



# Small Business Development Center Model

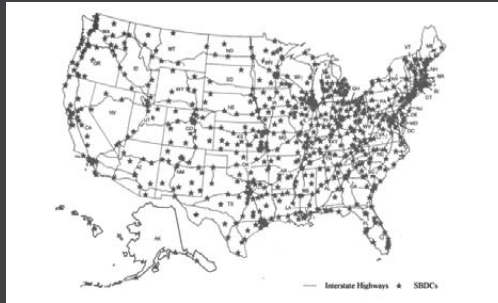
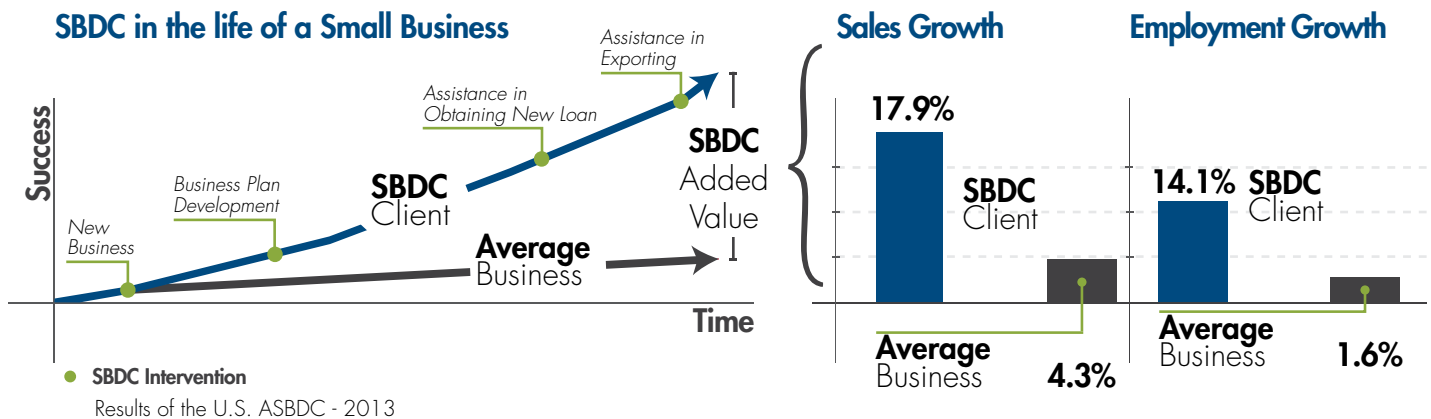


Transferring the SBDC model to develop the small business sector in **THE CARIBBEAN**

# Small Business Development Center Model

## WHAT IS A SMALL BUSINESS DEVELOPMENT CENTER (SBDC)?

An SBDC is the main source of technical and managerial assistance for small businesses in the United States. The mission of an SBDC is to promote growth, innovation, productivity and revenue for small businesses through improvements to their business administration.



## The United States SBDC network

The SBDC network is the largest and most successful network of assistance to the small- and medium-size enterprises in the United States, with more than 1,100 centers, 4,500 full-time advisors and 750,000 clients-businesses served annually.

It is financed by the Small Business Administration (SBA), a federal agency, and by local, state, private and academic institutions, which host each SBDC and match the funds contributed by the federal government.

All SBDCs are members of the Association of SBDCs (ASBDC) and are certified by the ASBDC accreditation standards that guarantee the consistency, quality and effectiveness of the services offered.

In 2013, the national network of SBDCs assisted clients to create and retain more than 158,115 jobs, open 26,254 new businesses, generate \$7 billion in new sales and obtain \$4.1 billion in new financing. As a result of this impact, the national SBDC network generated fiscal revenues of more than \$537.3 million, yielding a return on investment of \$2.24/\$1.

## SBDC Core Services

SBDC core services are focused on three key areas that cover the needs of startups as well as those of established businesses:

- One-on-one, confidential, free and long-term **technical assistance**.
- **Group training** focused on subjects of interest to small businesses and presented by SBDC staff and private sector professionals.
- **Market research** tailored to the client's needs.

These services benefit small businesses and generate economic impact that creates new jobs, increases revenues, strengthens and diversifies the formal economy, and promotes country stability and growth.

## Key Elements of the SBDC Model

The key elements of the SBDC model are the following:

- **The focus on long-term assistance:** The high-value, one-on-one and long-term assistance is the key element to generate economic impact on the SME sector;
- **The work with multiple small business clients:** The SBDC model allows counselors to work with hundreds of clients per year, broadening the client base and maximizing the efficiency of the services offered and the impact generated;
- **The creation of economic impact:** The mission of all SBDC professionals is to help clients generate long-term economic impact that establishes new businesses, creates jobs, and increases sales and access to capital;
- **The results oriented culture:** SBDC professionals are evaluated in terms of impact generated through client work;
- **The joint investment by three key sectors:** SBDCs require the public, academic and private sectors to jointly invest efforts and funds in order to guarantee the sustainability of the program and eliminate inefficiencies and work duplication;
- **The simplicity, flexibility and capacity to adapt to local needs:** SBDCs have the capacity to adapt their services according to the economic and social needs of the context in which they are located, offering services that are relevant to the SME sector served;
- **The positive return on investment:** The SBDC program generates a positive return on investment, contributing revenues that are greater than the cost of the program, benefiting all stakeholders and justifying its continuity.

## HOW TO ESTABLISH A NATIONAL SBDC NETWORK

The process to establish a national SBDC network is organized in five phases, which will serve as the core operating system for the SBDC model to grow and develop.



### PHASE 1 – START-UP

The start-up phase consists in generating awareness, building support and guiding policy development to support the creation of the SBDC model with key SME program stakeholders - government, private sector and higher-ed. To reach these objectives, the following activities will be executed:

- **In-country consultations** during which we analyze the feasibility of implementing the SBDC model based on the local context and existing SME programs by conducting group discussions with representatives from the federal, state and local governments, private and academic sectors, and NGOs;
- **Visits to San Antonio, Texas and Washington, D.C.** to observe the SBDC services, discover how the model creates economic impact for SME clients and learn how the federal government created the necessary legal and policy framework, structures, funds and conducts oversight for the SBDC network;
- **SBDC policy development** guidance for each country so that they can create the appropriate legal and policy framework to sustain the development of the SBDC model.

### PHASE 2 – TRANSFER

The second phase consists in **transferring the SBDC methodology** to develop the SME assistance capacity of the emerging network. This will be achieved through the following activities:

- **SBDC Counselor & Director Certificate Training Program** that will transfer the SBDC model methodology and train professionals on how to operate an economic impact generating SBDC;
- **Request for proposal (RFP)** process to award funding to future SBDC pilot centers (recommended approach).

### PHASE 3 – IMPLEMENTATION

Once the future hosts of the SBDCs have been selected, the pilot SBDCs will be launched. Support and guidance will be provided to ensure that the new SBDCs are equipped with the necessary tools to successfully operate and assist clients. The following activities will be executed during phase 3:

- **Install a client activity tracking system** to monitor and measure center performance.
- **Systematize the model** by establishing service, quality and process standards that will enable a transition from an initial pilot program to an established, national network of SBDCs.

### PHASE 4 – CONSOLIDATION

The consolidation phase promotes the integrity and sustainability of the network. During the phase, the following activities will be executed:

- **Offer professional development opportunities** to SBDC personnel, including observational learning visits at the UTSA SBDC with the goal of observing center operations and administrative best practices;
- **Maximize the creation and capture of economic impact** to evaluate centers' performance;
- **Create a formal association of SBDCs** that will represent the collective interest of its members and the small business sector and that will ensure the political and financial sustainability of the program;
- **Develop accreditation standards** that will guarantee the quality and consistency of the services as well as the implementation of management best practices across the national network;
- **Establish specialized centers** to respond to clients' changing and evolving needs;

### PHASE 5 – INTERNATIONALIZATION

Phase 5 will help SBDC clients open new export markets, increase competitiveness and grow sales in the Americas. This will be achieved through:

- **SBDCGlobal.com**, an online trade platform that will link SBDC clients from the United States, Mexico, Central and South American, and the Caribbean with trade opportunities.



# Small Business Development Center Model

## CARIBBEAN SBDC PROJECT UPDATE

In 2012 a partnership program with the U.S. Government through the U.S. Mission to the Organization of American States (OAS), the OAS Department of Economic Development, Trade and Tourism (now Department of Economic and Social Development), the Caribbean Export Development Agency (Caribbean Export) and the University of Texas at San Antonio (UTSA) began the process of assisting five countries in the Caribbean - Barbados, Belize, Dominica, Jamaica and Saint Lucia - in adapting the SBDC model.

This project was initiated after the Regional Workshop "Promoting and Improving SME Competitiveness and Productivity in the Caribbean" was held in San Diego, California, on September 6th-7th 2011. The meeting was organized by the Department of Economic and Social Development, of the General Secretariat of the Organization of American States (OAS) and the Caribbean Export Development Agency (CEDA), in cooperation with the United States Association of Small Business Development Centers (ASBDC) and the Regional SBDC of the University of Texas at San Antonio, with funding from the U.S. Government through the U.S. Mission to the OAS.

The purpose of the Regional Workshop was to strengthen the capacity of the institutions that support, assist and train micro, small and medium-sized enterprises (MSMEs) in the Caribbean through the sharing of best practices and success stories on international trade and innovation in the United States and Latin America. An overview of the U.S. Small Business Development Center (SBDC) model was presented with references to the unique features that explain its successful implementation in the United States and its expansion and adaptation in Mexico, El Salvador and the rest of Central America.

Caribbean countries presented their SME programs and activities and exchanged views on the SBDC model and other best practices per the Caribbean political and economic context. Representatives of all Caribbean participating countries responded to a survey on the applicability of the SBDC model. Based on the outcomes of the Workshop and following additional consultations, five countries-Barbados, Belize, Dominica, Jamaica and Saint Lucia - confirmed their interest in participating in the project.

This project follows the critical path of SBDC model development as experienced in Mexico and Central America but is adapted to a regional Caribbean SME development context

**Belize:** The University of Texas at San Antonio (UTSA), the OAS, and Caribbean Export all have worked with BELTRAIDE (Belize Trade and Investment Development Services) in transferring the SBDC methodology and in preparing future SBDC professionals via the Certificate Training Programme. The team has also been instrumental in assisting BELTRAIDE in the creation of Small Business legislation as the supporting infrastructure for the establishment of the model. BELTRAIDE launched the first SBDC pilot center on October 31, 2012, which is hosted at the University of Belize in Belize City. To date the SBDC Belize has attracted a significant number of clients and is doing an excellent job of offering training programmes to small businesses in the community. The SBDC has also implemented the client activity tracking system (Neoserra) that monitors client activities and assists in the measurement and evaluation of performance and results. In January 2013 staff from the SBDC Belize participated in an observational learning visit to the SBDC programme at UTSA, with a view to gaining a deeper appreciation for the mechanics of operating a successful SBDC program. The UTSA team also visited the SBDC Belize during the period July 23rd-25th 2013, and again in December 2013 to conduct Neoserra and SBDC Global training, as well as to review the centre's operations. (More information is available at <http://belizeinvest.net/2012/12/18/small-business-development-center-who-we-are-what-we-do-how-its-beneficial-to-you/>).

During the period June 19th-20th 2014, Belize also participated in visits with United States policy makers and stakeholders involved in SME development for a first hand look at some of elements of the policy framework that would foster a successful implementation of the model. Belize continues to enjoy success with its pilot SBDC and plans continue for the launch of further centres and the development of a country network.

**Jamaica:** In March 2013 the Jamaican project team in partnership with the Policy, Planning, Projects and Research Division of the Ministry of Industry, Investment and Commerce (MIIC), UTSA, OAS and Caribbean Export, completed the Certificate Training Programme. The programme successfully trained over sixty (60) participants, including members of the government, private sector and academia. The MIIC, has identified the Jamaica Business Development Corporation (JBDC) as the lead organization in the in the adoption and adaptation of the SBDC model, leveraging its extensive experience in



UTSA Associate Vice President for Economic Development Robert McKinley talks to a group of international SBDC delegates at UTSA.



SBDC Belize visit to the UTSA Institute for Economic Development.

the provision of Small Business support services to the Jamaican context. In April 2014, representatives of the MIIC, as well as other key project stakeholders participated in a week – long observational visit at the University of Texas at San Antonio. During this period, participants were given the opportunity to gain a full overview of the SBDC model structure and implementation road map, in an effort to assist in the rationalization of the adaptation of the model in Jamaica. In June 2014 a delegation comprised of representatives from the MIIC, DBJ, JBDC and academia participated in visits with policy makers in Washington, D.C for a deeper appreciation of the US SME support framework. The Jamaica SBDC team has continued to advance the adaptation and implementation of the SBDC model and will formally launch the SBDC on 23rd January 2015.

**Saint Lucia:** The Small Enterprise Development Unit under the Ministry of Commerce, Business Development, Investment and Consumer Affairs is leading the SBDC project in Saint Lucia. The Certificate Training programme which began on February 2013 was completed on May 17th 2013. The Training programme followed initial consultations, designed to raise awareness about the SBDC model and to solicit input from varying stakeholder groups on the feasibility of its adoption in Saint Lucia. The Ministry continues to work on the SBDC model implementation in the country, which involves, among other things, assigning its Small Enterprise Development Unit (SEDU) as the “anchor” SBDC organization, with other organizations and institutions with specialized expertise, including the Sir Arthur Lewis Community College, linked to SEDU through MOUs. To this end the Ministry of Commerce Business Development, Investment and Consumer Affairs successfully completed the signature of several MOUs in an effort to galvanise the public- private partnership among stakeholders which forms a key part of the model adaptation. Monday May 19th 2014, marked a key milestone in this process as it was the first meeting of the SBDC network in Saint Lucia, where the vision, mission and service offerings of the local SBDC were presented. Saint Lucia continues to receive strong government support for the model which was exemplified in the attendance of the Honourable Emma Hippylyte Minister of Commerce, Business Development, Investment and Consumer Affairs, who headed the delegation visiting UTSA San Antonio, Texas, from June 16th–18th 2014 and Washington, D.C., from June 19th–20th 2014, to deepen the understanding of the model’s application. Saint Lucia successfully launched its pilot SBDC on the 19th November 2014 and continues to work with the OAS and UTSA in the expansion of its national SBDC network.



Certificate Training participants in St. Lucia.

**Barbados:** The Consultation Training Programme for the model implementation was facilitated in partnership with the Ministry of Industry, Small Business and Rural Development, UTSA, OAS and Caribbean Export, and received very favorable responses from the different stakeholder groups regarding the feasibility of the SBDC model in the country. The Certificate Training which was conducted in collaboration with the Ministry of Industry, International Business, Commerce and Small Business Development was finalized in November 2013. The Ministry continues to work with its partners and key stakeholders on adapting the model to the Barbadian context. In an effort to advance the implementation of the model in Barbados, a delegation, led by the Honourable Minister of Industry, Small Business and Rural Development, Donville Inniss and other members of the public and private sectors and academia, visited UTSA in San Antonio, Texas, from June 16th – 18th 2014 and Washington, D.C. from June 19th – 20th 2014. Since then the team in Barbados has worked assiduously in completing the institutional infrastructure to support the adaptation and implementation of the SBDC model. Barbados is scheduled to launch its SBDC network in February 2015.

**Dominica:** In partnership with the Dominica Employment and Small Business Agency under the Ministry of Employment, Trade, Industry and Diaspora Affairs, UTSA, OAS and Caribbean Export the Consultation Training Program was completed in Dominica, with very favorable responses from the different stakeholder groups regarding the feasibility of the SBDC model in the country. The Certificate Training in Dominica was concluded in October 2013 and the Employment and Small Business Agency together with other key agencies and stakeholders are currently working on adapting the model to the Dominican context. Ms. Careen Prevost, Permanent Secretary in the Ministry of Employment, Trade, Industry and Diaspora Affairs, headed the delegation from Dominica that visited UTSA in San Antonio, Texas, from June 16th – 18th, 2014 and Washington, D.C., from June 19th – 20th 2014, to deepen Dominica’s understanding of the model’s application. Other members of the delegation included representatives from the National Development Foundation of Dominica, the Dominica State College, and the Dominica Export and Import Agency. Dominica continues to work towards the development of the institutional infrastructure and adaptation of the model.



Organization of American States



South-West Texas Border  
Small Business  
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