying the overall economic impact
Strategic Mission of Small Business Center

The mission of SBC is linked within Brooklyn College Anchor Institution Strategic Framework

SBC plays the role of business infrastructure builder.: Provides business advisement, education, resources & advocacy for local businesses and residents.
SBC as Business Infrastructure Builder

SBC’s mission is to drive local economic development by promoting entrepreneurship and improving local small business competitiveness and performance excellence to create jobs and wealth for its local residents.

The SBC has the following strategic goals:

- Provide business counseling to start-up and existing businesses
- Educate and develop Brooklyn entrepreneurs and business owners
- Become the critical business linkage amongst key stakeholders in the Brooklyn business community
- Encourage student participation and development while providing assistance to small business through internships
SBC Builds Strong & Competitive Businesses

With Quality & Performance Excellence Initiatives

- Become a quality and performance advocate
- Join the American Society for Quality (ASQ)
- Develop service capability (Become six sigma certified)
- Adapt the Malcolm Baldrige Small Business Excellence criteria to:
  - Develop training program
  - Identify and submit viable businesses for the award
  - Design SBC business development services
Agenda

Methodology

Population Served and Needs Assessment

Strategic Plan

SBC Services

Program Performance and Evaluation

Implementation Time Table

Budget
### Services for Businesses and Entrepreneurs

In addition to the basic suite of business development services, SBC designed services specific to the needs of its community.

<table>
<thead>
<tr>
<th>Start-ups and Entrepreneurs</th>
<th>Existing Businesses</th>
<th>Industry Segment Programs</th>
<th>Quality programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Business plan development</td>
<td>• Accounting and tax services</td>
<td>• Biotech Business Incubator focusing on Hydro and Aquaponics</td>
<td>• Balridge assessment of businesses</td>
</tr>
<tr>
<td>• Financing</td>
<td>• Business and strategic planning</td>
<td>• Retail Management for BID members</td>
<td>• Training programs on quality</td>
</tr>
<tr>
<td>• Training and Workshops</td>
<td>• Financing and loan packaging</td>
<td>• Gazelle (fast growing business) Services</td>
<td></td>
</tr>
</tbody>
</table>
Agenda

Methodology

Population Served and Needs Assessment

Strategic Plan

SBC Services

Program Performance and Evaluation

Implementation Time Table

Budget
Program Performance and Evaluation

Current and projected performance metrics:

<table>
<thead>
<tr>
<th>Success Metrics</th>
<th>Program Year- 2010</th>
<th>Program Year- 2011 (Projected)</th>
<th>Program Year- 2012 (Projected)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Businesses served</td>
<td>250</td>
<td>280</td>
<td>650</td>
</tr>
<tr>
<td>Jobs created/saved</td>
<td>12</td>
<td>45</td>
<td>120</td>
</tr>
<tr>
<td>Financing received</td>
<td>-</td>
<td>$100,000</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Business started</td>
<td>8</td>
<td>28</td>
<td>65</td>
</tr>
<tr>
<td>Interns placed</td>
<td>18</td>
<td>25</td>
<td>60</td>
</tr>
<tr>
<td>Businesses profitability increase (wealth)</td>
<td>2</td>
<td>5</td>
<td>20</td>
</tr>
</tbody>
</table>

Data Collected

- Number and demographic of clients served
- New enrollments
- Number of businesses started
- Type of SBC service accessed
- Businesses served
- Industry of client’s business
- Revenue of business
- Business receiving public contracts
- Business owners demographic characteristics
- Number of workshops
- Veteran status
- Financing received
- Jobs created/saved
- Program cost/client

* Based on a full-time program
Demographics of Current SBC Clients

SBC Clients by Race

Client Served by Gender

Businesses Served

Type of Assistance

- African American/Black
- White
- Asian
- American Indian
- Hispanic
- Other

- Women
- Men

- Retail
- Service
- Manufacturing
- Construction
- Not for Profit
- Other/not declared

- Other
- Business Education
- Business Plan
- Financing
- Accounting/Taxes
- Procurement/Contract
- Sales/Marketing
- Start Up
- 1%
Agenda

Methodology

Population Served and Needs Assessment

Strategic Plan

SBC Services

Program Performance and Evaluation

Implementation Time Table

Budget
## Timetable and Milestones

<table>
<thead>
<tr>
<th>Program Milestones</th>
<th>2011-Time-line</th>
<th>2012-Time-line</th>
</tr>
</thead>
<tbody>
<tr>
<td>Launch VITA for small businesses</td>
<td>Q1: 2/2</td>
<td>Q1:</td>
</tr>
<tr>
<td>Small business workshops</td>
<td>Q2: 2/16</td>
<td>Q2:</td>
</tr>
<tr>
<td>Recruit and place interns in businesses</td>
<td>Q3:</td>
<td>Q3:</td>
</tr>
<tr>
<td>Launch SBC magazine</td>
<td>Q4:</td>
<td>Q4:</td>
</tr>
<tr>
<td>SUBO/SBC/BID annual small business fair</td>
<td>5/4</td>
<td></td>
</tr>
<tr>
<td>Launch SBC updated website</td>
<td>Q1:</td>
<td>Q2:</td>
</tr>
<tr>
<td>Respond to RFP’s for various programs</td>
<td>3/28</td>
<td></td>
</tr>
<tr>
<td>Explore and apply for SBDC status</td>
<td>Q3:</td>
<td>Q3:</td>
</tr>
<tr>
<td>Launch SBC/Magner mentorship program</td>
<td>Q4:</td>
<td></td>
</tr>
<tr>
<td>SBC/AREAC incubator program</td>
<td></td>
<td>Q1:</td>
</tr>
<tr>
<td>BID/SBC training programs</td>
<td>Q2:</td>
<td>Q2:</td>
</tr>
<tr>
<td>Outreach to media and partners</td>
<td>Q3:</td>
<td>Q3:</td>
</tr>
<tr>
<td>Integrate SBC with School of Business</td>
<td>Q4:</td>
<td></td>
</tr>
<tr>
<td>Identify additional space*</td>
<td></td>
<td>Q1: 2/2</td>
</tr>
<tr>
<td>Hire admin assistant and business advisors*</td>
<td>Q2: 2/16</td>
<td>Q2:</td>
</tr>
<tr>
<td>Start operating as a full-service SBC*</td>
<td>Q3:</td>
<td>Q3:</td>
</tr>
</tbody>
</table>

Kick off date: 5/4
Agenda

Methodology
Population Served and Needs Assessment
Strategic Plan
SBC Services
Program Performance and Evaluation
Implementation Time Table
Budget
SBC Budget Options

From May 1 through December 31, 2011 the budget for minimal operations (bare-bones) is $37,834

From January, 2012, the SBC is considering three annual budget operating levels for the next two years:

1. Continue its current part-time operations @ $122,120 annually
2. Convert to a fulltime operations @ $ 174,014 annually
3. Convert to a full-time operations and join the SBDC network @ $ 361,356 total, with $201,096 in cash match from the SBA, $137,200 cash match from Brooklyn College and $29,120 in-kind match
SBC Budget Options

Staffed with 4 interns and a part-time director, the SBC budget from 5-1 to 12/31/11 is $37,834 at “bare-bones” operation level.

<table>
<thead>
<tr>
<th>Budget Item Description</th>
<th>SBC Part-time 5/1-12/31-2011</th>
<th>SBC Part-time</th>
<th>SBC Full-time</th>
<th>SBDC Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Personnel Cost</td>
<td>$31,534</td>
<td>$ 77,120</td>
<td>$129,014</td>
<td>$277,550</td>
</tr>
<tr>
<td>Operating Expenses (Other than Personnel)</td>
<td>6300</td>
<td>$ 45,000</td>
<td>$45,000</td>
<td>$50,500</td>
</tr>
<tr>
<td>Total Direct Cost</td>
<td>$122,120</td>
<td>$174,014</td>
<td>$328,050</td>
<td></td>
</tr>
<tr>
<td>Total F&amp;A Cost</td>
<td>$</td>
<td></td>
<td>$33,306</td>
<td></td>
</tr>
<tr>
<td>Total Budget</td>
<td>$37,834</td>
<td>$122,120</td>
<td>$174,014</td>
<td>$361,356</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Potential Funding Source</th>
<th>SBC Part-time</th>
<th>SBC Full-time</th>
<th>SBDC Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brooklyn College (cash match)</td>
<td>TBD</td>
<td>TBD</td>
<td>$137,200</td>
</tr>
<tr>
<td>Brooklyn College (in-kind match)</td>
<td>TBD</td>
<td>TBD</td>
<td>$29,100</td>
</tr>
<tr>
<td>SBA</td>
<td>TBD</td>
<td>TBD</td>
<td>$201,096</td>
</tr>
<tr>
<td>SBDC</td>
<td>N/A</td>
<td>N/A</td>
<td>TBD</td>
</tr>
<tr>
<td>Other Grant Sources</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Program Income</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

TBD = To Be Determined

3 other options for annual budget operating levels for the next two years:
## SBC Operating Levels Versus Outcomes

<table>
<thead>
<tr>
<th>Budget Item Description</th>
<th>SBC Part-time 5/1-12/31/2011</th>
<th>SBC Part-time</th>
<th>SBC Full-time</th>
<th>SBDC Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Budget</td>
<td>$ 37,834</td>
<td>$ 122,120</td>
<td>$174,014</td>
<td>$361,356</td>
</tr>
<tr>
<td><strong>Operating Level</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hours open to public weekly</td>
<td>16</td>
<td>28</td>
<td>38</td>
<td>48</td>
</tr>
<tr>
<td>Businesses served</td>
<td>40</td>
<td>280</td>
<td>450</td>
<td>650</td>
</tr>
<tr>
<td>Jobs created</td>
<td>-</td>
<td>16</td>
<td>28</td>
<td>65</td>
</tr>
<tr>
<td>Interns placed</td>
<td>4</td>
<td>12</td>
<td>25</td>
<td>60</td>
</tr>
</tbody>
</table>