

## **House Small Business Committee Hearing- “Assisting Entrepreneurs: Examining Private and Public Resources Helping Small Businesses,” June 13, 2023**

### **Testimony of Sonya Smith, State Director NY Small Business Development Center (NYSBDC)**

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Thank you, Chairman Williams, Ranking Member Velázquez, and to all the House Small Business Committee members.

My background: NYSBDC State Director, Sonya Smith. I was appointed state director in December 2021 and rose through the SBDC ranks as the first woman and first African American appointed to lead New York’s vast SBDC network in its nearly 40-year history. I had previously worked with The Pennsylvania SBDC program in various roles for over 10 years and a few years working as the Associate Director of Grants and Sponsored Projects for Kutztown University in Pennsylvania. From the knowledge gained from my work and experience with the SBDC, but also working as university staff with grant management, grant writing and program/partnership development. I’ve learned how important it is to build an ecosystem to provide solutions to communities, regions, state and/or nationwide. As stated, “both public and private resources can be valuable as entrepreneurs look to start or grow their business. We must ensure that any taxpayer dollars going towards these efforts are being effectively used in a way that is not duplicative of private sector initiatives.”

There is no “one-size fits all” organization or solution for the 33 million small businesses across the country. Each business owner or entrepreneur has their own unique circumstances that may need the support and assistance from several resources. As one of the four resource partners of the Small Business Administration (SBA), [SBDCs, SCORE, Women’s Business Centers (WBCs), Veteran Business Outreach Centers (VBOCs)]. SBDCs are a nationally accredited program that provides one-on-one, no-cost, confidential advising to small business owners and entrepreneurs, educational training, and research/business resources. The SBDC program offers a broad reach, resources, and opportunities to create an impact on businesses at every stage of the business life cycle.

The SBDCs across the country deliver high quality services and programming, provided by experienced experts at each center. By leveraging the private/public resources and partnerships, our program serves over 1 million small businesses nationwide and has the opportunity to continue to serve more with the multiplier effect. With each SBA core grant (federal dollar), the SBDCs match the program with state, local and host institutions funds, it is SBA’s largest matching grant-funded program. This shows not only the financial support from the state, local and host institutions, but also the value-added the SBDCs provide to stakeholders in their communities. One of the key functions of the SBDCs is being a trusted collaborator and connector. The SBDCs tie all these parts together in terms of small business assistance, across the country you will see how we partner with entities at the state level, various local city and county development groups, all to provide consistent support statewide.

When small business owners and entrepreneurs need support, they 1) Do not know where to go or start 2) There are so many resources available they are not sure which would be the most beneficial; too much information all at once. The SBDCs have been known to be the “best kept secret,” which is not a compliment for a program with an inception year of 1979. During the pandemic, with the support of CARES Act Funds, the SBDCs were able to (for the first time) use SBA grant funds to develop and pay for marketing and informational materials to expand reach

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to communities. The reauthorization of the program would help modernize the administrative concerns, streamline processes, and provide an allocation of funds for marketing purposes.

SBDCs collaborate with the other resource partners (VBOC, SCORE, WBCs), private organizations such as chambers of commerce, trade and industry groups and associations; by providing additional technical assistance due to staffing capacity, training and educational programs, industry/market research and being co-located for accessibility. Consolidating information, sharing partner information, partner roundtables, and clear step by step process guides for entrepreneurs and business owners, will help give these individuals seeking assistance enough information in a concise format. Having defined roles and areas of expertise in an ecosystem built to support small businesses is important, to continue to foster collaboration and reduce any duplication in services. Our partners leverage our reach to improve their coverage and maximize the effectiveness of their programs. We have also collaborated with two spokes of the Community Navigator Pilot Program, located in New York State. The Long Island African American Chamber of Commerce (focused on black business owners) and Universal Processing- US Pan Asian American Chamber spoke (focused on Asian retail merchants), these relationships were already established, but were strengthened to focus on the following 1) Funding Opportunities & Business Development: Create a list of resources by expertise and coverage area. 2) Create an educational program to bring learning activities to the neighborhoods of underserved communities.

The SBDC program focus and outputs vary geographically, but all across the country, we have developed programs to respond to both the diversity in the communities we serve, the diverse needs of our small business clients, and also the diversity within the SBDC workforce. It is important in New York State that we have specialized staple programs for our underserved communities (women, minorities, veterans, rural, disabled, and many more). The NYSBDC also assists displaced and unemployed individuals with the Self-Employment Assistance Program (SEAP). This program allows people who are out of work and meet certain requirements to start their own business while collecting Unemployment Insurance benefits.

### NYSBDC program examples of private & public partnerships-

#### **Business Fast Track Trainings**

This intensive 20-hour virtual workshop will be taught over a 3-day period.

*Collaboration between NYSBDC regional centers and local private sector professionals*

Topics will include:

- Business Plan Development
- Legalities
- Hiring Employees
- Financial Management
- Business Financing Options

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Marketing

Social Media

This workshop will be facilitated by a certified New York State Small Business Development Center (NYS SBDC) Business Advisor and includes a variety of presenters who are all experts in different facets of small business start-up (view the presenters list [here](#)).

The Fast Track workshop also meets the requirements of SEAP (Self Employment Assistance Program) through the Department of Labor.

#### **Youth Entrepreneurship:**

SBDCs located in New York participate in SUNY regional and statewide business pitch competitions. This includes advising and prepping student teams, reviewing and assisting with business plan development, pitch competition logistics, co-marketing, and/or panel judge. We also have student workers. Students and graduates can also look at the possibility of working internally with an SBDC. I am a product of once being a student worker at an SBDC and learning the ins and outs of the program.

#### **Apprenticeship Program SUNY/DOL:**

NYSBDC partners with community colleges to produce SUNY Apprenticeship Program, to develop client-facing and advisor-facing workforce development presentations. MVCC SBDC hosts roundtable events that will bring together representatives from the SUNY Apprenticeship Program, Working Solutions, Mohawk Valley Community College (MVCC), Career Services, and The Center (Utica’s refugee center). These events will provide small businesses with a range of solutions to the workforce issues they’re experiencing. The Center is a new partner and has had great success placing refugees in jobs with local businesses, with the benefits of much higher retention rates and better job performance than non-refugees.

#### **Educational Opportunity Centers (EOC) & Boards of Cooperative Educational Services (BOCES) Entrepreneurship Training:**

EOCs and BOCES elevate the potential of New York’s underserved by providing a state-wide system of quality, tuition-free academic and workforce development programs that impart skills, enhance college, and job prospects, and improve lives and communities. NYSBDC collaborates with the EOCs to provide entrepreneurship training parallel to the career center and faculty job placement for graduates (culinary, cosmetology, welding and other trades).

#### **NY State Center for Disability Entrepreneurship:**

*Funding/Resource partner- Developmental Disability Planning Council*

This program embodies our dedication to empowering people with disabilities to pursue their entrepreneurial dreams. Through a comprehensive offering of training, coaching, mentorship, networking opportunities, and funding access, we are determined to break down barriers and foster a more inclusive, diverse, and thriving entrepreneurial ecosystem.

NY Statewide program was developed to assist people with disabilities in starting a business. A series of five workshops will be developed and presented Statewide to introduce entrepreneurship to persons with disabilities. Prospective business owners from the disability

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community will be exposed to resources and education to fully understand processes, requirements, and referrals to build a successful foundation of their business idea. The following workshops will be delivered by SBDC staff virtually or be offered in person to ensure all interested entrepreneurs have access to this program. This series will be presented three times per program period and outreach and collaboration will be in concert with local and Statewide agencies that work with people with disabilities.

#### **Childcare Support Initiative:**

*Collaboration- HHS, SBA and NYSDC*

Recognizing the crucial role that childcare plays in New York State’s well-being, the Farmingdale SBDC has developed a targeted workshop series as a testament to our commitment to support childcare business owners. With over 163 businesses having participated in these workshops, we have helped childcare businesses adapt to the changing business landscape and ensure sustainable success throughout the state.

#### **Syracuse Refugee Family Childcare Microenterprise Program**

Grant-funded program for Afghan refugees to start much needed daycare centers.

Local provider supplying daycare training & technical assistance.

Onondaga SBDC providing small business startup training & technical assistance.

70 hours of training + technical assistance over 20 weeks.

#### **Cybersecurity Program:**

Our partnership with cyber-risk management firm Posture demonstrates our unwavering commitment to safeguarding small-to medium-sized businesses from cyber risks. Through a comprehensive 30-day program, businesses receive access to an intuitive platform, training on best practices, and gain access to vital resources to protect their data and devices, ensuring the security and stability of their operations.

**The Pace University SBDC and CPAs from the New York State Society of CPAs** will be partnering to offer a CPA Accounting Clinic for New York State small businesses. Through this effort coordinated by the Pace SBDC, participating CPA volunteers will meet one-to-one with NYSDC small business clients statewide to review specific accounting questions related to their small business. These virtual sessions will address questions in areas such as tax payment and filing responsibilities and provide much-needed industry expertise to complement the free one-to-one counseling services offered by NYSDC Business Advisors.

#### **MWBE Certification Assistance:**

Championing diversity and inclusion is a fundamental aspect of our programming. Our dedication to assisting businesses with MWBE certification has helped 920 businesses across New York State obtain their MWBE Certification, promoting equal opportunities and inclusive growth in local, state, and federal contracts.

#### **SEED Program:**

The SEED Program is a character-based loan fund developed in a partnership between Broadview Federal Credit Union and the University at Albany's Small Business Development

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Center, School of Business and School of Social Welfare. The program provides character-based loans up to \$35,000 for start-up and expanding businesses in the Capital Region and Western NY. The SEED Program was developed to provide future and current entrepreneurs with capital to start/expand their business. Selection for participation in the program and loan awards is based on the overall business concept and the character of the applicant. The program provides participants with the necessary business model development and business skill development to be successful with their business and are supported by a Business Advisor from the Small Business Development Center, a professor and MBA intern consultants from the University at Albany's School of Business.

### **FEED Program:**

This 6-week soup-to-nuts educational program is aimed at food entrepreneurs interested in starting or expanding a food products business. Partnership between UAlbany SBDC and Cornell Extension, professionals from the Cornell University AgriTech program will be on hand to talk about the integral aspects of creating and packaging food items for consumers.

### **The Offshore Wind Training Institute (OWTI):**

Farmingdale College and Stony Brook University lead the Offshore Wind Training Institute (OWTI), which seeks to provide grants to entities within or affiliated with the State University of New York (SUNY) system that will accelerate the development of an offshore wind workforce for the New York offshore wind industry. Doing so will directly support the State of New York in developing a diverse and highly qualified local workforce capable of constructing, manufacturing, installing, operating, and maintaining offshore wind farms, in addition to performing electrical grid integration, storage, and other onshore projects. Both SBDCs at these academic institutions participate in workforce development training.

### **Empire State Development 2023 Global NY Export Promotion Tour:**

NYSBDCs partner to assist with outreach and technical assistance for small businesses looking into international trade as an opportunity to expand reach and increase sales revenue. Whether your company is export-ready, or you're interested in entering the global marketplace, the Global NY Export Promotion Tour offers an excellent opportunity for your business to explore new markets around the world.

At each stop, you'll hear from our global trade representatives based in Canada, Mexico, Europe (U.K.), South Africa, Israel, India, China and the Caribbean. Our international business experts and industry specialists will also be on hand to share details about Global NY programs and opportunities—from loans, grants and operational assistance to trade missions and trade shows—that connect New York State businesses to the world. From one-on-one consultations to tips on finding qualified sales representatives and distributors, you'll gain foreign market intelligence and insight.

### **Other Resources-**

### **The Research Network at the New York Small Business Development Center (NYSBDC)**

NYSBDC has built a unique and robust network of information and data that plays a driving

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force behind the organization’s success. The NYSBDC’s success can, in part, be attributed to a circular cycle that seamlessly integrates research, data, and client service, continuously refining and enhancing our understanding of the small business landscape. This process begins with meticulous research, drawing on a variety of sources and methods to identify trends, opportunities, and challenges faced by small businesses. The findings are then translated into action by the client. This informs the development of tailored strategies, programs, and services for our clients. By closing the loop between research, data, and client service, the NYSBDC fosters an environment of continuous learning and innovation. This adaptive approach ensures that our organization remains agile and responsive to the ever-changing needs of New York’s small businesses.

#### **Online learning:**

In 2022, the NYSBDC served over 17,500 individuals through a series of over 500 webinars and workshops addressing various topics for entrepreneurs including topics like grant access, business plan writing, and taxes. These webinars additionally have supported internal staff in maintaining their professional development and certification goals, ensuring they possess the necessary skills to serve clients effectively and passionately.

#### **Small Business Academy:**

In collaboration with Jamestown Community College, the SBDC Online Business Academy offers a range of webinars and certifications to equip entrepreneurs with the skills they need to succeed. Our courses cover entrepreneurship, intellectual property, website development, ecommerce, social media marketing, and more.

#### **EntreSkills:**

NYSBDC’s EntreSkills, a powerful resource fueled by our passion for knowledge and equal access, offers 17 comprehensive modules on a variety of small business topics, including a new module in 2022 focused on MWBE certification. EntreSkills is available at no cost to all NYSBDC clients and is also utilized in high school and college classrooms across the state.

#### **Internal (NYSBDC) professional development:**

We also created a professional development system to ensure advisors broaden their skillsets and deepen their expertise, consistently delivering exceptional client service.

The SBDCs across the nation have a proven track record of the program success and ROI for the federal (\$140Mil), state, local and private dollars invested into it:

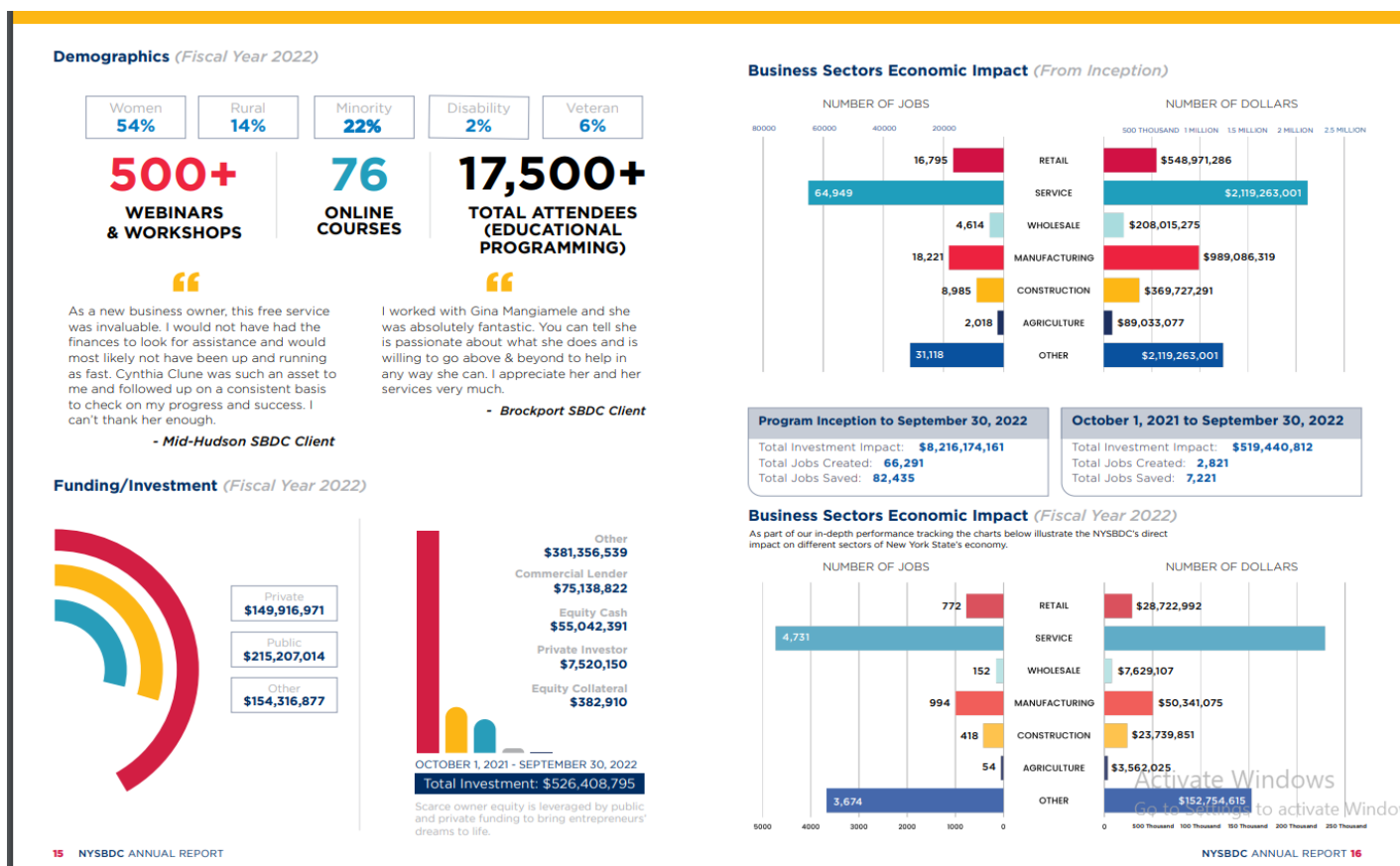
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### Services and impact for all clients in CY 2022

	TOTAL	Count	Min	Max	Average	Median
Total Number of ALL Clients	302,632	59	406	23,133	5,129	4,080
Total ALL Advising Hours	1,380,656	59	1,031	107,773	23,401	14,791
Total ALL Capital Acquired (All Sources)	\$7,762,869,369	60	\$3,740,472	\$568,754,790	\$131,574,057	\$97,955,514
Total ALL Business Starts	16,543	60	13	1,929	276	210
Total ALL Revenue Growth	\$3,668,897,584	50	\$361,000	\$509,429,815	\$73,377,952	\$57,543,577
Total ALL Export Sales Growth	\$835,717,320	24	\$1,445	\$261,955,637	\$33,428,693	\$7,105,400
Total ALL Jobs Created	74,126	60	28	3,129	1,235	1,008

### Exhibit 1 (Nationwide Stats)



### Exhibit 2 (NYSBDC Stats)

Thank you all again for your work for small businesses and taxpayers across the country. I look forward to any questions you may have.