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The following project was unanimously approved at the Erie-Niagara Regional Partnership's May 21, 2004 general meeting:

Small Business Assistance Project

Background

Small businesses contribute in an extraordinary way to the stability and health of the economy in Erie and Niagara counties. Recognizing this, on December 5th, 2003 the Erie-Niagara Regional Partnership Economic Development subcommittee requested and received approval from the general body to pursue a "survey of what programs exist to aid small business, survey recently opened businesses to assess their needs and how those needs are being met, create better awareness of and access to existing programs, and determine what new programs need to be developed in the long-term."

The goal of this research was to bring back specific project ideas for consideration by the general body at the May 21, 2004 meeting.

Methodology

While preparing the research plan for this project we had difficulty trying to define a small business. As a result, we turned to small business assistance agencies for an answer. We received different definitions from the agencies we surveyed that only served to show us that in fact these agencies and programs are not proceeding in a unified manner if even the definitions vary. Our research proceeded with an ambiguous definition of a small business that allowed for a more comprehensive review of business assistance available.

We broke the project into three stages. The goal of phase one was to take an inventory of local, county, state, federal, and other agencies assisting small businesses in Erie and Niagara counties.

Information on small business assistance programs was collected through attendance at local seminars, Internet and library research, and phone interviews. We began the project by calling contacts we were provided with, searching the Internet, and attending a small business seminar in Buffalo sponsored by the Small Business Administration (SBA).

We compiled a mountain of materials on financial, technical, and workforce assistance programs and began to sort through the particulars. We created a database of programs with information on the sponsoring agency and contact name, advertising mediums, number of businesses assisted (annually or since inception), conditions and requirements for use of the program, funds committed to the program, and a systematic categorization of all programs based on similar studies.

The goal of phase two of the project was to obtain feedback from a diverse and representative set of new (in existence for less than two years) and existing small business owners. We selected small businesses for our study according to the following parameters: industry, size, geographic location, use/non-use of programs, and ownership (minority and women-owned businesses). Using an interview guide, we asked those small business owners what assistance they have used, what assistance they knew about, and what additional assistance they need. Interview results were documented and analyzed for recurring themes.

The goal of phase three of the project was to generate recommendations that would contribute to small business development in Erie and Niagara counties. We synthesized the results of our surveys and our interviews, examined models of small business development in other communities, and deliberated on innovative ways to deliver assistance to small businesses.

Findings

By placing ourselves in the shoes of small business owners looking for assistance programs, we realized in a matter of hours that it was no easy task to find information on small business assistance programs. The number and types of programs available for each geographic location was at times overwhelming.

Our research resulted in a database with 275 programs at 60 different agencies. These programs can be categorized geographically. There are 121 programs that are available to any business in the region. These programs are generally those administered by New York State or the United States government. Of the 275 programs, 243 are available in Erie County and 189 in Niagara County. The City of Buffalo has 43 programs unique to itself, and Niagara Falls 34. Programs specific to minority- and women-owned businesses comprise 45 of the programs.

It should be stressed that there are significant collaborative efforts already underway, such as the Niagara County Economic Development Alliance and the collective of agencies meeting with the UB Center for Entrepreneurial Leadership. In addition, publications such as Niagara County's *Connections for Business* and the *Erie County Business Assistance Directory* provide excellent starting points for those looking to open or expand small businesses in the two counties.

The issue, then, is not a lack of programs or even collaborations, but rather one of accessibility and awareness. Most owners were aware of only one or two assistance programs available to them. The most common way they became aware of programs was by word of mouth. Owners reported getting assistance in writing a business plan and low-interest loans as the most common forms of assistance received.

Several owners experienced difficulties in obtaining financial assistance once they had identified programs available because of poor credit histories, agency skepticism on the viability of the enterprise, or application procedures that were time consuming and overly technical. Most owners reported receiving financial, technical, or workforce assistance from family members or friends in addition to or as a substitution for small business assistance programs.

Conclusions & Recommendations

Erie and Niagara counties do not lack small business assistance programs. A rich web of assistance is available to new and existing small businesses. There has also been significant progress in unifying programs and agencies through cooperation or even consolidation. Overall, however, access to those programs is problematic and cooperation between these agencies can be

improved. Small business owners are busy people. They typically don't have the time to try to understand the rich web of assistance available to them. A discussion with a first point of contact does prove helpful, but no one person or agency can be expected to know about and understand the full breadth and depth of programs available.

Another important lesson of the project was the demonstrable need for heightened communication and coordination throughout the community of available resources. In the constrained economic environment of Erie and Niagara counties, public resources are scarce and must be managed and distributed in an efficient, effective, and equitable manner.

Communication and coordination between small business assistance agencies is an important facet of managing scarce resources and in providing the full realm of diverse programs available to small businesses.

Therefore, we propose that the following short-term and long-term recommendations be implemented:

Short-term

We recommend that a single, interactive, web-based resource of all small business assistance programs available in Erie and Niagara Counties be developed and made available to the public.

The website would primarily be comprised of two parts. The first would be informational, listing the full range of programs and agencies, as well as contact information and links for each. Users would also access a calendar of upcoming seminars, programs, and other events. Participation of the agencies in keeping the data up to date would be necessary for this to be successful.

The other aspect of the site would be an interactive search of possible programs for which a user might be eligible. Users would input information on themselves and the type of business they are looking to open or expand (location, MBE/WBE, financial, etc.). This information would in turn generate a list of most likely matches – programs for which they are likely to be eligible. They would also be given the contact information for those programs.

The goal of the website is to make the accessibility of information as user-friendly and seamless as possible, while still maintaining the face to face contact that is so vital to the success of small business assistance. Users would shave hours off of their search for information, but still need to contact agencies for applications and further details.

We recommend that a small, but diverse group of small business assistance agencies and existing collectives be convened to lead website development in conjunction with the ENRP. This group should advise effective and comprehensive development, maintenance, and publicity of the site. Publicity of the site must involve a sustained effort over a period of time.

Long-term

We recommend that the aforementioned group be expanded over time in terms of both membership and programs. The group should serve as a tool for sustained communication and coordination of assistance offered. The group should review and develop programs, identify sectors or aspects of small business assistance that need strengthening, collaborate for joint efforts, and organize forums for small business development. Such a group should serve as a model for other metropolitan areas of the country.

Specifically, the development of programs for business plan development and review ("B-Plan Breakfasts") by experts and successful business owners is recommended. The goal is to provide the assistance and "tough love" needed to aid the development of a business plan that presents a good idea, well articulated, that can attract investors.