

Colorado State House Bill 13-1003 Progress Report
November 1, 2014

Pursuant to House Bill 13-1003 the Office of Economic Development and International Trade (OEDIT) was appropriated funds during state fiscal year 2013-2014 for the creation of an economic gardening pilot program. OEDIT was appropriated \$200,000 in year 1 and \$100,000 each subsequent year for a total of three years. Economic gardening refers to a type of economic development emphasizing the nurturing and growth of small businesses already located in the state, in contrast to the 'hunting and gathering' method of bringing in new companies through incentives, tax credits, etc. Economic gardening programs revolve around finding the second-stage or "gazelle" companies that are positioned and poised for rapid growth. The programs utilize corporate level tools and databases otherwise out of reach for these fast growing small businesses. The entrepreneurs and business owners benefit from specialized business assistance helping target and refine core strategies including in-depth market research, geographic information system analysis, search engine optimization, and competitor analysis.

The Colorado Small Business Development Center Network (SBDC) was tasked with creating the economic gardening 3 year pilot program. The SBDC was chosen due to their expansive network of experienced consultants, existing infrastructure covering every county in Colorado, business owners, and mentors across the state. The SBDC's goal was to enroll a minimum of 20 second stage companies through the program throughout the duration of the three year pilot project. These companies should represent a geographic spread of the state of Colorado, as well as encompass various industries. The funds appropriated were designated for high-level business consulting, database research and analysis, industry reports, database licenses, economic gardening certification, training, and professional development for SBDC Center Directors and staff.

To date, the program has 12 second-stage companies currently participating. The companies accepted into the program were chosen based on their current size, export potential and growth potential. The companies accepted include 2 in advanced industries, 5 in manufacturing, and 4 in professional services. The companies enrolled thus far range in location from the front range (Denver, Boulder, Colorado Springs, Fort Collins) to the southwest (Durango, Montrose, Silverton) and the northeast (Greeley, Fort Morgan). Please see Appendix 1 for a list of companies enrolled thus far.

To date the funds expended have been for SBDC Director and staff certification, database licenses, including geographic information system licenses, and consulting. Please see Appendix 2 for program expenditures. The SBDC has utilized a core team of high level consultants with experience spanning multiple industries and specializing in market research and strategic development. Please see Appendix 3 for core consulting team resumes. The program brings in various industry experts based upon the business needs and industries.

In addition to the standard pilot program, the Colorado SBDC created an additional program to assist the companies who did not meet the 'second-stage' requirements but were able to demonstrate positive growth potential. The economic gardening program, coined 'SBDC ADVANCED' was unveiled with three levels of the program. The Gold level (described above) assists only the companies who meet the

criteria of a true second-stage, gazelle type business. The Silver and Copper levels were unveiled to assist the remaining companies who were able to demonstrate positive growth potential. Please see Appendix 4 for the SBDC ADVANCED informative flyer and more information about the economic gardening levels and programs. The Silver and Copper levels of the program have been immensely successful. To date, there have been 15 companies encompassing all corners of the state. One particular success is a Mexican restaurant chain in Fort Morgan and Greeley. The owner was able to open a new location in Montrose after utilizing the program resources and consultants. Below is the recorded economic impact due to the work done in the Silver and Copper programs.

SBDC ADVANCED Economic Gardening Program

Impact recorded to date (10/24/2014) – **Silver and Copper** Level Program

Jobs Created	28
Increased Sales	\$229,700
Capital Formation	\$550,000
Consulting Hours	479

SBDC ADVANCED Economic Gardening Program

Impact recorded to date (10/24/2014) – **Gold** Level Program

Consulting Hours	576
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*These hours do not reflect prep time, travel or coordination of teams.

No companies in the Gold level program have completed the first round of the program. Impact is not collected from these companies until they have completed the first round of the program and have had time to adjust their strategic plans, implement changes, and realize impact.

Appendix 1

SBDC ADVANCED
Gold Level Client List
Updated 10/22/14

Redstone Aerospace	Longmont	Design – Aerospace
Stratom	Boulder	Manufacturing and Design - Robotics
Kota Longboards	Denver	Manufacturing - longboards/skateboards
Best Signs	Montrose	Manufacturing - Construction build signs
Venture Snowboards	Silverton	Manufacturing – Snowboards
Growing Spaces	Pagosa Springs	Manufacturing – Geodesic domes
Chinook Medical	Durango	Manufacturing – high quality medical/emergency/survival kits
BSC Signs	Broomfield	Manufacturing – Signs
Lakeside Insurance Center	Arvada	Professional Services - Insurance
Miramont Family Medicine	Fort Collins	Professional Services – Family practice medical centers
Anton Collins Mitchell (ACM)	Boulder/Denver	Professional services - Consulting
Amnet	Colorado Springs	Professional services - IT

Program Expenditures - Appendix 2

2013 - 2014 Economic Gardening (HB1003)

TOTAL	
Certification	
	\$ 26,100.73
Travel	
	\$ 6,059.27
D & L	
	\$ 9,840.00
Consulting	
	\$ 68,000.00
Team Leader	
	\$ 90,000.00
Total Budgeted	\$ 200,000.00
Total Spent	\$ 200,000.00
Total Remaining	\$ -

Database and Licenses		
Date	Desc.	Amount
2/1/2014	ESRI BAO	\$ 3,200.00
2/1/2014	Fintel	\$ 3,640.00
6/6/2014	ESRI Renewal through 2015	\$ 3,000.00
Total spent		\$ 9,840.00

Certification Course		
Date	Desc.	Amount
9/17/2013	Edward Lowe Cert.	\$ 16,800.00
9/17/2013	Misc. travel for group	\$ 2,100.73
4/30/2014	Edward Lowe Cert. 2	\$ 7,200.00
Total spent		\$ 26,100.73

Travel		
Date	Client	Location
5/19/2014	Chinook	Durango
5/20/2014	Growing Spaces	Pagosa Springs
6/17/2014	KOTA Longboards	Denver
6/22/2014	Chinook	Durango
6/23/2014	Growing Spaces	Pagosa Springs
7/7/2014	KOTA Longboards	Denver
7/16/2014	Miramont	Loveland
7/17/2014	KOTA Longboards	Denver
8/8/2014	Miramont	Loveland
8/15/2014	Lakeside Insurance	Arvada
9/2/2014	Amnet	Colorado Springs
9/2/2014	DataMAPt	Colorado Springs
10/16/2014	Amnet	Colorado Springs
Total Spent		\$ 6,059.27

1. Online conferencing platforms were used for Best Signs (Montrose,) Venture Snow Boards (Silverton)and follow up meetings with all clients.
2. Earlier in 2014, clients were in Boulder County. No cost for this travel.
3. Planning meetings for the Colorado EG program were held in Denver (9) and Colorado Springs (1) - including training presentation at statewide Colorado SBDC conference, implementation meetings, and client meetings

Appendix 3



SBDC Advanced - Economic Development Gold Level Team

Sharon King

Executive Director, Boulder SBDC

Team Leader, SBDC Advanced – Economic Gardening Gold

In 10+ years, Sharon King and the Boulder SBDC have worked with over 5,000 entrepreneurs from startups through 2nd stage companies, from “Main Street” businesses through highly scalable manufacturing and Advanced Industries. Sharon’s first business was a vintage retail store – right out of college. Just before joining the SBDC in 2004, Sharon converted and re-branded a franchise hotel into the independent concept Boulder Outlook Hotel, in which she was an investor. In the 30 years between, Sharon has been an entrepreneur/intrapreneur, marketing executive and consultant for small (and larger) businesses in many industries -- including professional services, banking, hospitality, consumer products, retail and manufacturing. She holds an MBA from Cornell University, is nationally-certified as an Economic Gardening Team Leader through the Edward P. Lowe Foundation and nationally certified to facilitate FastTrac NewVenture, GrowthVenture and TechVenture programs through the Kauffman Foundation for Entrepreneurship.

Ruth Janjic

Ruth Janjic, founder of Diagonal Growth Strategies, is a marketing generalist with deep experience conducting secondary industry research, marketing analysis and strategy work. Ruth started her career in sales and marketing for one of the first Apple retailers, followed by a stint in high-growth technology firms, including Qualcomm. In her consulting work, she has spent hundreds of hours researching the strategies of a broad range of industries to assist companies with their revenue models. More recently, she added not-for-profit organizations and small businesses to her knowledge base and enjoys helping them with their marketing challenges. Ruth holds an M.B.A. from the University of Washington and a B.A. from the University of New Hampshire, and is a Giftworks Certified Consultant. Ruth is nationally-certified as an Economic Gardening Market Research Specialist through the Edward P. Lowe Foundation.

Joey Jenkins

Joey Jenkins, Program Manager for SBDC Advanced – Economic Gardening initiative, joined the Colorado SBDC in the spring of 2012. In addition to SBDC Advanced, he oversees various other SBDC ventures. He is responsible for the collection and reporting of statewide economic impact and individual center performance. Through impact collection, he conducts trend analysis and gauges client satisfaction to ensure the network is meeting and exceeding economic goals. He also assists with center reviews, statewide marketing efforts, and maintains the relevance of SBDC resources, including the Colorado Resource Gateway and the Business License Database.

Prior to joining the SBDC, Joey gained his business experience in the finance industry, working as a mutual and hedge fund accountant for ALPS Inc. He holds a bachelor's degree in economics from Colorado State University with a minor in business administration.

Tally Costa

Tally Costa brings to the SBDC Advanced team over 20 years of senior management experience in the U.S. with extensive global exposure. This experience scales from several start-ups to publicly traded international companies. She is a generalist and quite proficient in identifying and overcoming any challenges that small businesses are facing. Tally's formal education includes a BSEE, Cornell University and MBA, Pepperdine University.

Tally's Core Experience: Design & Product Management; Materials; Planning/Forecasting; Manufacturing Relocation; Technology Licensing & Transfers: Sales and Operations; Management; Outside Sales; Applications Engineering; Manufacturers' Representation; Distribution Sales; Strategic Marketing & OEM Alliances; Product Marketing; Strategic Planning; Business Development (new geographic territories or new technologies/products); Implementation of New Business Plans; Exit Strategies; Change Management.

Industries Tally has worked with: High Tech, including Semiconductors (Silicon, GaAs, and IIIIV types), Electronic Components, Systems, and Test Equipment; Medical Devices and Equipment; Software; Aerospace, Defense, Data and Telecommunications; Radio, Microwave, and Millimeterwave Markets; Consumer, including Sports Equipment & Accessories; Residential & Commercial Service Markets; Medical Aging & Holistic; Entertainment; Emerging Technologies, particularly for Industrial & Alternative Energy Markets Tally thrives in High-Tech markets, with an uncanny ability to understand difficult technologies, re-strategize, and match existing products with current and emerging markets to grow revenue quickly.

Michael Minard

Michael Minard is a retired executive from General Electric. He was one of the senior executives responsible for a multi-billion dollar, international GE business which distributed high-end computers and software. His departments included: sales, marketing, operations, purchasing, technical groups, education centers, warehouses and research labs. He has also created strategies for new business ventures for large companies such as Lockheed and IBM as well as dozens of other small and medium-sized small businesses. For several years, Michael has been a reviewer for the National Science Foundation's Small Business Innovative Research (SBIR) Program in Washington, DC.

Prior to his corporate career, Michael owned a half dozen of his own successful small businesses in retail, wholesale food distribution, and syndicated publications. He enjoys working with both start-ups and existing business, especially technology ventures. In addition to strategy development and management coaching, he specializes in growth issues.

Steven Groves

Steven Groves heads up Social Marketing Conversations (SMC) in Englewood Colorado. SMC is a global marketing effectiveness consulting agency. Steven is also a trained and certified 'Gardener', assigned to the National Strategic Resources Team (NSRT) since 2012 working with the National Center for Economic Gardening (NCEG) and the Canadian Centre for Economic Gardening (C2EG).

His work with large and small clients has taken him around the world to Calgary Alberta, the Okanagan Valley in British Columbia, Bangkok Thailand, Kuala Lumpur Malaysia, and to Monterrey Mexico. Industry expertise spans manufacturing, high-tech, consumer products (B2C) and has an advanced capability in working with businesses that sell only to other businesses (B2B).

Steven is also a published author on social & online marketing with "**ROI of Social Media: How to improve the return on your social marketing investment**", published in hardback by John Wiley and Sons (ISBN-13: 978-0470827413)

Wayne Kocina

Wayne Kocina, a seasoned industry veteran with twenty three years of experience in GIS founded GeoWize in 2003. As CEO, he is responsible for the overall operations of GeoWize.

Wayne has provided GIS services and consulted for such companies as Target, Big O Tires, Smiling Moose Deli, US West, Qwest, Unisys (France), Telebras (Brazil) & Telebras - CpQD, Idea Integration, the City of Littleton, numerous other cities and communities, and hundreds of small businesses. Wayne is one of the founding members and the GIS component of the Economic Gardening National Strategic Research Team (EG-NSRT). He is currently working with nineteen state-wide EG programs, and numerous community programs.

Wayne has managed a \$100M GIS development & deployment project, vehicle tracking projects, spatial enterprise data projects, and hundreds of site prospecting, competitive intelligence, and market intelligence projects using ESRI's ArcGIS and Business Analyst tools coupled with demographic, income, spending, market & spatial data from the world's leading providers of this data. These are the same tools that many of the biggest and most successful retail business use to give them a real "competitive advantage" over their competitors.

Maureen (Mo) Kanwischer

With 25 years of marketing and business development experience in high-tech, software, ecommerce, manufacturing and medical companies, Maureen Kanwischer's expertise is marketing, strategic planning and business model development for small to medium businesses. She also has experience in product management, new product launches, pricing models, marketing communication programs, product positioning and event management.

As a consultant, Mo most often works in engagements with emphasis on strategic planning, crafting business plans, developing and executing marketing plans, and new product launches. Mo also is the founder of Momentum Business Consulting and facilitator of peer advisory boards. The m.b.a. (momentum board of advisors) is an informal board of directors for small business owners. Members meet monthly for strategic planning, creative problem solving and tapping the wisdom of the group in order to grow their business.

Recognized for her public speaking ability, she has been a sought after speaker and is a fanatic for client care and customer satisfaction. Maureen holds a Bachelor of Science degree from Alfred University in New York and earned an Executive MBA from the State University of New York.

SBDC ADVANCED

Economic Gardening



ABOUT SBDC ADVANCED

SBDC ADVANCED is a new business development program administered by the Colorado SBDC Network. It is an **economic gardening program**, focused on helping our Colorado companies to grow by providing custom-fit market research and corporate-level tools that might otherwise be out of reach for small to mid-sized businesses. These businesses can then use this data to make informed strategic growth decisions.

The SBDC ADVANCED program is open to Colorado businesses at three levels: **Gold, Silver, and Copper**. Deliverables provided may include specialized reports in market research, geographic information systems (GIS), financial analysis, marketing and search engine optimization (SEO). The SBDC ADVANCED program taps into corporate-level tools, experienced consultants and their strategic plans. Businesses can apply to be involved in the SBDC ADVANCED program online.

GOLD LEVEL - \$750

- For premier growth-oriented businesses
- Full suite of high-end tools and sophisticated databases
- Consulting team dedicates their time to the businesses unique needs, focused in on issues that the business has identified as opportunities or hurdles for growth
- Research, deliverables, and outcomes are customized to the companies' priorities and strategic growth initiatives

Qualifications:

- Be a privately held business
- Employ 6-99 full-time employees
- Maintained its principal place of business and a majority of its employees in CO for at least the previous 2 years
- Have a gross revenue or working capital between \$500,000 and \$50,000,000
- Have a product or service that is/has potential to be sold outside company's local area/state

SILVER LEVEL - \$250

- Provides businesses with the tools they need to grow in their respective markets and customize their strategic growth plans
- Provides companies with market research, industry concentration and financial benchmark data
- Specialized consulting teams are unique to the businesses' regional SBDC office and vary with location and business industry

Qualifications: None

COPPER LEVEL - \$150

- Provides businesses with tools and consulting to customize their strategic growth plans.
- Provides companies with market research and financial benchmark data.
- Specialized consulting teams are unique to the businesses' regional SBDC office and vary with location and business industry

Qualifications: None

ABOUT THE COLORADO SBDC

The Colorado Small Business Development Center Network (CSBDC) is dedicated to helping existing and new businesses grow and prosper in Colorado by providing free and confidential consulting and no- or low-cost training programs across Colorado.

FOR MORE INFORMATION OR TO APPLY:

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The Colorado Small Business Development Center Network is a partnership between the State of Colorado, the Colorado Office of Economic Development and International Trade, the Small Business Administration (SBA), Colorado's institutions of higher education, local economic development organizations and local chambers of commerce.