



35 YEARS OF BUILDING OREGON'S BEST BUSINESSES

Oregon Small Business Development Center Network

Impact Report 2017



Building Oregon's Best Businesses

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The Oregon Small Business Development Center
Network is hosted at Lane Community College.

From the State Director

To all who care about small business in Oregon,

Thirty-five years ago, the Oregon Small Business Development Center was formed with the understanding that through the sharing of knowledge and learning, we could help small businesses succeed. Since that time in 1983, our Centers have helped hundreds of thousands of entrepreneurs find new markets, create new products, offer the finest—and tastiest—delicacies, create new parts for manufacturing and employ hundreds of thousands of Oregonians.

Our 19 Centers, hosted at Oregon's 17 community colleges, Eastern Oregon University and Southern Oregon University, share a common belief with our host institutions. We know that the sharing of knowledge has the power to transform lives and communities. Small Business Development Centers provide the education and expertise that Oregon's businesses need to succeed in today's ever-changing competitive marketplaces.

Small business is big business in our state, and our Small Business Development Centers are here to help build Oregon's best businesses.

As Oregon's small businesses have grown, our 19 Centers have expanded services to more than 42 locations to better serve our rural communities and underserved populations. Through this process, we have provided more than 162,000 current and prospective small business owners with professional, one-on-one confidential advising. More than 580,000 people have attended our classes and workshops throughout Oregon. This means 580,000 Oregon entrepreneurs have spent fewer late nights struggling to succeed with business challenges, and more time enjoying creating something new, serving customers and being active members of our communities.

Our Centers are here to support our business community with advising, training and services that help Oregon's business find success in local, national and international marketplaces. This is the power of business working with education to support the sector of Oregon's economy responsible for employing more than half of Oregon's workforce.

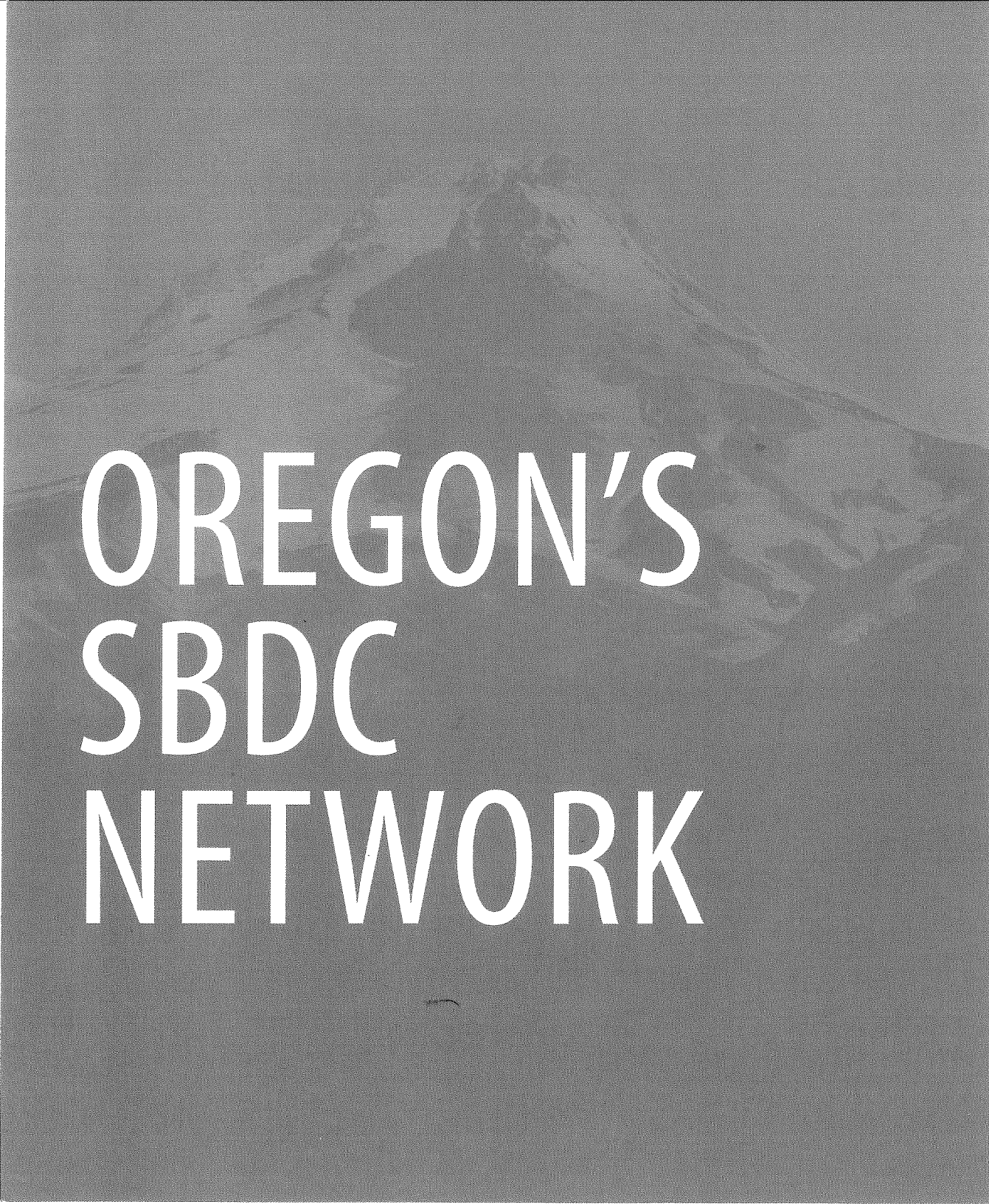
As technology has transformed business, our Centers have changed to meet this demand. In any Center today, clients will receive guidance and tools that use the latest technology to better address new and old business challenges. These tools are giving Oregon's small businesses a leg up in an ever-more competitive world.

Our core mission, building Oregon's best businesses, comes from a recognition that businesses are comprised of people who seek to do something better. By providing expert advising, training and services, we serve the people who make Oregon what it is today.

Join us as we celebrate our 35 years of success and build a new future for Oregon's small businesses.

Mark Gregory, State Director
Oregon Small Business Development Center Network

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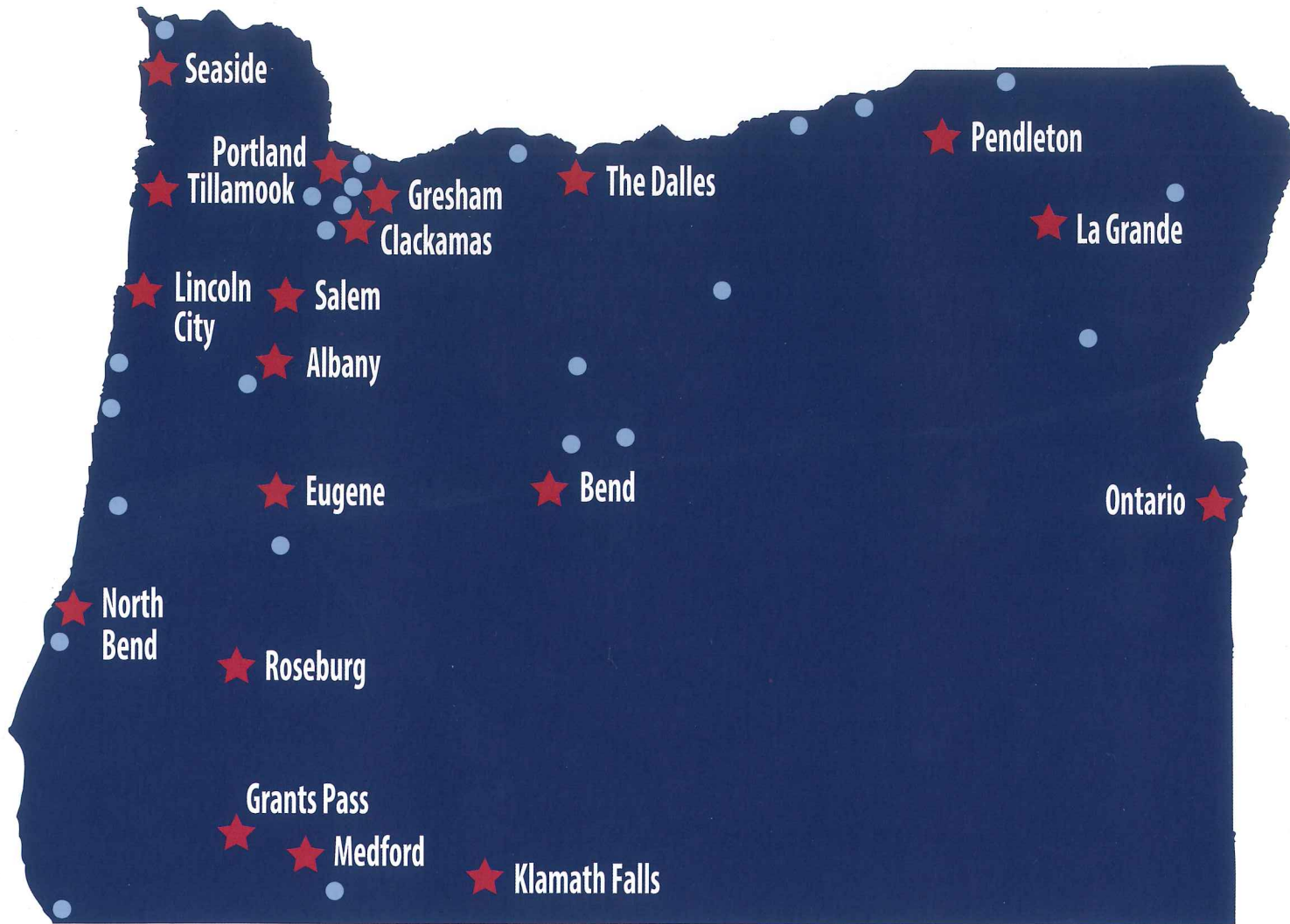


OREGON'S SBDC NETWORK

Small businesses are big business in Oregon

In every community, small businesses serve the needs of residents and industry, from restaurants to retail stores to industry and consultants, small businesses connect people, ideas and commerce. To help support these businesses, Oregon's 19 Small Business Development Centers are strategically located in urban and rural communities. To further expand this reach, Centers partner with educational institutions, cities, and chambers of commerce to open satellite locations to provide local training and advising to clients. There is always a helping hand nearby.

Each Center taps into a statewide network of support, with access to specialized resources and tools that can assist clients with the most difficult questions and topics. This statewide network means that even the smallest Centers can access the resources and knowledge of the top experts in Oregon. Working together, we are building Oregon's best businesses.



★ 19 Center locations ● 24 Satellite offices

Building Oregon's Best Businesses

2017 ECONOMIC IMPACT

19 Centers Building Oregon's Best Businesses

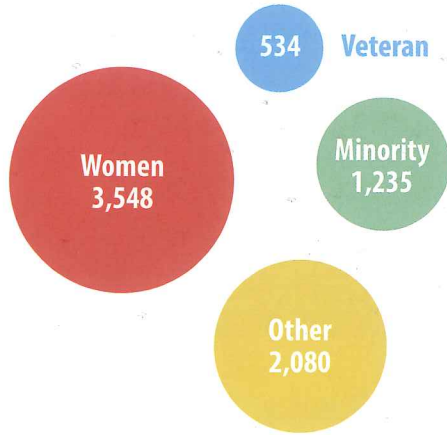
In 2017, the Oregon's SBDCs had an extraordinary year. Together, our 19 Centers served more than 6,565 clients in a variety of different industries and created more than \$64 million in capital, helping businesses start and expand. Combined, our clients created 860 new jobs across Oregon during a period of already low unemployment. Oregonians are pursuing their dreams of entrepreneurship and are growing community-based businesses.

Every number shown on these graphs is a story all its own: a business that received additional help to operate or market more effectively, to get the capital needed to grow into a bigger facility; an employee who found a new job they are passionate about with a local business that cares about the local community; or a new business started. SBDCs are the local resource in and for the community, providing a helping hand and working with businesses to find success.

The SBDCs help build businesses that create jobs and are a reflection of the character and diversity that make our communities such great places to live, work and play. ■

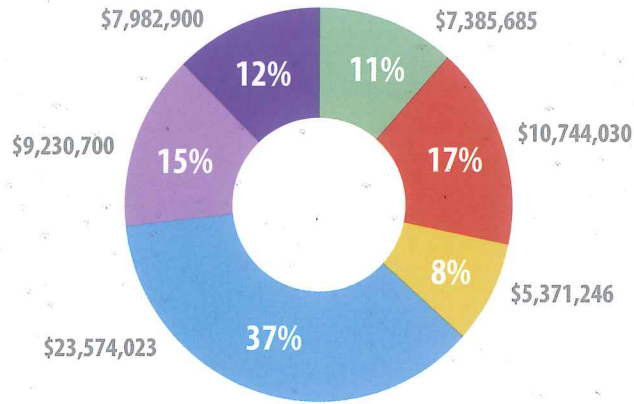
Clients Served

6,565 clients were served by SBDCs across the state



Capital Formation

\$64,288,584 OSBDCN capital formation



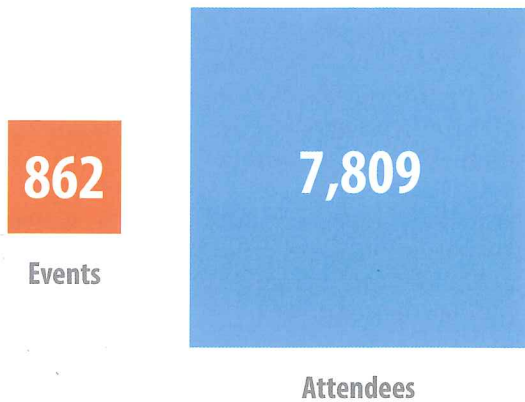
Return on Investment

\$2.95 return on investment for each dollar of state funds invested



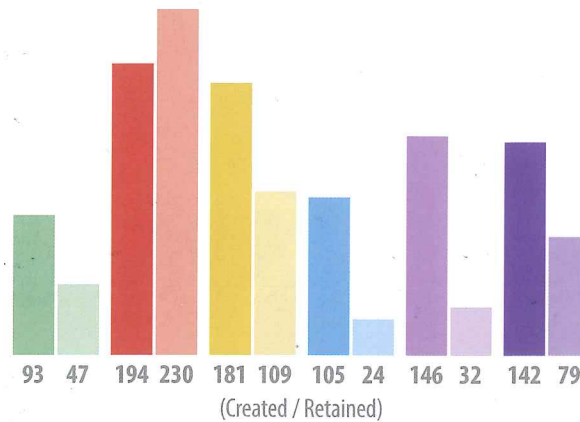
Training

Across the state, SBDCs hosted 862 training events with a total of 7,809 attendees



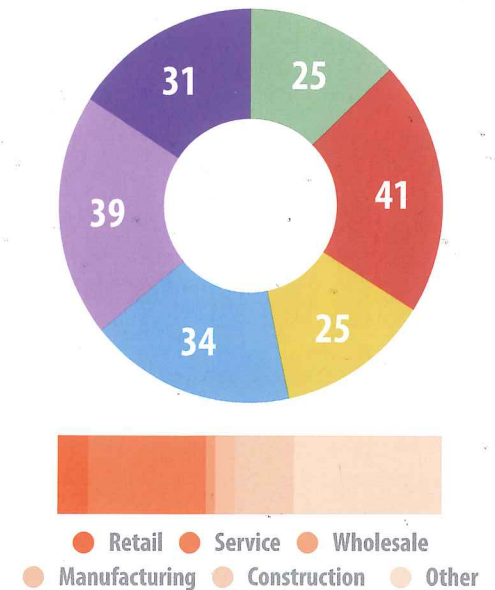
Job Creation & Retention

Across the state, SBDCs helped create 860 jobs and retain 521 jobs



Business Starts

Statewide, SBDCs helped 195 businesses get started



- Coast
- Portland Metro
- Willamette Valley
- Southern Oregon
- Central Oregon
- Eastern Oregon

2017 CLIENT HIGHLIGHTS



Fort George Brewery

Fort George Brewery began with an auspicious start when the two founders were driving the company's first brewing equipment back to Astoria and were hit by a tornado in Nebraska in 2007. Since then, the company's success has picked up just as strong as those first winds, fueled by award-winning beer.

Located in historic downtown Astoria, the brewery has expanded to occupy an entire city block with multiple pubs. Repeatedly surpassing business growth plans, the company has turned to CEDR for help with these growing pains.

CEDR, Clatsop Economic Development Resources, is a unique collaboration of the Clatsop SBDC and local economic development agencies to help businesses in Clatsop County.

"When we hit a roadblock, I go to CEDR and they are a really good conduit to help me get the information we need," said Chris Nemlowill, a founder of Fort George Brewery.

This help has included developing cost models for canning beer and an updated business plan. ■



Klecker Knives

Glenn Klecker has been an engineer and inventor for over a decade. He launched Klecker Knives in 2013 and is grappling with the challenges of a growing business. Ace Hardware recently gave Klecker Knives their Maker award and the distribution deal that came with the prize has Klecker working full-throttle to fulfill demand.

"I'm good at the minutiae of product design but balancing the various aspects of small business finances is new to me," Klecker said.

Chemeketa's small business advisers are helping Klecker Knives figure out how to manage growth and make smart decisions regarding allocation of resources to product development, marketing and personnel.

"I've worked with consultants who are afraid to challenge you," Klecker said. "Chemeketa's team is good at asking me the hard questions." ■



Dutch Brothers

Two brothers and former dairy farmers went to the SBDC in 1993 to establish a drive-thru coffee chain. Travis and Dane Boersma, the founders of Dutch Bros Coffee, enrolled in the Small Business Management program. The SBDC helped them grow and expand their business by setting goals, hiring employees and franchising the coffee huts.

The business's first coffee stand was a temporary push cart in downtown Grants Pass. Dutch Bros then established permanent kiosks in other parts of Grants Pass, including a coffee house downtown. The business continued to work with the SBDC for many years.

Dutch Bros now has hundreds of locations across seven states. ■



Kinney & Keele True Value Hardware

The Kinney & Keele True Value Hardware store in Ontario opened in 1926. Despite its age, the business still goes through growing pains, and the SBDC has been there to help.

"It's nice to have them on hand to ask questions when we need it," said co-owner Mara Slinker. "They're always up to date on what's going on in town and in the business world."

Slinker started working in the store at 14 when her dad and his partners ran the shop. In 2015, her father decided to pass along the business to his children. Slinker and her brother, Randall, went to the SBDC for assistance with business accounting. The SBDC helped them develop profit and loss statements and project future expenses.

When officials at the Snake River Correctional Institution told Slinker they wanted to start purchasing paint and other items from the hardware shop, she went to the SBDC for advice. The SBDC told Slinker about the Government Contract Assistance Program and helped the business become state certified. ■

MOLECULAR PROBES

A Small Business Management program graduate sells business for \$325 million after 20 years

“My husband and I were scientists, and we didn’t have the understanding of how to run a company. We are most grateful and appreciative that we had this help.”

— Rosaria Haugland,
Molecular Probes

When opening a biology textbook today, it is impossible to miss the brightly colored photos of a world beyond our eyes: the cell structures that make up every living organism, illuminated in bright fluorescent colors with detailed captions about these mysterious structures. The caption will likely leave out what may be an even more incredible story than the proteins and structures: the story of the business of the fluorescent probes that help us understand modern biology.

Dr. Rosaria Haugland is a scientist’s scientist. She has dedicated her career to understanding complex biology and creating the tools to help other scientists make discoveries and change the way we see the natural world. In the 1970’s she met Dr. Richard Haugland, a chemist from Stanford University who wrote a formative Ph.D. thesis on using fluorescence to measure the distance between two macromolecules. Using this research, Rosaria and Richard founded Molecular Probes to create fluorescent probes to help scientists measure and understand cells.

The couple moved to Oregon in 1982 and brought their young company with them. Like many small businesses, the couple worked passionately to serve customers and the scientific community. As scientists, Rosaria and Richard understood

their products and the complexities of running a lab better than the intricacies of managing a successful business. They turned to the SBDC at Lane Community College for help, participating in one of the first Small Business Management (SBM) programs ever offered in Oregon.

“My husband and I were scientists, and we didn’t have the understanding of how to run a company,” said Rosaria. “We are most grateful and appreciative that we had this help.”

In 1982, the company was small. Rosaria and Richard were responsible for sales, marketing, accounting, production and research. The products they developed were revolutionary for scientific research.

“With energy transfer (FRET, Fluorescence Resonance Energy Transfer), we could measure the distance between two proteins in the cell membranes. The idea was that these dyes could be detected at very, very low concentrations. There are multiple colors and they could be used to measure many things in biology,” said Rosaria.

Previously, the probes were radioactive which created problems for safe disposal after the experiments concluded. The radioactive probes also

limited the ability of scientists to see multiple things at once. The products developed at Molecular Probes had applications throughout biology.

The Small Business Management program helped Molecular Probes grow. Instructor Jean Names provided ongoing business advising and support. The 1983 SBM class also included Euphoria Chocolate Company and Pasta Plus, two staples of the Eugene food scene.

“Jean was really marvelous to us. She came frequently to see the company – all the way to Junction City where we were at the time – and gave us advice,” said Rosaria.

As the company grew, they continued to expand products and hire more staff, often recent graduates of the University of Oregon and Lane Community College. Throughout this time, they continued to work harder than ever to build the business to help scientists make new discoveries. Slowly, the company grew from two employees to 250, occupying multiple buildings in west Eugene.

“We knew we were doing better and better, but we never had time to appreciate it completely,” said Rosaria. “More and more people were hired but we were so busy and we knew it was happening but we didn’t appreciate it until the end. I spent less time in the laboratory and more time in the office.”

In 2003, after more than 20 years in business and 40 years working in labs, Rosaria and Richard sold the business to Invitrogen for \$325 million. The company had amassed a catalog of more than 2,300 products and Richard had written nine editions of the *Handbook of Fluorescent Probes and Research*

Chemicals and his name appeared on more than 80 patents. Today, *The Molecular Probes Handbook* is still the definitive resource on fluorescence.

After selling Molecular Probes, Richard and Rosaria have shared their wealth and energy with the community. The Haugland Foundation is the largest donor to the Lane Foundation, supporting Lane Community College. Walking around the Lane Community College campus, Rosaria’s impact is easily seen in the new buildings that were made possible in part with the support of the Haugland foundation.

Today, when asked if there is anything she would recommend to someone starting a business now, she remarks with great clarity and insight gained from years of hard work.

“We worked hard, trying to do as much as possible with only the two of us,” said Rosaria. “When you have investors, you have to do what investors want. Being scientists, we wanted to do the science. The times have changed so much.”

She would absolutely recommend the Small Business Management program to new business owners.

“The course was really useful. If you take a wrong step at the beginning, you are in big trouble,” said Rosaria. “Never take a step longer than your leg.” ■



Rosaria Haugland, Co-Founder, Molecular Probes

CAL-CERT

Expands calibration equipment business with SBDC help

"I think a business owner can tailspin really fast if they don't have the guidance and help the SBDC provides. Without them I don't know if we would have made it."

— Marshall Doyle, Owner, Cal-Cert

In 2002, after buying Cal-Cert, Marshall Doyle took the SBDC's Small Business Management course.

He's taken the class again every year since.

"I still learn stuff all the time," Doyle said. "It's a great program."

Cal-Cert provides accredited calibration services and sells equipment. When Doyle bought the business, the company had only two employees and wasn't faring well financially. Now, Cal-Cert, which stands for Calibration and Certification, has nearly 50 employees and locations in several states. The company makes \$6 million in revenue annually.

"The SBDC really helped me understand the value of my time and value of understanding costs and how to get your margin right," Doyle said.

After adjusting prices and turning around the business financially, Doyle turned to the SBDC for help developing a vision for the company. He created a mission and core values for Cal-Cert and established who he wanted to be as a business owner.

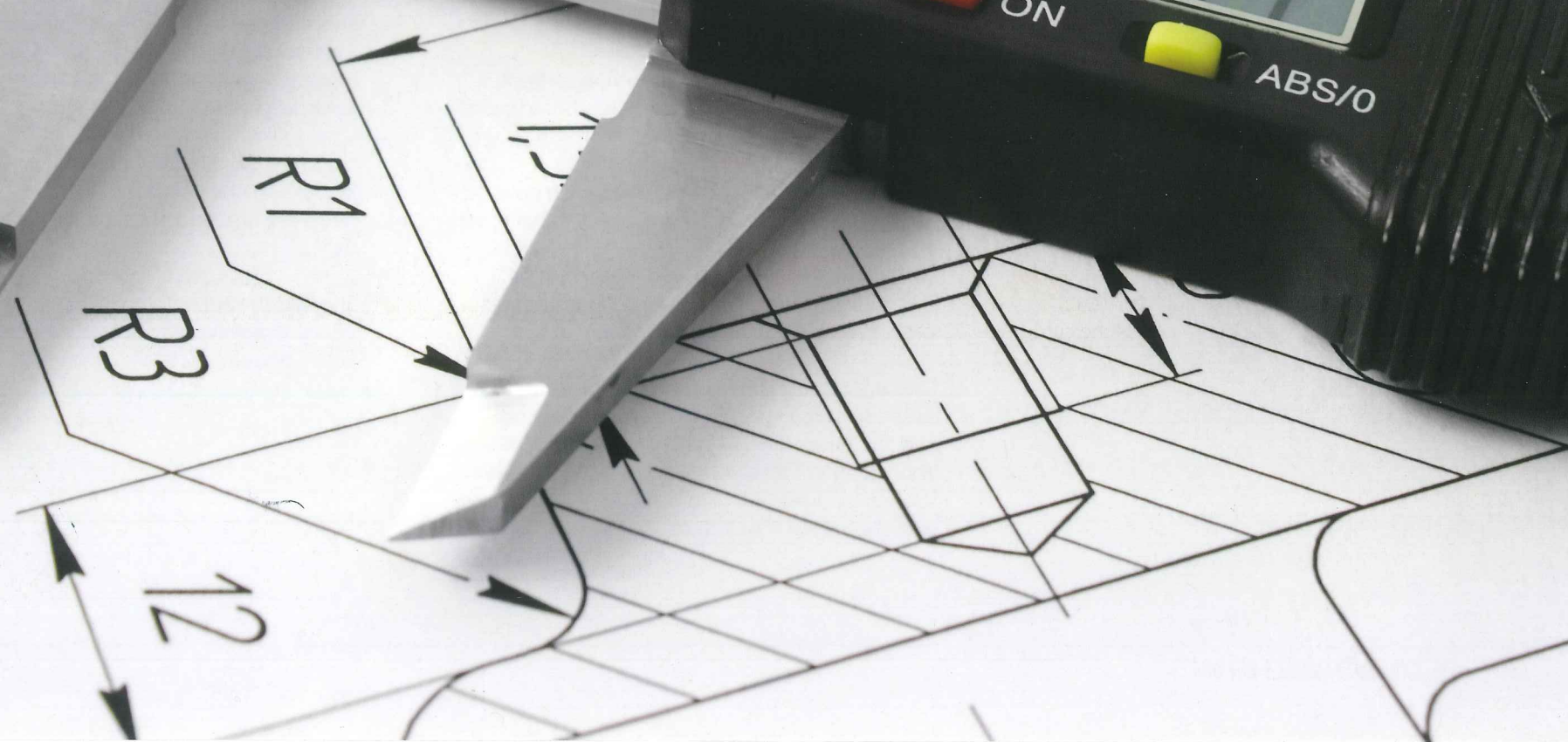
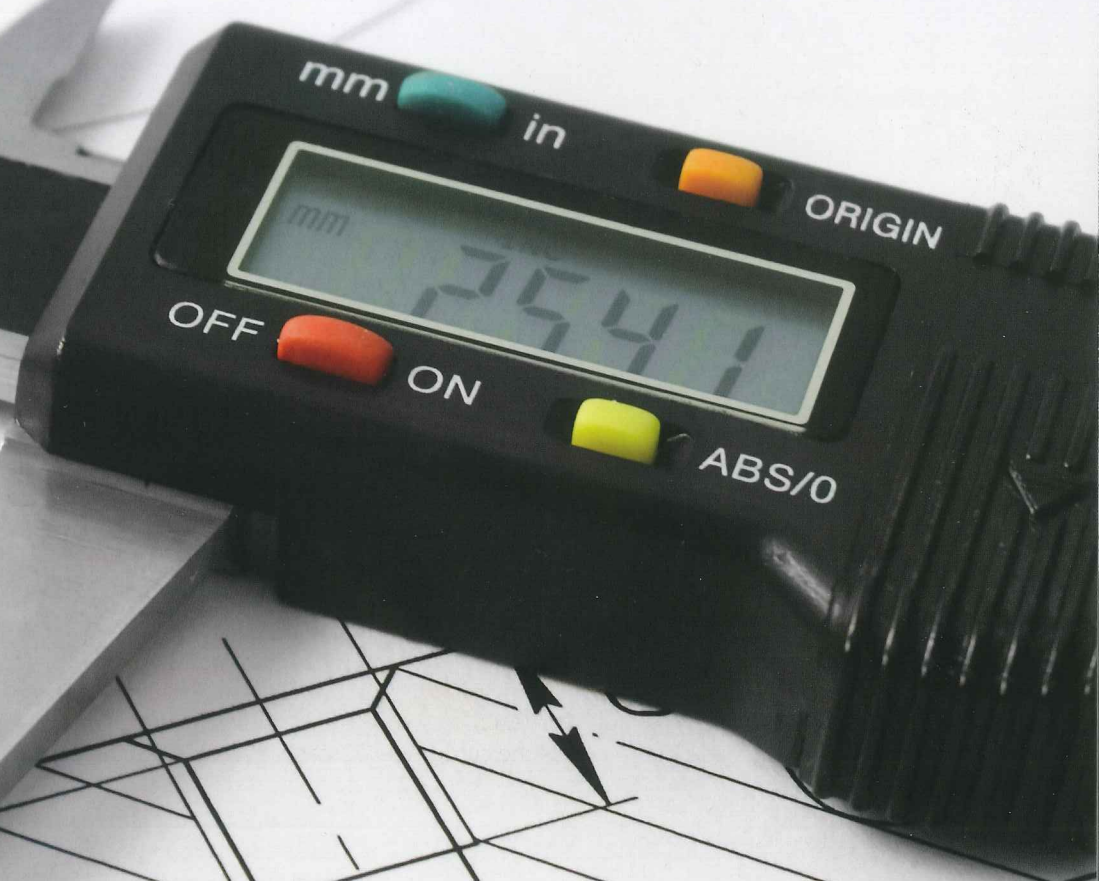
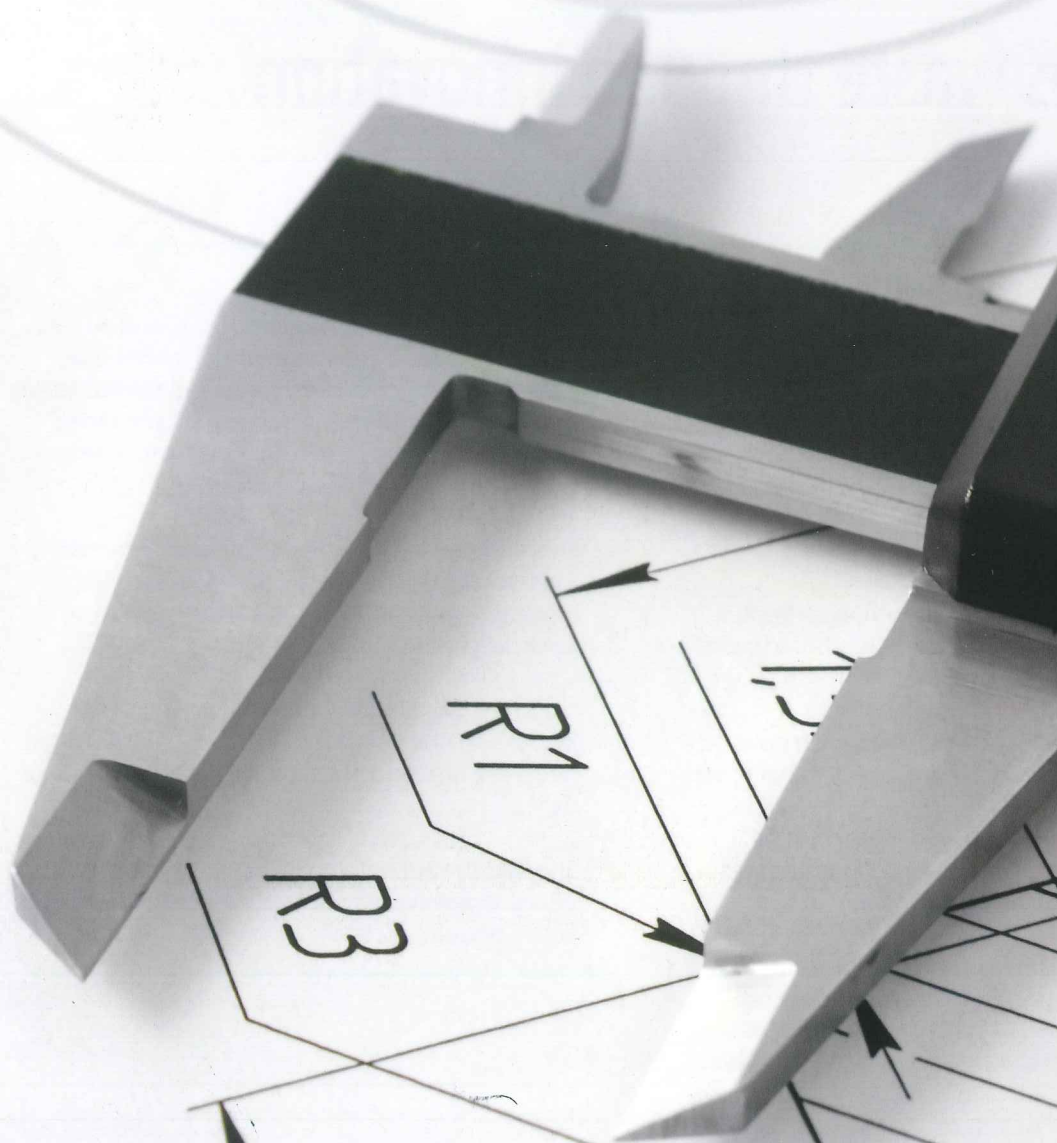
"It's like the guiding light for my company now," he said. "If we didn't have that and didn't pay attention to that, I wouldn't have the culture and the team we have now."

The SBDC has also helped Doyle with human resources and marketing, and has provided opportunities to network with fellow business owners.

"You need other people who are faced with challenges similar to yours," he said. "It's a real open environment. I think everybody feels safe to be able to share what they need to share to get the help they need."

When Doyle thinks back on the tough time he had as a new business owner, he credits the SBDC for saving his company.

"I think a business owner can tailspin really fast if they don't have the guidance and help the SBDC provides," he said. "Without them I don't know if we would have made it." ■



THE RENEWAL WORKSHOP

Expanding business eliminates waste through innovation

“(Our adviser has) been such a great resource and he really knows and understands our business. I feel like he’s kind of become a business coach for us.”

— Nicole Bassett, Co-founder,
The Renewal Workshop

Nicole Bassett was working in the apparel industry when she had the idea of creating a business that would divert used clothing from landfills by turning it into renewed apparel.

Bassett shared her idea with friends, and they recommended she work with the Small Business Development Center in The Dalles.

“I wasn’t really sure what to do or how to bring it together,” Bassett said. “The SBDC has been part of this since it was literally an idea.”

That was in 2014. The Renewal Workshop now partners with 11 brands – many are in the outdoor industry, such as Prana, Toad&Co and Mountain Khakis – to take in their used or otherwise unsellable clothing. The Renewal Workshop cleans and repairs the apparel so it can be resold.

“I’m very passionate about the fact that humans have a negative impact on the planet,” Bassett said. “It doesn’t have to be that way. There are opportunities for solutions. It just so happened I started my career in the apparel industry and have seen the impact that industry has globally.”

Bassett took that passion to the SBDC and an adviser helped her build a financial model. She pitched the business to investors and started raising money. In 2016, the Renewal Workshop opened a factory in Cascade Locks. Last year, the business started selling its products online.

She still reaches out to her SBDC adviser monthly, Bassett said. He has provided advice on topics ranging from healthcare to employment law to financial counseling.

“He’s been such a great resource and he really knows and understands our business,” Bassett said. “I feel like he’s kind of become a business coach for us.”

She said she appreciates the flexibility the SBDC offers, allowing her to access the center’s resources with a phone call. ■

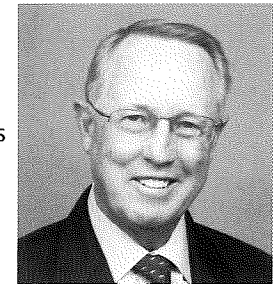


35 YEARS: OREGON'S NETWORK SUCCESS

35 YEARS OF OREGON'S

1982

Lane Community College establishes a Small Business Assistance Center. Edward "Sandy" Cutler is hired as director.



1983

Oregon Legislature establishes Oregon's Small Business Development Centers.

Representative Bill Bradbury (Coos Bay) works with the Oregon Community College Association to introduce legislation to assist small businesses throughout Oregon. The Oregon Community College Association forms a task force to study business assistance models. The task force recommends the Oregon legislature adopt the model established at Lane Community College for statewide implementation.

F BUILDING BEST BUSINESSES



House Bill 3002, establishing the Oregon Small Business Development Centers, is passed by the House and Senate with one dissenting vote and is signed by Governor Vic Atiyeh. The legislature grants Oregon community colleges \$500,000 to establish a statewide network of Small Business Assistance Centers, located at 15 community colleges and three state universities. Lane Community College is selected as the host of the first community college-based Small Business Development program in the United States.

1984

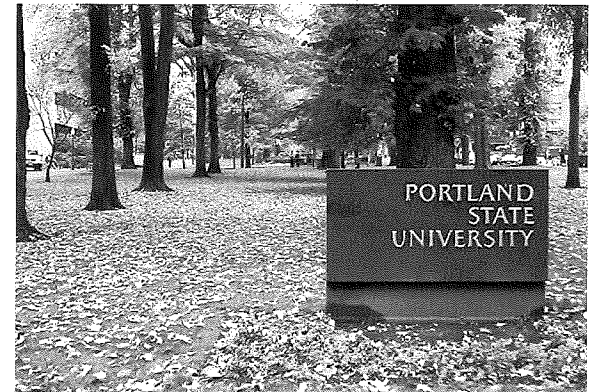
The first cooperative agreement with the Small Business Administration is issued to Lane Community College for \$350,000. The Oregon Small Business Development Network office is established at Lane Community College and Sandy Cutler becomes the first state director.

1985

The Association of Small Business Development Centers meets in Eugene, Oregon for the first-ever meeting of the group on the West Coast.

1986

Small Business International Trade Program is initiated at Portland State University.



1987

Oregon SBDC Network's state oversight is moved from the Oregon Department of Education to the Oregon Economic Development Department at the request of Governor Neil Goldschmidt. The purpose of the move is to more closely align the SBDC program with statewide economic development efforts.

Oregon Coast Community College (OCCC) established in Lincoln County. Small Business Development Center established at OCCC.

1988

First Interstate Bank and U.S. National Bank provide funding for four pilot Profit Improvement Programs, providing six months of management assistance to business owners.



1993

In the face of Walmart's expansion into rural towns throughout Oregon, the Oregon SBDC Network develops and offers "Weathering Walmart" training/advising activities in impacted communities.



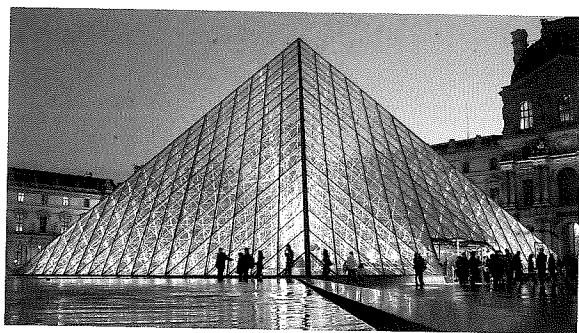
1991

The Oregon SBDC Network receives two National Institute of Standards and Technology grants to expand access to technology to Oregon's small businesses.

1992

The Oregon SBDC Network releases its series of business planning workbooks (Your Business Plan, Your Marketing Plan, Your International Business Plan and Su Plan de Negocio) for nationwide distribution.

Portland Community College combines the Small Business International Trade Program with the SBDC to form the OSBDCN International Trade Program.



1995

A study of Oregon's small businesses reveals that SBDC clients had higher sales increases, job creation, and fewer business failures than a control group of similar sized small businesses in Oregon.

1997

The Oregon SBDC Network produces a two-year strategic plan focused on key target markets and specific economic impacts.

2003

The Oregon SBDC Network launches the first version of its website: BizCenter.org

2004

Founding Oregon SBDC State Director Sandy Cutler retires.

2005

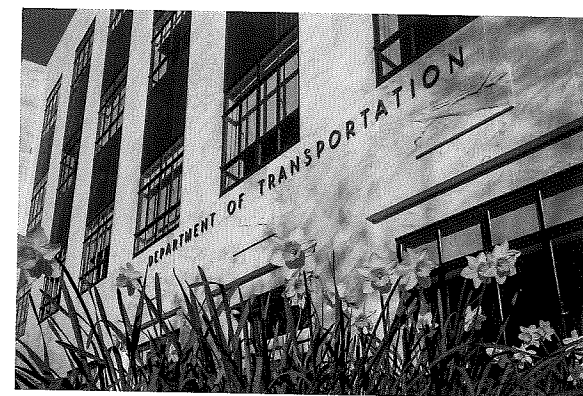
The Oregon SBDC begins the Business Capital Resource Center to support loan preparation for small businesses. This program is later restructured as the Capital Access Team.

2006

The Oregon SBDC Network begins development of a statewide adviser professional development certification and standard competencies that have since been adopted nationally.

2008

The Oregon SBDC Network expands the Small Business Management classes for Oregon Department of Transportation contractors statewide after a successful pilot course at Chemeketa SBDC.



2009

The Oregon SBDC Network is awarded the first of eight \$100,000 SBA Portable Assistance Awards to serve businesses in areas throughout Oregon that were heavily impacted from corporate downsizing, job loss and high unemployment.

2010

The Oregon SBDC Network is awarded supplemental funds to establish its statewide Capital Access Team, establish and expand its Global Trade assistance program and develop and deliver other short-term specialized services to help small businesses add more Oregonians to their payrolls. This same year the OSBDCN initiates a four-year SBA Veterans Grant that focuses Small Business Management training and advice to veteran-owned small businesses.



2011

The Oregon SBDC Network is awarded a multi-year State Broadband Data & Development grant by the Oregon Public Utilities Commission to assist small business owners throughout the state in their effective utilization of broadband technologies.

The Oregon SBDC Network is selected by the State of Oregon to develop and deliver a statewide "Grow Oregon Pilot Program," which provides targeted assistance to companies with 10+ employees poised for growth. The pilot program is adopted by the State on a permanent basis.



2012

The Klamath Falls SBDC moves from its original host, Oregon Institute of Technology, to Klamath Community College. All 17 Oregon community colleges host SBDCs at this time.

2013

The Oregon SBDC Network establishes the Market Research Institute at Southern Oregon University, funded in part by a contribution from US Bank and the Oregon Legislature.



2014

Ten Certified Global Trade Certification Advisers complete training and certification within the SBDCs around Oregon through what is now known as the Oregon SBDC Network Global Trade Center.

2015

The Oregon SBDC Network passes their five-year accreditation with America's SBDC for the first time in history without conditions.



2016

The Oregon SBDC Network gains the first and largest-ever private foundation grant with the Ford Family Foundation to serve entrepreneurs throughout rural Oregon.



2017

The Oregon Legislature passes House Bill 2152 that amends the founding legislation and expands direction with state agencies to use the SBDCs for small business outreach. This house bill additionally expands how the Network utilizes state funds for marketing services to small business.

NETWORK SERVICES

A Helpful Guide to Navigating SBDC Services

In 2017, the Oregon SBDC launched a new website featuring a brand new guide to quickly finding SBDC classes and services.

Business Cycle

Small businesses follow a common lifecycle that may go through several iterations. Each stage has different opportunities and challenges. SBDC's advisers and instructors are familiar with each stage and can bring additional knowledge and tools to help small businesses succeed.



IDEA: You have an idea for a business, but it isn't off the ground yet. You may have some of the pieces in place or a working plan but aren't yet in business. This is sometimes also called "pre-venture".



LAUNCH: Your business is up and running. You may not yet be profitable and things still feel new.



EXPANSION: Your business is generating a consistent source of income and you regularly see new customers. You are looking at new opportunities for your business.



RENEWAL: Business conditions, leadership and other factors can lead to changes in direction. This is a time to look at new processes and big decisions to move the business forward. It is often when businesses pursue new avenues for growth.



EXIT: You are ready to make a big change in the business and exit to new opportunities. Business succession plans need to be identified early to achieve your desired outcomes.

Business Area

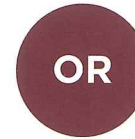
Operating a small business is a complex undertaking that requires an understanding of many different areas of a business. OSBDCN divides this complexity into four different topic areas, and has services and classes to address the challenges in each.



BUSINESS CONCEPT & PRODUCT: Creating and refining your business concept toward products & services that have growth potential and revenue models that propel your business.



CUSTOMER RELATIONS & BRANDING: Finding the right customers, understanding community demographics and building a brand that enhances public relations, marketing and networking are critical to your success.



ORGANIZATION & HUMAN RESOURCES: How your company is structured as a board, employees, partnerships, business processes and legal issues.



OPERATIONS & FINANCE: The operations side of your business, including financials, funding, production and deliveries, IT systems and facilities.

EXPERT ADVISING TO HELP BUSINESSES SUCCEED

No-cost, confidential advising for Oregon's small businesses



Expert adviser Gary Smith helps clients at the Lane Small Business Development Center. Gary has more than a decade of advising experience with the Lane SBDC and has had leadership positions with several fortune 100 companies.

Many clients know Oregon's SBDCs by the expert advisers who are there to lend an ear and provide guidance and support as business owners make big and often difficult decisions. Our no-cost, completely confidential advising is a signature service that helps guide Oregon's business owners to a path for success.

No small business is the same, and neither are our advisers. Small businesses are a reflection of our communities and our local economies, highlighting our greatest opportunities and challenges. Advisers work with business owners to understand their needs and help them find their own success, whatever it may look like.

As business has evolved, advising has changed as well. Most clients find the greatest success using a combination of classes to master essential business skills and learn from other business owners, and advising where the specific needs of the business can be discussed with a confidential, experienced adviser. Here, business owners are empowered to create a business unique to their interests and ideas. Advisers help guide this process, providing greater knowledge and expertise.

In many Centers, advising starts with a decidedly modern twist. Using advanced tools including GrowthWheel, advisers help business owners understand the needs of the whole business and identify areas for improvement that can help the business owner make smarter decisions. By enabling better decision making, we are helping build more robust businesses that enhance the character of our communities long term.

Advising in Times of Disaster

During the 2017 wildfire season, Centers in Southwestern Oregon and the Columbia Gorge provided additional assistance to small businesses that were impacted by smoke, road closures and fewer visitors during the peak tourism season. This assistance came from advisers who had additional training to assist during disasters. Business owners were encouraged to prepare documents early and make sure these remained accessible in the event of evacuations or structure fires. When additional resources were available, advisers helped business owners sort through the best options for assistance to ensure the long-term health of the business.

Help for Businesses at Every Stage

Advising is available to business owners at every stage. Many Centers ask that people who are just considering starting a business take an initial startup class to help answer the most common business questions. Established businesses can receive advising that helps look at the whole business or a specific issue that may be causing challenges. Advisers are also here to help with succession planning and business transitions. Advisers understand the sensitivity of the different stages of business and are here to lend a helping hand. ■



An adviser at the Chemeketa SBDC helps a client with cashflow management.



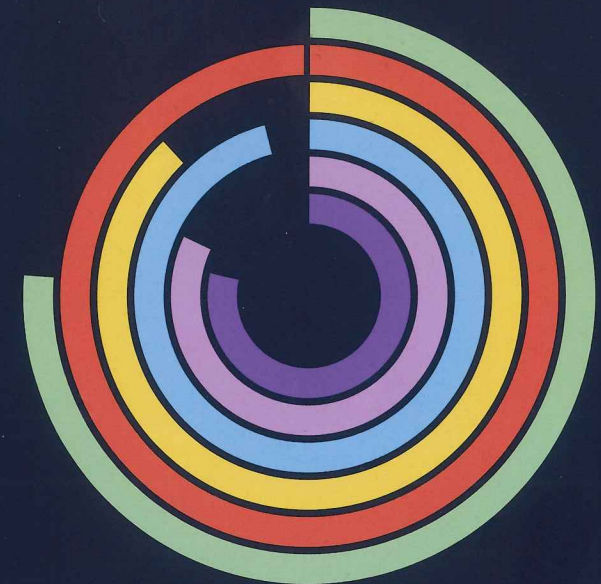
Advising Hours

In 2017, advisers spent more than **22,000** hours advising clients across Oregon.

- Coast (3,274)
- Portland Metro (4,301)
- Willamette Valley (3,378)
- Southern Oregon (4,124)
- Central Oregon (3,525)
- Eastern Oregon (3,379)

Advising Clients

Centers advised more than **5,000** clients in 2017 with no-cost one-on-one advising. Approximately one in four clients will become “long-term” clients, defined as a client with more than five hours of advising or other services in a calendar year. Long-term clients are tracked for job creation and business growth during the year.



- Coast (580)
- Portland Metro (1,278)
- Willamette Valley (1,001)
- Southern Oregon (924)
- Central Oregon (767)
- Eastern Oregon (683)

THE SMALL BUSINESS MANAGEMENT PROGRAM

“An on-the-ground MBA for small businesses”



“The Penny Game” has become a popular way of helping business owners quickly understand business accounting, teaching key principles used in business operations.

The Small Business Management program (SBM) is a unique combination of classroom learning, one-to-one coaching from an adviser and business networking with one goal: making small business owners and their businesses more successful.

For up to a three-year period, the SBM program covers management topics with a customized curriculum and helps you to identify and prioritize outcomes and develop a plan to achieve them.

How the Small Business Management Program works

The SBM program is available at most of our 19 centers and combines one-on-one coaching and classroom sessions covering everything from human resources and financials to digital and traditional marketing. Class participants are often from a variety of different industry sectors who can learn and grow from each other throughout the program.

Often referred to as “an on-the-ground MBA” by business owners, the program dives deeper into more complex and difficult topics each year, with

the expectation that the lessons learned in the classroom will have a direct impact on the business in a matter of days or weeks. The business is the ultimate laboratory where concepts are tried and tested. At many Centers, program alumni will continue to gather for years afterwards to continue their education and exchange ideas.

This program has been a signature service of Oregon’s Small Business Development Centers since the creation of the Oregon SBDC Network and has helped thousands of clients develop successful businesses.

Here are a few of our notable SBM alumni businesses statewide:

- Dutch Brothers
- Euphoria Chocolate Company
- Molecular Probes
- Brew Dr. Kombucha

CAPITAL ACCESS TEAM

Helping Oregon's businesses access capital to start and grow



Located in NE Portland, Mudshark Studios creates custom glass and ceramic products for clients.

The Oregon SBDC Capital Access Team (CAT) works across industries and regions to help business owners and companies access the capital needed to start or expand. Business owners learn about financial analysis, underwriting standards and expectations associated with different funding sources. In Oregon, the CAT provides a critical component in the funding process.

CAT started in 2011 and has grown into four regional teams, working with more than 800 small businesses. This regional model has allowed the CAT to provide advisory resources throughout Oregon, with each regional team supporting local SBDCs. The resulting impact has been to see more than 230 client projects funded, worth more than \$128 million in capital.

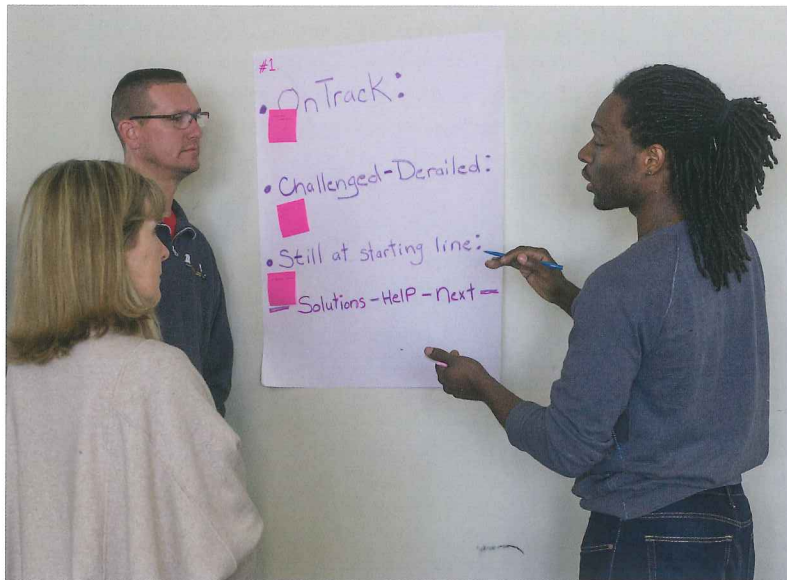
Over the years, CAT has developed its own process to help clients with funding. About 35 percent of the clients that request CAT assistance finish the entire process. The CAT process begins with the client completing an online readiness assessment. CAT advisors follow up with new clients after reviewing the readiness assessment to discuss next steps towards their funding goal. The CAT works with clients to ensure they have solid business plans and financial projections with cash flow.

With this in mind, CAT advisors help clients navigate the capital ecosystem, supporting them throughout the process, connecting clients with funders and different sources of capital. For those clients that complete the CAT process, about 75 percent get their projects funded.

The Oregon SBDC Network worked with more than 5,200 individual client companies in 2017, providing more than 22,000 hours of business advising, helping with the creation of 859 jobs and accessing \$64 million in capital. ■



Adviser Joanne Scharer helps a client with a business plan.

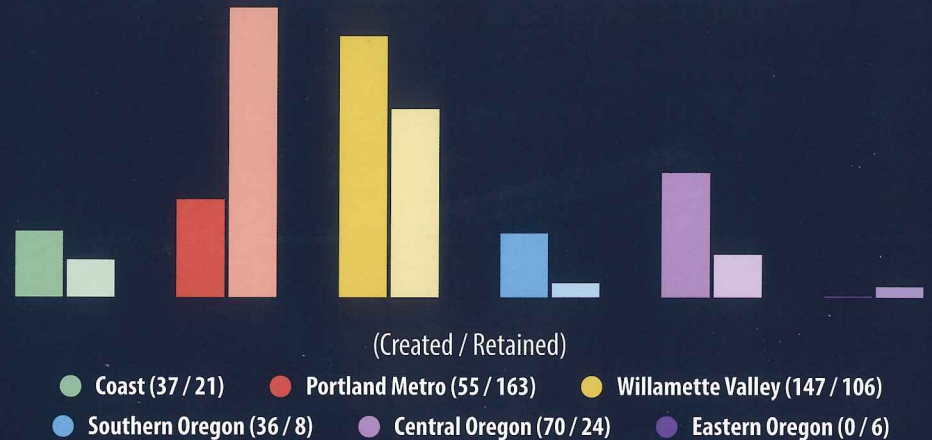


SBM participants work through business challenges together in a group exercise.

Client Impacts

Small Business Management clients are often among the most successful in any given year. Across Oregon, these clients are creating new capital and seeing rapid increases in sales. SBM programs are limited in Eastern Oregon due to the challenges of regular classroom sessions given the large geographic service areas.

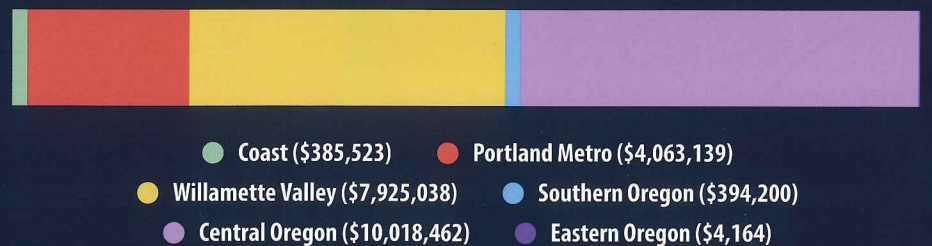
Job Creation & Retention — 345 Created / 328 Retained



Capital Formation — \$12,138,917



Sales Increase — \$22,790,526





In 2016, Five Star Guitars of Portland won the SBA Small Business Person of the Year Award for Oregon.



Brew Dr. Kombucha received help from the Capital Access Team to invest in additional capacity and expand production to serve a rapidly-growing market.

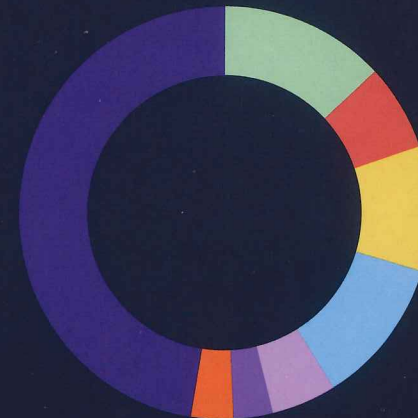
Economic Impacts

CAT Team 2017 Capital Formation **\$35,632,627**



- 40% Seller Contract
- 27% Bank/Credit Union Loans
- 17% Economic Development Agency Loans
- 11% Angel Investor
- 3.0% Equity Owner
- 0.85% Friends/Family
- 0.6% Non-Traditional Lender

Top Industry Sectors



- 13% ● Manufacturing
- 7% ● Accommodation & Food Services
- 10% ● Retail Trade
- 11% ● Other Services
- 5% ● Healthcare
- 3% ● Agriculture
- 3% ● Wholesale Trade
- 48% ● Other

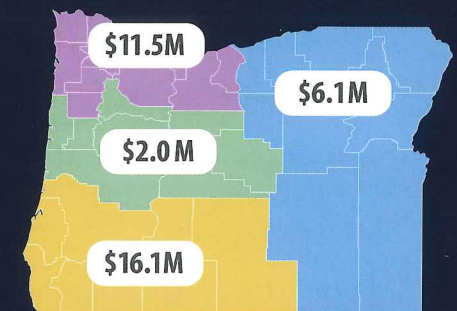
CAT Regions

4
New Business Starts

75
Jobs Created

\$42,020
Capital Formation Per Business Advising Hour

\$1,455,447
Average Deal Size



THE MARKET RESEARCH INSTITUTE

Actionable intelligence to help businesses grow



Wrappin and Rollin food truck in Roseburg used a report from the Market Research Institute to get started.

In 2015, North American companies spent more than \$19 billion on market research, mostly by larger companies. Most small businesses are unable to afford a fraction of cost of many reports that can lead to better, smarter business decisions.

The Market Research Institute provides customized research reports for established businesses who anticipate growth and have a strategic need for market intelligence. Market intelligence helps businesses better understand the competitive landscape, refine business plans, identify opportunities and make smarter, more informed business decisions. Using data analytics, we are building Oregon's best businesses in the fast-changing, competitive market.

The Institute's market research reports encompass a wide range of topics and market analyses to build a customized marketing plan based on the client's needs and goals. Researchers can locate and compile existing research data from multiple sources, analyze the data and build reports, at no direct cost to Oregon SBDC clients. The Institute also conducts primary market research by request, for specific market development strategies, as a fee-based service for those market situations that require customized solutions.

Small Business Development Center advisers play an integral role in preparing businesses to work with the Market Research Institute. Advisers prepare each client business to be able to make successful use of the Market Research intelligence that is generated in each customized report.

The unique leverage between market intelligence and local business strategies places Oregon's businesses at the forefront in a competitive landscape. We ensure that every business that receives a custom Market Research Institute report is ready to implement an effective market growth strategy.

The Institute's Reports Can Include:

Industry Overviews

- Current Performance
- Future Trends
- Competitive Benchmarking
- Supply Chain
- Products & Services
- Consumer Markets
- Key Financials

SCALE OREGON

Helping Oregon's manufacturing sector reach new heights



Good Clean Love, a Eugene-based company that develops and manufactures a line of organic personal lubricants, is using the SCALE program to help expand into a national brand with distribution in thousands of stores.

The SCALE Oregon program is dedicated to helping Oregon's traded-sector companies achieve rapid and sustainable growth. The program helps existing, traded-sector businesses through a combination of expert mentoring and services designed to tackle challenges specific to traded-sector companies.

Expert advisers work with the leaders of a company to assess business challenges and opportunities, and to create a plan to address the key issues in the company. This comprehensive approach to strategic assessment and tactical business development promotes fast, sustainable growth.

SCALE advisers have the expertise to understand traded-sector businesses and the challenges and opportunities of running these often complex organizations. Advisers are experienced business professionals who have run successful companies and are here to help. All advising is confidential. The program was developed based on successful models used throughout the United States, where specific resources and mentoring of key business leadership on targeted areas of the local economy have demonstrated success. By focusing on "second stage" companies that are already established,

communities can cultivate greater economic growth by building on the strengths already present within the community to expand, creating jobs and increased revenue. SCALE Oregon takes this concept to businesses throughout Oregon.

The program offers expert advice, CEO mentoring and access to services including market research, financial analysis, import/export assistance, focused business planning, digital media assistance and cybersecurity analysis.

SCALE Oregon, funded by Business Oregon, is intended for use in primarily urban communities and is only eligible to companies with 10 or more employees, more than \$1 million in annual sales and with a revenue growth in three of the past five years. This criteria can be challenging for rural communities where successful traded-sector businesses may be smaller and ready to grow. The Oregon SBDC Network, in partnership with Business Oregon, is developing a SCALE Express program for communities with populations of fewer than 30,000 residents, to offer many of the same services for smaller companies. ■

Location/Market Analytics

- Key Demographics
- Consumer Demographics
- Supply & Demand
- Purchasing Habits
- Housing Summary
- Traffic Counts

Prospect Lists

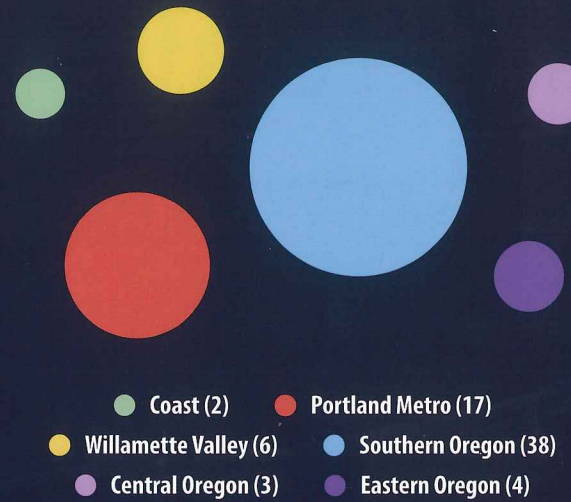
- Supply Chain
- Competition
- Consumers

Consumer Profiling

- Demographics
- Primary Customer Targeting



The Market Research Institute is hosted at Southern Oregon University.

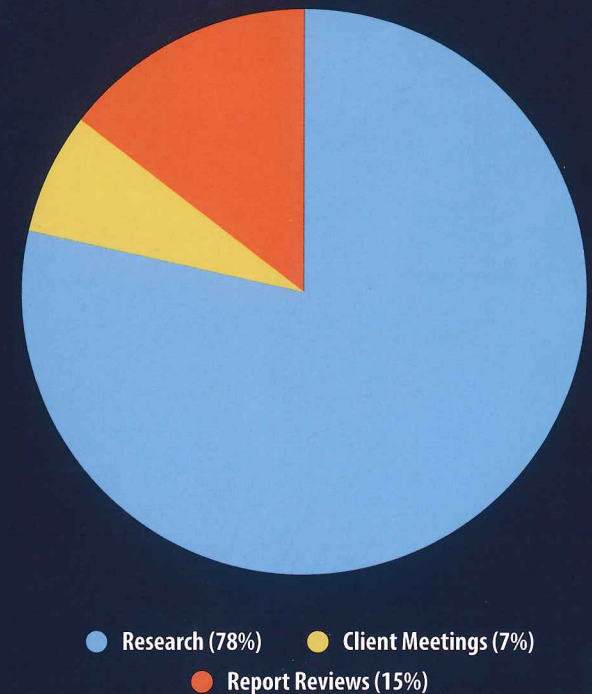


MRI Reports

The Market Research Institute provides no-cost and low-cost reports to businesses across Oregon. The Umpqua SBDC in Southern Oregon uses these reports as part of their Small Business Management Program to help businesses grow.

Allocation of Hours

Most projects take about nine hours to complete, with about 80 percent of the time spent on research. MRI staff meet with clients and advisers to understand the objectives of the research, and reports are reviewed for data integrity and to make sure they are useful for the client.



SPECIALIZED SERVICES

Helping businesses tackle the toughest challenges in today's changing markets.

Oregon's small business owners are experts at finding new markets and expanding on great ideas. The Oregon SBDC Network offers specialized services with advanced tools and industry experts who are available to businesses across Oregon. The expert help business owners need is never farther away than a visit to your local SBDC.



95 percent of the world's population is outside the United States. The Global Trade Center is helping businesses sell abroad and connect with the global supply chain.

Global Trade Center

Oregon businesses are going global with the help of the Global Trade Center. The Global Trade Center helps Oregon small businesses think beyond state and national boundaries for marketplaces to sell products. Exports abroad can be a key driver of economic growth and have an added benefit of bringing in revenue from outside the community in which the business is based, leading to greater economic gains for the entire region.

The Global Trade Center staff helps businesses look first at whether a business is ready for export by looking at where the business is today. Center advisers then work with businesses to develop an export plan and connect with other support providers including the Small Business Administration, U.S. Export Assistance Center and other state and national resources. ■

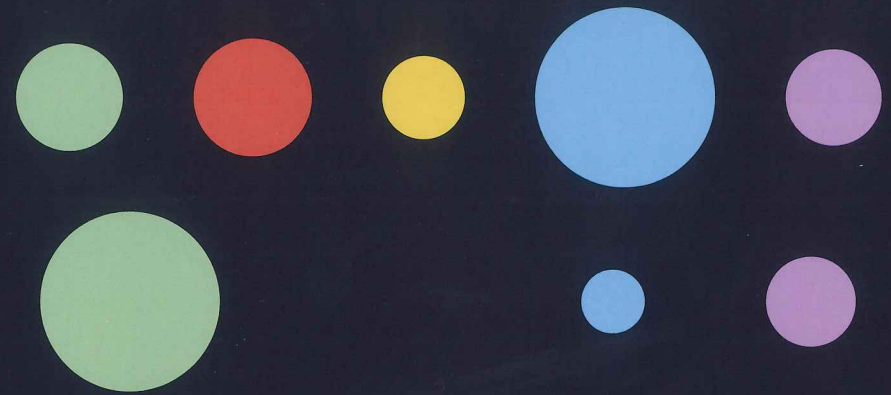


ArcLight Dynamics plasma tables are hot sellers, literally and figuratively. The company has experienced 40 percent year over year growth and is now in the SCALE Oregon program to help address these new challenges.



Cascadia Vehicle Tents, headquartered in Bend, received help through SCALE Oregon to implement the Entrepreneurial Operating System. This system helps create vision, traction and a healthy company.

Job Creation & Retention — 32 Created / 11 Retained



(Created / Retained)

- Lane (5 / 8)
- Central Oregon (6 / 0)
- Linn-Benton (3 / 0)
- Portland (14 / 1)
- Rogue (4 / 2)

Sales Increase — \$7,899,528

- Lane (\$3,950,000)
- Central Oregon (\$2,402,129)
- Linn-Benton (\$500,000)
- Portland (\$330,000)
- Rogue (\$717,399)





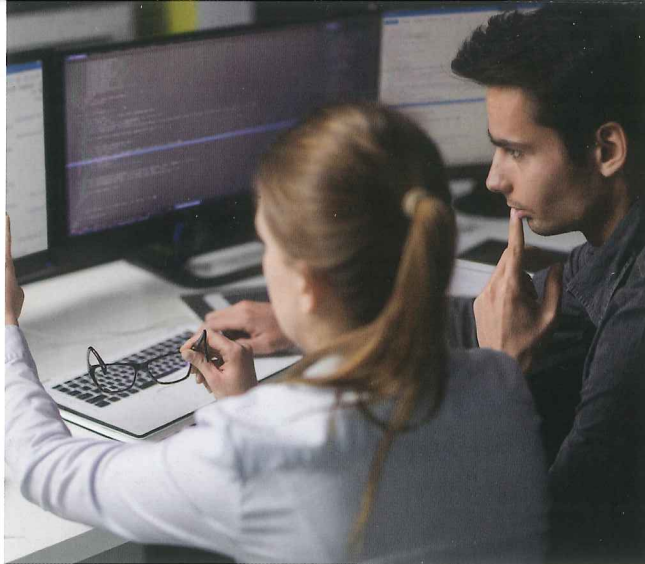
*The SBIR and STTR programs grant more than \$2.2 billion to small businesses annually to develop innovative solutions to challenges faced by federal agencies.**

Small Business: Big Innovation

Sometimes the most innovative ideas need help getting off the ground. The Oregon SBDC Network helps with our innovation programs designed for technology-based businesses. The Oregon SBDC Network partners with additional organizations to assist qualified Oregon companies in preparing proposals for Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) grants. SBIR/STTR are competitive federal grant programs that award funding to small businesses that have the potential to commercialize new technologies.

Since 2008, Oregon businesses received more than \$69 million in SBIR/STTR grants for research and development. The Oregon SBDC Network has qualified experts to assist small businesses in understanding how to qualify for these funds and support a winning proposal. ■

*<http://sbir.gov/about>



The average loss to a small business in a cybersecurity attack is \$79,000. New laws are creating a greater need for businesses to secure themselves against cyber threats.*

Cybersecurity

A small business typically does not realize how vulnerable its company is to cyber threats until the business has been compromised. Any small business has valuable information that may include customer data, bank information and employee lists that would entice most cyber criminals.

As part of our partnership with the Oregon Center for Cybersecurity at Mount Hood Community College, small businesses have the opportunity to work with a cyber security student to help address their security needs. All students follow a strict project plan with oversight on the recommendations. In addition, our team works with a host of security providers that help advise, guide and recommend next steps for security needs.

This program received a significant grant from the National Institutes of Health in early 2018 and will be expanding the number of trainings across Oregon. ■

* <https://www.bbb.org/stateofcybersecurity/>



The Oregon SBDC is working with community colleges and the Ford Family Foundation to create new opportunities for Oregon's youngest entrepreneurs.

Project Proto

Some of the best ideas and most passionate people are our youth, who are eager to join the next generation of entrepreneurs and business leaders. We are giving them a head start and keeping them engaged in the classroom. Project PROTO is an innovative program designed to provide high school youth with real-world entrepreneurial experiences. Students learn to use the skills they have developed in high school and how to apply it to the world of business. Students take classes at local community colleges focused on business skills while receiving counseling from the local SBDC. Upon graduation, students receive seven business credits.

This program is being expanded in 2018 thanks to a grant from the Ford Family Foundation. The new grant focuses on expanding the program in select rural communities to help build new small businesses and expand economic opportunities. ■

IN THEIR OWN WORDS

What SBDC clients have to say about working with our team.

"The EOU SBDC has been a great asset in this expansion. Their expertise helped us move forward - we could not have done it without them."

– Dr. Jeff Henry
Valley Veterinary Care, La Grande

"It's so neat, when you start writing your ideas and later you look back and all this stuff you fabricated became real. And that wouldn't have happened without SBDC."

– Theresa Delaney
Portal Brewing Company, Medford

"What I gained from the SBDC was learning how to market my business and I gained a lot more customers from that. Without the SBDC's help I don't know if that would have been possible."

– Angela Church
Precision Fiber Inc, Clackamas

"There's so many ways to get stuck, to get put in a bind where you can't work your way out. Having an operation like SBDC has just been invaluable."

– Cosmo Salibello
Gaeta Foods Inc, Fairview

"The SBDC helped me articulate my vision in very specific terms. They set me up with a bank who was eager to lend to someone like me."

– Mike Magyar
Magyar Land Surveying, Astoria

"SBDC staff gave us encouragement when we needed it and criticism when we deserved it. Their guidance helped us to navigate the risks we were taking on and cope with feelings of insecurity. As for recommending the SBDC to others, I've already sent someone!"

– David Scott
Rodeos Pizza & Saladeria, Klamath Falls

"For anyone who is thinking about starting a business, the first place I'd go to is the SBDC. They'll be able to find an adviser who can go over the details of what you'd like to do."

– John Origer
Apex Property Clearing & Recycling, Albany

"The SBDC is an amazing resource for business owners and entrepreneurs. My business, knowledge, skills and confidence have all grown with their support. The seminars, classes and events held at the SBDC have all been engaging and very informational. This program is a priceless gift to our community, one that I recommend to anyone in business or hoping to be in the future."

– Mary Fitzsimmons
Rogue Valley Tutoring Center, Medford

"The SBDC support is amazing. I am able to learn every time I attend a class or work on a specific piece of my business. Last year I was able to create a profit and invested in a second food truck."

– Ricardo Lopez
Cuate's Burgers and Tacos, Hood River

"I heartily recommend OSBDCN services to all small business owners who want to make their business as effective as possible. No matter where a business is in its development, the SBDC has a service, a class, or a network to offer knowledge, suggestions, or alternatives for an optimum result."

– Gaynelle Nielsen
Baker City Blue Door Inn, Baker City

"The SBDC is a valuable extension of our team. We know we can count on their help in keeping the doors open and keeping our staff working. In a world where running a small business keeps getting more and more complicated, we need partners like the SBDC."

– Jenifer Roe
Crater Lake Zipline, Klamath Falls

"I couldn't imagine ever running a business without the SBDC classes, and nor would I. You can always learn more. The SBDC provides confidence, the ability to ask questions and help with the stress. I cannot say enough about the Chemeketa SBDC."

– Fabian Lopez
EarthTech Landscaping, Salem

"No matter how long you've been in business, it doesn't mean you can't change or learn new things. The folks at the SBDC have been invaluable for that."

– Nancy J. Smith
Nancy J. Smith Photography, Gresham

Oregon's Small Business Development Center Locations

Albany

Linn-Benton Community College

6500 SW Pacific Boulevard,
Willamette Hall 120
Albany, OR 97321
541-917-4929

Bend

Central Oregon Community College

1027 NW Trenton Avenue (Ctr)
2600 NW College Way (Mail)
Bend, OR 97703
541-383-7290

Eugene

Lane Community College

101 W 10th Avenue,
Suite 304
Eugene, OR 97401
541-463-6200

Grants Pass

Rogue Community College

214 SW Fourth Street
Grants Pass, OR 97526
541-956-7494

Gresham

Mt. Hood Community College

484 SE 187th Avenue
Portland, OR 97233
503-491-7658

Klamath Falls

Klamath Community College

803 Main Street, Suite 204
Klamath Falls, OR 97601
541-205-5404

La Grande

Eastern Oregon University

1607 Gekeler Lane,
Room 148
La Grande, OR 97850
541-962-1532

Lincoln City

Oregon Coast Community College

3788 SE High School Drive
Lincoln City, OR 97367
541-994-4166

Medford

Southern Oregon University

101 S Bartlett Street
Medford, OR 97501
541-552-8300

Milwaukie

Clackamas Community College

7726 SE Harmony Road,
Suite 275
Milwaukie, OR 97222
503-594-0738

North Bend

Southwestern Oregon Community College

1988 Newmark Avenue,
Room #211
Coos Bay, OR 97420
541-888-7026

Ontario

Treasure Valley Community College

650 College Boulevard
Ontario, OR 97914
541-881-5772

Pendleton

Blue Mountain Community College

2411 NW Carden Avenue
PO Box 100
Pendleton, OR 97801
541-278-5833

Portland

Portland Community College

7901 SE Division Street,
Suite 404
Portland, OR 97216
971-722-5080

Roseburg

Umpqua Community College

522 SE Washington Avenue
Roseburg, OR 97470
541-440-7824

Salem

Chemeketa Community College

626 High Street NE, Suite 210
Salem, OR 97301
503-399-5088

Seaside

Clatsop Community College

1455 North Roosevelt Drive
Seaside, OR 97138
503-338-2402

The Dalles

Columbia Gorge Community College

400 E Scenic Drive,
Suite 2.108
The Dalles, OR 97058
541-506-6121

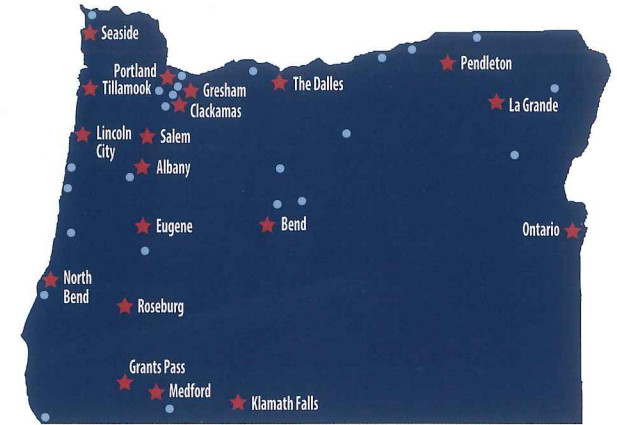
Tillamook

Tillamook Bay Community College

4506 Third Street
Tillamook, OR 97141
503-842-8222 ext. 1420

Network Office

1445 Willamette Street,
Suite 5
Eugene, OR 97401
541-463-5250



Building Oregon's Best Businesses

For more information about all that we do,
contact the Center near you, the Network Office,
or visit BizCenter.org

The Oregon SBDC Network is funded in part through a Cooperative Agreement with the U.S. Small Business Administration, the Oregon Business Development Department, and other private and public partners, with Lane Community College serving as the Network's lead host institution. Oregon SBDC services are extended to the public on a nondiscriminatory basis. Language services are available for limited English proficient individuals.





Building Oregon's Best Businesses

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