



# Northland Pioneer College

SMALL BUSINESS DEVELOPMENT CENTER

## Annual Report 2010



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The following is the annual report of the Northland Pioneer College Small Business Development Center (NPC-SBDC) provided in form required by the U.S. Small Business Administration. In Summary, 2010 reflected good progress by clients, despite the worst economic outlook for the Country and State in our lifetimes. NPC-SBDC did not meet its goals for client activity in all areas, but achieved good progress in terms of economic growth for those businesses we assisted. Our goals and results are shown herewith:

<u>Item</u>	<u>Goal</u>	<u>Actual</u>
Jobs added or saved	126	100
Extended Engagement Clients	81	61
Startups	21	5
Long Term Counselings	44	56
Capital Formation	\$4,484,349	\$3,293,710
Revenues Increased	\$9,837,420	\$5,708,111
Shared Resources	6	2

Our client statistics for 2010 reflected 226 clients served; consisting of 48% male vs. 30% female; 53% white, 23% Native American, 4.5% no response or other; 8% veterans; 43% startups vs. 47% existing business; 4.4% online businesses (up from 2% in 09) , 14.2 % home-based businesses(up from 12.6 in 2009); and 25.6% female-owned businesses ( down from 27.2% in 2009)

In counseling small businesses NPC-SBDC provided a total of 540 sessions for 516.80 hours of direct contact, 488.40 hours of client preparation and indirect service, and 156.95 hours of travel going to client meetings. This represented an average of 9.31 hours per client.

In training, NPC-SBDC sponsored 15 training events during the year, reflecting 146 attendees, and 91 hours of training. NPC-SBDC conducted the following trainings during 2010: Build Your Website Workshops, Quickbooks training, SBA Loan Clinics, Tax Work Shop, an ongoing online program involving 28 separate courses offered to students throughout the area as part of the SBDC small business curriculum. Training in 2010 was down significantly due restaffing and retraining of 90% of the center's personnel. 2011 will see a much improved outreach in these and may new workshop.

#### 0100 Advocacy

NPC-SBDC regularly participates in local Chamber of Commerce events. The SBDC presented training for the Chamber members as cosponsors, and attends mixers and lunches to promote the SBDC and recruit clients. We participated on the Board of Directors for the Little Colorado River Plateau RC&D, and were part of a group from the local area that met with the U.S. Secretary of Agriculture regarding the forest thinning. The SBDC regularly interfaces with City government, meeting with Managers and Economic Development professionals and helping with projects. NPC-SBDC also presented to Show Low High School Business classes on Entrepreneurship and helped judge local business plans. NPC-SBDC participates regularly with Tribal economic development groups, including the Navajo Tribe's Regional Business Development Offices. We present and travel throughout the Districts vast area; doing outreach in communities such Chinle and Window Rock. We regularly meet with economic development agencies such as the Real AZ Corridor and Show Low Mainstreet , and represent the college host and SBDC as an active partner in assisting with project development.

## 0200 Capital Formation

NPC-SBDC continues to maintain regular contact with local banks to further USDA, BIA and SBA lending sources. The center assisted with \$3,293,710 in new capital formation in 2010. None, however, came from a government loan guarantee source. Banks are still tight with commercial credit in this area due to the number of commercial buildings that have been foreclosed. Banks continue to seek only low credit risk loans. Although several SBA and one BIA guaranteed loan package were submitted, none were approved in 2010.

## 0300 Innovation and Technology Transfer

In 2009 NPC-SBDC was involved with Forest Products Lab from Madison, WI regarding Woody Biomass Utilization Grant program and specific reporting for successful candidates. A counselor who specializes in forestry and innovative forest products continues to work with these clients, making them aware of marketing and training opportunities available through the AZSBDC network. In addition, the NPC-SBDC conducted 2 sessions of website building workshops to provide small business owners with hands-on training to get their businesses on the internet and selling products on-line. More of these types of workshops that include hands-on training and counselor follow-on, are scheduled in 2011.

## 0400 International Trade

Nothing noted.

## 0500 Minority Small Business Development

NPC-SBDC's Holbrook office had to be closed in 2010 due to NPC office restructuring and the departure of a valued employee who worked out of that office and provided training and counseling for the vast Northern part of the NPC service area. In addition, the center lost a seasoned SBDC director and related American Indian Enterprise for credit on-line programs. In its place, however, Small Business University was purchased which provides 28 free small business related courses to people throughout Apache and Navajo County. Direction has been given to the Chinle and Ft. Defiance RBDO's regarding its availability and use and has been well received as a training tool for entrepreneurs and RBDO counselors alike. The E200 conference was attended by a few on the Navajo reservation who felt it provided much needed guidance and training for negotiating business on the reservation. These conferences typically take place in Phoenix, however, which makes training difficult to attend for people on the Navajo, Apache and Hopi reservations that are 5-6 hours away. Further study should be done to find out how to bring this program closer to this service area and collaborate with the NM SBDC in Gallup for this purpose.

## 0600 Resource Development

NPC-SBDC attended meetings by USDA Rural Development for information on grants and loans for the rural business community. The Director has researched AZ lenders whose portfolio allocations allow for more SBA, USDA and BIA guaranteed loans. This resource list is a work in progress as the counselors have more success getting loans approved and these lenders are identified. The SBDC will seek these lenders who are more receptive to SBA loans using SBDC counseling services to prepare and assess client loan packages.

### 0700 Procurement

NPC-SBDC's staff experienced 90% turnover in its employees in 2010. As a result, new employees have Attended training and received certification during all-hands in Sedona Arizona regarding the procurement and SBIR application process. No direct client training or assistance was done in this area.

### 0800 Special Emphasis Groups

The Director provided assistance on the Future Focus II economic development group conducted by APS which formed to create a roadmap for the future of the City of Show Low with citizen participation. In addition, the Director provided assistance to the REAL AZ Corridor group which was formed to create a regional website and method for locating light industrial businesses seeking information to relocate to Apache and Navajo Counties.

### 0900 Economic Development, Faith Based and Community Initiatives

NPC-SBDC participates with local agencies in Navajo and Apache County, as well as Native reservations, in helping with project development and local initiatives.

### 1000 Research

With the discontinuation of Hillsearch, Inc as a major provider of regional data for statistical analysis purposes, the NPC-SBDC has developed a resource list of other data sources and uses the services of the ASBDC network as its primary vendor. In addition, Profit Cents continues to provide a ready data base of up to the minute RMA and Peer financial data. Training on how to use the product for the benefit of counseling clients on trends of their financial statements was given to all staff in late December.

### 1100 Other Activity

All NPC-SBDC staff were provided training and certification in NX Level and Profit Mastery training in 2010. The Director and one new counselor are now certified as facilitators for Profit Mastery. The Director and one counselor are now certified to conduct NX Level training as well.

### 1200 Success Stories

The Center submitted application to the State network to recognize White River Construction for its example of a construction company who employs locally, actively participates in the government and reservation procurement processes and has successfully managed through a recession period that has been especially difficult on construction companies in Arizona. Through forward looking management and financial planning, this company is weathering the downturn and was nationally recognized by Forbes Magazine as the "Best in Business" in Arizona. The article came out in February 2011.

### 1300 Travel

Out of state travel was approved for the NPC-SBDC staff to attend the National SBDC Conference in Texas.

### 1400 Problems

The largest challenge to the center in 2010 was restaffing and retraining of all of its personnel.

### 1500 Financial Reports

(To be provided separately; centers do not need to complete this section)

### 1600 Women-Owned Businesses

Nothing noted.

### 1700 Economic Impact

See Success Stories and Goals and Results section above.

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

One training session was conducted at the NPC Campus in Show Low by Jim Pippet of the SBA Veteran's Outreach program with 2 people in attendance.

### 1900 Manufacturing

NPC-SBDC has played an active role in helping local forestry businesses develop markets for small diameter wood. Our economic impact and client base have shown good progress, largely due to the successful implementation of additional thinning by the local forests and the implementation of a landscape scale Stewardship contract in our area. The additional thinning has led to a cadre of secondary manufacturing businesses that have been utilizing the products of thinning and creating jobs and economic activity.

### 2000 Online Activity

NPC-SBDC continues to update the [www.npcsbd.com](http://www.npcsbd.com) web site. We work with online students via Small Business University which provides access 24/7 to 28 free small business related courses ranging from Business Planning, to Raising Capital, to Marketing and Intellectual Property. NPC-SBDC is working with the state office to expand webinar offerings to this area from content provided by the main SBDC office in Maricopa.