

**Panel I: Strengthening Civil Society, Private Sector and Municipal
Government Collaboration**

XII Conferencia Interamericana de Alcaldes y Autoridades Locales

**Gobiernos Locales y Desarrollo Democrático: Nuevas Propuestas
para un Hemisferio en Transformación**

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Miami, Florida USA



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Small Business in the US

- ◆ 500,000 new businesses start ups every month in 2006
- ◆ 6 million Americans own an incorporated business
- ◆ The owner/proprietors of these incorporated companies earned almost \$1 trillion in 2005, an average of almost than \$200,000 USD annually for each owner.



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Florida

17,000,000 residents



500,000 new companies established in Florida in 2005

Florida employment in 2005 nearly 8 million

2.8 million by companies with fewer than 50 employees.

Florida unemployment rate currently 3%

Small businesses accounted for 44.6 percent of all employment in Florida, and over 80 percent of all new jobs created in 2005.

Florida Small Business Development Center Network

www.floridasbdc.com



Florida SBDC 30th year of operation

- Almost \$15 million annual budget
- 150 professional staff
- 100 full-time SBDC Certified Business Analysts, supported by faculty and students and located at regional centers across Florida.

US Small Business Development Center Network

- ◆ Funded in 1976 by the U.S. Small Business Administration. Florida was 1 of 8 original SBDC pilot programs in the US.
- ◆ Today, SBDC Network has 1600 offices across the US,
- ◆ Almost \$100 million US SBA funding to support SBDC assistance to business start ups and expansions
- ◆ State and local government, universities, foundation and private corporations provide \$100 million in matching funds nationwide

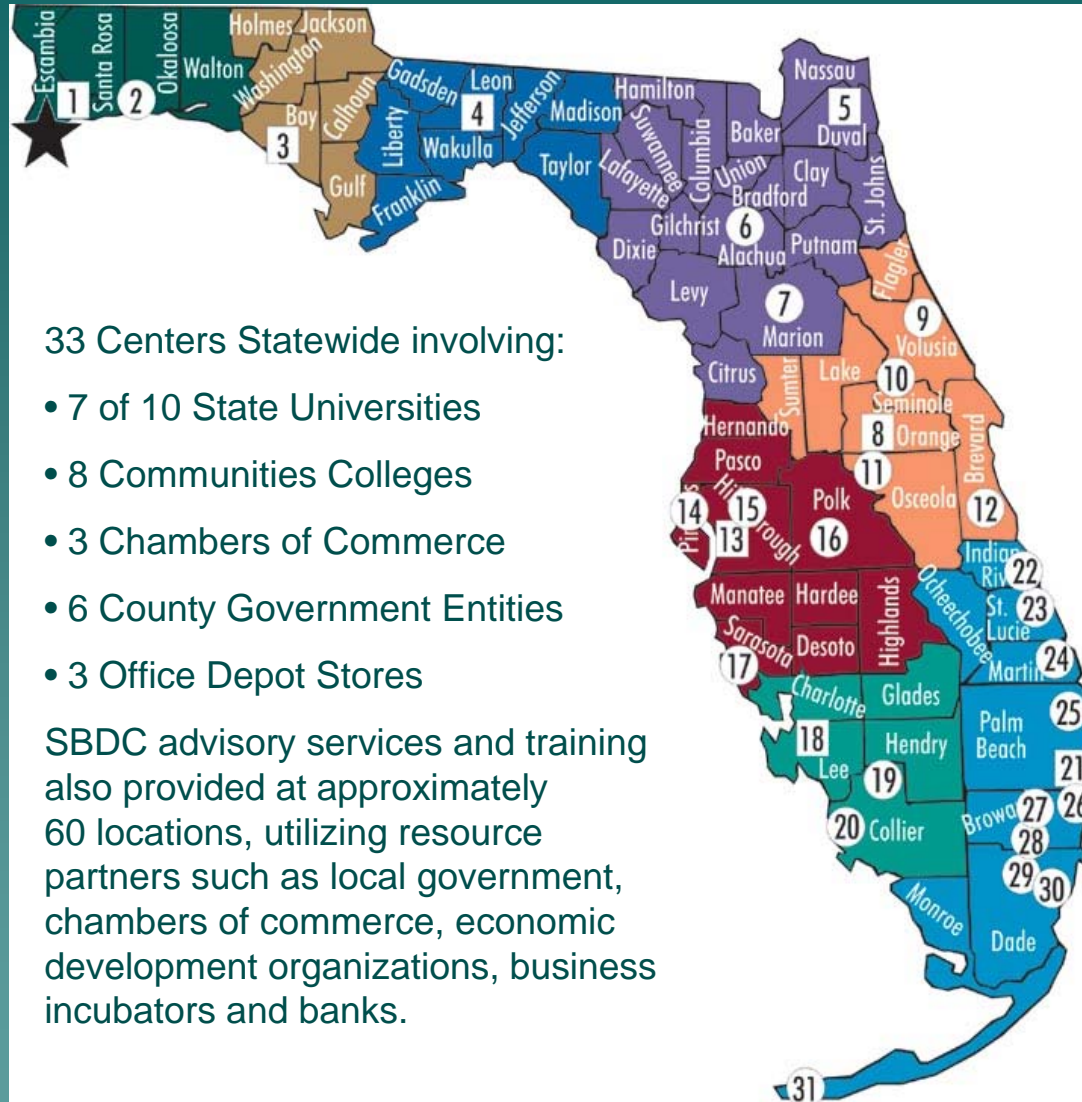
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FL SBDC Network Service Center Locations

Pensacola
 Ft. Walton Beach
 Panama City
 Tallahassee
 Madison
 Madison
 Perry
 Jacksonville
 Gainesville
 Ocala
 Orlando
 Daytona Beach
 Sanford
 Sebring
 Melbourne
 Kissimmee
 Tampa
 Largo
 Bartow
 Venice
 Temple Terrace
 Ft. Myers
 Immokalee
 Naples
 Boca Raton
 Ft. Pierce
 Ft. Lauderdale (2)
 Lauderhill
 Palm Beach Gardens
 Miami (2)
 Vero Beach
 Stuart
 Key West



33 Centers Statewide involving:

- 7 of 10 State Universities
- 8 Communities Colleges
- 3 Chambers of Commerce
- 6 County Government Entities
- 3 Office Depot Stores

SBDC advisory services and training also provided at approximately 60 locations, utilizing resource partners such as local government, chambers of commerce, economic development organizations, business incubators and banks.

- ★ State Director's Office
- Regional Centers
- Satellite Centers

What is the role of civil authorities in support business development and job creation?

Cultivating an entrepreneurial culture requires an atmosphere of political certainty.

Civil Authorities are responsible for creating:

- ◆ Pro-business environment
- ◆ Laws allowing private ownership
- ◆ Stable monetary policy
- ◆ Fair taxation policies
- ◆ Regulatory restraint

What is the government sector's role in building a culture of entrepreneurship?

Create an Environment Conducive to Support Entrepreneurship

- Basic education and skills K through 12-Mandatory attendance and qualified instructors
- Workforce skills development programs-job training
- Access to affordable healthcare
- Availability of affordable safe decent and sanitary housing
- Telecommunications-Reliable systems
- Transportation for workers and product - land, sea and air
- Power, water, sewer, waste disposal and other utility services
- Political and social environment that advocates tolerance
- Regulations that encourage private business ownership
- Availability of physical facilities in the region for businesses (plants, warehousing, retail and office space)

A government that encourages and facilitates services to support the start-up and expansion of business catalyzes social reform

(tax incentives, worker training programs, business advisory services, regulatory relief)

Anticipated Results

- ◆ Highly developed and diverse cultural and community amenities (i.e. shopping, recreation, entertainment)
- ◆ Socially, culturally and ethnically diverse and population with a high sense of security and belief that they are free to pursue their own destinies without the threat of intimidation
- ◆ Sustainability – Perception, due to historical reality that the entrepreneurial environment will be sustained and/or enhanced.

Barriers to Building a Successful Economic Development Strategy in Developing Regions

- 1. Competition from developed countries and the potential for “brain drain”**
- 2. Lack of Basic Infrastructure**
- 3. Unskilled/Uneducated Workers**
- 4. Human Rights Issues-Lack of Diversity and Tolerance**
- 5. Physical Health/Disease**
- 6. Political Environment**
- 7. Business Taxes-Regulations**
- 8. Parochialism vs. Regionalism**

Civil Authorities Responsible for Addressing Workforce needs

- Access to basic education and training
- Access to affordable family healthcare
- Availability of affordable SDS housing
- Access to diverse cultural and community amenities (i.e. shopping, recreation, entertainment)
- A sense of security and a belief that workers will be free to work without the threat of intimidation because of race, religion, ethnic background or gender.
- Equity in pay, work hours and working conditions

Political Commitment and Civil Policy Support

Public sector support is critical to the success of any economic development strategy

Must have buy-in from elected and appointed officials

- ◆ Public policy that encourages business development
- ◆ Funding for infrastructure
- ◆ Reasonable regulations
- ◆ Incentives for entrepreneurs
- ◆ Assurance of enforcement of Public Safety Laws

The Key to a Successful Development Strategy is Access to Capital

In 2004, 3,100 banking institutions reported that they had served 92 million customers in developing countries, with 66 million of these falling into the category of the very poor (i.e., those earning less than one dollar per day).

The Microcredit Summit campaign has set a goal of serving 10 million customers by the end of 2005. These services are having a big impact in terms of assisting people to climb out of poverty.

In Bangladesh, a related World Bank study found that three percent of microcredit clients leave poverty each year.

The State of the Microcredit Summit Campaign Report 2005

<http://www.microcreditsummit.org/pubs/reports/socr/2005/SOCR05.pdf>

Civil Authorities Role in Creating an Environment Conducive to the Expansion of Business

- ◆ **Conduct Infrastructure Assessments – Determine needs**
- ◆ **Assist with the Identification of Prospective Entrepreneurs**
Surveys and promotion of business opportunities
- ◆ **Establish a mechanism to provide business advisory services and training for prospective entrepreneurs - SBDC**
- ◆ **Create an awareness of opportunities to access government assistance to support business formation**
- ◆ **Assist prospective business owners to understand basic concepts of entrepreneurship – Business training programs**
- ◆ **Begin a dialog with residents on the concept of raising the standard of living by encouraging self-employment**

Remedies for Closing the Digital Divide

- ◆ If overall technological literacy is not improved, particularly among the technological have-nots, we can expect to see the growth of a "technological divide"
- ◆ Higher Wage jobs that require a technological understanding and skills will go to well-educated upper- and middle-class, while the underclass will continue to be stuck in low-wage, low-skill jobs.
- ◆ **Provide universal access to the Internet** so that everyone can get online regardless of income level or job status.
- ◆ **Improve technological literacy** – The better people understand the Internet and its value or are comfortable with technology, the more likely they will be to make the effort to learn to use it.

Example of ASBDC Support for Building a National Small Business Development Center Program

Assistance with small business training courses and SBDC counselor training with information on starting a business

- ◆ **How to Start Your Own Business**
- ◆ **How to Research Your Business Idea**
- ◆ **How to Name Your Business**
- ◆ **How to Write a Business Plan**
- ◆ **How to Raise Money for Your Business**
- ◆ **How to Create a Marketing Plan**
- ◆ **How to Research and Buy a Franchise**
- ◆ **How to Research a Business Opportunity**

Impacts of Creating an Culture of Entrepreneurs on Human Rights, Capacity Building and Diversity

The expansion of entrepreneurship raises the standard of living and the quality of life for the greater community.

- ◆ **Developed economies are a breeding ground for entrepreneurs, who contribute to the growth of culturally and intellectually advanced communities.**
- ◆ **Entrepreneurs create jobs, that stimulate regional economies and pay taxes to support community services.**
- ◆ **Private ownership and control of one's own destiny builds self-esteem .**
- ◆ **Accumulation of “wealth” raises individuals’ concerns and awareness of the communities’ social and economic health, now that they have something to lose.**

Thank you,

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Florida is attractive to individuals who previously owned and sold a successful business, known as “Serial Entrepreneurs.”

Florida does not have a personal income tax.

They use their equity distribution from the sale of a prior business venture as investment to start or acquire another business in Florida.

Young people from all over the country, attracted to the *Florida Lifestyle*, who want to join the 17 million Florida residents. Without employment plans, some decide to pursue self-employment.



Florida Small Business Development Center Network

www.floridasbdc.com

Client Profiles

2004 FSBDC served 12,341 clients

55% of FSBDCN clients are existing businesses

Breakdown of 2003 FSBDC clients served by industry

Service 53%

Retail 22%

Other 6%

Manufacturing 6%

Construction 6%

Wholesale 5%



Florida SBDC Professional Staff

**100 full-time Certified Business Analysts
Business Generalists and Specialists in**

Business Planning

Marketing

Human Resource Management

Finance and Accounting

Technology Development

**30 have also participated in the FL SBDC
Network Certified Technology Consultant
Professional Development Training Program.**

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BTC Program Services



Links to University and Federal Laboratories

- ◆ **Researcher Collaborations (staff and students)**
- ◆ **Laboratories**
- ◆ **Technology Licensing**

Assistance with Expansion

- ◆ **Sources of Capital**
- ◆ **Business Incubators**
- ◆ **Business Networks**

Business Technology Commercialization Program



Created 2003

Leverages the capabilities of SMEs engaged in R&D and or manufacturing.

Facilitates rapid commercialization by entrepreneurs

Serves as a bridge between entrepreneurs, the investor community, university researchers and local economic development organizations.

BTC Program



Provides linkages to university resources, including researchers, laboratories and technology licensing; sources of capital; business incubators; federal labs and other technology networks.

- Assist in establishing R&D partnerships-joint research or tech transfer to collaborate on:
 - ◆ Product or process R&D
 - ◆ Systems Integration
 - ◆ Productivity and Quality Improvements

Examples of BTC Client Services



- ◆ Technology Assessments
- ◆ Business Plan Reviews
- ◆ Intellectual Property Support and Referral
- ◆ Advice on Due Diligence Process and Term Sheets
- ◆ Information on State Business Incentives
- ◆ Secondary Market Referrals (Below Market Rate Financing)
- ◆ Referrals to Angel Networks (High net worth individuals)
- ◆ Linking to Venture Capital (Fund Managers)
- ◆ Federal SBIR/STTR and State R&D Fundind