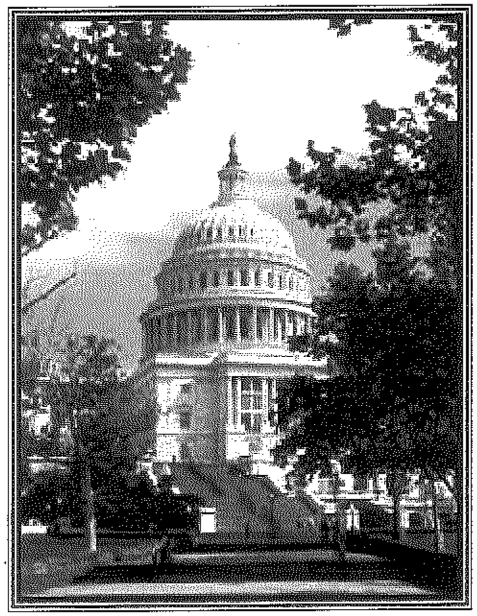
U.S. Small Business Administration
SBA
Your Small Business Resource

The SBA Advantage

www.sba.gov/ma

We are the U.S. Small Business Administration



SBA History:

- Part of the Federal Government.
- Created by Congress in1953.

Our Mission:

Maintain and strengthen the U.S. economy by:

❶ counseling, assisting and protecting the interests of small businesses

❷ helping families and businesses recover from national disasters

Did you know?

These Companies Got Started with SBA Help!

BEN & JERRY'S

NIKE

intel inside

YANKEE CANDLE

OUTBACK STEAKHOUSE

FedEx

STAPLES
that was easy.™

Quiznos Sub
MMMM...TOASTY!

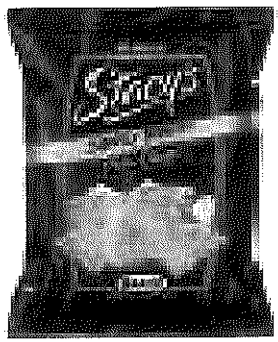
AOL

Did you know?

These Companies Got Started with SBA Help!

Sal's PIZZA

New England's Largest Furniture & Carpet Store
ROTMANS



CITY SPORTS

Brady-Built SUNROOMS

Gentle GIANT MOVING COMPANY
Professionalism. Care.
Reputation. Competence.

iRobot®

SBA's Toolbox Includes:

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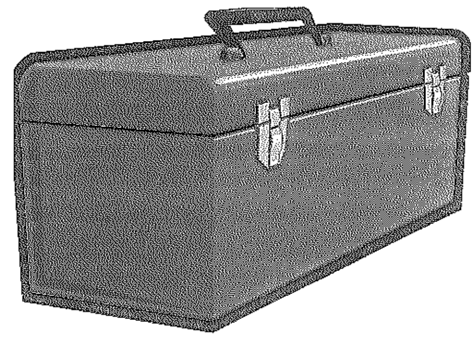
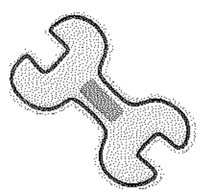


Counseling → Business Education & Training

Capital → Access to Financing

Contracting → Selling to the U.S. Government



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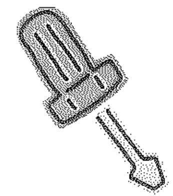
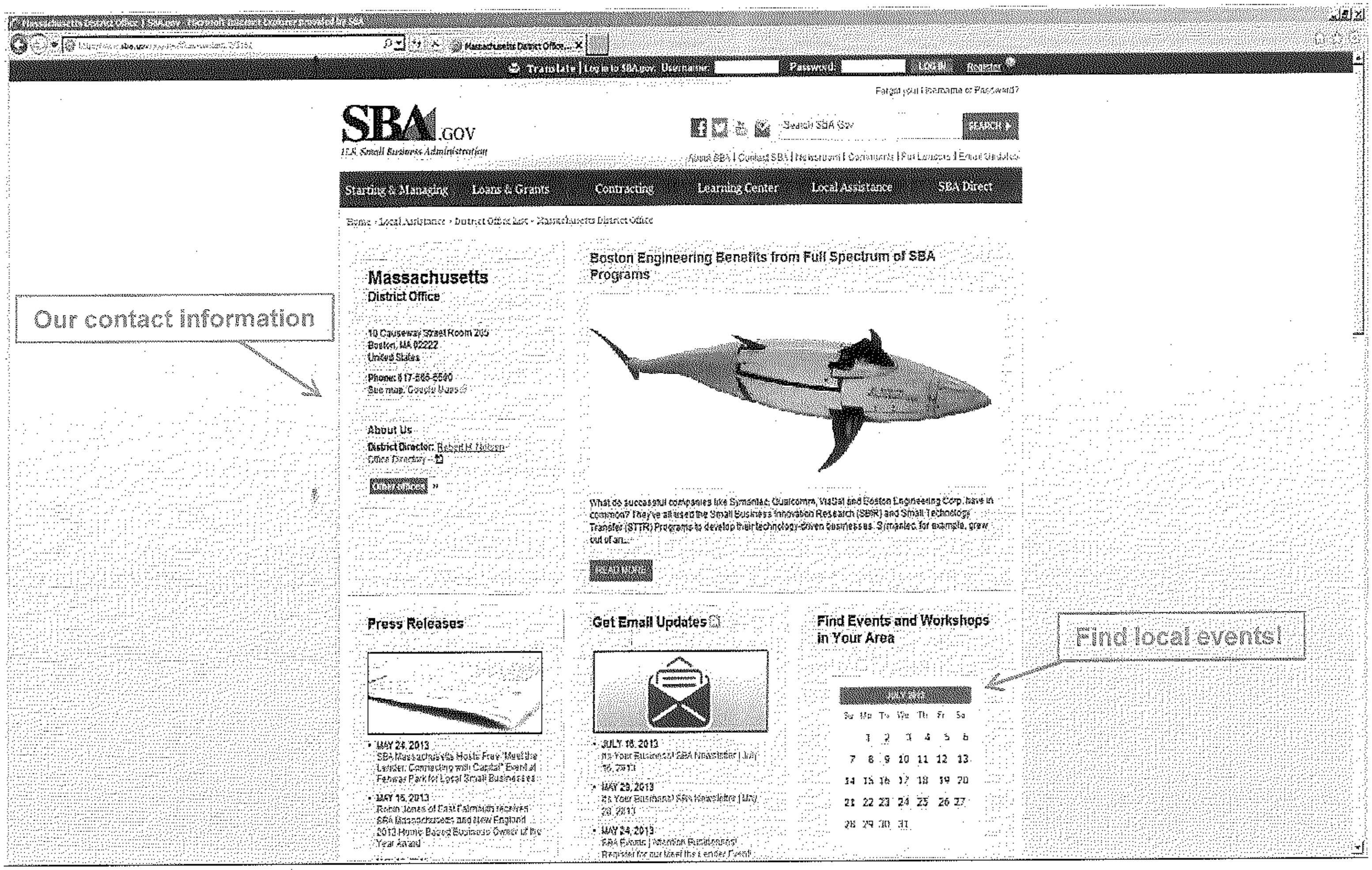


Advocacy and Disaster Assistance

Visit Our Local Website: www.sba.gov/ma

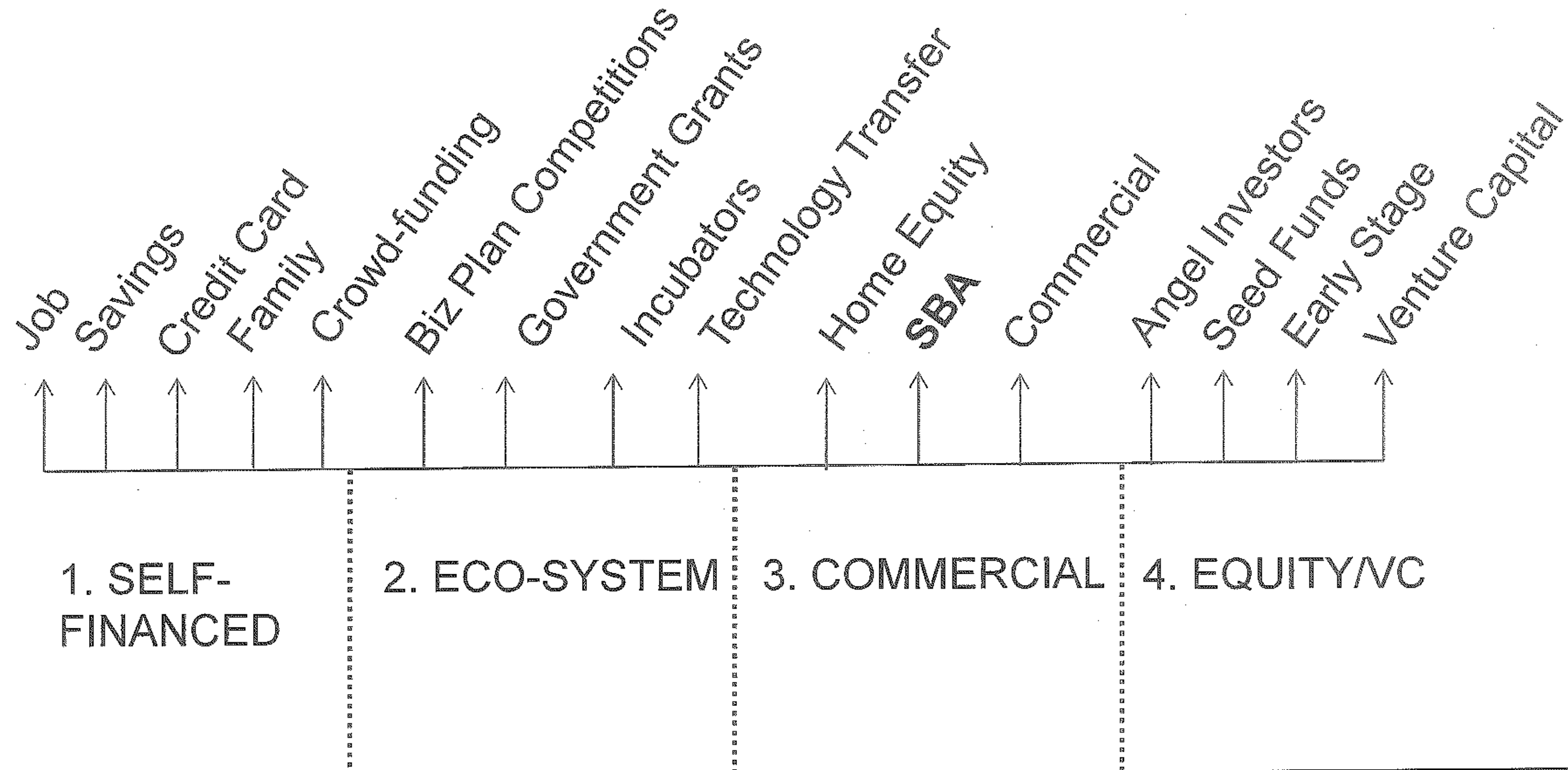


U.S. Small Business Administration

SBA

Your Small Business Resource

Entrepreneurial Financing



Financing Your Business

What Banks Look For:

- Owners and operators w/ good credit & character
- Feasible business plan – Does it make sense and is it sufficiently thorough?
- Management expertise and commitment necessary for success
- Sufficient funds, including SBA guaranteed loan, to operate the business on a sound financial basis
- Adequate equity investment in the business – borrower's stake in the business
- Sufficient collateral – does it provide sufficient protection to the lender?
- Repayment – Will the loan repay from earning of the business

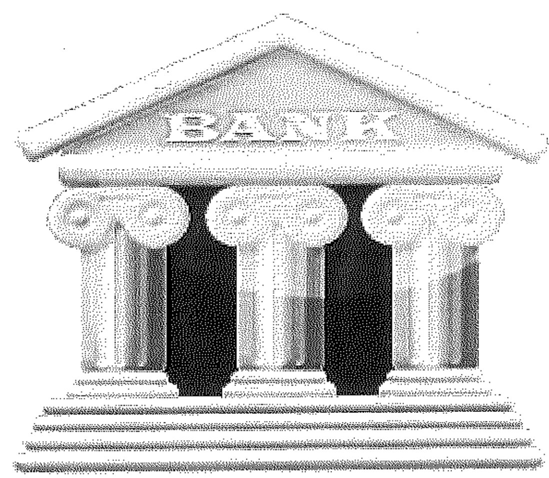
To be eligible for an SBA Loan, Businesses *must:*

- *Be operated* for profit
- Not exceed SBA size standards
- Not engage in lending, real-estate development, investments or speculation

Why Do Lenders Use the SBA Guaranty?

- Longer maturities are needed
- Collateral may be inadequate to meet normal underwriting
- Start-up or certain types of businesses
- Business leverage
- Lender's legal or policy limit
- Minimize risk

Think Like a Lender!



Terms:

Flexible Maturities:

- Up to 10 years for working capital
- Up to 25 years for fixed assets

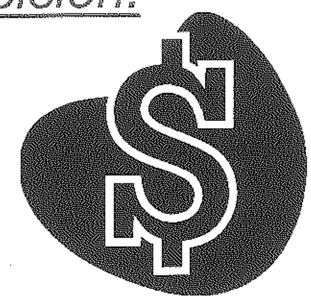
Interest Rates:

- Negotiated between borrower and lender
- Typically, can not exceed Prime plus 2.75%

7a Guaranteed Loan

Made by private lenders, with SBA guarantee.

*SBA helps the bank get to the **YES** decision.*



Maximum loan size $5 million

- ➢ 85% guaranty on loans below $150,000.
- ➢ 75% guaranty on loans above $150,000.

7(a) loans may be used to:

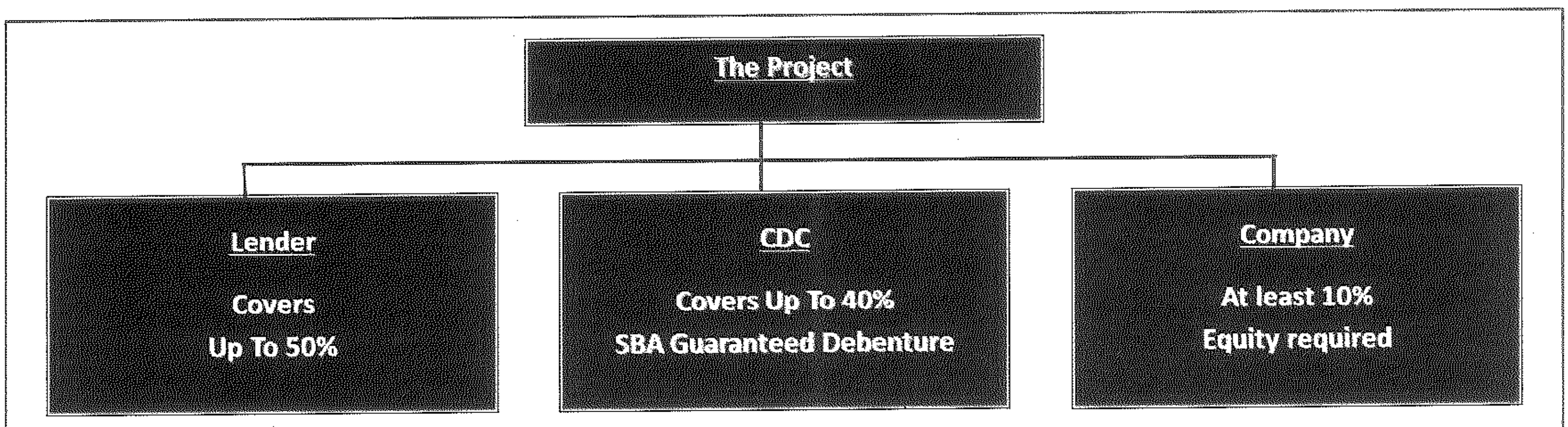
- Purchase machinery, equipment, fixtures, buildings, land;
- Finance receivables and augment working capital;
- Refinance existing debt (with compelling reason);
- Finance seasonal lines of credit; and/or
- Expand, renovate facilities;
- Construct commercial buildings.

504 Loans in a Nutshell: Think BIG!

What?

- Great for capital assets. Long-term financing for major fixed assets - think BIG!
- Obtain up to 90% financing and a low fixed rate on the CDC/SBA portion.
- Below market pricing with minimum cash injection.
- Owner occupancy = 51% for existing building; 60% for new construction *(plan to occupy additional 20%).*
- Up to $5.5 million in SBA-backed debentures

How? Apply through SBA approved certified development company. They take care of all SBA paperwork!



504 Certified Development Partners

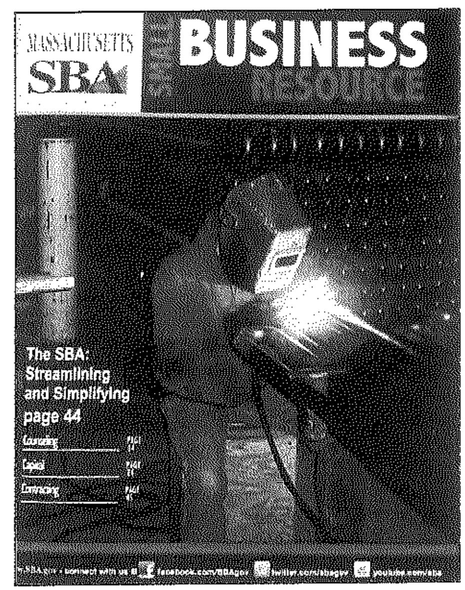
Bay Colony Development Corp. (781)-891-3594 www.baycolony.org State-wide	Granite State Development Corp (508) 294-6822 www.granitestatedev.com State-wide
Coastal Community Capital (508) 362-3755 www.coastalcommunitycapital.org State-wide	New England Certified Dev. Corp. (781) 928-1100 www.bdcnewengland.com State-wide

New Micro-Lender! Dorchester Bay Economic Development Center Dorchester, MA 02125 (617-825-4200)

504 Certified Development Partners

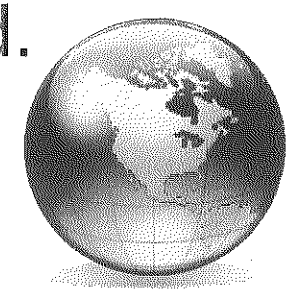
Ocean State Business Development Providence, RI (401) 454-4560 www.osbda.com Bristol, Norfolk & Worcester Counties	**South Shore Economic Dev. Corp** Quincy, MA (617) 479-111 www.southshorechamber.org State-wide
South Eastern EDC (SEED CORP) Taunton, MA (508) 822-1020 www.seedcorp.com State-wide	**Worcester Business Development Corp.** Worcester, MA (508) 755-5734 www.thewbdc.com State-wide

For more information,
read our 2013 Resource Guide!



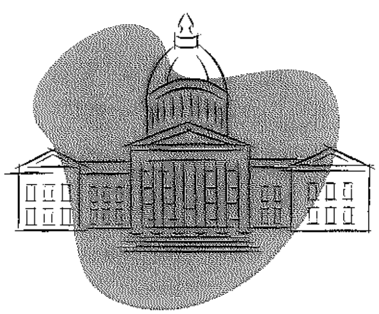
Government Contracting

FACT: The U.S. Government is one of the largest buyers of goods and services in the world.



The Goal → 23% of U.S. Government $$ to small businesses!

AND



→ 5% to Women-Owned Businesses

→ 5% to Small Disadvantaged Businesses

→ 3% to HUBZone Businesses

→ 3% to Service Disabled Veteran-Owned Businesses

Government Contracting

Is Becoming a Government Contractor Right for You?

- Can you spend the time required to identify agencies and buyers?
- Can your business financially support the costs involved in a government contract?
- Are you prepared to learn and follow the federal procurement rules?

Government Contracting

Myths and *Realities* About Government Contracting

- ***Myth:*** Doing business with the government is too complicated and it takes forever to get paid.

- ***Reality:*** The government uses many commercial and business-friendly practices
  - buying off-the-shelf
  - paying by credit card
  - generally, payments received within 30 days of invoicing, 15 days with QuickPay

Government Contracting

Myths and *Realities* About Government Contracting

- ***Myth:*** I'll be competing against large businesses and multinational corporations for contracts.
- ***Reality:*** SBA has programs and "hands-on" assistance to help small businesses sell to the federal marketplace.

Government Contracting

Getting Started – Registering with *SAM*

- Buying agencies can search the ***SAM or Dynamic Small Business Search*** for vendors.
- Creating and updating your small business profile in ***CCR*** gives your firm access to contracting opportunities.
- Need a DUNS number and Tax Id Number (TIN)
- www.sam.gov

Government Contracting

Federal Agencies

- All agencies have a Small Business Liaison
- Are the first people to contact at an agency
- Can tell you if the agency buys what you sell
- Can help you sell to the agency

Government Contracting

Federal Procurement Goals

Federal procurement goals provide agencies with a strong incentive to look for qualified small businesses when awarding contracts.

Explore:

- SBA Certification Programs
- Self-certification Programs

Government Contracting

SBA Certification Programs

SBA programs assist specific groups in securing federal contracts:

- Historically Underutilized Business Zone Program (HUBZone)
- 8(a) Business Development Program

Government Contracting

HUBZone Program

- To qualify:
  - Must be a small business by SBA size standards;
  - Must have its principal office located within a Historically Underutilized Business Zone, including federally recognized Indian reservations;
  - Must be at least 51% owned and controlled by U.S. citizens, a community development corporation, an agricultural cooperative or an Indian tribe; and
  - Must have at least 35% of its employees residing in a HUBZone

Government Contracting

8(a) Business Development Program

- Nine year program for socially and economically disadvantaged individuals
  - Black, Hispanic, Asian-American, and
  Native Americans –Designated

  Business must be owned, controlled and managed on a day to day basis by disadvantaged individual.
- Be in business for two years
- Adjusted net worth under $250,000
- Sole source contracts under $4,000,000

Government Contracting

Self-Certification Programs

These certifications provide eligibility to receive special procurement opportunities:

- Women-owned Small Business
- Service-Disabled Veteran-owned Small Business
- VA certifies Vets/SDVOB
- Veteran-owned Small Business
- Small Disadvantaged Business Certification Program

Government Contracting

Procurement Technical Assistance Centers

WWW.MSBDC.ORG/PTAC

- Work with federal agencies to identify prime contracting opportunities.
- Recommend reserving procurement for competition among small businesses.
- Provide small business sources to federal buying agencies.

Government Contracting

Identifying Contracting Opportunities

- Online listing at www.fbo.gov
- Announces available business opportunities
- Identifies contracts over $25,000

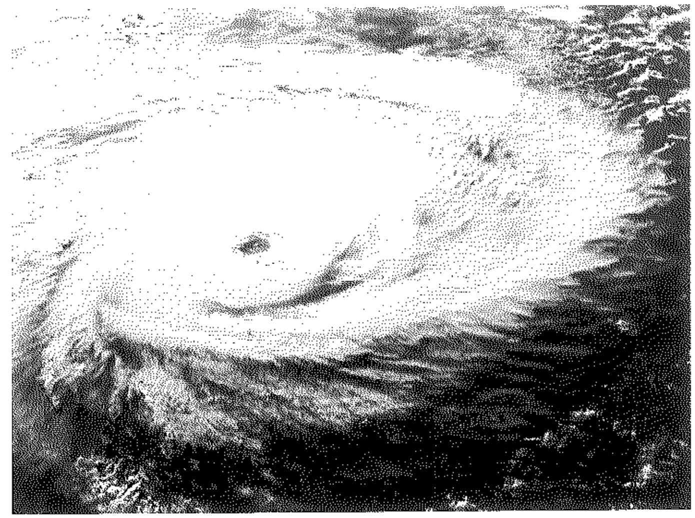
Government Contracting

Identifying Contracts Awarded

- Online listing at www.fpds.gov
- Displays public record of contracts awarded
- Works like Google to help with research and planning
- Understand your competitors and winning bids

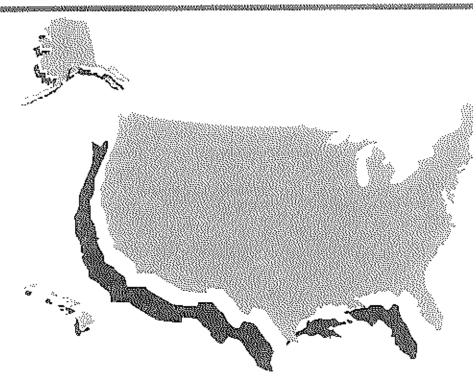
Disaster Loan Programs

- Homes & Personal Property
- Businesses: Physical & Pre-disaster Mitigation
- Economic Injury
- Military Reservist Economic Injury



www.sba.gov/disaster

FY 2013 SBA Approvals



USA - 54,106 Loans = $23.1 billion
- 46,398 (7a) = $17.9 billion
- 7,708 (504s) = $5.2 billion

Massachusetts - 1,869 Total Loans
- 1,525 (7a) = $242 million

In participation with 127 lenders

- 273 (504s) = $152 million

In participation with 9 lenders

- 71 micro loans = $1.6 million

In participation with 8 micro lenders

RESOURCES & USEFUL WEBSITES

Entrepreneur www.entrepreneur.com	WPI Collaborative for Entrepreneurship & Innovation www.wpi.edu/offices/cei/resources.html
Inc. com – where to start and grow your business www.inc.com	Venturefizz – Technology Entrepreneurship www.venturefizz.com
Official Website State of MA www.mass.gov/portal/business/	All business – Champions of Small Businesses www.allbusiness.com
Boston.com – The Hive www.boston.com/business/innovation	Boston Entrepreneurs' Network www.boston-enet.org/
LinkedIN www.linkedin.com	Business Model Canvass www.businessmodelcompetition.com/business-model-canvas.html

QUESTIONS

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