



Northland Pioneer College

SMALL BUSINESS DEVELOPMENT CENTER

Mailing Address: P.O. Box 610, Holbrook, AZ 86025
Physical Address: 1001 W. Deuce of Clubs, Show Low
Phone (928) 532-6170, FAX (928) 532-6171,
E-mail: mengle98@yahoo.com, Web Page: npcsbdc.com

DATE: November 6, 2008
FROM: Mark Engle, Director
SUBJECT: 2007 Annual Report

The following represents our annual report for the Small Business Development Center of Northland Pioneer College. This report is in the format required by the U.S. Small Business Administration for SBDC's, and uses their categories for reporting, which follow.

Economic Impact

Our SBDC worked closely with its clients, which in 2007 consisted of over 300 small businesses. The makeup of our client base was 51% white, 18% Native American, 57% Startups (not yet in business), 51% female, 3% disabled, and 5.9% veterans. We worked with clients throughout Navajo and Apache Counties and collected economic impact numbers as we worked with them providing direct assistance, and from a survey we did in the later part of the year. From this data, our clients achieved the following economic impact and/or growth:

- New or retained jobs – 149
- Loans obtained - \$3,782,000
- Owners capital invested - \$1,372,000
- Other capital investment - \$348,500
- Increased revenues - \$5,503,500
- Successful Startup Businesses - 23

0100 Advocacy

The Northland Pioneer College Small Business Development Center (NPC-SBDC) has taken an active role in advocacy this year by participating with many organizations, including local Chambers of Commerce, Economic Development Agencies, Industry Trade groups, Arizona State Service agencies, and local Tribal agencies. We nominated one of our long-time clients during 2007 as the U.S. Small Business Administrations Business Advocate of the Year.

0200 Capital Formation

NPC-SBDC assisted clients with \$5.5 million dollars in debt and equity financing in 2007. We strive to maintain relationships with our local banks, and work closely with our local SBA office to develop clients and help clients with capital acquisition.

0300 Innovation and Technology Transfer

NPC-SBDC primarily assists e-commerce type technology-based clients. NPC-SBDC maintains a computer lab on-site with the latest applications. NPC-SBDC assisted clients with procurement activities by providing hands-on assistance with CCR, Hub Zone, Arizona State Agencies and SBA websites routinely in client counseling sessions. NPC-SBDC continues to specialize in assistance to forestry entrepreneurs in technology transfer in the conversion of small diameter timber into usable products and new uses.

0400 International Trade

NPC-SBDC has limited clients who deal in international trade. Import/export clients are referred to the Arizona Department of Commerce – International Trade Department and to our sister center at Maricopa Community College.

0500 Minority Small Business Development

The NPC-SBDC territory is comprised of Apache and Navajo County. The population of Apache County is approximately 77% Native American and Navajo County is approximately 50%. NPC-SBDC continues to focus on Native American assistance by providing the Native American Enterprise program, a 2-year degree program offered through the college, and seminars and one-on-one counseling. NPC-SBDC currently has two Business Analysts that are Native American and we serve the three largest Native American reservations in the U.S., the Navajo, Apache and Hopi. During 2007 we completed two NxLevel Entrepreneurial classes in Whiteriver, cosponsored by the White Mountain Apache Housing Authority.

0600 Resource Development

We initiated a workgroup that is helping to develop workforce development plans for the region, specifically focused on the wood products industry. With over 400 jobs created in the last two years as a result of the largest Stewardship contract in the U.S., the industry needs new programs and assistance in managing employment, hiring and training needs. We successfully assisted the Eastern Counties Organization in writing and being awarded a USDA Forest Service grant for \$65,000 to assist in this area.

We applied for and received a Coleman Foundation Grant during 2007 for \$5,000 to promote and offer outreach for our Native American Enterprise Program. This program is to extend our efforts to local High School youth on all three reservations to increase entrepreneurial efforts for the region.

0700 Procurement

The NPC-SBDC serves as a reference site for SBA. We provide information on state contracting opportunities and procedures, and assist clients with 8(a) applications. We also assist clients with CCR certifications and Hub-Zone.

0800 Special Emphasis Groups

The NPC-SBDC has a special interest in working with the Northern Arizona Wood Products Association, a local trade association, to assist in the utilization and marketing of small diameter wood in our area. The NPC-SBDC serves on their Board of Directors and assists entrepreneurs interested in developing uses for the harvesting of small diameter trees. We have also sponsored meetings and participated in the Executive Committee of the Southwest Sustainable Forests Partnership, a consortium of local, state and federal agencies that are focused on restoring the forests to health and prevention of catastrophic wildfire in the region. Nearly one-half of our client growth in sales is due to efforts working with local businesses in utilizing the forestry resource locally.

0900 Economic Development, Faith Based and Community Initiatives

NPC-SBDC actively participates in the economic development efforts of our local Chambers of Commerce and Economic Development Authorities for Navajo and Apache Counties and the Apache, Navajo and Hopi tribes. An example is our assistance of Pinetop-Lakeside Mainstreet, a local non-profit, with retail development during the year. We jointly worked with Mainstreet, the City, and clients in assisting with project development.

1000 Research

NPC-SBDC continues to expand its reference library at the Show Low Campus. NPC-SBDC utilizes the Hillsource.Org research service and the SBDC.NET research center. NPC-SBDC analysts help clients find research on their industry and competition.

1100 Other Activity

No activity to report.

1200 Success Stories

We have seen a tremendous success in the Forestry Stewardship Contract with the increase of jobs and economic progress. A study released in March 2007 by University of Arizona showed over 400 jobs created through this contract, and new expenditures regionally of over \$15 million per year. We have assisted one-third of the local firms involved in utilization and processing of material from the contract, and a good percentage of the equity capital and job growth reported for the center is from this focus area.

For 2007 our nomination to the Arizona SBDC Success Awards program was Barton Southwest Builders. A Navajo couple from Dilcon, AZ, Robert and Margie Barton utilized the services of Suzy Baldwin, SBDC Counselor from St. Michaels. Suzy helped the Bartons with their business plan, procuring a loan, and helped them start a successful contracting business. The Bartons have added 30 jobs to their business, all Navajo employees, and are looking to over \$2 million in sales during 2008 from various contracts on and off the reservation. They will be recognized February 13th in Phoenix by a statewide gathering of business and governmental leaders to be held at the Heard Museum.

1300 Travel

With over 21,000 square miles of territory we are probably the most widely traveled SBDC in the State of Arizona.

1400 Problems

Nothing noted.

1500 Financial Reports

This is to be reported separately to SBA by our State Office.

1600 Women-Owned Businesses

Women comprised the majority of NPC-SBDC clientele for 2007, slightly higher than males. NPC-SBDC works with our local area SBA outreach specialist to provide information on the SBA Small Disadvantaged Business and 8(a) certifications to our community.

1700 Economic Impact

Our economic impact numbers were shown in the first section of this report.

1800 Veterans, Service Connected-Disabled Veteran-Owned Businesses, Reservists on Active Duty and Other Reserve Component Members of the U.S. Military

5.9% of our 2007 clients and attendees are of veteran status. We provide one on one counseling to veterans and supply information on the SBA veterans programs to interested parties.

1900 Manufacturing

The White Mountain area has started a strong effort to utilize and market small diameter trees harvested from our local forests. An example is our work with local manufacturers of wood products consists of new sawmill operations in Snowflake and Eagar, and various other small manufacturers of log home, post and poles, and byproducts using woody biomass, such as wood pellets, compost and mulch materials.

2000 Online Activity

The NPC-SBDC maintains an active online presence, through an interactive web site that meets SBA specifications in their Program Announcement, and provides online counseling, training resources and help for startup and expanding small businesses. Through Northland Pioneer College the SBDC offers a series of online classes, which are offered in the college schedule each semester, and is administered and taught by SBDC personnel.

Arizona Small Business Development Center Network
Goals vs Actuals Performance
Calendar Year 2007

Center	5 or More Hours (Contact) Clients Goal	5 or More Hours Clients Actual	% of 5+ Hour Clients Goal Attained	Business Startups Goal	Business Startups Actual	% of Business Startup Goal Attained	Capital Formation Goal	Capital Formation Actual	% of Capital Goal Attained
AZ Western	28	52	185.7%	13	30	230.8%	\$ 2,830,784	\$ 7,891,530	278.8%
Central	24	21	87.5%	11	10	90.9%	\$ 2,402,966	\$ 2,300,500	95.7%
Cochise	36	36	100.0%	16	25	156.3%	\$ 3,591,924	\$ 523,000	14.6%
Cocoonino	35	42	120.0%	16	19	118.8%	\$ 3,460,281	\$ 2,028,255	58.6%
Eastern	16	23	143.8%	7	18	257.1%	\$ 1,607,580	\$ 2,868,080	178.4%
Gila	16	13	81.3%	7	4	57.1%	\$ 1,607,580	\$ 161,880	10.1%
Maricopa	159	273	171.7%	72	77	106.9%	\$ 15,913,123	\$ 24,890,184	156.4%
Mohave	24	45	187.5%	11	17	154.5%	\$ 2,402,966	\$ 4,059,900	169.0%
Northland	41	61	148.8%	18	23	127.8%	\$ 4,085,700	\$ 5,503,500	134.7%
Prima	75	128	170.7%	34	27	79.4%	\$ 7,499,909	\$ 10,147,500	135.3%
Yavapai	46	101	219.6%	21	23	109.5%	\$ 4,597,188	\$ 4,541,100	98.8%
Total	500	795	159.0%	226	273	120.8%	\$ 50,000,001	\$ 64,915,439	129.8%

Center	Jobs Created & Retained Goal	Jobs Retained Actual	% of Jobs Goal Attained	Increased Sales Revenue Goal	Increased Sales Revenue Actual	% of Increased Sales Goal Attained	Shared Resources Goal	Shared Resources Actual	% of Shared Resources Goal Attained
AZ Western	99	132.0	133.3%	\$ 4,275,000	\$ 6,018,000	140.8%	3	6	200.0%
Central	84	64.0	76.2%	\$ 3,600,000	\$ 1,036,000	28.8%	3	2	66.7%
Cochise	125	144.0	115.2%	\$ 5,400,000	\$ 3,432,175	63.6%	4	7	175.0%
Cocoonino	121	169.0	139.7%	\$ 5,175,000	\$ 4,753,000	91.8%	4	6	150.0%
Eastern	56	108.0	192.9%	\$ 2,400,000	\$ 3,845,550	160.2%	2	2	100.0%
Gila	56	31.0	55.4%	\$ 2,400,000	\$ 1,355,982	56.5%	2	2	100.0%
Maricopa	556	748.0	134.5%	\$ 23,850,000	\$ 35,876,921	150.4%	16	18	112.5%
Mohave	84	85.0	101.2%	\$ 3,600,000	\$ 3,675,200	102.1%	3	3	100.0%
Northland	143	149.0	104.2%	\$ 6,150,000	\$ 7,826,778	127.3%	4	7	175.0%
Prima	262	295.0	112.6%	\$ 11,250,000	\$ 12,486,467	111.0%	8	8	100.0%
Yavapai	160	219.0	136.9%	\$ 6,900,000	\$ 4,674,934	67.8%	5	3	60.0%
Total	1,746	2144.0	122.8%	\$ 75,000,000	\$ 84,981,007	113.3%	54	74	137.0%