



Entrepreneurship Assessment and Recommendations

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I. Executive Summary

Virginia's Growth Alliance (VGA) contracted with Longwood Small Business Development Center (LSBDC) to conduct research and assist in developing an entrepreneurial development plan for the region. LSBDC chose to use multiple focus groups across the region to gather qualitative data and ideas from business owners and business supporters in the region. The exercise not only provided a means to gather information, it also began the process of regional team building and planning among local citizens and business leaders. Through 13 focus groups, the LSBDC developed an initial list of recommended actions for VGA. The recommendations are very systemic in nature, allowing VGA to begin to efficiently coordinate and deploy existing resources on a regional basis. The LSBDC also conducted quantitative data analysis on firm creation and job growth patterns to supplement and add depth to the listed recommendations.

The following documentation lists recommendations according to priorities of focus group attendees. Many recommendations are applicable to more than one priority. A summary of the recommendations is listed here, beginning with those that may be easier or more important to implement first.

- **Continue to leverage the input of those participating in the focus groups.** Group members were enthusiastic about the opportunity to learn from each other as well as contribute to regional progress. It is recommended that participants be considered for membership in an advisory group(s) for VGA going forward. **Additionally many wished to continue a peer group/round table for businesses in the region.** A plan should be developed to coordinate and facilitate such groups on a regional level resulting in meaningful usage of the business owners' time.
- **Develop an "Entrepreneurial Pipeline."** A concern was expressed across all priorities that information on available entrepreneurial programs and assistance was not coordinated and not well marketed to potential and existing business owners. For example, many focus group discussions centered on whether access to capital is hindered by regulation, lack of availability, or by lack of preparation or education in business owners. As part of this discussion, many bankers expressed difficulty in getting borrowers to access available resources, and many borrowers expressed confusion with exactly what resources are available and the benefits of accessing them. This could be remedied by streamlining access to a portal of information on regionally available entrepreneurial resources.

Entrepreneurs would be exposed to resources through both online and print means in flow chart fashion, allowing the entrepreneur to "plug into" a resource that meets their need at this time. Such a system could be used to continually monitor access to listed resources and could be used to gather feedback, evaluate effectiveness and determine gaps.

VGA or a designated regional service provider should manage this system, incorporating programs from regional entrepreneurial service providers. A council of service providers

should be formed to meet regularly to support development and usage of this service as well as “place based” design and delivery of solutions within the region. Options for database platforms that can be linked to the VGA website currently exist and are discussed in more detail in this document.

The “Pipeline” should be marketed as a VGA resource in print and online, using advisory groups and strategic outlets, such as bankers and local licensing offices to publicize availability of the resources. Resources connected within the pipeline would include technical assistance, training, counseling, and traditional and non-traditional sources of capital.

It is worthy to note that non-traditional financial resources for small businesses are being expanded at the State level through the Virginia Small Business Financing Authority. While VSBFA has been actively marketing this program, awareness could be enhanced by inclusion in the recommended “pipeline.”

- **Identify Businesses Poised for Growth and Provide Resources to Encourage Growth.** The following full report includes secondary research and statistics that support the need to nurture existing businesses that have at least two employees and have potential for scalability and job creation. There has been a dramatic shift in business creation from firms with 10 or more employees to those who are sole proprietors with one or two employees. Such shifts cause concern with the scalability and sustainability of job creation.

An entrepreneurial pipeline serves to support newly formed businesses and address concerns with viability. However, a critical strategy to leveraging potential job growth includes providing attention and resources to companies who may be capable and ready to grow their business, but may not have access to market research and other services that larger businesses typically employ. Tools and resources for existing businesses are available through the SBDC network, including GIS based market research tools, IBIS World Industry Research Databases, and industry specific financial analysis software. We recommend working with economic developers to construct a target list of existing businesses for assistance and using the entrepreneurial pipeline and face-to-face communication to market available resources. The target list may be focused on companies either in or supporting key VGA industry sectors (Wood Products, Advanced Manufacturing, Logistics/Distribution, Information Technology)

- **Work with Community Banks as an Advisory Group and Roundtable.** Community bankers who participated in a separate focus group were very interested in working together as a group on common issues. They were intrigued by the idea of potentially forming a loan pool for small business loans that are deemed too risky to handle within their bank. They are also supportive of guarantee programs such as T-CAP and V-CAP for small business loans. However, SBA and other loan guarantees could be used more frequently if the process were made more manageable for their staffing resources. **Bankers seemed intrigued and very interested in exploring how to share a specialist who is experienced in SBA and other federal programs in order to expand**

availability of higher risk loans in the region. Capital access is the number one concern of participants in this research project.

- **Determine feasibility of an Angel fund for VGA and/or Southern Virginia as a whole.** Some research participants indicated that there are existing informal networks of investors who support small businesses who cannot receive traditional financing. While the networks are not well known publicly, their existence, along with participant's assessment of capital availability, demonstrates a potential need. There are resources to assist in developing more formal networks of investors. RAIN Source Capital is currently working with Virginia Community Capital to develop such a program in Southwest Virginia. The fund is slated to begin operation in 2013 and could become a model for a similar operation in the VGA region.
- **Encourage entrepreneurial training and basic business skill development in local schools.** Youth entrepreneurship education did not rise to the final top five priorities, however, frequent discussion on workforce development revolved around development of basic business skills. VGA or a designated committee should work with local school superintendents to understand what is currently offered, while making connections to area institutions of higher learning to develop partnerships in program delivery. This may work well with efforts to expand Vocational and Technical education in the VGA region.
- **Begin to investigate and possibly implement wireless broadband.** Participants listed broadband access as a top concern for business development and growth in the region. VGA should begin to contact service providers in the region to assess interest in the concept. Researchers have been made aware of a "test bed" for wireless broadband currently being developed for another rural area of the state through the Center for Advanced Engineering and Research. VGA may wish to investigate this effort and assess whether it may be duplicated in the VGA region.

The LSBDC is confident that this research has resulted in systemic recommendations that will have a very positive effect on the entrepreneurial climate in the VGA region. Solutions vary in required resources, time of study, and implementation and will require short and long term implementation schedules. Limited resources may require The VGA Board of Directors and Executive Director to obtain assistance through outside agencies and additional committees.

II. Background - Virginia's Growth Alliance and Entrepreneurship Development

Virginia's Growth Alliance (VGA) was formed in 2012 as an effort to support regional economic development strategy and planning. The region consists of seven localities (Brunswick, Charlotte, Emporia City, Greensville, Lunenburg, Mecklenburg, and Nottoway) that are working together to craft a regional vision and plan of action. County administrators, economic developers, and members of the boards of supervisors represent their respective localities on the board of directors and various committees.

VGA's board began the planning process for the region by soliciting proposals for planning assistance in four areas: Branding and Marketing, Industrial Development, Workforce Development, and Entrepreneurial Development. In July 2012, VGA contracted Longwood Small Business Development Center (LSBDC) to provide research and assistance with an Entrepreneurial Development Plan.

Longwood SBDC is an economic development outreach of Longwood University. The mission of the SBDC is to bring university resources into the community to support new and existing small businesses with education, research, and individualized consulting. Funding support from the Small Business Administration, Longwood University, and area localities ensures that consulting services are provided to small business owners free of charge. The SBDC also provides qualitative entrepreneurial research for communities and agencies, working with faculty and students to supplement staff efforts in this area. The SBDC has three full time offices which serve the VGA Region: Farmville (Headquarters), serving Charlotte, Lunenburg and Nottoway; Crater SBDC of Longwood, serving Greensville and Emporia; and the South Boston office, serving Mecklenburg and Brunswick.

Why Entrepreneurship is Important:

Entrepreneurs are the innovators of new ideas which become the opportunities for new growth in any economy. In the Virginia Growth Alliance region, small businesses are the number one provider of jobs; therefore, they are a vital component to economic development. There is a strong relationship between regional employment and entrepreneurship. Entrepreneurs will create new jobs, wealth, and growth in the region. Because entrepreneurs also use other regional assets and resources they create an economic synergy for the region as they grow and develop their businesses. In essence, it is the local entrepreneurs who will convert the regions assets into jobs and long term economic gain.

While the region must look towards the ability to attract industry and major job creators to increase the economic "pie," healthy growth is dependent upon the ability to also cultivate entrepreneurship to support the larger community and a higher quality of life. An initial study of regional business and jobs growth statistics underscores the importance of entrepreneurship. From 2006 to 2010, the majority of new jobs in the region were created within the self-employed or stage one business (0-9 employees). While stage two companies (10-99 employees) have long been credited with the ability to add jobs at a higher rate, the recent recession has highlighted the

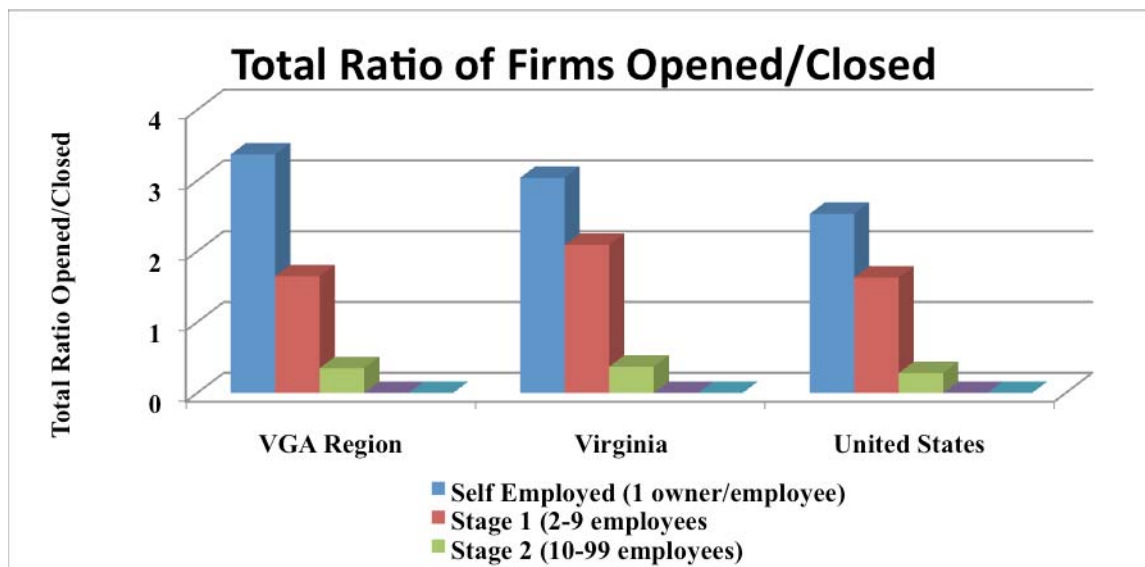
impact and importance of entrepreneurship as an option to shrinking employment in larger industries.

Research conducted by the LSBDC seeks to understand the current entrepreneurship environment in the region and identify the various resources that are, or may be, made available for entrepreneurship development. Recommendations are provided based on input from community members and business owners as well as secondary research by staff of the LSBDC.

III. The Entrepreneurship Environment

Statistics on company births and deaths by size illustrate major shifts in the structure of national, state, and regional economies over the past several years. According to statistics from the Edward Lowe Foundation and YourEconomy.org, the number of self employed businesses (1 owner/employee) increased by 47.1% nationwide from 2006 to 2010. During the same time period, small businesses employing 2-9 employees increased by 34%. All larger business categories (from 10 employees up to 500+) declined in number. These statistics were repeated in both Virginia and regionally within VGA localities. The business mix within VGA shows an even heavier shift to very small self-employed/one owner businesses, with self-employed businesses increasing by 57.6% and small businesses employing 2-9 individuals increasing by 16.9%. (A full report of statistics by locality as well as by size of company is included in the appendix.)

Comparing the number of firms opening vs. closing in each size range can also help us to understand the pace of business development within the region and within each locality. For instance, the graph below shows that from 2006 to 2010, 3.3 self-employed businesses opened in the VGA region for every one self-employed business that closed. This is slightly above the average for Virginia (3.04) and the nation (2.53). We also can see that the VGA region has less development activity with larger businesses. In the category of “stage 1” businesses or those employing 2 – 9 employees, the VGA region produces 1.65 openings for each closing, lagging behind Virginia’s ratio of 2.09, but similar to the national average of 1.63.



This shift in our economic structure from larger companies to smaller companies illustrates the importance of supporting small businesses as job creators. This trend also causes some concern about viability and capacity for future employment growth within smaller firms.

Research by Dr. Gary Kunkle of the Institute for Exceptional Growth Companies argues that this shift towards very small companies reveals potential problems with scalability, or the ability to add jobs in an efficient and sustainable manner. He notes several statistics in this excerpt:

“First, it is true that the number of startups exploded over the past decade, rising from 870,394 in 2000 to 2.2 million by 2010... However, new startup ventures have become smaller and less likely to survive, and those that do survive create fewer jobs after their birth. For example, the average single location business born in 2000 employed 4.7 workers, but a similar business born in 2010 had only two employees. Looking at the smallest end of the startup scale, we find that the survival rate of sole proprietors has fallen dramatically over the past two decades. Consider that 83 percent of sole proprietors that opened shop in 1993 survived for the following five years -- a 20 year peak – but by 2000 the five year survival rate had already fallen to 72 percent. And the slide continued. Only 63 percent of sole proprietorships born in 2005 survived to 2010. Thus the chances of survival fell from over 4 in 5 to less than 2 in 3 since the high-water mark about 20 years ago.” (Kunkle, Gary “Building scale and sustaining growth: The surprising drivers of job creation” Institute for Exceptional Growth Companies, 2013)

Dr. Kunkle goes on to state that there was a 36 percent drop in the job generating power of sole proprietor start-ups in less than a decade.

The cause of the economic shift towards very small businesses may be based on several factors including off shoring of manufacturing operations, rise in national productivity, changing consumer confidence, or national financial crises. Regardless of cause, research lends some concern on the survivability and scalability of these businesses. To assist in addressing these concerns, economic development plans should include systematic elements of support for new and existing entrepreneurs.

Economic Gardening is a term readily used to describe a system of support for small business within a region. According to the Kauffman Foundation, “Economic gardening connects entrepreneurs to resources, encouraging the development of essential infrastructure and providing entrepreneurs with needed information.” One particular focus of economic gardening is providing support to the stage one and two businesses (2-99 employees) that are poised for scalability and job creation. Littleton, Colorado provided the first documented model of economic gardening. Littleton provided local entrepreneurs with access to resources that were previously available only to large companies. These tools included access to competitive intelligence on markets, customers, and competitors as well as are database and data mining resources, and geographic information systems. Identifying “gazelles,” (smaller companies poised for growth), and providing them with resources and information to assist in growing their firms may help to balance focus between startup businesses and existing businesses. This strategy could help to boost the growth potential of existing small companies, addressing concerns with scalable and sustainable job creation.

An analysis of firm creation by county, region and state is included in the appendix to assist each specific locality with additional strategy development.

IV. Keys to Economic Success – Growing Entrepreneurial Communities

The following excerpt from The AgUrban “ezine” emphasizes the need for systemic and well-planned solutions for Entrepreneurship. We include it here as a conclusion to the discussion on the entrepreneurship environment and as a logical transition into research findings. The following content is shared with permission from *The Agurban and Jack Schultz*.

Key 1 – Local Responsibility - Economic development does not just happen. There is no invisible force that creates jobs, provides new investment or expands the tax base authority of local governments. People and organizations make economic development happen either through private or collective decisions. Pro-active communities and regions can and do change their prosperity through smart, well-worked and sustained economic development.

Key 2 – Smart Game Plan - We can no longer ride on past advantages. Today’s highly competitive global economy and society demands that American communities invest in developing smart game plans rooted in genuine development opportunities. What has worked in the past may no longer make sense.

Key 3 – Robust Investment - We all know that businesses that do not reinvest in themselves are likely to erode their competitive advantage, lose market share and eventually fail. Well, the same

is true for communities. As every farmer knows, you cannot reap what you do not plant. The same is true with economic development; there must be robust investment in a smart development game plan sustained annually over time.

Key 4 – Entrepreneurial Development Systems - We have studied economic development across North America. **One lesson we have learned is that systems generate greater outcomes when compared to unarticulated programmatic efforts.** In economic development with the shift in focus back to local entrepreneurs, the prime opportunity for development is through entrepreneurial development systems. Building entrepreneurial development systems is hard, but the potential dividends are huge.

Key 5 – Sustained Effort - Economic development never ends. There are no holidays, vacation or retirement. Communities that succeed sustain their efforts at a robust level year in and year out over decades. The key to sustained effort is renewal of community leadership. Building a game plan that invests in economic development leadership and ensures continued transition is the foundation for sustained effort.

Key 6 – Growth Entrepreneurs - Each community must find its own solution set. Every community is different and has unique opportunities for development. We believe that communities that succeed in the 21st Century focus on helping to grow more growth entrepreneurs.

Key 7 – Attributes of an Entrepreneurial Community – The State of Georgia has done a remarkable job with its Georgia Entrepreneurial Communities Initiative. This program has helped communities, large and small, across Georgia explore and build programs that foster an entrepreneurial climate or environment.

Key 8 – Immigrants & New Residents – Immigrants and new residents have been a renewing force in American communities forever. Communities that welcome, embrace and support immigrants and new communities do better economically and socially over time

Key 9 – Real Regional Collaboration - One of America's greatest economic development challenges is the lack of workable and meaningful vehicles for regional collaboration. Successful communities will likely foster regional development collaborations through locally supported regional development organizations.

Key 10 – Civic & Social Entrepreneurs - It is important to recognize that there are three kinds of entrepreneurs that will enable development success and sustained prosperity – business, civic and social entrepreneurs. Civic (government) and social (nonprofits) will lead in creating the strategies, quality of life amenities and business climates necessary for business entrepreneurs to succeed. Conversely, business entrepreneurs drive economic development creating new private investment, jobs and careers and local tax bases.

The Agurban is a free newsletter distributed each week to community and economic development professionals throughout the United States. Read past Agurbans and learn more about Agracel at www.agracel.com.

V. Methodology

The LSBDC chose a qualitative, community based focus group method to study the various communities and their perceptions on the entrepreneurial environment. The purpose of this highly interactive method was two-fold: To engage the community in productive discussion on possible problems and solutions, and to educate the community on the purpose of the Growth Alliance and the importance of their input and involvement in this regional effort. Focus group work was supplemented with survey work and analysis on need for and usage of resources.

A. Focus Groups

Focus groups were arranged beginning in August 2012. LSBDC hosted two focus group sessions in each county in VGA, one session for small business owners and one session for business supporters. (Supporters are those providing advisory services to small business, including bankers, CPA's, Insurance agents, Local representatives, etc.) Economic developers in each locality assisted in providing contacts and referrals for small businesses and supporters in their locality. Researchers then arranged each focus group in a sub-regional fashion, inviting a mixture of attendees from surrounding counties. The practice allowed attendees to get to know others from around the region and encouraged open discussion among peers that were not overly familiar with each other.

Twelve initial focus groups were held throughout the region with a total of 103 participants – 63 business supporters and 40 business owners. The mix of business owners included established businesses as well as new businesses. A final focus group of both supporters and owners was held, including volunteer participants from each former focus group. There were 28 participants in this final group: 12 business owners and 16 business supporters.

During each individual focus group, participants were given a listing of priorities for entrepreneurial development in the region. The listing included blank spaces for additional ideas. An example listing is included in the appendix and is also represented in survey reports within the appendix. Attendees were asked to rank the priorities in order of importance. After this had been completed, participants were divided into discussion groups to reason through their rankings together. Each group then presented a group ranking, which was discussed. At the end of the meeting a final listing of priorities was developed and discussion centered on solutions and recommendations. Researchers entered all priority sheets into survey software to produce an overall analysis and report.

The exercise above was repeated in each focus group, whether supporters or owners. In the final focus group, including both supporters and owners, the process was repeated again, using the final output sheets from each previous focus group. The discussion was lively and engaging with supporters and owners getting the opportunity to hear different viewpoints and debate solutions together. The order of priorities presented in this research report was the direct result of the final focus group, which compiled and discussed all priorities from previous focus groups. Recommendations for action on final priorities are the results of all focus group discussions as well as additional research done by LSBDC.

B. Surveys- Usage and Knowledge of Entrepreneurial Resources

Focus group attendees were also provided a survey on their knowledge and usage of current entrepreneurial resources. 69 of the participants returned the survey, including 42 business supporters and 27 business owners. Respondents answered questions on the following resources:

- Venture/Equity Capital
- Loan Programs
- Technical Assistance/Mentoring
- Educational Programs/Training

Respondents were asked the following questions about each category of resources:

- Awareness
- Usage
- Perceived Availability
- Satisfaction with the Availability

Space was provided for additional commentary.

C. Additional Research with Bankers

As research concluded, access to capital had risen as a top concern. In order to clarify information on the banking environment, LSBDC convened a last focus group consisting of community bankers who had participated in prior groups. This particular focus group led to recommendations for improving access to capital and strengthening the ability for community bankers to work together to enhance access to capital in the region. Elements of the conversation are woven into recommendations for VGA.

VI. Results of the Focus Groups and Surveys

A. Top Five Priorities and Recommended Solutions

1. Capital Access

The Lending Environment

Capital access has been rated as the number one priority/issue regarding entrepreneurship. Business owners shared the following concerns:

- Perceptions that capital is limited or restricted.
- Belief that getting loans now is too difficult and the process is intimidating.
- Borrowers are confused with restrictions on lending by banks with which they have historically had good long-standing relationships.

Banking attendees offered their perspectives:

- There is not actually a shortage of money to be loaned.
- Borrowers are not prepared when they apply.
- Regulations require that loan approvals rely heavily on cash flow more than assets.
- Regulations have increased since the recession of 2008 and have slowed processing, making it essential that borrowers become more prepared when applying.

Borrowers have not consistently embraced changes in the marketplace, which has given the perception that banks don't want to lend money. Attendees who would be potential borrowers asked how they could be better prepared when seeking a loan. The bankers replied that in most cases, they must have a business plan and can show cash flow within the business financials.

Solutions for the Lending Environment

While lending has become more regulated than ever before there are some potential solutions (steps that can be taken) to help with the issue of accessing capital for both bankers and borrowers.

Community Bankers' Roundtable

Our first recommendation is for the community banks, which are located in the Virginia Growth Alliance region, to form a community bank roundtable and advisory board to discuss non-competitive issues that face both the banks and the borrowers in the region. While the roundtable would not be limited to community banks it is the community banks that have a more vested interest in the success of the region. Some of the non-competitive issues that are common to the community banks are:

- Educating borrowers
- Marketing to a larger audience
- Management of limited resources
- Understanding non-traditional sources of lending support such as T-Cap (Tobacco Capital Access Program administered through Virginia Small Business Financing Authority – See list of lending resources for small business).

The proposed roundtable would meet quarterly, or as needed to discuss issues of lending that would be important to the region. The meetings could be coordinated by VGA (Virginia's Growth Alliance) and serve as a continuing focus/advisory group to advance the interest of banking and small business community in the region. Topics discussed should be non-competitive so that there would be a free flow of exchange between the members. The roundtable could provide an invaluable service by providing a list of needs to VGA, regulators, and business support groups such as the Longwood Small Business Development Center and others involved in entrepreneurial development.

Education of Borrowers – VGA Entrepreneurial Pipeline

A key component of educating borrowers will be the consistent packaging and presentation of existing resources that are available to small business owners. The bankers' roundtable could provide both a continuous source of information on resources and a coordinated outlet for distribution of such information. As discussed in other sections of this report, preparation of an "entrepreneur's guidebook" and "entrepreneur's web portal" for the region would be very beneficial. The guidebook would be developed to coordinate with VGA branding and the VGA website.

A "pipeline" process should be developed so that, not only do entrepreneurs receive vital information, but referral to specific resources is also streamlined to fit an entrepreneurs needs. A visual flowchart of existing resources and the appropriate time or situation in which to access them should be a part of information shared with entrepreneurs.

It will be important to have a coordinated approach in the development of an education "pipeline." There must be a central coordinating agency, be it VGA or other regional entity which will "own" the process and be responsible for coordinating and updating information from all small business resource providers. The coordinating agency should regularly convene and communicate with various federal, state, and regional business development resources to keep the VGA entrepreneurial pipeline of information current and flowing.

The initial pipeline structure would include existing programming for small business owners, coordinated and communicated in a way that clarifies options for potential and existing business owners. Participants in all educational programs should be regularly surveyed to determine satisfaction as well as effectiveness of the programming. Information gathered may assist existing resource partners to then develop additional educational programs to meet the changing needs of small business owners.

Community banks are excellent vehicles for coordinated publicity of the VGA Entrepreneurial Pipeline. The community banker's roundtable should become a partner in educational programming throughout the region to explain the lending process, various resources for borrowers, and the importance of preparation. While banks may differ in some of the processing, the basics are the same. The roundtable could make recommendations of the types of programming needed and work with existing regional assets to encourage such programming. The roundtable group could also participate in youth entrepreneurship efforts to help explain how the lending process works.

Marketing

The community banks could co-sponsor advertising campaigns that would promote community banks, their virtues, and that they have money to lend. Because there are many potential borrowers who are under the impression that there is a shortage of money, this campaign would be a service to both the community banks and the borrowers. **It would also expand and encourage usage of tools available to community banks.**

Non-Traditional Loans

There is a need/market for non-traditional loans. Non-traditional loans are loans that are viable but can't be approved through regular lending practices. **One possible solution would be for the community banks to create a lending pool that gives these potential borrowers an opportunity to receive a loan.** While the members of the lending pool would contribute the same amount of money to the pool they would also share the liability so that no one institution would be overly burdened with risk. **The roundtable could also exercise influence to ensure that the region continues to receive special lending incentives such as T-CAP or V-CAP.**

While community banks may form their own option of alternative lending, it may be more feasible in the short term to use the proposed "Entrepreneurial Pipeline" to assemble and dispense information on existing alternative lending programs being expanded throughout the state. In such a rapidly changing environment, It is likely that the local banking community is not aware of all of the possible micro lending opportunities that are available for small businesses. For instance, Virginia Small Business Financing Authority has implemented two new alternative loan pools for small businesses. One such pool provides up to \$25,000 in direct, non-collateralized, funding for small businesses who use existing counseling services of the Virginia SBDC Network. The loan fund is being used at a rapid pace and is being considered for expansion. The required counseling accomplishes the goal of making sure borrowers are prepared by accessing available counseling resources. Additionally, VSBFA has instituted a "Cash Collateral" Program to encourage private lending for small businesses. The program provides private lenders with cash collateral deposits to use as additional collateral support for business loans.

In short, the intent of a bankers' roundtable would be to not only consider new solutions and provide input for resource providers, but to also be more informed of other lending resources through the "entrepreneurial pipeline," and, in turn, also educating their clientele by distributing this information.

SBA Loans

The Virginia Growth Alliance region should be prime market for SBA loans: however, most of the community banks find it difficult to offer SBA loans because of the complexity of the process. **A potential solution is to use the roundtable to discuss the possibility of the community banks sharing a SBA lending expert.** This person would be scheduled to work at each participating bank during a specified time. The SBA lending expert could help the participating institutions grow their businesses but most importantly it will give the business owners of the region another possible source of capital.

It is important to stress that all solutions mentioned would have a higher level of success if coordinated by a central agency. VGA or another regional entity should coordinate and promote an effective "pipeline" that makes efficient use of existing resources. This is particularly true for a region whose financial resources are limited. This need for coordination is evident by the many people interviewed who weren't aware of the many resources already available to help with loans.

Seed/Equity Capital

Discussions and surveys indicate that business owners and business supporters feel that access to seed or early stage venture capital is an important component of services to emerging small businesses. The majority of participants were unaware of resources that are available or unsure of how to access them. Several participants indicated that there are informal networks of citizens in some member counties who actively invest in small businesses. Virginia's Growth Alliance would benefit from further study and development of existing informal investor networks.

There are resources available to assist in studying the feasibility of an angel fund and in organizing investors. For example, The Appalachian Regional Commission is currently working with Virginia Community Capital and RAIN Source Capital to establish a capital fund in the Southwestern Virginia coalfield region. According to their website and other references, RAIN Source Capital's vision is to build a national community-based system of investors, capital and expertise to grow private companies close to where investors live. RAIN Source Capital empowers angel investors (accredited investors) using a proprietary process to create, capitalize, and operate angel member managed funds called RAIN Funds.

It is recommended that VGA closely follow the development of this fund, titled "Angels in the e region," as it is slated to begin operating in 2013 and could serve as a valuable case study. It would be beneficial to contact officials at VCC and RAIN regarding the potential feasibility of fund establishment in Southern Virginia.

2. Workforce Training/Development

The second highest priority or concern amongst the combined group of supporters and business owners was workforce training and development. While there is a separate study being performed for specific and industry focused workforce development in the Growth Alliance Region, conversations within focus groups reiterated the importance for small businesses as well.

Group participants generally felt that individuals who are available to work within small businesses in the region are lacking basic skills in workforce readiness. Focus group participants mentioned math skills, interpersonal skills, customer service skills, financial management and personal time management skills as areas in need of improvement. Participants mentioned the importance of vocational and technical job preparation in preparing students for jobs in the area.

It is recommended that VGA work closely with local educational institutions and workforce development programs to develop not only industry specific skills, but also strong basic preparedness skills within area school systems.

3. Good Business Infrastructure

Participants listed concerns with infrastructure, including water, sewer, telecommunications, rail, natural gas, and other such services. While availability of these amenities is sporadically good, most participants indicated that some small town infrastructure caused concern, especially in terms of water and sewer.

When answering this question, many participants mentioned broadband as a component of good infrastructure. Broadband was also listed as a separate priority and also came in 5th as a separate concern.

Virginia's Growth Alliance may take advantage of lobbying power as a group to address funding for infrastructure needs. **In terms of broadband, a suggested solution is to investigate delivery of wireless broadband. Researchers were made aware of a wireless broadband test project being conducted through Region 2000's Center for Advanced Engineering and Research in the Region 2000 area. A similar "test bed" may possibly be developed for VGA by working with local telecommunications providers and available centers such as CAER.**

4. Business Counseling/Mentoring/Training

The majority of attendees were aware of some specific technical assistance programs (counseling, mentoring, or training) that exist in the region for small businesses. There is a full offering of programming from various agencies for various stages of business including brief sessions on business planning, extended multi week courses for those new to business, focused workshops on specific topics, and individualized confidential consulting. Most of these services are free. Examples of programs mentioned included SBDC counseling and training, SVCC sponsored courses, Virginia Tourism Corporation workshops, Southside Planning District Commission loan programs, and programs offered through the Extension Service. In addition to those mentioned, newer programs have emerged since this study began. United Virginia has developed a longer-term training program to serve more in-depth basic business knowledge that is needed before preparation of a business plan.

Many business supporters indicated that there are numerous sources of business counseling and training; however, encouraging potential and existing business owners to access the services to their advantage is challenging. Potential and existing business owners are often less aware of these available services than those who are business supporters (i.e. bankers, government officials, etc.)

These findings point to a need for an entrepreneurial "pipeline" and web portal that is coordinated and marketed as an outreach of VGA. This is a recurring theme that is mentioned under capital access, in reference to providing well-marketed, easy and coordinated access to the types of assistance available in preparing clients to access capital.

A pipeline coordinated by VGA would be enhanced and more easily updated if an informal council of service providers were formed to work together on place-based entrepreneurial programs throughout the region. Any organization that provides entrepreneurial support services within the VGA region should participate. This group would regularly solicit feedback from the VGA board and VGA local advisory groups.

The pipeline, by virtue of being a centralized system of data collection, could provide a means to evaluate current programming and to study additional needs of business owners. There may be many diverse data tracking needs and questions about how to coordinate collection and analysis; however, the recommendation is for VGA, along with service providers, to explore this opportunity. While the system along with coordination of service providers could be built and managed by VGA; using an established regional service provider for this task can enhance efficiency and speed to market. The SBDC has an

established network and statewide management information and client tracking system that may be customized by region to include other entities and users. It is recommended that this be investigated as a potential option. Alternatively, Sourcelink is a customizable stand-alone software package that collects basic information and provides linkages to resources available for the business community. In Virginia, Loudon County is currently implementing this system. (www.sourcelink.com)

There was limited discussion on the potential for a business incubator to facilitate mentoring and counseling resources. While the “entrepreneurial pipeline” would form the basis for virtual incubation, certain localities may wish to explore a physical incubator presence with onsite resources. For these communities, we recommend approaching the incubator concept in terms of the overall economic base and economic development strategy within the specific community. In order to be successful, an incubator must be focused and aligned with economic development goals and a realistic business plan for the incubator itself should be developed, illustrating the market for tenants, a management and staffing plan, and financial sustainability. The statistics provided in the appendix on business generation may serve as a basic starting point for researching the market for a business incubator in any one locality.

5. Access/Affordable Broadband Service

(Covered along with Good Business Infrastructure in number 3 above)

B. Other Discussion and Recommendations

While the following issues did not rise to the top during the final focus group meeting of business owners and supporters, their prominence in ongoing group discussions merits mention.

1. Peer Groups

Business owners and supporters openly commended the VGA and the facilitators for convening discussions with them across county lines. Coming together to discuss common issues allowed participants to not only develop solutions for their own success, but also allowed them to feel part of a common team and involved in the regional planning process. Most business owners and supporters indicated their desire to continue meeting to discuss common issues and solutions. **Continuation of focus groups as peer groups and/or advisory groups is highly recommended. These groups must be well-organized and managed to have a purposeful agenda in order to be effective.**

2. Youth Entrepreneurship Programs

Discussions on workforce preparedness often developed into discussions on business education and preparing children to adopt an entrepreneurial mindset and gain basic business and financial management skills as they progress through middle and high

school. Most participants felt that this mindset is necessary with a changing economy. The upcoming workforce must be entrepreneurial when working within a small business or in preparing to be self-employed.

The Kauffman Foundation provides many resources for development of youth entrepreneurship programs. (www.kauffman.org) The Kauffman website includes a study by the World Economic Forum titled “Educating the Next Wave of Entrepreneurs.” This particular study lists vital components of entrepreneurship education:

The curriculum for most successful youth entrepreneurship programs includes many or all of the following activities, typically with clear learning objectives tied to textbook themes, usually with pre- and post-reflective sessions and evaluations, and frequently taking place outside the classroom:

- Simulations and games
- Interactive teamwork and group activities
- Direct, action-oriented market research (students need to recognize market opportunities by observing and interviewing potential customers, identifying needs in their own communities)
- Student buying and selling events, using real money (grants or loans from the school or program)
- Field trips to local businesses, especially entrepreneurial ventures
- Entrepreneurs or venture funders as guest speakers in class
- Business plan competitions, with business people as judges
- Student-run businesses, using real money (including in-school stores)

(Educating the Next Wave of Entrepreneurs, World Economic Forum, Global Education Initiative, Switzerland, April 2009)

The Kauffman Foundation provides a platform of research, tools, and funding opportunities to develop entrepreneurship education programs for ages eight and above.

It is recommended that VGA, or a subcommittee of VGA, work with local school superintendents to understand what entrepreneurship programs already exist in their school divisions, provide input toward development of additional needed programs, and assist in researching viable opportunities for creation and funding of entrepreneurship education programs.

VII. Appendices

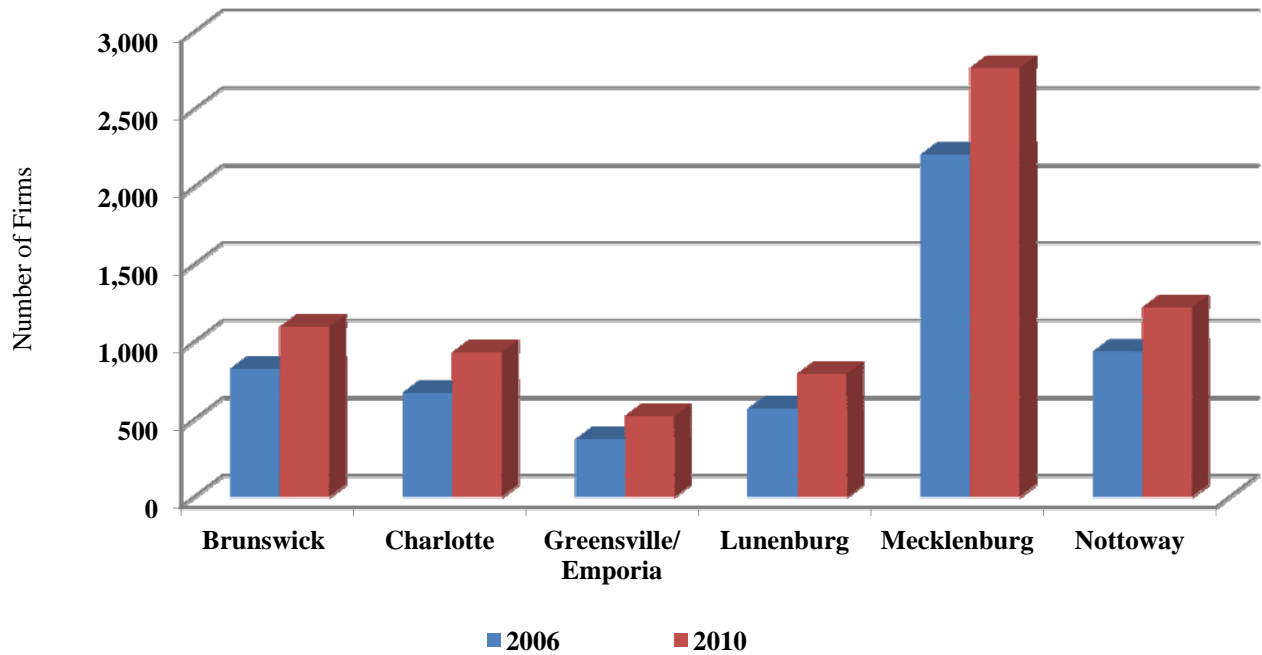
Firm and Job Creation Data (Locality, Region, State, National)

Survey Reports

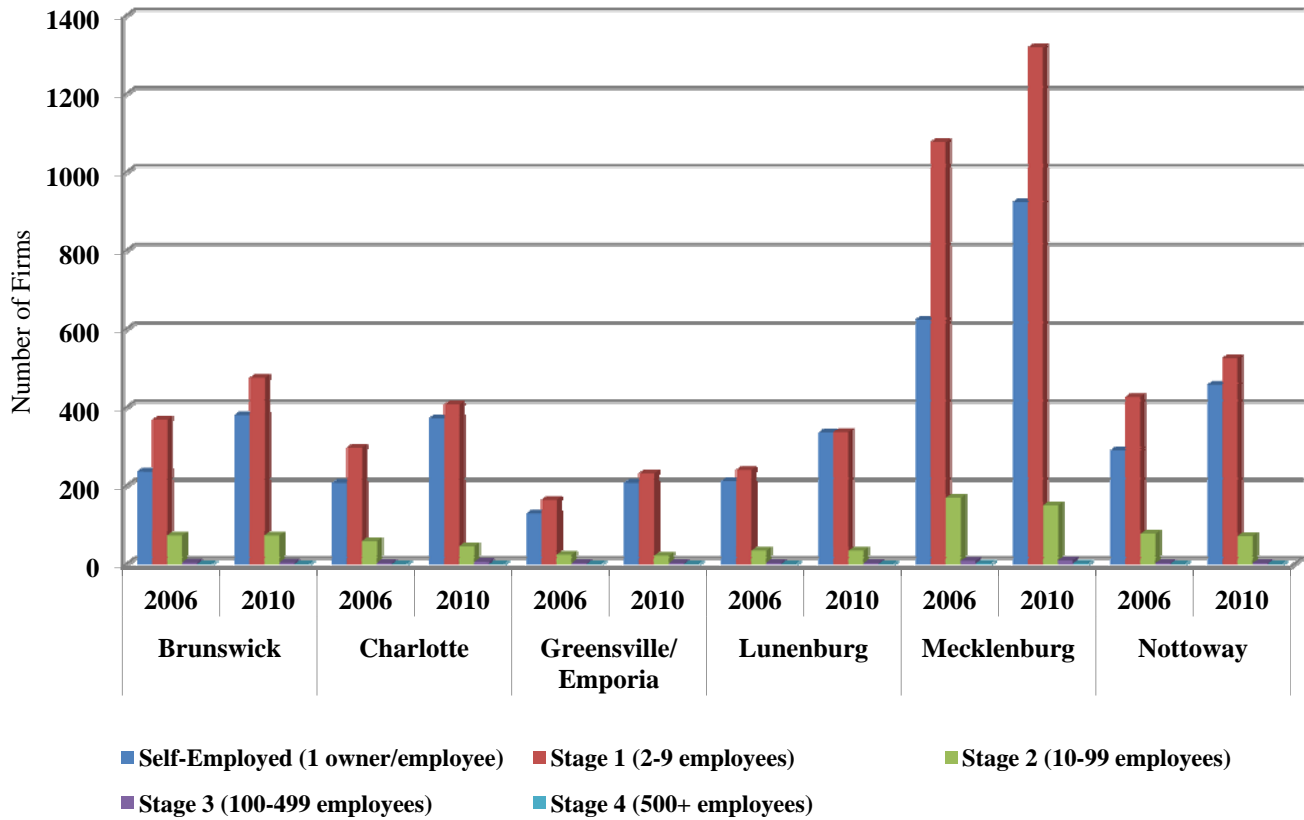
Focus Groups – Priority Listings
Assessment of Current Entrepreneurial Resources

Firm and Job Creation Data
(Locality, Region, State, National)

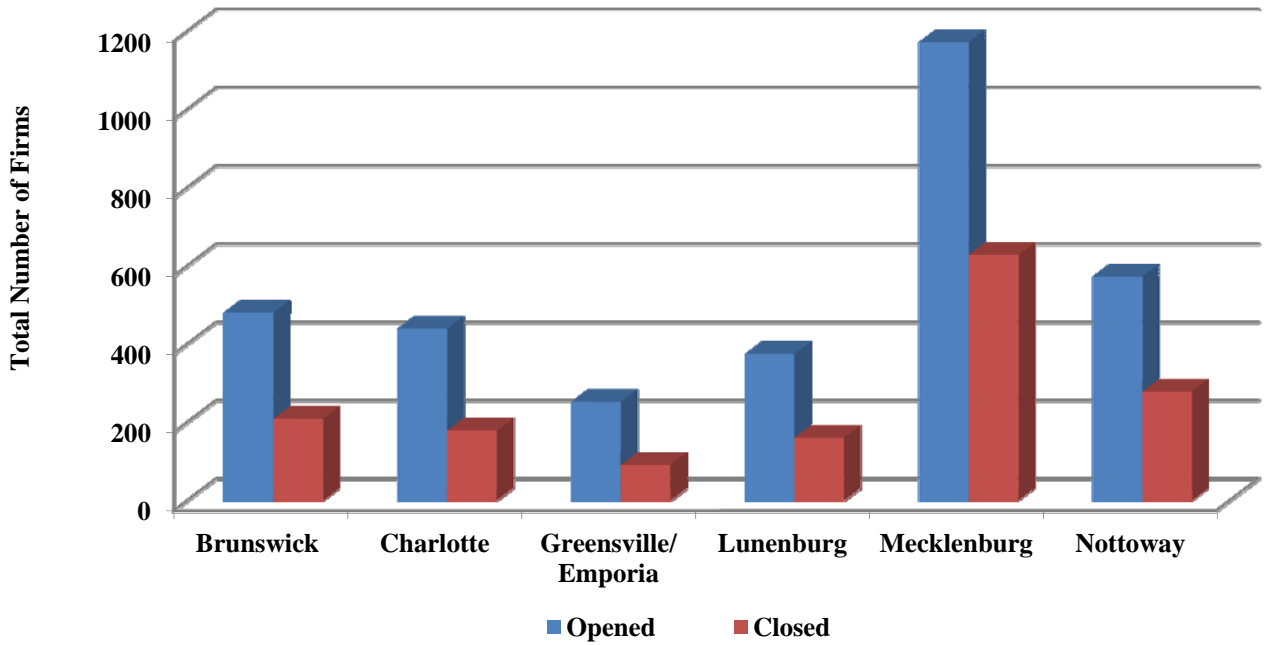
Total Number of Firms - 2006 vs. 2010



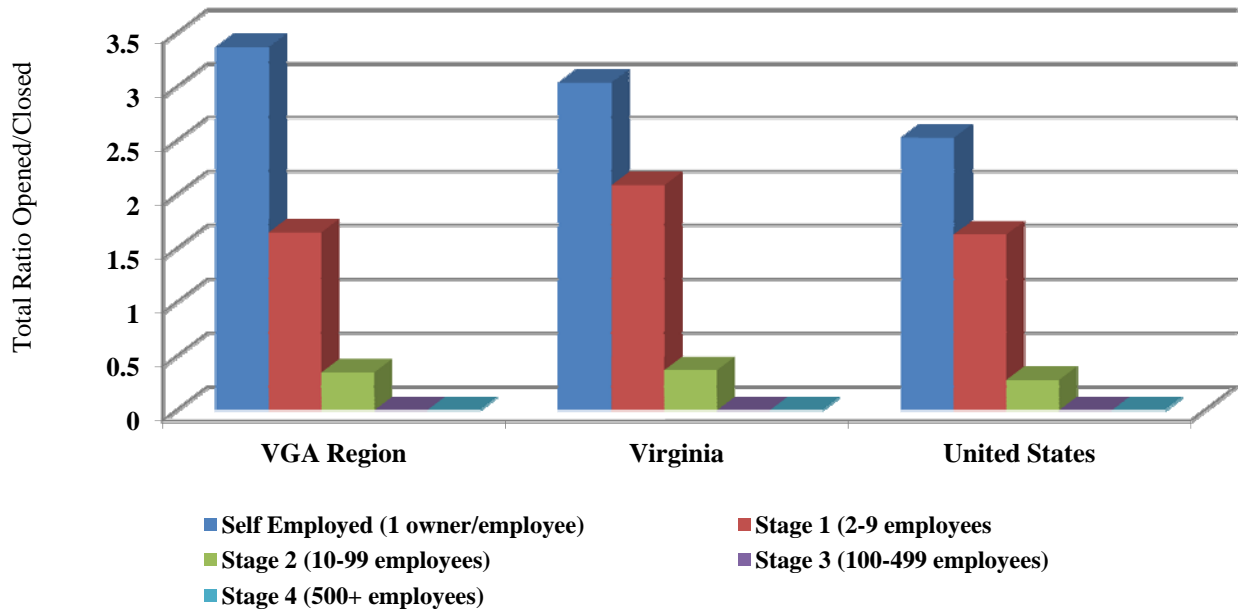
Total Number of Firms by Stage - 2006 vs. 2010



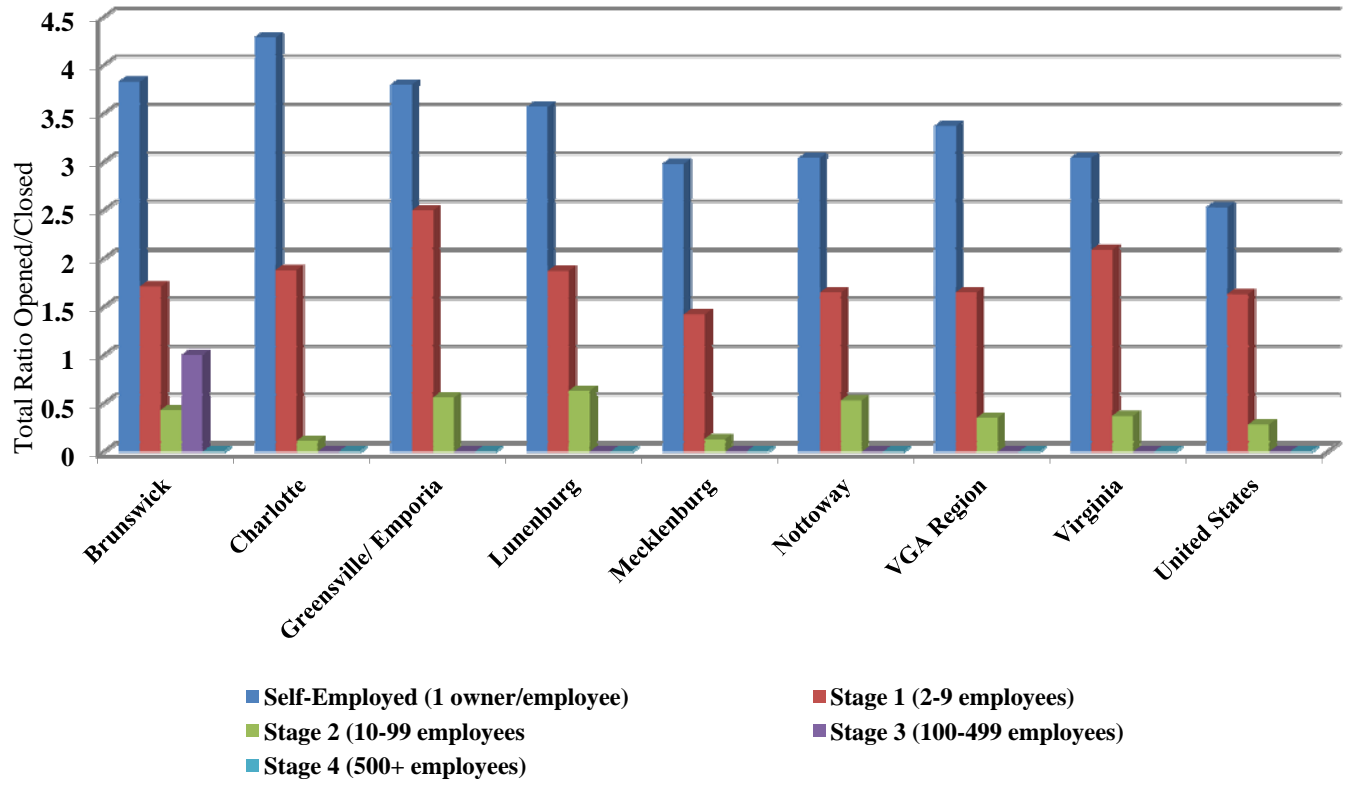
Total Number of Firms Opened/Closed



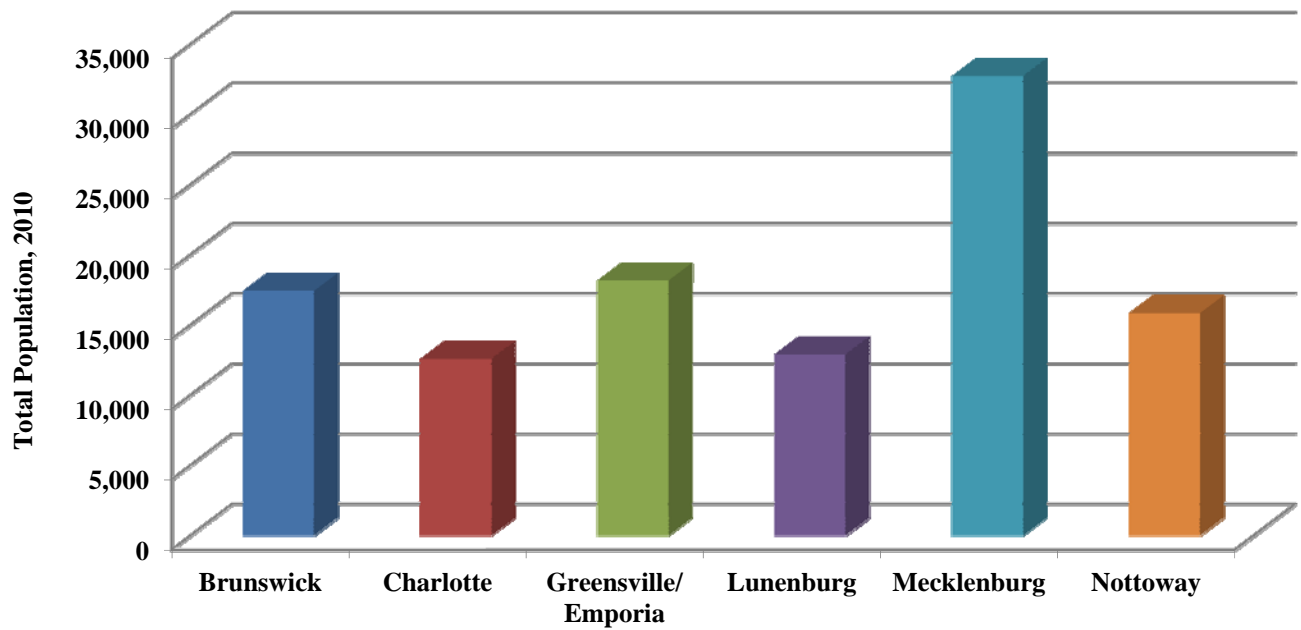
Total Ratio of Firms Opened/Closed



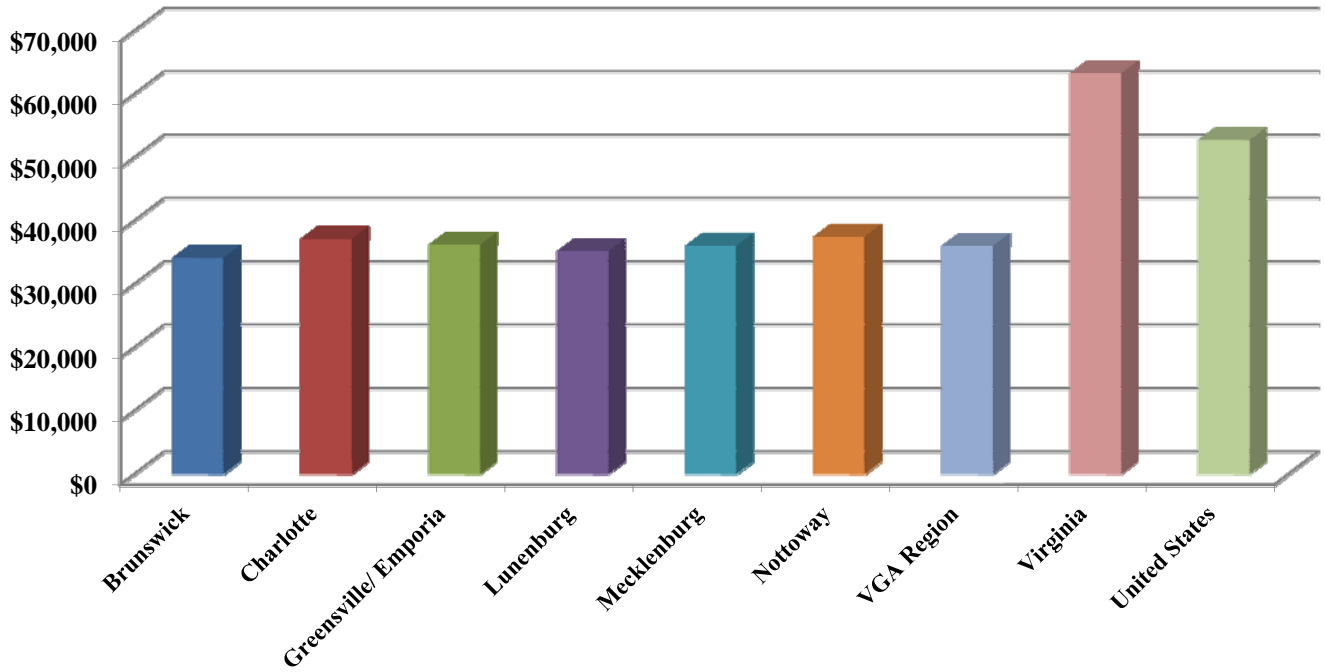
Total Ratio of Firms Opened/Closed



Population 2010



Median Household Income, 2007-2011



Factors	Brunswick				Charlotte			
	2006	2010	Change	% Change	2006	2010	Change	% Change
Total Firms	828	1098	270	32.6%	674	934	260	38.6%
Non-Commercial	125	147	22	17.6%	92	91	-1	-1.1%
Non-Resident	22	19	-3	-13.6%	16	13	-3	-18.8%
Resident	681	932	251	36.9%	566	830	264	46.6%
Self-Employed (1 owner/employee)	236	380	144	61.0%	207	372	165	79.7%
Stage 1 (2-9 employees)	368	475	107	29.1%	297	407	110	37.0%
Stage 2 (10-99 employees)	73	73	0	0.0%	59	46	-13	-22.0%
Stage 3 (100-499 employees)	4	4	0	0.0%	3	5	2	66.7%
Stage 4 (500+ employees)	0	0	0	0.0%	0	0	0	0.0%
Total Jobs	6102	6234	132	2.2%	4303	4134	-169	-3.9%
Non-Commercial	1162	1157	-5	-0.4%	1010	406	-604	-59.8%
Non-Resident	712	772	60	8.4%	297	278	-19	-6.4%
Resident	4228	4305	77	1.8%	2996	3450	454	15.2%
Self-Employed (1 owner/employee)	236	380	144	61.0%	207	372	165	79.7%
Stage 1 (2-9 employees)	1188	1347	159	13.4%	946	1213	267	28.2%
Stage 2 (10-99 employees)	1904	1848	-56	-2.9%	1457	1194	-263	-18.1%
Stage 3 (100-499 employees)	900	730	-170	-18.9%	386	671	285	73.8%
Stage 4 (500+ employees)	0	0	0		0	0	0	
Total Sales	\$ 397,115,529	\$ 383,355,840	\$ (13,759,689)	-3.5%	\$ 341,111,160	\$ 338,653,714	\$ (2,457,446)	-0.7%
Non-Commercial	\$ 10,604,000	\$ 17,829,124	\$ 7,225,124	68.1%	\$ 9,340,500	\$ 5,709,366	\$ (3,631,134)	-38.9%
Non-Resident	\$ 53,621,100	\$ 53,535,500	\$ (85,600)	-0.2%	\$ 46,372,500	\$ 53,930,900	\$ 7,558,400	16.3%
Resident	\$ 332,890,429	\$ 311,991,216	\$ (20,899,213)	-6.3%	\$ 285,398,160	\$ 279,013,448	\$ (6,384,712)	-2.2%
Self-Employed (1 owner/employee)	\$ 17,936,800	\$ 27,099,799	\$ 9,162,999	51.1%	\$ 15,097,041	\$ 24,366,377	\$ 9,269,336	61%
Stage 1 (2-9 employees)	\$ 114,061,108	\$ 106,266,209	\$ (7,794,899)	-6.8%	\$ 92,692,525	\$ 108,352,226	\$ 15,659,701	17%
Stage 2 (10-99 employees)	\$ 142,898,317	\$ 126,140,289	\$ (16,758,028)	-11.7%	\$ 145,500,194	\$ 105,859,045	\$ (39,641,149)	-27%
Stage 3 (100-499 employees)	\$ 57,994,204	\$ 52,484,919	\$ (5,509,285)	-9.5%	\$ 32,108,400	\$ 40,435,800	\$ 8,327,400	26%
Stage 4 (500+ employees)	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	

Definitions

Non-Commercial

Non-Resident

Resident

educational institutions, post offices, government agencies and other nonprofit organizations.

establishments (businesses) that are located in the area but headquartered in a different state.

stand-alone establishments (business) in the area or businesses with headquarters in the same state.

Stage 1 (2-9 employees)

Stage 2 (10-99 employees)

Stage 3 (100-499 employees)

Stage 4 (500+ employees)

The Resident sector is then subdivided into employment stages. The number in () denotes employees: Self-Employed (1), Stage 1 (2-9), Stage 2 (2-9)

Factors	Greensville				Lunenburg			
	2006	2010	Change	% Change	2006	2010	Change	% Change
Total Firms	373	522	149	39.9%	571	796	225	39.4%
Non-Commercial	44	49	5	11.4%	69	75	6	8.7%
Non-Resident	10	12	2	20.0%	13	13	0	0.0%
Resident	319	461	142	44.5%	489	708	219	44.8%
Self-Employed (1 owner/employee)	129	207	78	60.5%	212	335	123	58.0%
Stage 1 (2-9 employees)	164	231	67	40.9%	240	337	97	40.4%
Stage 2 (10-99 employees)	24	21	-3	-12.5%	34	34	0	0.0%
Stage 3 (100-499 employees)	2	2	0	0.0%	3	2	-1	-33.3%
Stage 4 (500+ employees)	0	0	0	0.0%	0	0	0	0.0%
Total Jobs	4952	8553	3601	72.7%	3050	3372	322	10.6%
Non-Commercial	2188	5452	3264	149.2%	526	605	79	15.0%
Non-Resident	1084	1298	214	19.7%	171	227	56	32.7%
Resident	1680	1803	123	7.3%	2353	2540	187	7.9%
Self-Employed (1 owner/employee)	129	207	78	60.5%	212	335	123	58.0%
Stage 1 (2-9 employees)	516	664	148	28.7%	760	959	199	26.2%
Stage 2 (10-99 employees)	653	550	-103	-15.8%	801	776	-25	-3.1%
Stage 3 (100-499 employees)	382	382	0	0.0%	580	470	-110	-19.0%
Stage 4 (500+ employees)	0	0	0	0.0%	0	0	0	0.0%
Total Sales	\$ 395,425,770	\$ 376,957,305	\$ (18,468,465)	-4.7%	351696549	342491609	\$ (9,204,940)	-2.6%
Non-Commercial	\$ 4,866,900	\$ 3,136,634	\$ (1,730,266)	-35.6%	\$ 4,286,100	\$ 5,650,000	\$ 1,363,900	31.8%
Non-Resident	\$ 245,845,800	\$ 241,994,900	\$ (3,850,900)	-1.6%	\$ 24,590,600	\$ 38,648,200	\$ 14,057,600	57.2%
Resident	\$ 144,713,070	\$ 131,825,771	\$ (12,887,299)	-8.9%	\$ 322,819,849	\$ 298,193,409	\$ (24,626,440)	-7.6%
Self-Employed (1 owner/employee)	\$ 8,188,500	\$ 12,519,400	\$ 4,330,900	52.9%	\$ 14,872,400	\$ 21,210,420	\$ 6,338,020	42.6%
Stage 1 (2-9 employees)	\$ 54,920,472	\$ 56,729,625	\$ 1,809,153	3.3%	\$ 63,144,973	\$ 79,390,870	\$ 16,245,897	25.7%
Stage 2 (10-99 employees)	\$ 41,441,900	\$ 32,720,600	\$ (8,721,300)	-21.0%	\$ 65,665,576	\$ 83,292,119	\$ 17,626,543	26.8%
Stage 3 (100-499 employees)	\$ 40,162,198	\$ 29,856,146	\$ (10,306,052)	-25.7%	\$ 179,136,900	\$ 114,300,000	\$ (64,836,900)	-36.2%
Stage 4 (500+ employees)	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%

Definitions

Non-Commercial

Non-Resident

Resident

Stage 1 (2-9 employees)

(10-99), Stage 3 (100-499), and Stage 4 (500+).

Stage 2 (10-99 employees)

Stage 3 (100-499 employees)

Stage 4 (500+ employees)

Factors	Mecklenburg				Nottoway			
	2006	2010	Change	% Change	2006	2010	Change	% Change
Total Firms	2209	2768	559	25.3%	939	1224	285	30.4%
Non-Commercial	224	270	46	20.5%	109	135	26	23.9%
Non-Resident	106	95	-11	-10.4%	35	31	-4	-11.4%
Resident	1879	2403	524	27.9%	795	1058	263	33.1%
Self-Employed (1 owner/employee)	624	924	300	48.1%	290	458	168	57.9%
Stage 1 (2-9 employees)	1077	1318	241	22.4%	426	526	100	23.5%
Stage 2 (10-99 employees)	169	150	-19	-11.2%	77	72	-5	-6.5%
Stage 3 (100-499 employees)	8	10	2	25.0%	2	2	0	0.0%
Stage 4 (500+ employees)	1	1	0	0.0%	0	0	0	0.0%
Total Jobs	15569	15178	-391	-2.5%	6911	7355	444	6.4%
Non-Commercial	2038	1934	-104	-5.1%	1575	1851	276	17.5%
Non-Resident	3195	2381	-814	-25.5%	1076	1177	101	9.4%
Resident	10336	10863	527	5.1%	4260	4327	67	1.6%
Self-Employed (1 owner/employee)	624	924	300	48.1%	290	458	168	57.9%
Stage 1 (2-9 employees)	3625	4045	420	11.6%	1335	1556	221	16.6%
Stage 2 (10-99 employees)	4177	3798	-379	-9.1%	2335	2013	-322	-13.8%
Stage 3 (100-499 employees)	1160	1346	186	16.0%	300	300	0	0.0%
Stage 4 (500+ employees)	750	750	0	0.0%	0	0	0	0.0%
Total Sales	1412065588	1360533859	\$ (51,531,729)	-3.6%	\$ 555,338,182	\$ 667,185,532	\$ 111,847,350	20.1%
Non-Commercial	\$ 28,557,600	\$ 26,057,761	\$ (2,499,839)	-8.8%	\$ 11,608,600	\$ 15,881,119	\$ 4,272,519	36.8%
Non-Resident	\$ 345,259,200	\$ 282,854,879	\$ (62,404,321)	-18.1%	\$ 129,677,400	\$ 170,169,900	\$ 40,492,500	31.2%
Resident	\$ 1,038,248,788	\$ 1,051,621,219	\$ 13,372,431	1.3%	\$ 414,052,182	\$ 481,134,513	\$ 67,082,331	16.2%
Self-Employed (1 owner/employee)	\$ 42,382,856	\$ 58,653,997	\$ 16,271,141	38.4%	\$ 18,786,977	\$ 28,692,877	\$ 9,905,900	52.7%
Stage 1 (2-9 employees)	\$ 321,304,746	\$ 328,309,853	\$ 7,005,107	2.2%	\$ 121,509,150	\$ 122,942,917	\$ 1,433,767	1.2%
Stage 2 (10-99 employees)	\$ 496,901,586	\$ 466,655,885	\$ (30,245,701)	-6.1%	\$ 243,011,955	\$ 318,798,719	\$ 75,786,764	31.2%
Stage 3 (100-499 employees)	\$ 105,659,600	\$ 109,833,800	\$ 4,174,200	4.0%	\$ 30,744,100	\$ 10,700,000	\$ (20,044,100)	-65.2%
Stage 4 (500+ employees)	\$ 72,000,000	\$ 88,167,684	\$ 16,167,684	22.5%	\$ -	\$ -	\$ -	0.0%

Definitions

Non-Commercial

Non-Resident

Resident

Stage 1 (2-9 employees)

Stage 2 (10-99 employees)

Stage 3 (100-499 employees)

Stage 4 (500+ employees)

Factors	VGA Region				State			
	2006	2010	Change	% Change	2006	2010	Change	% Change
Total Firms	5594	7342	1748	31.2%	472535	674883	202348	42.8%
Non-Commercial	663	767	104	15.7%	30328	41560	11232	37.0%
Non-Resident	202	183	-19	-9.4%	27385	23161	-4224	-15.4%
Resident	4729	6392	1663	35.2%	414822	610162	195340	47.1%
Self-Employed (1 owner/employee)	1698	2676	978	57.6%	135851	214041	78190	57.6%
Stage 1 (2-9 employees)	2572	3294	722	28.1%	229028	348905	119877	52.3%
Stage 2 (10-99 employees)	436	396	-40	-9.2%	46514	43857	-2657	-5.7%
Stage 3 (100-499 employees)	22	25	3	13.6%	3090	3047	-43	-1.4%
Stage 4 (500+ employees)	1	1	0	0.0%	339	312	-27	0.0%
Total Jobs	40887	44826	3939	9.6%	4621551	4774376	152825	3.3%
Non-Commercial	8,499	11,405	2,906	34.2%	547,593	581,509	33,916	6.2%
Non-Resident	6,535	6,133	(402)	-6.2%	1,109,835	971,128	(138,707)	-12.5%
Resident	25,853	27,288	1,435	5.6%	2,964,123	3,221,739	257,616	8.7%
Self-Employed (1 owner/employee)	1,698	2,676	978	57.6%	135,851	214,041	78,190	57.6%
Stage 1 (2-9 employees)	8,370	9,784	1,414	16.9%	732,849	990,508	257,659	35.2%
Stage 2 (10-99 employees)	11,327	10,179	(1,148)	-10.1%	1,145,698	1,103,557	(42,141)	-3.7%
Stage 3 (100-499 employees)	3,708	3,899	191	5.2%	533,016	528,820	(4,196)	-0.8%
Stage 4 (500+ employees)	750	750	-	0.0%	416,709	384,813	(31,896)	-7.7%
Total Sales	\$ 3,452,752,778	\$ 3,469,177,859	\$ 16,425,081	0.5%	\$ 504,838,430,342	\$ 474,727,473,167	\$ (30,110,957,175)	-6.0%
Non-Commercial	\$ 69,263,700	\$ 74,264,004	\$ 5,000,304	7.2%	\$ 13,530,837,055	\$ 13,117,215,221	\$ (413,621,834)	-3.1%
Non-Resident	\$ 845,366,600	\$ 841,134,279	\$ (4,232,321)	-0.5%	\$ 163,176,186,202	\$ 144,897,378,932	\$ (18,278,807,270)	-11.2%
Resident	\$ 2,538,122,478	\$ 2,553,779,576	\$ 15,657,098	0.6%	\$ 328,131,407,085	\$ 316,712,879,014	\$ (11,418,528,071)	-3.5%
Self-Employed (1 owner/employee)	\$ 117,264,574	\$ 172,542,870	\$ 55,278,296	47.1%	\$ 10,515,937,753	\$ 15,348,060,982	\$ 4,832,123,229	46.0%
Stage 1 (2-9 employees)	\$ 767,632,974	\$ 801,991,700	\$ 34,358,726	4.5%	\$ 72,540,333,699	\$ 85,397,425,303	\$ 12,857,091,604	17.7%
Stage 2 (10-99 employees)	\$ 1,135,419,528	\$ 1,133,466,657	\$ (1,952,871)	-0.2%	\$ 130,096,592,922	\$ 112,057,631,913	\$ (18,038,961,009)	-13.9%
Stage 3 (100-499 employees)	\$ 445,805,402	\$ 357,610,665	\$ (88,194,737)	-19.8%	\$ 62,440,933,657	\$ 58,488,205,333	\$ (3,952,728,324)	-6.3%
Stage 4 (500+ employees)	\$ 72,000,000	\$ 88,167,684	\$ 16,167,684	22.5%	\$ 52,537,609,054	\$ 45,421,555,483	\$ (7,116,053,571)	-13.5%

Definitions

Non-Commercial
Non-Resident
Resident

Stage 1 (2-9 employees)
Stage 2 (10-99 employees)
Stage 3 (100-499 employees)
Stage 4 (500+ employees)

Factors	United States			
	2006	2010	Change	% Change
Total Firms	20678514	27192634	6514120	31.5%
Non-Commercial	1100032	1403489	303457	27.6%
Non-Resident	851808	721419	-130389	-15.3%
Resident	18726674	25067726	6341052	33.9%
Self-Employed (1 owner/employee)	6404470	9420669	3016199	47.1%
Stage 1 (2-9 employees)	10308692	13814954	3506262	34.0%
Stage 2 (10-99 employees)	1879461	1706443	-173018	-9.2%
Stage 3 (100-499 employees)	120238	113021	-7217	-6.0%
Stage 4 (500+ employees)	13813	12639	-1174	0.0%
Total Jobs	170795181	171137819	342638	0.2%
Non-Commercial	16,455,798	16,892,989	437,191	2.7%
Non-Resident	31,428,783	27,477,777	(3,951,006)	-12.6%
Resident	122,910,600	126,767,053	3,856,453	3.1%
Self-Employed (1 owner/employee)	6,404,470	9,420,669	3,016,199	47.1%
Stage 1 (2-9 employees)	32,424,973	39,530,368	7,105,395	21.9%
Stage 2 (10-99 employees)	46,034,859	42,489,390	(3,545,469)	-7.7%
Stage 3 (100-499 employees)	20,559,682	19,280,534	(1,279,148)	-6.2%
Stage 4 (500+ employees)	17,486,616	16,046,092	(1,440,524)	-8.2%
Total Sales	\$ 19,246,834,821,933	\$17,984,619,056,999	\$ (1,262,215,764,934)	-6.6%
Non-Commercial	\$ 354,235,223,337	\$ 368,523,463,101	\$ 14,288,239,764	4.0%
Non-Resident	\$ 4,643,564,483,519	\$ 4,092,445,231,262	\$ (551,119,252,257)	-11.9%
Resident	\$ 14,249,035,115,077	\$13,523,650,362,636	\$ (725,384,752,441)	-5.1%
Self-Employed (1 owner/employee)	\$ 515,951,400,993	\$ 669,780,630,335	\$ 153,829,229,342	29.8%
Stage 1 (2-9 employees)	\$ 3,376,493,056,480	\$ 3,595,501,530,621	\$ 219,008,474,141	6.5%
Stage 2 (10-99 employees)	\$ 5,760,781,922,947	\$ 4,846,018,317,075	\$ (914,763,605,872)	-15.9%
Stage 3 (100-499 employees)	\$ 2,544,978,606,432	\$ 2,422,822,106,407	\$ (122,156,500,025)	-4.8%
Stage 4 (500+ employees)	\$ 2,050,830,128,225	\$ 1,989,527,778,198	\$ (61,302,350,027)	-3.0%

Definitions

Non-Commercial

Non-Resident

Resident

Stage 1 (2-9 employees)

Stage 2 (10-99 employees)

Stage 3 (100-499 employees)

Stage 4 (500+ employees)

Factors	Brunswick			Charlotte			Greenville			Lunenburg			Mecklenburg		
	Opened	Closed	Net Opened	Opened	Closed	Net Opened	Opened	Closed	Net Opened	Opened	Closed	Net Opened	Opened	Closed	Net Opened
Total Firms	481	210	271	440	179	261	253	91	162	375	161	214	1172	629	543
Non-Commercial	44	22	22	18	15	3	14	4	10	21	15	6	82	37	45
Non-Resident	2	7	-5	1	6	-5	1	3	-2	1	3	-2	21	32	-11
Resident	435	181	254	421	158	263	238	84	154	353	143	210	1069	560	509
Self-Employed (1 owner/employee)	245	64	181	249	58	191	133	35	98	200	56	144	584	196	388
Stage 1 (2-9 employees)	186	109	77	171	91	80	100	40	60	148	79	69	482	339	143
Stage 2 (10-99 employees)	3	7	-4	1	9	-8	5	9	-4	5	8	-3	3	24	-21
Stage 3 (100-499 employees)	1	1	0	0	0	0	0	0	0	0	0	0	0	1	-1
Stage 4 (500+ employees)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Jobs	945	894	51	778	505	273	3855	531	3324	648	486	162	2468	2891	-423
Non-Commercial	132	117	15	58	26	32	3233	7	3226	40	25	15	184	385	-201
Non-Resident	8	52	-44	7	39	-32	158	175	-17	3	74	-71	542	744	-202
Resident	805	725	80	713	440	273	464	349	115	605	387	218	1742	1762	-20
Self-Employed (1 owner/employee)	245	64	181	249	58	191	133	35	98	200	56	144	584	196	388
Stage 1 (2-9 employees)	413	305	108	426	261	165	245	106	139	325	211	114	1110	993	117
Stage 2 (10-99 employees)	42	131	-89	38	121	-83	86	208	-122	80	120	-40	48	448	-400
Stage 3 (100-499 employees)	105	225	-120	0	0	0	0	0	0	0	0	0	0	125	-125
Stage 4 (500+ employees)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Ratio Opened/Closed (# opened for each closure)	2.29			2.46			2.78			2.33			1.86		
Self-Employed (1 owner/employee)	3.83			4.29			3.80			3.57			2.98		
Stage 1 (2-9 employees)	1.71			1.88			2.50			1.87			1.42		
Stage 2 (10-99 employees)	0.43			0.11			0.56			0.63			0.13		
Stage 3 (100-499 employees)	1.00			0.00			0.00			0.00			0.00		
Stage 4 (500+ employees)	0.00			0.00			0.00			0.00			0.00		

Factors	Nottoway			VGA Region			Virginia			United States		
	Opened	Closed	Net Opened	Opened	Closed	Net Opened	Opened	Closed	Net Opened	Opened	Closed	Net Opened
Total Firms	573	279	294	3294	1549	1745	365722	163295	202427	14188401	7674258	6514143
Non-Commercial	46	20	26	225	113	112	19595	7653	11942	607917	293741	314176
Non-Resident	5	13	-8	31	64	-33	4032	8329	-4297	128638	270157	-141519
Resident	522	246	276	3038	1372	1666	342095	147313	194782	13451846	7110360	6341486
Self-Employed (1 owner/employee)	289	95	194	1700	504	1196	162559	53438	109121	6780913	2685324	4095589
Stage 1 (2-9 employees)	225	136	89	1312	794	518	176050	84431	91619	6554536	4012195	2542341
Stage 2 (10-99 employees)	8	15	-7	25	72	-47	3373	9061	-5688	111600	394781	-283181
Stage 3 (100-499 employees)	0	0	0	1	2	-1	97	327	-230	4241	2749142	-2744901
Stage 4 (500+ employees)	0	0	0	0	0	0	16	56	-40	556	2070	-1514
Total Jobs	1259	1191	68	9953	6498	3455	900878	938037	-37159	32070223	37948215	-5877992
Non-Commercial	163	51	112	3,810	611	3199	81434	57952	23482	2222739	2063150	159589
Non-Resident	140	107	33	858	1,191	-333	128307	255007	-126700	3557390	7476642	-3919252
Resident	956	1033	-77	5,285	4,696	589	691137	625078	66059	26290094	28408423	-2118329
Self-Employed (1 owner/employee)	289	95	194	1,700	504	1196	162559	53438	109121	6780913	2685324	4095589
Stage 1 (2-9 employees)	526	385	141	3,045	2,261	784	408221	242016	166205	15097675	11395636	3702039
Stage 2 (10-99 employees)	141	553	-412	435	1,581	-1146	86966	204135	-117169	2787578	8763746	-5976168
Stage 3 (100-499 employees)	0	0	0	105	350	-245	17905	57010	-39105	731900	2749142	-2017242
Stage 4 (500+ employees)	0	0	0	-	-	0	15486	68479	-52993	892028	2814575	-1922547
Total Ratio Opened/Closed (# opened for each closure)	2.05			2.13			2.24			1.85		
Self-Employed (1 owner/employee)	3.04			3.37			3.04			2.53		
Stage 1 (2-9 employees)	1.65			1.65			2.09			1.63		
Stage 2 (10-99 employees)	0.53			0.35			0.37			0.28		
Stage 3 (100-499 employees)	0.00			0.00			0.00			0.00		
Stage 4 (500+ employees)	0.00			0.00			0.00			0.00		

Survey Reports

Focus Groups – Priority Listings
Assessment of Current Entrepreneurial Resources

**Survey Results
& Analysis**
for
TransTech Alliance Focus Groups

Wednesday, February 27, 2013
Powered by Vovici EFM
www.vovici.com

Executive Summary

This report contains a detailed statistical analysis of the results to the survey titled *TransTech Alliance Focus Groups* . The results analysis includes answers from all respondents who took the survey in the 54 day period from Friday, September 07, 2012 to Tuesday, October 30, 2012. 105 completed responses were received to the survey during this time.

Survey Results & Analysis

Survey: TransTech Alliance Focus Groups

Author:

Filter:

Responses Received: 105

Type of Response:

Response	Count	Percent
Individual	73	70.2%
Team	20	19.2%
Group	11	10.6%

Are you:

Response	Count	Percent
Business Supporter	63	61.2%
Business Owner	40	38.8%

County Focus Group was held in:

Response	Count	Percent
Brunswick County	24	23.1%
Charlotte County	20	19.2%
Greenville County/Emporia City	12	11.5%
Lunenburg County	9	8.7%
Mecklenburg County	21	20.2%
Nottoway County	18	17.3%

County Individual is from:

Response	Count	Percent
Brunswick County	10	13.9%
Charlotte County	13	18.1%
Greenville County/ Emporia City	10	13.9%
Lunenburg County	11	15.3%
Mecklenburg County	15	20.8%
Nottoway County	13	18.1%

Rank the following services:

Rank Item	Rank	Points
Capital Access	1	1418
Good Business Infrastructure	2	1307
Workforce Training/Development	3	1266
Business Counseling/Mentoring/Training	4	1198
Access/Affordable Broadband Service	5	1161
Reasonable Insurance Cost	6	1118
Start-up Training/Courses	7	1105
Lower Business Taxes	8	1105
Shared Business Support	9	1078
Local Government Assistance	10	1063
Affordable Occupancy/Rent Costs	11	1057
Fewer State and Federal Regulations	12	1006
Regional Collaboration on Business Development	13	1001
Fewer Local Government Regulations	14	889
Market Research Support	15	846
Youth Entrepreneurship Education	16	695
Other 1	17	264
Other 2	18	124

Other Response 1

Marketing Your Business
Business Incubators
Marketing your own business
Foreign Business Advantages vs. Local
Local competition
Local competition
support businesses; i.e. grocery stores, conference rooms/meeting space w/ modern IT access
Promotion Effort
Promotional Effort
Promotional Effort
General positive economic outlook
General positive economic outlook
help marketing effort/ assistance in promoting new business
promotion effort
promotion effort
Marketing assistance
Marketing assistance
Marketing assistance
Need for Small Industries to create work environments
Need for small industries to create work environments
Strengthen schools in the region
Business groups for ideas, challenges, etc.
Developing local workforces to keep local residents from long commutes or relocating.
Business groups for ideas, challenges, etc.
VA Main Street Program- Active and supported by the community
Marketing media affordability
marketing media affordability
marketing media affordability
marketing media affordability

Better Education
Marketing Support/Leveraging/Networks

Other Response 2

Regional Broadcasting (of available spaces, opportunities, training, etc.)
Internet business opportunities
Strong sense of community support
Strong sense of community support
Incubator Space Availability
Incubator Space Availability
Incubator Space Availability
Marketing, web, social media guidance & assistance
markets, web, social media guidance & assistance
incubator
explore options of shared incubator
Affordable staff that is passionate
Affordable staff that is passionate about customer service and working hard for a family owned business. Willing to be a team player and multitask with a positive attitude.
Need to create stronger industry in area in order to create customer base
Focus on tourism as a region

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**Survey Results
& Analysis**
for
**TransTech Usage of Current Entrepreneurial
Resources**

Wednesday, February 27, 2013
Powered by Vovici EFM
www.vovici.com

Executive Summary

This report contains a detailed statistical analysis of the results to the survey titled *TransTech Usage of Current Entrepreneurial Resources* . The results analysis includes answers from all respondents who took the survey in the 51 day period from Monday, September 10, 2012 to Tuesday, October 30, 2012. 69 completed responses were received to the survey during this time.

Survey Results & Analysis

Survey: TransTech Usage of Current Entrepreneurial Resources

Author:

Filter:

Responses Received: 69

County focus group was held in:

Response	Count	Percent
Brunswick County	15	21.7%
Charlotte County	14	20.3%
Greensville County/ Emporia City	8	11.6%
Lunenburg County	6	8.7%
Mecklenburg County	14	20.3%
Nottoway County	12	17.4%

Are you:

Response	Count	Percent
Business Supporter	42	60.9%
Business Owner	27	39.1%

Venture Capital

	Yes	No	Unsure
I am aware of venture capital programs that are available to my small businesses	19.1% (13)	67.6% (46)	13.2% (9)
I've used or referred clients to venture capital programs to assist small businesses	11.8% (8)	88.2% (60)	0.0% (0)
Venture capital resources are readily available to small businesses in the area	4.4% (3)	45.6% (31)	50.0% (34)
Venture capital access is an important component of services to small businesses	64.2% (43)	11.9% (8)	23.9% (16)
I am satisfied with the availability of venture capital resources for small businesses in my area	3.0% (2)	34.3% (23)	62.7% (42)

Comment Responses:

Located in Franklin & Suffolk, VA (Southampton County)
But not specific/ not easily accessible/ They probably exist but not easily identified
Private Group/ case by case/ need more participants and better vetting process
I do not feel I am qualified to be answering the above responses
I have just been introduced to this company
I know venture capital programs exists, but I do not know specific sources
I need more information experience designed in this area
need more awareness about venture capital resources that are readily available and more awareness with availability of venture capital resources
venture capital access is an important component of services to small businesses- can be premature

Please take a moment to list venture capital resources that you have used or have access to. Other comments are also welcome.

None
Local successful business partners
I need more information on what is available
Small Bus. Adm.
St. Pauls College CDC Loan Fund Bedford Financial A/R Financing FCB A/R financing
Not many offered in my community- would be willing to refer but not aware of who to contact
community college, EDA, town manager, Southside planning
none to my knowledge. Our start up businesses are not sure how to secure venture capital.
Private individuals that will support small businesses.
We ran a successful service based business prior to opening the retail store.. w/ the retail stock and all building renovations, we paid for everything out of our personal accounts because the loan pool was not available at the time.

Loan Programs

	Yes	No	Unsure
I am aware of sources of small business lending that are available to my businesses	67.6% (46)	22.1% (15)	10.3% (7)
I've used or referred clients to specific lending programs that are available to assist small businesses	39.7% (27)	52.9% (36)	7.4% (5)
Loan funds are readily available to small businesses in the area	29.9% (20)	16.4% (11)	53.7% (36)
Loan programs are an important component of services to small businesses	88.2% (60)	1.5% (1)	10.3% (7)
I am satisfied with the availability of loan programs for small businesses in my area	28.8% (19)	25.8% (17)	45.5% (30)

Comment Responses:

Aware of some sources that are available - probably not all

Banks
They are not jumping out & marketing them seldom to my industry
Qualified borrowers/ more difficult with new laws
still not qualified to respond
I am aware bank loans exists for lending; I've used or referred clients to specific lending programs such as SBA loans, TCAP
loan funds depends on need- pot of funds, etc./ need some additional resources for loan programs
3) if all paperwork were completed 4) so-so have to have competent staff to support additional loans, etc.
SBA Loans take a long time to get approved
Local Banks are sources of small businesses lending that I know about

Please take a moment to list small business loan programs that you have used or have access to. Other comments are also welcome.

Downtown Blackstone Loan Pool - unfortunately has negative reputation in community Lack of awareness and education SBA
None
Small Bus. Adm. Planning Commission United Virginia Banks
Via Crater District Planning Commission and Small Bus. Development Center, Longwood College
Longwood SBA
small business lending fund is utilized at my place of business often and we offer low interest rates with these programs
SBA, FSA, USDA, VA capital access
BB&T- not much help
Assistance would be very helpful. The criteria is very hard and most often times impossible.
SBA, VSBFA, TCAP, VCAP
I have worked with the Bank of Charlotte County and they have always supported me, but as far as a government based loan- before I went into business, I applied for a small business loan and was denied.
Small Business admin. loans
I have a manufacturers (Ford) line of credit called a floor plan. This is my

inventory of new and used cars. I have also gotten a loan for my facility upgrade through commercial loan division of BB&T.
SBA loans, USDA.
Lake country, farm credit

Technical Assistance/Mentoring

	Yes	No	Unsure
I am aware of sources of technical assistance for small businesses that are available in my area	52.2% (36)	31.9% (22)	15.9% (11)
I've used or referred clients to specific technical assistance programs for small businesses in my area	32.4% (22)	64.7% (44)	2.9% (2)
Technical assistance is readily available to small businesses in my area	39.1% (27)	20.3% (14)	40.6% (28)
Technical assistance programs are an important component of services to small businesses	85.3% (58)	4.4% (3)	10.3% (7)
I am satisfied with the availability of technical assistance programs for small businesses in my area	33.8% (23)	26.5% (18)	39.7% (27)

Comment Responses:

Longwood SBDC
Hard to get folks to use these programs!
Availability is not an issue. Getting people to take advantage of what is available is the problem
SVCC
Would like to see more available in my area
SVCC, Longwood
Locally - Bruce Campbell, Michael Edwards and SVCC
maybe not multiple sources available
More awareness of programs needed
The community college has available technical assistance; not free though

Please take a moment to list technical assistance programs that you have used or have access to for your small businesses. Other comments are also welcome

More encouragement needed Longwood SBDC - have referred people and used personally
Small Business Development Center VECTEC Virginia Main Street VTC
I think the technical assistance is available but unavailable at convenient times. Tie a social event to technical assistance
Educational classes thru SVCC Extension office
CPA's, SBDC- Longwood
Longwood office is heaven set; the office has helped me immensely with my market research, business plan, advice, etc. Make the services known to other businesses.
Longwood, Southside planning, community college, EDA.
Southside planning commission, Southside community college, Longwood University, VA State U.
LSBD, SVCC
Southside VA community college
South Side Virginia Community College offers a lot of educational resources but does not have facilities to help with specific training for particular businesses.
Longwood, SVCC, vendors/suppliers, town of South Hill
We need more training for technical services. Not everyone needs a four year college graduate.
I use a computer IT person who is employed full time and it is very difficult to get support when needed.
used SVCC and Longwood short-term classes/seminars

Educational Programs/Training

	Yes	No	Unsure
I am aware of sources of education and training for small businesses in my area	76.8% (53)	15.9% (11)	7.2% (5)
I've used or referred clients to specific educational or training programs for small businesses in my area	55.9% (38)	44.1% (30)	0.0% (0)
Educational programs and training is readily available to small businesses in the area	63.2% (43)	7.4% (5)	29.4% (20)
Educational and training programs are an important component of services to small businesses	94.2% (65)	1.4% (1)	4.3% (3)
I am satisfied with the availability of educational and training programs for small businesses in my area	36.2% (25)	26.1% (18)	37.7% (26)

Comment Responses:

Ongoing edu. important as tech. changes
How to get folks to use?
Availability is not an issue. Getting people to take advantage of what is available is the problem
SVCC
Would like to see more in my area
Travel is needed to Petersburg (sometimes)
Maybe not enough education and training/ need more
Educational and Training is readily available but further away/ need more "virtual" access
the availability of educational and training programs could be more generalized and easier to locate
I am sometimes aware of sources of education and training and the availability of education and training programs
South Side community college are sources of education

Please take a moment to list education and training programs that you have used or have access to for your small businesses. Other comments are also welcome.

SVCC Educating entrepreneurs to use these services! KEY
Entrepreneur Express Workshop Workforce Development SVCC SBDC
Longwood Small Business Dev. SVCC
Educational classes thru SVCC Extension office
mainly through Southside VA community college; workforce development program
community college, Longwood, VA State University
LSBD, SVCC
SBDC, Business plans, Cash Flow projections
SVCC offers a wide variety of educational programs.
VA workforce development, SVCC programs
SVCC and LU have opportunities for those who choose to use them.
I have used and recommended the Longwood Small Business Development Center.
SBDC- Marc Wilson seminar
SVCC and Longwood

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