

The logo for the Entrepreneurial Assistance Program (EAP) features the lowercase letters 'eap' in a bold, orange, sans-serif font. The 'e' and 'a' are connected at the top, and the 'p' has a long vertical stem that extends downwards.

ENTREPRENEURIAL ASSISTANCE PROGRAM

**2011-12 Annual Report to Governor Andrew Cuomo and the
New York State Legislature**

Empire State Development

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Executive Summary

The Entrepreneurial Assistance Program (“EAP”) is an enterprise development program aimed at increasing the formation of new businesses successfully owned and operated by minorities, women, dislocated workers and individuals with special needs; and strengthening the operation of these firms during the early stages of development, generally within the first five years.

During 2011-12, each organization funded under EAP received \$73,500 in State funding to continue providing business training and skill development to New York State entrepreneurs. These grant funds were matched with cash and in-kind funding from other non-State sources.

EAP assists new and aspiring entrepreneurs in developing basic business management skills by providing business training, one-on-one counseling and technical assistance. As part of program monitoring, specific performance objectives regarding creation and expansion, increased sales, job creation and business financing are established for EAP Centers at the beginning of their contracts.

During the 2011-12 contract year, outcomes by the EAP network increased in 17 of the 20 performance areas. Examples of performance increases include:

- Sales at existing businesses increased from \$11.5 million/year to \$20.8 million/year;
- Sales at start-up businesses increased from \$2.2 million/year to \$4 million/year;
- The number of retained employment increased from 916 to 1,318; and
- Job creation at existing businesses increased from 300 to 465 and at start-up businesses job creation increased from 143 to 176.

In addition to providing services that helped produce the outcomes above, EAP Centers provided 16,178 hours of one-on-one counseling and helped clients create more than 332 business plans.

Program Overview

The Omnibus Economic Development Law of 1987 authorizes Empire State Development (“ESD”), through the Entrepreneurial Assistance Program, to issue contracts to not-for-profit corporations, community colleges and Boards of Cooperative Educational Services (“BOCES”) for the development of Entrepreneurial Assistance Program Centers (“EAP Centers” or “Centers”) to provide comprehensive assistance in enterprise development to owners and prospective owners of small businesses.

EAP Centers (see Table II) provide a 60-hour entrepreneurship training course, supplemented by intensive technical assistance, to help new entrepreneurs complete business plans and develop a viable business. Participants learn market development and financial management skills, how to refine their business concept and conduct a break-even analysis. In addition, EAP Centers provide technical assistance to existing businesses that are less than five years old. This technical assistance is designed to help young businesses make the transition into small-growth companies and includes working capital and cash-flow management, general management skills, new market development, hiring and managing employees, managing growth, and accessing credit and capital. EAP's focus on start-ups and micro enterprises owned by minorities and women is what distinguishes it from other State business assistance programs, such as the Small Business Development Centers.

During the 2011-12 contract year, there were 24 EAP Centers serving every region in New York State (see Appendix A). In addition, EAP maintains linkages with many related local, regional and state organizations, including Small Business Development Centers, local firms, chambers of commerce, not-for-profit agencies, colleges and universities, ESD regional offices, and other State and local economic development organizations.

Funding

Each of the 24 EAP Centers received \$73,500 in State funding. Contracts for the continued operation of a Center are awarded on a competitive basis for a 12-month period and awardees are required to provide a minimum of 1:1 matching funds either in cash or through in-kind contributions. The cash match must be at least 50%. The sources of matching funds include:

- Federal Government - U.S. Small Business Administration, U.S. House of Representatives; Department of Defense;
- City - New York City Small Business Services;
- Universities/Community Colleges - Hofstra University, Syracuse University, Suffolk County Community College and Broome County Community College;
- Chambers of Commerce - Broome County Chamber of Commerce, Albany-Colonie Regional Chamber of Commerce, Chemung County Chamber of Commerce, Greater South Buffalo Chamber of Commerce; Orange County Chamber of Commerce;
- Local and County - Broome County Tioga Workforce Development, Broome County Urban League, Procurement Technical Assistance Cooperative, State Farm Insurance Company, Women's Foundation of Genesee Valley, Allegany Community Development Services, Inc.;

- Banks and Credit Unions - Capital One, JP Morgan Chase Foundation, First Niagara, Sunmark Federal Credit Union, Apple Bank, Signature Bank; and
- Not-for-profits - ACCORD Corporation, Binghamton Local Development Corporation, Broome County Urban League, Broome Tioga Workforce, Brooklyn Economic Development Corporation, CAMBA, Syracuse University, Queens Economic Development Corporation, St. Nicks Alliance, South Bronx Overall Economic Development Corporation, Women’s Foundation Fund, Washington Heights-Inwood Development Corporation, Women’s Enterprise.

In addition, part of the costs were covered by hundreds of business owners, accountants, lawyers, marketing consultants, and bank employees who donated time and expertise on a pro bono or reduced fee basis to help EAP clients start or expand their businesses.

Objectives

The primary objectives of the EAP are to:

- Increase the number of new businesses in New York State, with a particular focus on expanding economic opportunity for minority group members, women, dislocated workers and individuals with special needs;
- Expand the sales and employment levels of small businesses during the critical first five years of operation;
- Decrease the business failure rates among small businesses in the State;
- Assist in the revitalization of distressed communities through the encouragement of “home grown” businesses; and
- Increase employment opportunities for local residents.

Oversight and Evaluation

As the State entity responsible for administering the EAP, ESD provides overall program management, assists EAP Centers and monitors individual Center’s performance. Performance monitoring consists of, among other things, site visits, classroom audits, client file reviews, client site visits and client telephone surveys. Other services provided by ESD include the interpretation of contract terms and program requirements, program orientation for new EAP Center staff, monthly conference calls to review program direction and/or strategies, professional development webinars and telephone/email support in planning program activities.

EAP Centers are evaluated annually based on specific performance objectives regarding business creation and expansion, increased sales, job creation and business financing. A Center's eligibility for reimbursement of expenses and continued funding are contingent on the Center achieving quarterly and annual performance objectives, along with other contractual obligations.

Grantees are required to meet all of the minimum performance standards. Those EAP Centers that do not meet the minimum of at least 75% of the 17 standards (13 of the 17 standards) may not receive the final 10% of the grant amount.

Client Characteristics (New Enrollments Only)

EAP's rigorous program attracts persons with potential for success in business ownership:

- Most EAP clients are between the ages of 31 and 60.
- They come to the program with extensive work experience. 44% are employed full time or part time by another employer, 35% are full time or part time self employed. The remaining 21% fall into one of the following categories:
 - Displaced homemaker;
 - Unemployed;
 - Public assistance recipient; and/or
 - Retired.
- Most have high education levels. 25% have attained at least a trade school or 2-year college education. 35% have a 4-year college or university degree, while 16% have a graduate or professional degree.
- At the point of intake, 43% of newly enrolled businesses were home-based, another 23% were operated out of a rented facility and 4% owned their facility. The remaining 30% were unknown at the time of intake.
- 87% of the clients enrolled were Minority & Women-Owned Business Enterprises.
- 74% of the clients had no business plan, and 19% had only a partial business plan.
- 236 clients were categorized as existing businesses. Of these existing businesses, 56% were in the service sector and 20% were in the retail sector. About 6% were in manufacturing and another 6% in wholesale/distribution and about 8% were in construction. Only about 2% were in finance, insurance, and real estate. The other 2% were unknown at this time.

- In terms of business size, 33% of the firms had annual incomes less than \$5,000. 6% reported incomes between \$5,000 and \$10,000, 12% reported business incomes between \$10,000 and \$25,000, 13% had business incomes between \$25,000 and \$50,000 and incomes between \$50,000 and \$100,000 were 13%. The remaining 23% had annual income levels over \$100,000.
- The vast majority (78%) of EAP client firms were micro-enterprises. A micro-enterprise is a very small business operating from a home, storefront or office, which employs fewer than five people. A micro business does not generally have access to commercial bank loans, yet it could benefit from a loan under \$25,000.

TABLE I
ENTREPRENEURIAL ASSISTANCE PROGRAM
2011-2012 Program Goals and Outcomes

Clients	Individual Center Goals	Program Goals¹	Program Outcomes²
New Enrollments	15	360	824
Prior Year Client Served	15	360	526
Businesses			
Businesses Started	8	192	184
Businesses Saved/Retained	4	96	243
Existing Business Impacts			
Number of Firms with Increased Sales	5	120	335
Aggregate Amount of Increased Sales	\$175,000	\$4,200,000	\$20,845,884
Number of Firms with Expanded Employment	4	96	168
Number of New Employees	8	192	465
Number of Firms with Retained Employment	4	96	224
Number of Retained Employees	6	144	1,318
Start-up Business Impacts			
Number of Firms with Increased Sales	3	72	178
Aggregate Amount of Increased Sales	\$60,000	\$1,440,000	\$4,071,427
Number of Firms with Expanded Employment	2	48	81
Number of New Employees	3	72	176
Financing Impacts (Start-up and Existing)			
Financial Packages Developed	8	192	242
Financial Packages Secured	6	144	227
Amount of Financing Secured	\$200,000	\$4,800,000	\$8,066,327
Business Plans Developed			
New Enrollments/Prior Year Clients	10	240	330
MWBE Goals			
MWBE Certification Applications Developed*	5	120	53
MWBE Certification Applications Approved*	3	72	29

*MWBE Goals were newly instituted; we expect improvement in the next contract year.

¹ Program Goals are equal to Individual Center Goals multiplied by the 24 centers.

² Program Outcomes captured from EAP on-line database as of January 23, 2013.

Success Stories - Listed below are some of the program successes with both start-ups and existing businesses.

IBERO/Medaille College in Buffalo - 1 Accord Services, Inc.

Helen and Sherman Washington came to the EAP center on April 14, 2010 for assistance in writing a business plan and developing a loan package. Both husband and wife attended the business training classes and worked with staff to complete their objectives.

In addition, 1 Accord Services worked with this center to apply for MWBE certification. After receiving the City of Buffalo and Erie County certification, the company was fast tracked to receive New York State certification.

As the Washington's pursued their dream of acquiring new contracts, they worked hard at their marketing and networking. Utilizing Helen's financial background and Sherman's previous experience as manager of one of Erie County's largest cleaning services, 1 Accord was destined to succeed.

In 2012, 1 Accord received \$150,000 in county and state contracts to clean student housing and the first floor of the University of Buffalo's Gateway Building.

Renaissance Economic Development Corporation - M&M Pest Control, Inc.

M&M Pest Control, Inc. ("M&M") is a leading eco-friendly pest control company located in Manhattan. M&M is certified by the New York State Department of Environmental Conservation and is a member of the National Pest Management Association. M&M was established in 2001 under the direction of Timothy Wong and serves New York, New Jersey, Connecticut, and Pennsylvania.

M&M has been a client at Renaissance Economic Development Corporation since 2005 and enrolled in our Entrepreneurship Assistance Program in 2010. Since enrolling in the EAP program, technical director Timothy Wong has benefited from business counseling on topics such as managing working capital, training and hiring staff, and purchasing specialized machinery and equipment for his business. Mr. Wong also received credit counseling. As a result, M&M Pest Control successfully secured \$75,000 in financing from Renaissance in 2011 for business expansion. In addition, Renaissance is currently helping Mr. Wong with his New York State MWBE certification.

Today, M&M Pest Control remains profitable and stable, employing about thirty full-time workers, and providing a full range of eco-friendly pest control and environmental testing solutions. Additionally, the business has been featured in a wide range of television and print media, and is active in the rising social media scene, providing updates on pest control news and anecdotes on their company blog, M&M Buzz, and on the M&M Environmental YouTube Channel.

M&M Pest Control greatly appreciates all that the EAP center at Renaissance has done to help. M&M explains that it is "in thanks in great part to the support from Renaissance that we have been able to expand our business and serve our clients with excellence."

Capital Chamber Foundation - The Bridge Runner Express

“When I went into business in the fall of 2011, I had a lot of great ideas but I knew nothing about a business plan, never heard of the term “crowd sourcing” and did not have a solid plan for my business. I knew I liked to cook and entertain and I wanted to build a future for my daughters. When a friend recommended the Albany Regional Chamber of Commerce Boot Camp class I immediately contacted Janet Tanguay who came to meet with me about the program. Her enthusiasm and excitement for my business made me realize this was the right thing for me to do. My only expectation was to walk away with a developed business plan that would give me direction and the tools to be a successful small business owner. But I took away much more than that. Not only did this program give me the tools to start and finalize my business plan, it connected me with other great small business owners in this area who so willingly offered their insight, experience and knowledge to help me succeed. It also helped me work out some of the details regarding my brand. I remember the first night walking in to a room filled with other entrepreneurs.

It was intimidating at first, but by the end of the night, I was inspired knowing I was not alone and we would begin our 12 week journey together. The outreach of support was incredible. And did I mention we had fun?! We had cheesecakes, hummus, music, and a party bus just to name a few. And did someone say there was a competition? I remember at graduation being so excited for my friends in the business plan because I knew we were all winners, but when they announced my name, I almost hit the floor! I feel so fortunate I was given the opportunity to participate in a program led with such passion from Janet Tanguay and supported through the Chamber and Sunmark Federal Credit Union.

As a small business owner in the Capital Region, I feel lucky to be part of a community where small businesses are supported and welcomed. I hope someday I am able to motivate and inspire others in the same way. Thank you to everyone that keeps this program going. I am just a small example of how dreams do come true when you are given the direction, support and leadership from those who have done it before you!

Thank you!” - **Jennifer Rittner**

Worker Ownership Resource Center - B & W Towing

Kristen Klemenz came to Worker Ownership Resource Center (WORC) for assistance with her struggling towing business. She opened the business in May 2009 and was having a tough time keeping it operating for various reasons, including the fact she was a woman trying to run a business in a male dominated field. Kristen enrolled in the 60 hour training program and graduated in November. With the knowledge gained from attending the classes and technical assistance meetings, she has reached the final stages of completing her business plan.

Since that time, Kristen has built a thriving towing business. With the assistance from WORC she has bought trucks, trailers and a tractor/trailer rig. Her sales have increased dramatically over the last couple of years.

This year, Kristen worked with WORC to become a certified MWBE, she received her certification in the fall and has already landed a contract. She now has expanded her towing business to include a garage and inspection station for large trucks and other licenses vehicles. Kristen has credited WORC's assistance and support as having been an invaluable resource in helping her succeed and expand her business.

Hofstra University - Thompson Economic Development Services

Charlene Thompson is the President/CEO of Thompson Economic Development Services (TEDS), which was founded in March 2011 and provides custom economic development support to promote investment, revitalization and project completion in underserved communities. The firm offers comprehensive consulting services to municipalities, agencies, developers, businesses and not-for-profit organizations undertaking and/or managing economic development projects. Government compliance training, grant writing, project development and project management assistance are available.

Ms. Thompson enrolled in both the EAP and SEAP, and started the business in 2011. A practicing attorney for over 17 years and employed in Nassau County Government for over eight years, she utilized her skills and experience gained to start TEDS. Contracts with government agencies were a possible niche for Ms. Thompson; she returned to the EAP for assistance with the MWBE application. The package along with two addendums for certification with New York City Small Business Services and Port Authority of New York and New Jersey were submitted on May 30, 2012. TEDS was granted status as a MWBE on June 29, 2012.

The MWBE status provided eligibility for contract awards with NYS Housing Trust Fund Corporation, providing compliance training to assist not-for-profit organizations and municipalities in developing housing and community revitalization projects.

Business impacts of \$10,700 in increased sales and approval of \$10,000 funding for start-up capital for TEDS was reported for the second quarter. Most recently, the opportunity to hire Ms. Thompson for MWBE consulting services became available with ESD funding.

**Table II
EAP CENTER LISTING**

NEW YORK CITY REGION

Organization

Service Area

Renaissance Economic Development Corporation	Chinatown of Manhattan (assistance in Chinese and Spanish)
Chinatown Manpower Project/Business Outreach Center	
Project Enterprise, Inc.	Harlem, Manhattan, The Bronx and Staten Island
Washington Heights Inwood Development Corporation	Washington Heights Inwood section of NYC, Manhattan (assistance in English and Spanish)
Hunts Point Economic Development Corporation	Bronx
South Bronx Economic Development Corporation	
Local Development Corporation of East New York	East New York and Brownsville sections of Brooklyn
CAMBA	Kings
Brooklyn Economic Development Corporation (BEDC)	
St. Nicks Alliance Corp.	Williamsburg and Bushwick
Queens Overall Economic Development Corporation	Queens

LONG ISLAND REGION

Suffolk County Community College (SCCC)	Suffolk
Hofstra University	Nassau and Suffolk

MID-HUDSON REGION

Women's Enterprise Development Center Inc.	Westchester
Orange County Chamber of Commerce	Montgomery

**Table II
EAP CENTER LISTING
(Continued)**

Table II EAP CENTER LISTING (Continued)	
CAPITAL REGION	
Organization	Service Area
Capital Chamber Foundation, Inc. of Albany-Colonie Regional Chamber of Commerce	Albany, Town of Colonie
CENTRAL NEW YORK REGION	
South Side Innovation Center/Syracuse University	Onondaga, Oswego, Syracuse, Madison and Cortland
NORTH COUNTRY REGION	
Adirondack Economic Development Corporation - (AEDC)	Jefferson, Essex, Lewis, St. Lawrence, Hamilton, Warren, Washington, Oswego, Oneida, Franklin, Herkimer, Saratoga, Fulton, Clinton, Montgomery and Otsego
MOHAWK VALLEY REGION	
Business Training Institute, Inc.	Oneida, Madison and Herkimer
FINGER LAKES REGION	
Urban League of Rochester, NY, Inc.	Monroe, Wayne, Ontario, Erie, and Genesee Counties Primary focus is Monroe
Worker Ownership Resource Center, a subsidiary of IBERO – American Action League, Inc.	Ontario, Wayne, Seneca, Steuben, Yates, Cayuga, Schuyler and Chemung
SOUTHERN TIER REGION	
Binghamton Local Development Corporation	Binghamton, Broome, Tioga, Chenango and Delaware
WESTERN NEW YORK REGION	
ACCORD Corporation	Allegany, Steuben and Cattaraugus
IBERO and Greater South Buffalo Chamber of Commerce	Downtown Buffalo area, Erie and Niagara