



U.S. Small Business  
Administration

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October 3, 2018

Mr. James Laipply, State Director  
Ohio SBDC Network  
77 South High Street, P.O. Box 1001  
Columbus, Ohio 43216-1001

RE: Programmatic Review

Dear Mr. Laipply:

In compliance with 15 USC 648 § 21(k) (1) of the Small Business Act and the Code of Federal Regulations (CFR) 13, Part 130.180(a), enclosed please find the biennial Programmatic Review Report for the Ohio Small Business Development Center Network.

The review was conducted by the OSBDC Program Manager as a desk review, and incorporates monitoring reviews conducted by the Project Officer during the assessment period. The issuance of this report concludes SBA's Programmatic Review of your network for FY2018.

We appreciate the cooperation you and your staff have shown SBA during the review process.

Sincerely,

A handwritten signature in blue ink that reads 'Bruce Purdy'. The signature is fluid and cursive, written over the printed name.

Bruce Purdy  
Deputy Associate Administrator  
Office of Small Business Development Centers

Enclosure

Cc: Mr. David Goodman, Ohio Development Services Agency  
Mr. James Laipply, Ohio SBDC State Director  
Mr. Robert L. Scott III, Regional Administrator  
Mr. Martin Goldman, District Director  
Mr. Alexander Kohls, Project Officer  
Mr. Lisa Younger, Program Manager  
Ms. Pat Branch, Grants Manager, OSBDC  
GRANT FILE

# U S Small Business Administration

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Office of Small Business Development Centers  
409 Third Street, SW, 6<sup>th</sup> Floor  
Washington DC 20416

## **Biennial Programmatic Review of the Ohio Small Business Development Center Network**



U.S. Small Business  
Administration

**Report Prepared by: Program Manager, Lisa Younger**  
**On Site Monitoring Reviews performed by Project Officer, Alexander Kohls**  
*Date: September 28, 2018*

## **PROGRAMMATIC REVIEW REPORT**

*Ohio Small Business Development Center (SBDC)*

*Hosted by: Ohio Development Services Agency (ODSA)*

This report constitutes the completion of the programmatic review of the Ohio Small Business Development Center (SBDC) network for FY2018. The Office of Small Business Development Centers (OSBDC) appreciates the time and attention the Ohio SBDC contributed to this collaborative assessment process.

The purpose of this review is to fulfill the programmatic management oversight function of the Small Business Administration (SBA) in accordance with 15 USC 648 § 21(k) (1) of the Small Business Act and the Code of Federal Regulations (CFR) 13, Part 130.180(a). This review examines whether the SBDC network is operating and performing effectively in its delivery of services to the small business community and whether it is in compliance with program policies, operating procedures, and applicable laws and regulations.

Named users of this report are the SBA, America's Small Business Development Center's Accreditation Committee, Ohio Development Services Agency, and the SBDC. This report is not intended as a basis for reliance or action by any other users.

For the current program year (FY2018), the Ohio SBDC network received a final continuation award providing \$4,497,150 in federal funding. The SBDC project budget also includes \$5,495,835 in nonfederal matching funds, for a total current year budget of \$9,992,976. This biennial programmatic review is based on official reports and background materials provided to SBA by the OHSBDC as well as information from the Project Officer's On-Site Monitoring reports completed during the assessment period and was conducted as a desk review.

The SBDC is strongly encouraged to implement any recommendations included in this report. See detailed report below.

### **Previous Reports**

Accreditation: The OH SBDC is fully accredited. The next accreditation review for the SBDC is scheduled for 2019.

Financial Examination: A financial examination (on-site) was conducted starting the week of April 3, 2017, of the Small Business Administration (OH-SBDC) network. There were no findings.

Programmatic Review: The previous SBDC programmatic review report was issued in May 2014, and identified the following recommendations. 1. Continue to Enhance Online and Communication Systems, 2. Focus on Increasing Counseling Resources and 3. Increase Capital Infusion Metrics.

## **Program Compliance and Controls**

On the basis of the information and reports analyzed by the PM in the course of this biennial programmatic review, including PO monitoring reports from previous assessment periods, semi- and annual progress reports, and economic impact data uploaded to EDMIS, it has been determined that the Ohio SBDC is compliant with the program policies, operating procedures applicable laws and regulations governing this program.

Specifically the SBDC:

1. Is adequately monitoring the programmatic aspects of its network;
2. Has developed policies and procedures, which are implemented across the network;
3. Submits reports in a timely manner (including EDMIS) and reports are accurate and well documented;
4. Has obtained necessary preapproval for significant changes to program activities set forth in the approved Cooperative Agreement;
5. Is in compliance with statewide delivery of service requirements;
6. Fills key personnel positions in a timely manner and is appropriately staffed for program administration and client services;
7. Is in compliance with counseling client requirements (reporting, maintenance and documentation of files);
8. Is in compliance with training requirements (fees, maintenance and documentation of files, training calendar);
9. Is in compliance with the acknowledgement of SBA/SBDC partnership requirements;
10. Is maintaining a cooperative relationship with the SBA District Office and Project Officer which includes regular meetings, recurring communications, monitoring, coordinating of training, referral of clients;

## **Program Performance**

Based on the data summarized below, the Ohio SBDC Network substantially meets SBA's performance expectations for the program.

- *SBDC Core Award Goal Achievement*

	FY2015	FY2016	FY2017
<b>Long-Term Clients Goal</b>	2500	2500	2600
<b>Actual</b>	1733	1733	2789
<b>% of goal achieved</b>	70%	70%	108%
<b>New Business Starts Goal</b>	461	480	500
<b>Actual</b>	362	742	841
<b>% of goal achieved</b>	79%	155%	169%
<b>Capital Infusion Goal</b>	\$117,000,000	\$123,000,000	\$133,000,000
<b>Actual</b>	\$128,527,304	\$160,533,209	\$230,299,082
<b>% of goal achieved</b>	110%	131%	173%

Data shown is based on SBA EDMIS results for each federal fiscal year ending September 30

As indicated by data shown in the table above, the Ohio SBDC has increased overall performance in the past two years. Despite the fact that in 2015 and 2016 the SBDC fell short on the negotiated goals for Long-Term Clients (LTCs) and in 2015 the New Business Starts (NBS). Capital Infusion (CI) is notably above goal; all positively reflecting an emphasis, commitment, and prioritization towards strong network performance.

The Ohio SBDC has worked to develop a systematic approach to service the small businesses of their state. The program has undergone tremendous strategic revisions that have resulted in significant increases in impact. In FY 2017 Ohio SBDC had its highest level of Capital Infusion in program history. Last year Ohio SBDC exceeded its population share goals in all categories.

- Current Year Progress on the Core Award (FY 2018).

FY 2018	Goal	Actual YTD*	% Achieved
<b>Long Term Clients</b>	2050	1969	96%
<b>New Business Starts</b>	500	489	98%
<b>Capital Infusion</b>	\$147,510,762	\$49,514,452	34%

\* Actual results based on SBDC reported data through Q3 of FY18

The SBDC is poised to achieve significant positive impact in 2018. Based on year to date data as reported through EDMIS, good progress has occurred with all three milestones. The bulk of Ohio's capital Infusion historically comes in Q4. In 2015 the leadership changed and Jim Laipply was hired as the State Director. As the Director, Jim is responsible for the leadership management and oversight that provides hands-on assistance to more than 7,500 small businesses and entrepreneurs each year. Since joining the program he has implemented improvements and innovations to expand the program's reach and greatly improve client satisfaction and economic impact. Jim previously served as

ODSA's program manager for Ohio Procurement Technical Assistance Centers (PTAC) Program, where he led efforts to integrate technology resources to give Ohio companies access to cutting edge market research and promoted efforts to assist the state in reaching its Minority Business Enterprise purchasing goals. He has 14 years' experience working within state government to help small businesses grow and create jobs. With this new leadership in place the network shifted their focus to client engagement through economic development and bank referrals which increased effectiveness and impact. The strong economy also led to increased numbers and there has been an increase in hotel deals. The Lead Center has also implemented new policies and procedures that led to clearer communication and transparency.

### **Effectiveness and Efficiency of Services**

The SBDC became a member of the national Association of SBDCs in 1985. The SBDC has been hosted by the State of Ohio since inception, and is currently managed under the Ohio Development Services Agency (ODSA). The SBDC program operates effectively through a support network of local hosts, including local chambers of commerce, universities, colleges, and other economic development organizations throughout the state.

The State Lead Center manages a large and diverse network of 22 local hosts operating 24 fully staffed (minimum 1-FTE) SBDC Centers Statewide. A 25th center, at Northwest State Community College is managed by a personnel service contract with an hourly contract consultant.

All Ohio SBDCs are contracted through local service providers. The Lead office manages these relationships through an annual application and contract process and competitive RFP process every third year. The State Lead Center sets minimum qualifications for center directors and advisors and has approval authority of new center director hires. While the network consists of 25 Centers individual centers provide advising services through countless locations. Centers will often have agreements with local chambers, libraries or other economic development organizations to coordinate service delivery.

### **Collaboration and Resources**

Ohio SBDC was a founding partner and currently at the epicenter of a massive statewide effort to develop new levels of communication, collaboration, and specialization between the multitude of business assistance programs in the state including SBDCs, PTACS, ESPs, MBACs and MEPs. Starting in the fall of 2015 Ohio SBDC assisted ODSA in establishing a series of six regional events that brought together hundreds service providers to strategize and discuss new

opportunities for collaboration and ways to better support entrepreneurs as a region.

Follow up from those meeting resulted in the development of multiple steering committees that are developing and launching strategic initiatives to better coordinate services across multiple programs by:

- 1) Launching comprehensive web-based cross training programs to train all advisors across programs on the all services.
- 2) Develop a statewide online small business referral tool called "Counselor Connect" to ensure clients receive appropriate services from the most appropriate service provider.
- 3) Establish regional leadership teams comprised of representatives from each program to better coordinate services and compliment small business needs.

The Ohio SBDC at Youngstown State University continues to be a participant in the Emerging leaders program and several SBDCs participate as hosts or partners in the InnovateHer Challenge.

The Ohio SBDC works closely with the SBA district Directors to receive referrals and coordinate local activities.

- Multiple SBDCs host coordinated training with local SCORE chapters.
- All SCORE, SBDC and USEAC trainings are published by the SBA on a monthly newsletter
- A large percentage of SBDCs host local lender roundtables with the SBA.
- The Lead Center and team of SBDC advisors coordinate with the SBA on hosting the Annual Business Matchmaker.
- Three SBDCs host Boots2Business trainings with the Michigan VBOC.

**Required Actions:**

No further action is required as a result of this programmatic review.