



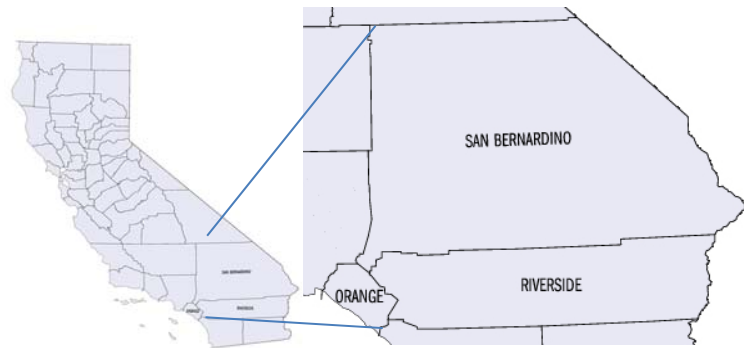
Self Study
April 2016

Regional Director – Mike Daniel
Mihaylo College of Business and Economics
(657) 278-5168
midaniel@fullerton.edu
MCBE 4157
Established 2003

The Orange County/Inland Empire SBDC Network Lead Center, hosted by California State University, Fullerton (CSUF), is responsible for the overall management oversight of the Orange County/Inland Empire SBDC network, herein after referred to as “the network”, including financial, administrative and programmatic responsibilities. Per the terms of the proposal, the Lead Center will enter into a cooperative agreement with the U.S. Small Business Administration and in turn subcontract with each local service center. Currently, the regional network includes seven primary service centers, including Inland Empire SBDC, Orange County SBDC, Orange County Hispanic Chamber SBDC, Coachella Valley SBDC, TriTech SBDC, LaunchPad SBDC and the Lead Center SBDC. Service Center subcontracts incorporate expectations stated in the Cooperative Agreement along with any additional items negotiated between the Lead Center and Service Centers.

Based out of the Mihaylo College of Business and Economics at California State University Fullerton, one of the largest accredited business schools in the United States, the Lead Center is focused upon improving, supporting and growing the service centers in this region. Quality assurance at the center level is conducted utilizing client feedback, periodic client, staff and stakeholder surveys and annual site reviews focused on programmatic and financial activities. The Lead Center serves as a resource to the service centers and encourages open communication and transparency with the centers to share key economic information, best practices on service delivery mechanisms, to identify trouble areas for mitigation of risk and to devise new solutions to common network challenges.

The service area for the network includes Orange, Riverside and San Bernardino counties – a geographic area of more than 28,000 square miles. Funding distribution to each of the local service centers is based primarily upon geographic coverage



and population as determined by the most recent U.S. census. The TriTech SBDC and the LaunchPad SBDC have a special emphasis on fast-growth and technology-based firms and maintains strong connections with the local venture capital and private equity business community. These specialty centers serve businesses located throughout the tri-county area and work closely with the three traditional SBDCs, Inland Empire and Orange County, and Coachella Valley, to ensure that all avenues of opportunity are offered to clients. The Orange County Hispanic SBDC will serve as a new specialty center that focuses on small business start-up and growth within the Hispanic communities of Orange County.

Mission and Goals

Mission:

The Orange County/Inland Empire SBDC Network stimulates economic growth in Orange, San Bernardino and Riverside counties by providing small businesses and entrepreneurs with no-cost expert consulting, effective training and access to resources. The Network engages students, faculty and staff with entrepreneurial activities and pathways that lead to student success and enhances the value of Mihaylo College and CSUF.

Vision:

Leading the way for small business success

Values:

The Orange County/Inland Empire Regional SBDC Network is built on the foundation of these deeply rooted values: Innovative spirit, authentic communication, commitment to excellence in our work and results, and integrity.

The goals of the OC/IE SBDC network and particularly the Lead center are:

- Expand the reach of the OC/IE SBDC network
- Fundraising
- Foster student engagement activities within MCBE and the university
- Make CSUF and MCBE the regional hub for small business technical assistance
- Enhance partnerships with other centers throughout MCBE and the university

The goal for the OC/IE SBDC network and the Lead center is to align with the goals of the college and the university. Please see the attached strategic planning and goals matrix for the assessment of how each goal aligns with the goals of the college and the university.

Activities

The main activity of the OC/IE SBDC network is to offer free one-on-one business consulting to individuals who are either in business or looking to start a business. For each of the past three years, the network has on average performed more than 15,000 hours of business consulting to the business community in the Orange, Riverside and San Bernardino counties. The network assists more than 3,000 business owners each year and has a goal to get to 5,000 over the next three years. The network has more than 55 highly specialized business consultants that perform these services and assist businesses in their needs. **Goals accomplished: Expand the reach of the OC/IE SBDC network, fundraising, make CSUF and the MCBE the regional hub for small business technical assistance.**

The OC/IE SBDC network performs trainings, seminars and conferences throughout the region that cover topics such as starting a small business, how to find financing for your business, government contracting, business formation, Quick Books and more. The network holds these trainings all around the region and on average performs more than 250 per year. In 2015, the Lead center held an International Trade Forecast that showcased the report to more than 100 international trade practitioners in the region. **Goals accomplished: Expand the reach of the OC/IE SBDC network, Make CSUF and the MCBE the regional hub for small business technical assistance, Enhance partnerships with other centers throughout MCBE and the university.**

The OC/IE SBDC network through the Lead center regularly holds trainings for students of CSUF. Each semester a two Quick Books classes are held in MCBE and are free to all students interested in learning more about the accounting platform. Last semester the Lead center gave \$200 to the business club that brought the most students to the training. We had 112 students participate in the one-day training and more than 50% of those students were accounting majors. **Goals accomplished: Foster student engagement activities within MCBE and the university.**

The OC/IE SBDC network has created a new International Trade team that focuses on assisting business owners in reaching additional markets outside of the United States. The Lead Center has hired four CSUF student interns to provide the market research and intelligence to assist the SBDC clients with understanding the right markets to enter and how to properly and legally enter each market. The

services are funded through the SBDC program and the center will look to expand the program in the second year to also assist domestic business owners with start-up assistance and research. **Goals accomplished:** Foster student engagement activities within MCBE and the university, make CSUF and MCBE the regional hub for small business technical assistance.

Organizational Structure and Governance

The Orange County/Inland Empire SBDC network is run through the Mihaylo College of Business and Economics. Dean Anil Puri administers the program and Mike Daniel is the Director of the OC/IE SBDC network. The Lead center is hosted and housed at CSUF in the MCBE. There are six service centers that are spread throughout the OC/IE region that support the business community. Each host institution is a subcontractor to the Lead center and CSUF and hires his or her own service center Director. Based on funding and metrics, each service center Director then hires his staff and business consultants to make sure that the needs of that specific community are met. Please find the organizational chart for the OC/IE SBDC network in the supplemental information.

The OC/IE SBDC network has an advisory board that consists of business owners, SBDC partners and additional members such as legislators and college faculty. The advisory board meets two times per year and to date has been a sounding board for the direction of the network. In addition to the network wide advisory board committee, several of the service centers also have their own advisory board committee.

Resources and Sustainability

There are a total of 63 networks throughout the United States and the SBDC is the largest funded technical assistance program in the country. The program is a dollar for dollar matching program so for every federal dollar received, it must be matched with another non-federal dollar. The OC/IE SBDC Network has no problem with making the program sustainable and is currently building cash reserves to expand the program. In total, the OC/IE SBDC program was a combined \$4,500,000 in calendar year 2015. It represents one of the largest grant funded programs run through the college. Please see the table below for funding for the past three years:

OC/IE SBDC Network Revenue:

	2013	2014	2015
Federal	\$1,990,550.13	\$2,001,514.78	\$2,163,502.20
Local Cash	\$1,149,639.75	\$1,383,390.07	\$1,512,890.69
In-Kind	\$799,554.04	\$931,930.04	\$927,513.28
Program Income	\$150,839.17	\$176,800.24	\$171,361.97

The OC/IE SBDC Lead center is currently housed in the Mihaylo College of Business and Economics on the fourth floor in room 4157. There are a total of four staff members and three student interns that are part of the Lead center. Throughout the network, there are an additional 20 staff members and 55 business consultants that are part of the various service centers spread throughout the region. As the Lead center continues to grow, there is a need for additional space to be able to provide additional services to the business community. The Lead center will be moving its operations to the CSUF Irvine campus in the Fall of 2016. This new space will be around 5,000 square feet and will allow the Lead center to begin offering additional services including, one-on-one business consulting, trainings and seminars. This new space will allow the OC/IE SBDC to have a larger role in the business development community and is in a prime location to serve as the hub for the region.

This new facility will allow the OC/IE SBDC to create new partnerships and to increase the level of service and funding that is coming into the network. One of the main goals of the Lead center will be to drive funding to the network, which will allow for additional services to be delivered such as the newly created SBDC Finance Center. This center will package loans for clients and shop it to the right funding sources. This will be a value add to both the business community and to the lenders who are looking for the “right” clients to fund. This new center has been operating out of the Lead center for the past six months, but with expanded space at the Irvine campus will allow this program to grow and become a leader in the community. This is just one of the many ways that the OC/IE SBDC has potential to grow and expand its services.

Highlights and Accomplishments

Impact: The OC/IE SBDC Network is a program that is reliant on goals and metrics for its success. The SBA gives out goals each year and it is up to the network to figure out how to reach these goals. The current goals that are given out by the SBA are; how many businesses started, total capital infusion (including both debt and equity funding) and number of long-term clients (a client who has been consulted for at least five hours in a given calendar year). Here are the metrics for the past three years from the OC/IE SBDC Network:

Metric	2013	2014	2015
Business Starts	108	117	155
Capital Infusion	\$89,826,663	\$285,471,247	\$345,329,020
Long-Term Clients	850	971	1,041
Jobs Created	875	957	846
Jobs Retained	322	670	743
Change in Sales	\$32,604,052	\$71,681,975	\$39,407,593

The OC/IE SBDC network tracks everything it does to be able to quantify its impact to its stakeholders. There are additional metrics that are tracked by the network as evidenced in the above chart. The 2015-year was the best year to date for the network and the start of 2016 is trending to be the first year that all goals given out by the SBA will be met by the OC/IE SBDC network.

The OC/IE SBDC network has to pass an accreditation that is delivered by the Association of Small Business Development Centers (ASBDC). In 2013, the OC/IE SBDC network passed its accreditation with zero findings. This allowed the network to only need to go through accreditation every five years instead of the standard three years. The next accreditation of the network will take place in 2018. The network is already preparing for this next accreditation and will be ready for it when it comes.

Innovation: The OC/IE SBDC network Lead center has partnered with the Woods Center for Economic Analysis and Forecasting to prepare and deliver an International Trade Forecast that is focused on the Orange County/Inland Empire region. The forecast was being created previously but with the assistance of the SBDC it will now be a yearly forecast that will place an emphasis on CSUF and MCBE as one of the thought leaders in the international trade community. This forecast has allowed the OC/IE SBDC to create an international trade center, where one-on-one services are delivered to businesses throughout the region. The center is housed at MCBE through the SBDC and a component of what has been created is the ability to hire CSUF student interns for the program. Currently the Lead center has three student interns that provide market research, one-on-one consulting and business plan development for the clients of the network.

Engagement: The OC/IE SBDC has also created a free Quick Books training that is open to all CSUF students and is offered twice a semester. One of the biggest needs from employers is the ability for students to have hands on experience with accounting platforms that are widely used. This class is presented by a SBDC consultant who is a certified Quick Books consultant. There are two classes in this program, an introductory class and an intermediate class. There was such an overwhelming response to the December program that we had more than 100 students take the two classes. The Lead center is now developing an Excel program that will teach CSUF students basic to advanced Excel and will lead to a certificate for the students. All of these classes are free to both students and staff and allows the SBDC to utilize its resources for the development of CSUF students.

Planning and Strategic Outlook

The OC/IE SBDC network creates a yearly strategic plan that is put together with its center Directors, key stakeholders and Lead center staff. The strategic plan is part of the accreditation process that the network goes through and follows the Baldrige method of continuous process improvement. The network usually hires a strategic plan expert to come in and assist the network with creating its yearly strategic plan.

The goals of the network over the next three years are to:

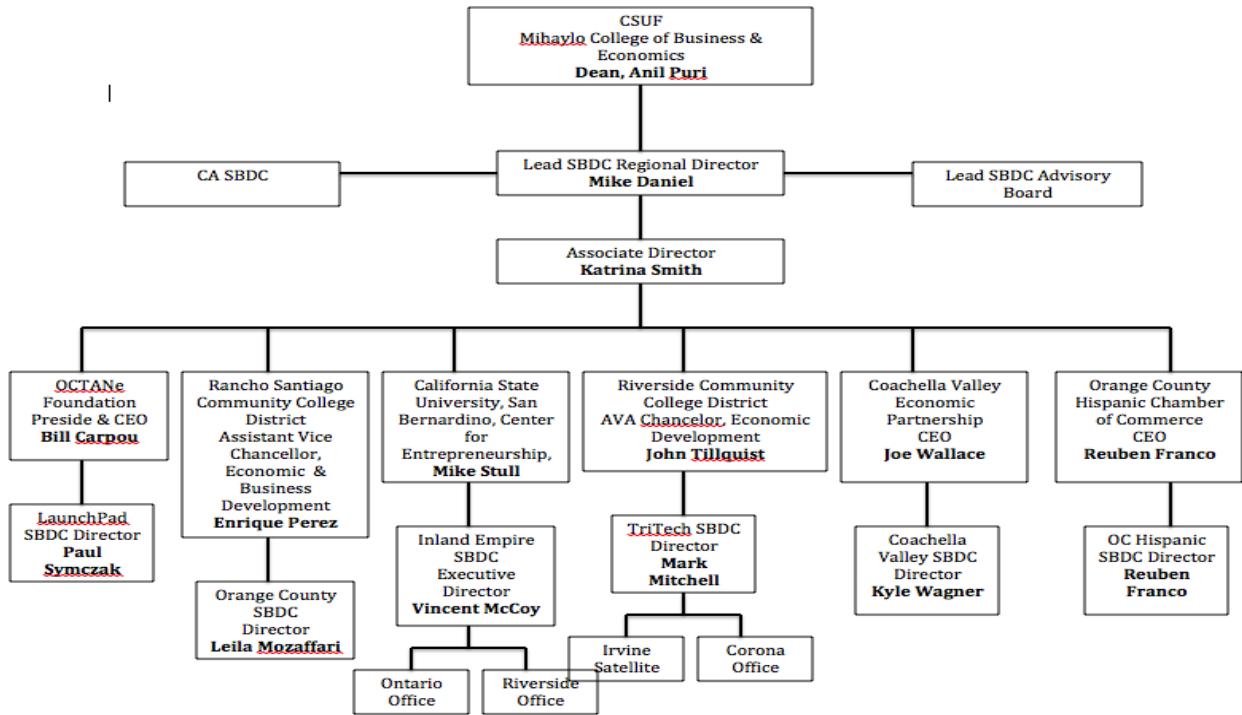
- Meet the goals set by the SBA
- To engage CSUF students with entrepreneurship pathways
- To bring SBIR and Tech Transfer training to the university
- To increase funding at the federal, state and private corporation levels
- To create certificated trainings and workshops on both domestic and international business skill sets and open them to CSUF and the business community
- To create an advocacy strategy for the OC/IE SBDC network that highlights the network and CSUF

The OC/IE SBDC network is currently working with the Woods Center for Economic Forecasting in creating a sustainable International Trade Forecast. 2016 will be the second year for the partnership and this time the forecast will be held at the Center Club in Costa Mesa. The OC/IE SBDC network is working with the Center for Entrepreneurship in trying to find ways to use the student lead marketing teams to assist with the SBDC clients in growing revenues and reaching a larger audience. The SBDC is also collaborating with the Center for International Business in building International Trade programs that both support the business community and bring positive attention to MCBE. The SBDC is also working with the Center for Entertainment and Tourism Management to bring both Excel and PowerPoint classes to campus free of charge to students, faculty and staff. The first Excel training cohort will take place during the month of June 2016.

Supplemental Information

Orange County / Inland Empire SBDC Network

Organizational Chart



Board of Directors (Proposed for 2016):

- Adalberto Quijada, Small Business Administration
- Toni Symonds, State of California Assembly, JEDE Committee
- Al Arguello, Bank of America
- Tim Rios, Wells Fargo
- Bill Waldo, Vantages Consulting
- Hector Mendoza, Mendoza and McDuffie, LLP
- Raul Medrano, RJ Medrano and Associates
- Richard Sudek, UCI
- Luke Mauricio, UPS
- Nancy Russell, Seacoast Bank
- Mike Daniel, OC/IE SBDC

