



# Entrepreneurial Assistance Program

# 2015-16

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

**Empire State Development**

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## INTRODUCTION



## EXECUTIVE SUMMARY

The Entrepreneurial Assistance Program (EAP) is an enterprise development program with centers in local communities. EAP Centers provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business and also strengthens the operation of these firms during the early stages of development, generally within the first five years.

During the EAP contract year of June 1, 2015 to May 31, 2016, each organization funded under EAP received \$88,000 in State funding to continue providing business training and skill development to New York State entrepreneurs. The EAP 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. There are performance objectives set for all of the EAP Centers in the areas of creation and expansion, increased sales, job creation and business financing.

## PROGRAM OVERVIEW

The Omnibus Economic Development Law of 1987 authorizes Empire State Development (“ESD”), through the Entrepreneurial Assistance Program, to issue contracts to non-profits, universities and community colleges for Entrepreneurial Assistance Program Centers (“EAP Centers”) to provide comprehensive assistance in enterprise development to owners and prospective owners of small businesses.

There are 22 EAP Centers (see Table I on page 15), which serve every region of New York State. In addition, EAP works with many local, regional and state organizations, local firms, chambers of commerce, non-profit agencies, colleges and universities, ESD regional offices, and other State and local economic development organizations.

The EAP Centers 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 how to refine their business concept, conduct a break-even analysis, market development and financial management skills.

**In FY 15-16 EAP Centers provided over 8,000 hours of one-on-one counseling and helped clients create more than 284 business plans.**

Further, EAP Centers provide technical assistance to existing businesses that are less than five years old. 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 is on start-ups and micro enterprises owned by minorities and women.

## ADDITIONAL SERVICES

The Entrepreneurial Assistance Program Centers supports the following initiatives:

### **The Department of State – Office of New Americans**

The Office of New Americans (ONA) helps New Americans fully participate in New York State civic and economic life. ONA operates through a network of 27 community-based organizations.

EAP Centers are engaged in a three-year program to teach two Starting Your Own Business seminars biannually at each Office of New Americans center. The trainings are scheduled on mutually agreed upon dates with the ONA Centers and in some cases will be taught in dual-language instruction (e.g. Spanish, Chinese, etc.) depending on the population being served.

## **Veteran Entrepreneurship Services**

EAP Centers provide entrepreneurship services to veterans interested in starting a business or expanding an existing business which includes but is not limited to: (1) Counseling on the feasibility of starting a business; (2) Education in established management principles and practices; (3) Access to veteran business support networks; and (4) Ongoing and continued technical assistance.

Some EAP Centers have customized programs for veterans that provide free or reduced prices for services, and have also formed partnerships with many different veteran organizations, support groups, hospitals and agencies across the state.

## **Minority and Women Business Enterprise (MWBE) Support and Outcomes**

EAP Centers work closely with NYS's Division of Minority and Women's Business Development. Centers provide direct assistance to individuals interested in becoming MWBE certified to do business with New York State. EAP Center staff are trained to provide guidance in the preparation of MWBE online certification applications. MWBE's receiving services from the EAP had the following outcomes:

- 357 MWBE firms increased sales by \$26 million;
- 166 MWBE firms increased employees by 447.5;
- 243 MWBE firms retained 1,388 employees; and
- 104 MWBE firms secured \$6 million in financing.

## **Business Mentor New York**

Business Mentor NY is an online platform that connects volunteer mentors to small businesses and emerging entrepreneurs to help them address specific challenges and realize their full economic potential. EAP Centers facilitate clients registering on the site, assist with their profile and help connect the entrepreneurs with mentors.

# **FUNDING**

EAP was allocated \$1,764,000 in the 2015-2016 New York State budget with an additional \$161,000 available from previous funding. Grants of \$88,000 were given to 21 EAP Centers for 12 month contracts and one Center was awarded a prorated amount of \$77,000. EAP Centers are required to match these grants one-to-one (50% or more in cash and no more than 50% in-kind). The sources of matching funds include, but are not limited to:

- Federal Government – USDA, U.S. CDC Reach Initiative, and U.S. Small Business Administration (PRIME);
- Banks and Credit Unions - Deutsche Bank, Sunmark Bank, Citibank, and Ameriprise Financial;
- City - Small Cities, NYC EDC, THRIVE Award to Help Reach Immigrant Ventures and Entrepreneurs, and United Business Cooperative;

- Universities/Community Colleges – SUNY Broome Community College, Hofstra University, Syracuse University, Medaille College/Buffalo, Suffolk County Community College, Dutchess Community College, and Rockland Community College;
- Chambers of Commerce – Capital Chamber Foundation;
- Local and County – Broome Triad - Broome Employment Center for Broome Tioga Workforce Development, and Broome County Urban League;
- Non-profits – Bedford Stuyvesant Restoration, Queens Economic Development Corporation, ACCORD Corporation, Washington Heights-Inwood Development Corporation, South Bronx Overall Economic Development Corporation, Bronx Health Reach, Women’s Enterprise Development Center Inc., Urban League of Rochester, IBERO American Action League, Chinatown Manpower Project, Inc., Hot Bread Kitchen Ltd, and State Farm;

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 objective of EAP is 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

Empire State Development’s (ESD) EAP Director provides overall program management, assists EAP Centers and monitors their performance. Performance monitoring consists of site visits, classroom audits, client file reviews, client site visits and telephone surveys. ESD’s EAP Director conducts program orientation for EAP Center staff, holds monthly conference calls to review program direction and strategies, hosts professional development webinars and provides telephone and email support in planning program activities.

EAP Centers are evaluated annually by ESD based on performance objectives pertaining to business creation and expansion, increased sales, job creation and business financing.

Reimbursement of expenses and continued funding are contingent upon the Centers achieving quarterly and annual performance objectives, along with other contractual obligations.

Grantees are required to meet all minimum performance standards. EAP Centers that do not meet the minimum of at least 75% of the 24 performance objectives may not receive 10% of their grant funding.

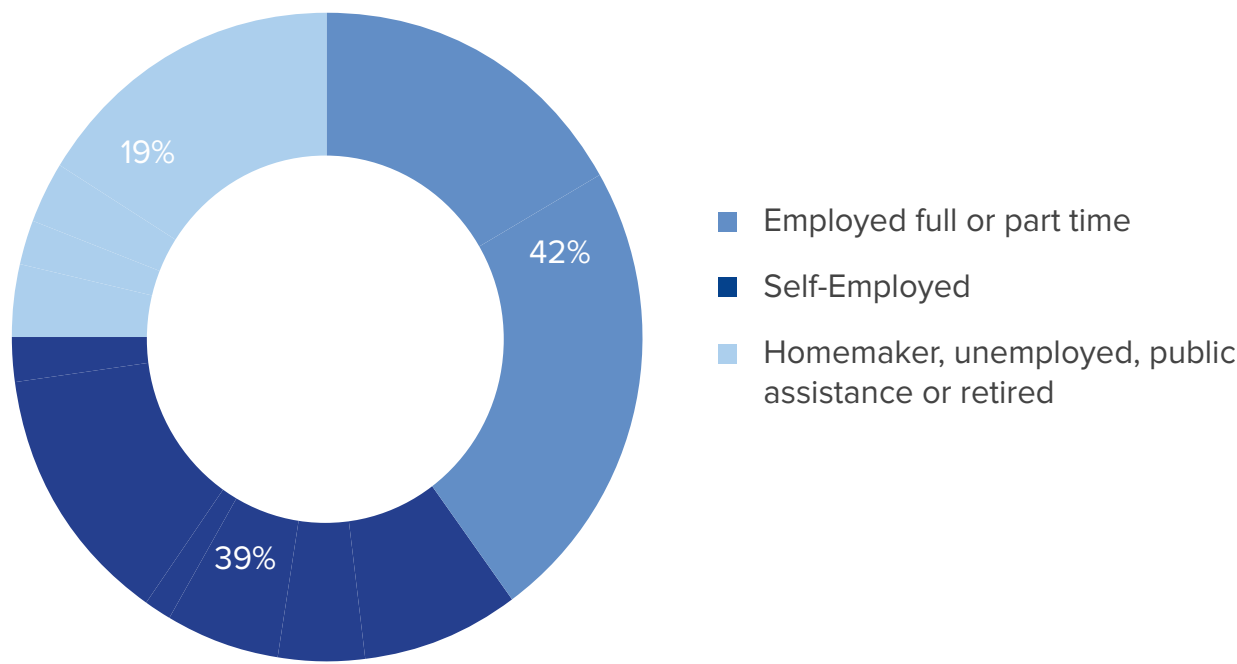
## EAP CLIENT & BUSINESS CHARACTERISTICS (NEW ENROLLMENTS ONLY)

The EAP program attracts persons with potential for success in business ownership. Most EAP clients are between the ages of 31 and 60.

### Client Demographics

Education Level	Percentage
High School or GED	20%
Trade School or 2-year college	25%
4-year college	35%
Graduate degree	18%
Grade school/Junior High	2%

### Work Experience



## Business Characteristics

At the point of intake, 43% of newly enrolled businesses were home-based, 23% operated out of a rented facility and 4% owned their facility. The remaining 30% were unknown.

- 89% are owned by a minority or woman.
- 72% of the clients had no business plan, 20% had only a partial business plan and the remaining 8% had working business plans.

The industry breakdown of the 346 clients categorized as existing businesses is as follows:

Business Sector	Percentage
Service	61%
Retail	16%
Construction	12%
Manufacturing	3%
Wholesale/Distribution	5%
Finance, Insurance and Real Estate	3%

The majority (74%) of EAP client firms were micro-enterprises. A micro-enterprise is a very small business which typically employs no more than five people. A micro business does not generally have access to commercial bank loans. However, these businesses could benefit from a loan under \$25,000. The income breakdown of EAP clients is as follows:

Annual Incomes	Percentage
Less than \$5,000	31%
\$5,000 - \$10,000	8%
\$10,000 - \$25,000	10%
\$25,000 - \$50,000	12%
\$50,000 - \$100,000	11%
Over \$100,000	28%

# 2015-2016 ENTREPRENEURIAL ASSISTANCE PROGRAM GOALS AND OUTCOMES

Clients	Program Goals <sup>1</sup>	Program Outcomes <sup>2</sup>
New Enrollments	222	1,098 <sup>3</sup>
Prior Year Client Served	210	449
<b>Businesses</b>		
Businesses Started	110	148
Businesses Saved/Retained	88	172
<b>Existing Business Impacts</b>		
Number of Firms with Increased Sales	110	305
Aggregate Amount of Increased Sales	\$3,820,000	\$28,590,828
Number of Firms with Expanded Employment	86	143
Number of New Employees	174	414.50
Number of Firms with Retained Employment	87	237
Number of Retained Employees	130	1,513
<b>Start-up Business Impacts</b>		
Number of Firms with Increased Sales	44	109
Aggregate Amount of Increased Sales	\$855,000	\$3,223,635
Number of Firms with Expanded Employment	44	58
Number of New Employees	44	153
<b>Financing Impacts (Start-up and Existing)</b>		
Financial Packages Developed	130	158
Financial Packages Secured	88	146
Amount of Financing Secured	\$3,820,000	\$7,807,873
<b>Business Plans Developed</b>		
New Enrollments/Prior Year Clients	220	284
<b>MWBE Goals</b>		
MWBE Certification Applications Developed	174	118

<sup>1</sup>Program Goals expected to be met by EAP Centers.

<sup>2</sup>Program Outcomes captured from EAP on-line database as of May 22, 2017.

<sup>3</sup>New enrollment program goals were not increased due to added program goals and new program initiatives.

<b>Veteran Program Goals</b>		
New Enrollments	130	126
Businesses Started	87	25
<b>Business Mentor New York</b>		
New Mentorship Clients Enrolled	426	200
New Mentors Enrolled	86	60
New Engagements Facilitated	214	53

<b>Veteran Outcomes</b>		
New Enrollments (Training and TA)	126	
Prior Year Client Served	250	
Number New Businesses Started	25	
Retained Businesses	3	
<b>Existing Businesses</b>		
Firms with Increased Sales	32	
Aggregate Increase in Sales	\$2,955,320	
Firms with Expanded Employment	17	
Expanded Employment	77	
Number of firms with Retained Employees	16	
Number of Retained Employment	83	
<b>Start-up Businesses</b>		
Firms with Increased Sales	27	
Aggregate Increase in Sales	\$1,050,501	
Firms with Expanded Employment	9	
Expanded Employment	32	
Number of firms with Retained Employees	7	
Number of Retained Employment	43	
<b>Financing (start-ups and Existing)</b>		
Financial Packages Developed	21	
Financial Packages Approved	8	
Aggregate Financing Secured	\$345,000	
<b>MWBE (Start-ups and Existing)</b>		
Number of MWBE Applications Developed	5	
Number of MWBE Applications Approved	2	
<b>Business Plans (Start-ups and Existing)</b>		
Business Plans Developed	32	

# SUCCESS STORIES

Listed below are some of the program's successes.

## SUNY Broome Continuing Education EAP

### Small Electrical Supply Company Gets NYS MWBE Certification and Lands First State Contract

#### Dunn Electric Supply Co. Inc.

Toni came to the Center in December of 2015 to discuss the MWBE application process. She was dismayed at losing contracts that were awarded to companies outside the area. Toni's company could provide all of the supplies that were needed in the local contracts. She had been asked if she was MWBE certified and was told that it may get her "foot in the door".

Toni met with the Center staff. She was brought on as a technical assistance client and provided with 3.5 hours of assistance to complete the application. Toni received one-on-one assistance with setting up her profile and a walk-through of the New York State Contract System's online platform on January 7, 2016 and submitted her application on April 13th. She received word on May 16, 2016 that her application was received and in process. Toni was notified on July 14, 2016 that Dunn Electric had received its MWBE certification.

One week after receiving MWBE certification, a manufacturing company in Binghamton awarded Dunn Electric Supply with a lighting contract for \$30,687. CMP Advanced Mechanical Solutions received NYS funding for plant improvements, requiring 30% minority business and specifically requested to do business locally. This award proves that WBE certification can make a difference to a business' bottom line. Toni and her team at Dunn Electric continue to review and bid on contracts with her newly awarded certification. SUNY Oneonta and SUNY Delhi have agreed to provide bidding opportunities to Dunn Electric Supply.

#### As Toni noted:

"I am confident that this New York State Certification is another big step in the evolution of Dunn Electric to support its loyal customers in Broome and the surrounding counties. It will also offer more opportunities to compete for contracts requiring minority suppliers. Working with Darlene Kanuk and others in the EAP program at BCC and being a technical assistance client was the best thing that could have happened to me. Prior to that time, I worked on the application for months, but knew I needed additional guidance and assistance. What a relief it was to be able to bounce off ideas and receive assistance with procedural questions on such matters as downloading the required documents. When I became anxious during the waiting process, it was reassuring to hear that my application was moving through all of the necessary channels. I would highly recommend and encourage future candidates to enroll in this most valuable program. The actual certification process is a long arduous application, made much easier by submitting all documents online. I understand why the application requires thought, detail and accuracy. It is an excellent screening tool necessary to evaluate potential candidates."

## **South Bronx Overall Economic Development Corporation EAP**

### **Small Construction Firm Secures Operating Capital to Mobilize on a NYC contract**

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#### **Dirty Gloves Drain Services LLC**

Nadine Hickson is the owner of Dirty Gloves Drain Services LLC, a construction company established in 2013 that specializes in janitorial and drain cleaning services. Nadine started the company with her own funds and saw revenues grow from \$60,000 in 2014 to \$210,000 in 2015.

In 2015, with the assistance of SoBRO's PTAC Department, Dirty Gloves received its MWBE certifications from both the City and the State. Armed with these certifications, Nadine bid for and was successfully awarded a \$487,135 contract by NYCHA, to be completed over two years.

Nadine was ecstatic but she knew that she needed to mobilize funds to perform on that contract. She turned to SoBRO's EAP for help identifying a lender able to provide the financing she needed. Seeing that neither she nor the company had any sizable assets that could be used as collateral toward a loan, SoBRO decided to approach a lender that participates in the Bridge to Success program, a State-funded loan program targeting women and minority owned contractors that have been awarded a New York State or municipal contract and need short term loans to get started. SoBRO assisted Nadine with the loan packaging, including the financial projections for the contract. A loan for \$127,784 was approved in February 2016 by TruFund.

Nadine is very grateful for SoBRO's support, in a letter to she said, "I would like to express my appreciation to the entire team at SoBRO for the hard work, dedication and commitment of service that you have provided to me. I'm exceptionally blessed and fortunate to receive the type of service that was extended to me from such great people from the team at SoBRO. I am delighted to be surrounded by very talented people. Now I am ready for the next phase."

## **ACCORD Allegany Business Center EAP**

### **Displaced Worker Finds Dream and Launches Wildly Successful BBQ Business**

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#### **Wally's Shag Bark BBQ**

In 2014 Wally Schurr came to the Entrepreneurial Assistance Program at ACCORD's Allegany Business Center searching for a viable business to start. He had been referred by the Self Employment Assistance Program (SEAP) seeking self-employment opportunities and wanted to explore the idea of starting a meat shop in the Town of Friendship. Using the program, Wally learned the technical steps required for registering and forming a formal business entity.

Fast forward to 2016 – Wally responded to the Center's alumni letter asking what they were doing now and where their businesses might be. Unfortunately things hadn't worked out with the meat shop, but he was interested in pursuing a new idea. The prior year's business counseling helped him hone in on his idea and he came up with the idea to launch a barbecue business. Initially in his business plan, Wally considered including a partner, but after consideration, he decided to develop the business alone and make his operations mobile.

Seeking help for this new venture, Wally enrolled in EAP's 60-hour business planning course to ensure that he understood the responsibilities of a business owner. The class included a diverse set of businesses that encouraged and challenged each other. Wally was an engaged participant and worked hard to gain further insight into how to set up the infrastructure for keeping reliable records for inventory, taxes, and cash systems so that he could accurately measure his profits after all of his expenses were paid, i.e. keeping track of his margins. The Center helped Wally to identify point of sale systems that he could implement with his business to expand from a cash only establishment.

Throughout the class process, Wally worked on refurbishing an old office trailer that would become his mobile barbecue business. He regularly brought pictures into class to show off his progress. Wally completed a 'Group Up' repair, learning many new skills along the way.

Wally is still very engaged with the Center and its staff. They helped promote his grand opening and are regular patrons of his establishment. After only five days of having his Facebook page up, he garnered over 100 followers and is still expanding his reach to 380 at last count. He is very appreciative of the training he received and continually keeps the Business Center staff updated with proud boasts of having sold out 20 racks of ribs in four hours to gross a \$900 day. Wally's best month so far has been just under \$14,000 in sales. Wally must now consider hiring staff to help him and his wife keep up with the demand. Wally plans to use the Allegany Business Center and their EAP program to help him with this next phase of growth.

## **Queens Economic Development Corporation**

### **Queens Candy Maker Hones Production Skills and Finds Profitable Market**

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#### **Biggie's Crack Toffee**

Stephanie was working in the financial services sector when during one Thanksgiving, she tried some homemade toffee. Intrigued by the flavor, she started playing with different recipes and customized it to her taste. While most toffees are thick and made with milk chocolate, she created a toffee that was thin and used premium dark chocolate and added sea salt; it became an instant hit with her family and friends. When she saw that her peers were willing to pay her for her toffee, she decided to start her own toffee manufacturing business and sell her toffee both directly to customers and to specialty stores. After doing some research, she came across the Queens Economic Development Corporation's (QEDC) Entrepreneur Space, which has a kitchen incubator located in Long Island City, and in November 2014, she decided to sign a contract with the kitchen. Through QEDC's Entrepreneurial Assistance Program (EAP), she received ongoing technical assistance in production efficiency, operations management, and marketing/outreach. She started to sell her products at markets in Long Island and she was also in touch with QEDC's food consultant for regular updates on her business.

This past summer, Stephanie became a vendor at Made in Queens, which is a QEDC managed retail store selling artisanal and locally produced products. While selling at the store, Stephanie receives technical assistance from QEDC's EAP director, who sits down with the Made in Queens' clients to discuss inventory and storage, logistics, marketing, outreach, in addition to assisting other vendors with any problems they may have. So far this year, Stephanie has already increased her sales by 136% of last year's total revenues and has hired a part time employee.

Stephanie is grateful for all the help and support she and her business have received, and when asked about her experience working in the kitchen and selling at the store, she says, "It is so nice to be in the space. Everyone has been so helpful. It is a really nice experience to not be on your own." In five years, Stephanie hopes that her business will be her full time job, and that her products will be sold in specialty stores throughout the country. She would also like to increase her mail order/catalog toffee orders.

## Women's Enterprise Development Center EAP

### Mid-Hudson Entertainer Fine Tunes 20 Year Business Boosting Brand and Diversifying Revenue

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#### **Bee Bee the Clown**

Jacqueline came to the WEDC EAP Center to enroll in our 60 hour training program to develop and expand the writing portion of her business. She is a clown and entertainer and has written children's books. Jackie has also been operating a business as Bee Bee the Clown for 20 plus years. Bee Bee the Clown is relatively well known in her local market, however she would like to increase her gross sales. In the last two years, Jackie has published a children's book and will be adding this part of her business to her business strategy.

Jackie did a superior job with her business plan and presentation. Upon completion of the class she reported an \$8,055 increase in sales. Jackie also attended the all day workshop How to Create the Most Profitable Marketing Plan for Your Business on January 1, 2016. On February 13, 2016, she attended our all day workshop "How to Become More Profitable Using QuickBooks". As a result of attending the 60-hour course and topic workshops, Jackie has fine-tuned her website and feels confident that she will be able to increase sales by 10% in 2016 by leveraging the marketing and sales funnel process she developed. Jackie plans to continue to utilize WEDC's resources to expand her book business as another revenue stream that is a complimentary product to her current performance based business.

Jacqueline stated, "Because of having taken the 60-hour course and also the marketing and QuickBooks courses in January and February, I have expanded my direct mail marketing in the first quarter of 2016, which is bringing in shows and performances for the rest of the year. I am more attentive to the need for a social media presence. I am completely redoing and updating my website to more accurately reflect my current brand and business goals. I am aware of the need for SEO optimization and how my business needs to tie all these facets together to create progress. I am very happy to have been a part of this program. The wealth of information and resources that are available to a small business person through WEDC are incredible. I know that if I have questions or need guidance there are people who are actively interested in assisting with that."

## EAP Centers - Table 1

Region	Organization	Service Area
Capitol	Capitol Chamber Foundation	Albany (Town of Colonie)
Central New York	South Side Innovation Center /Syracuse University	Onondaga, Oswego, Syracuse, Madison and Cortland
Finger Lakes	IBERO – American Action League	Ontario, Wayne, Seneca, Steuben, Yates, Cayuga, Schuyler, and Chemung
	Urban League of Rochester	Monroe, Wayne, Ontario, Erie, and Genesee
Long Island	Hofstra University	Nassau
	Suffolk County Community College	Suffolk
Mid-Hudson	Women’s Enterprise Development Center, Inc.	Poughkeepsie
	Women’s Enterprise Development Center, Inc.	Westchester
Mohawk Valley	Business Training Institute, Inc.	Oneida, Madison, and Herkimer
New York City	Chinatown Manpower Project /Business Outreach Center	Manhattan (Chinatown)
	Hot Bread Kitchen, Ltd	Manhattan
	Renaissance Economic Development Corporation	Manhattan (Chinatown)
	Washington Heights and Inwood Development Corporation	Manhattan (Washington Heights, and Inwood)
	Bedford Stuyvesant Restoration Corporation	Kings (Brooklyn)
	CAMBA	Kings (Brooklyn)
	Local Development Corporation of East New York	Kings (Brooklyn – East New York and Brownsville)
	South Bronx Overall Economic Development Corporation (SOBRO)	Bronx
	Queens Economic Development Corporation	Queens
North Country	Adirondack Economic Development Corporation	Jefferson, Essex, Lewis, St. Lawrence, Hamilton, Warren, Washington, Oswego, Oneida, Franklin, Herkimer, Saratoga, Fulton, Clinton, Montgomery, and Otego
Southern Tier	Binghamton Local Development Corporation	Binghamton, Broome, Tioga, Chenango, and Delaware
Western New York	ACCORD Corporation	Allegany, Steuben, and Cattaraugus
	IBERO – and Greater Buffalo Chamber of Commerce	Buffalo, Erie, and Niagara



# Entrepreneurial Assistance Program

