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**DEVELOPMENT AND DEPLOYMENT OF US'S MOST
EXPANSIVE STATE FUNDED TECHNICAL ASSISTANCE
SYSTEM**

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Abstract

The North Carolina Small Business Center Network (SBCN) is the United States' most expansive state funded technical assistance system. Comprised of over 60 centers located through the State of North Carolina, the SBCN's current budget of \$5.8M (USD) provides services to over 70,000 individuals annually. This results in over 700 business startup and in excess of 3,500 jobs created or retained each year. This paper explores the history of the development of the network with an emphasis on the local and state political facets involved throughout the history of the network. A detailed explanation of the services provided by the network lays the groundwork for a discussion of the unique partnerships that the network has developed with local, state, and national entities. Strategies that the SBCN uses to focus on entrepreneurship and rural economic development are followed by how leadership, rather than management, is employed to achieve success. The paper concludes with an overview of the lessons learned and transferability of this unique system.

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Keywords: Economic development, entrepreneurship, job creation, small business center, state funded, technical assistance.



1. Introduction

The North Carolina Small Business Center Network (SBCN) is the most expansive state funded small business technical assistance program in the United States. Comprised of over 60 centers located throughout the State of North Carolina, the SBCN's current budget of \$5.8M (USD) provides no or low cost entrepreneurship training and free confidential one-on-one counseling services to over 70,000 individuals annually. This results in over 700 business startups and in excess of 3,500 jobs created or retained each year resulting in an investment of \$1,657 (USD) per job.

Started in 1984 when the North Carolina State Legislature funded thirteen Small Business Centers (SBCs) the system has grown and by 1995 the SBCN had at least one SBC at each of the 58 Community Colleges within North Carolina. The system has now expanded to over 60 sites throughout the state. Within the last five years, the SBCN has positioned itself to focus on entrepreneurship and rural economic development with an emphasis on assisting historically, economically, and physically disadvantaged individuals in starting their own businesses. The purposeful focus of the SBCN has resulted in not only an avoidance of duplication of services but now acts as a multiplier for other federal and state programs which target small business and entrepreneurship.

The unique locally controlled organizational structure of the SBCN combined with a leadership rather than management orientation at the state level has allowed the system to promote programmatic creativity while maintaining sufficient consistency of services.

2. Setting and Historical Background

The State of North Carolina is one of 50 states within the United States of America. Located on the east coast, North Carolina ranks tenth in total population of the fifty states. A geographically and culturally diverse state, western North Carolina has the highest mountain in the eastern United States as well as one of the largest coastlines. With a population of slightly over 10M people, the racial makeup is approximately 71.2% White, 22.1% Black, 1.6% American Indian, and 9.1% were of Hispanic or Latino descent (regardless of race). The State's gross state product was \$474.4B in 2014 and had an average annual household income of \$46,693 (USD). Business ownership is 16.8% minority and 28.2% female (of any race) (State and County Quick Facts, 2016)

In order to appreciate the development of the SBCN it is important to understand how the development of the University of North Carolina (UNC), North Carolina Community College System (NCCCS), and its sister organization, the University based and federally funded Small Business Technology Development Center (SBTDC), evolved and played a pivotal part in Statewide politics within the State Of North Carolina. This is particularly important as education is a state, rather than federal, fiscal and policy responsibility in the United States of America.

University level education within the United States of America has traditionally been more open to the "common person" than the traditional European model. North Carolina can boast being the hallmark of this trend as the University of North Carolina was the first public university in the United States, and was the only one to graduate students in the eighteenth century. The University of North Carolina system is currently comprised of 16 member universities. All of the schools and universities welcome students of

both sexes as well as all races and religions. A centralized Board of Governors, appointed by the North Carolina Legislature, selects the President of the system as well as the Chancellor for each of the sixteen campuses. Each of the sixteen campuses has a Board of Trustees which holds extensive powers over academic and other operations of its campus on delegation from the Board of Governors (The University of North Carolina, 2012)

The community, or two-year, college is a distinctive element in the American landscape of higher education. When the first such college opened in 1901, it was called a “junior college” with a mission of providing beginning education equivalent to the first two years at a university (Raivio, 2012, p. 9). Later community colleges were expanded and molded to include basic education and vocational education. In North Carolina, this model was modified slightly as the majority of the institutions combined to create the North Carolina Community College System in 1963 were industrial training centers. (Creating Success: NC Community Colleges, 2016). Thus, the emphasis within the community college system from the onset was industrial or vocational training with an expanded role of providing associates degrees equivalent to the first two years of a university. A more expansive review of the history of the North Carolina Community College System is presented by Quinterno 2008.

Throughout their development, both the University of North Carolina system and the North Carolina Community College System contained aspects of economic development. In the University of North Carolina this first appeared with services targeting agribusiness in the 1800’s. (Cooperative Extension Serving People: A Brief History, 2016). In the Community College system it first appeared as worker training (typically for manufacturing). As both systems matured various additional programs related to economic development were added.

According to the Association of Small Business Development Centers (SBDC), during Small Business Week in May of 1976, federal administrators announced plans for a University Business Development Center (UBCD) program. The programs were started at universities in eight states in 1977 with a goal of leveraging university resources to assist small businesses. In 1978 the program was expanded, and the name changed to Small Business Development Center. Over the next several years federal legislative support for the program grew which resulted in additional funding and locations. The program was also changed to require a state funding match in order to receive federal programming funds. During fiscal year (FY) 1983 – 1984, North Carolina joined the states receiving SBDC funds (A Brief History of America’s Small Business Development Center Network, 2016). In North Carolina the program was called the Small Business Technology Development Center (SBTDC) due to providing additional services above a base SBDC. During the initial years of deployment of the SBDC program within North Carolina, all of the SBTDC sites were co-located at major universities within the state which were located, as one might imagine, primarily in metropolitan areas (History and Mission, 2016).

Due to the state funding match requirement mentioned above to receive the federal dollars, North Carolina legislators became aware of the SBTDC program. Members of the North Carolina General Assembly supported the program and believed that it would bring federal dollars into the state. More importantly, they believed that the program would have significant impacts in terms of economic development and new jobs within their service areas. During the early 1980s rural legislators were very influential within the North Carolina legislature, and these members quickly realized that the majority of

the SBTDC sites were located in metropolitan areas with the major universities leaving, in their mind, rural North Carolina at a disadvantage.

In response to this perceived weakness, in FY 1983-1984; the North Carolina General Assembly funded a limited number of Small Business Education Centers in areas of the state which lacked a nearby SBTDC. Most of these new Small Business Education Centers were located in rural counties. The Community College System was a natural fit for this new program as the community colleges were seen as primarily rural in focus and were located within a 30-minute drive of all citizens within the state, ensuring that the state legislative desire to have readily available technical assistance in rural North Carolina would be fulfilled. The number of centers expanded to fourteen in FY 1984-85 and the program name was changed to Small Business Centers (SBC) and then later to the Small Business Center Network (SBCN) with the expansion of the program to all 58 community colleges within North Carolina. Yet, the program is still often referenced as the SBC at the local level. The end result of the expansion of the SBCN is that the State of North Carolina now has small business technical assistance services within a 30-minute drive of nearly all residents.

Important to discuss here is the organizational structure of the university system as compared to the community college system in North Carolina. The university system in North Carolina has a strong central office called the UNC General Administration. The University of North Carolina System has sixteen separate campuses located throughout the state all of which are considered state entities under North Carolina General Statutes. In contrast, the community colleges in North Carolina are considered local entities under the General Statutes, have strong locally controlled boards, and are administered by a relatively laissez faire Community College System Office which provides more oversight and less direct management compared to the university system. Key to this discussion is that local control of community colleges is seen as a major factor in the expansion of the SBCN. Since each of the community colleges have local boards, it follows that local leaders serve on those boards. Those local leaders desire to maximize the efforts of the college for the benefit of the local service area. Once local boards saw that some colleges were receiving grant funds to operate SBCs, demand quickly grew to expand the SBCN to all community colleges. This demand was communicated to the locally elected General Assembly members and who then acted upon that demand by expanding the program to all 58 community colleges within the state. At the same time the SBTDC program was expanding to all 16 university campuses. This expansion resulted in areas where there were both an SBTDC and an SBCN office which created a potential for duplication of services and conflicts between the two systems those being the UNC and NCCCS.

3. SBTDC And SBCN Organizational Structure

The structure and culture of the university system and the community college system greatly influenced the organizational and funding structure of the SBTDC and SBCN.

3.1. Small Business Technology Development Center (SBTDC)

The SBTDCs organizational structure mirrored the university system by having a strong central office with “branch” offices throughout the State of North Carolina. SBTDC funding goes first to the state office and then is disbursed to the regional offices or “branches”. Although the State Executive Director, a

university employee, was not involved in all hiring decisions, he was involved in the hiring of the regional directors. Additionally, the organizational structure of the SBTDC is a traditional hierarchical structure with multiple levels and normal span of control. Most of the SBTDCs sixteen locations have five or more employees and many offices have specialists that target specific industries, sectors, or initiatives.

This organizational structure greatly aids the SBTDC in ensuring standardization of services. It also provides opportunities for specialization of services within the system or even individual centers. Additionally, funding can be shifted from one area to another based on customer demand and can be disbursed based upon needs and current expenditures.

3.2. Small Business Center Network (SBCN)

The SBCN, on the other hand, somewhat mirrors the structure of the community college system. The State Director does not have any role in the hiring of personnel at the local level and lacks direct control over the daily operations of the various SBCs within the state. Oversight is managed through a State Board of Community Colleges approved “Program Guidelines”, or rules, which provides a framework for the operations of each of the Small Business Centers. Although all SBCs are subject to the Program Guidelines, and each SBC must submit annual reports to the state office, daily oversight management lies solely at the local level.

Additionally, funding within the SBCN differs from the SBTDC in all programming funds are distributed to the local colleges at the beginning of each fiscal year. Although reallocations are allowed, the Community College System Office has yet to ever reallocate funds from one SBC to another during the same fiscal year. The State Office does set output and outcome measures to describe the success of the local centers. However, it does not have control of how the local SBCs go about achieving those goals. It does use a portion of the network budget to provide “performance allocations” to the local SBCs, but the majority of the budget is distributed equally to all 58 community colleges. Thus, each SBC has a base budget plus an additional amount that varies based upon the SBCs “performance” in relation to the other SBCs. The total amount available for performance allocations does not change; instead the distribution between SBCs changes based on how high a SBC is ranked compared to other SBCs in a number of criteria. Currently the criteria are: (1) number of small businesses in the service area, (2) number of seminars/workshops, (3) number of seminar/workshop attendees, (4) number of counseling clients, and (5) number of counseling hours. The use of this system to achieve strategic goals is discussed later in the paper.

Staffing of the SBCs also differs greatly. The typical SBC has a staff of one full time Director and one part-time administrative support personnel. Administrative staffing at the state level is also unique in that the only state level staff is the full-time State Director. The result is an extremely flat or horizontal organization. Comparatively, the SBTDC has a traditional structure with depth but limited breadth whereas the SBCN has a uniquely flat structure which is very expansive but lacks depth.

4. Effects of Organizational Structure on SBCN Services

The SBCN provides several core services to prospective or current small business owners those being: (1) Free confidential one-on-one business counseling; (2) Free or low-cost seminars and workshops

on small business management related topics; (3) A resources center containing informational aids such as small business related books, magazines, and internet connectivity; (4) A network of small business linkages (Services, 2012). The organizational structure of the SBCN has created both opportunities and challenges in providing these services.

Providing sufficient one-on-one confidential counseling with only one full time employee, the SBC Director, may be possible in areas of the state where population is sparse, and demand is low. However, providing adequate small business counseling services in more populous or high demand areas is more challenging. Local SBCs have used a number of creative options to address this issue including the use of part-time paid counselors; non-paid or volunteer retired business managers; volunteer professional resources such as attorneys, accountants, and insurance brokers; and referral to other small business technical assistance provider within the state with more capacity. The emphasis on local autonomy within the SBCN allows the local SBC Director to determine if additional counseling resources are required and how that demand should be addressed. The funding structure of the SBCN, which provides lump sums to the colleges with only minimal spending requirements, aids the local SBC in responding to the need for additional counseling resources in a locally determined manner. The result is a network capable of more counseling than would be apparent by the number of employees involved, but at a cost of a lower level of service consistency. However, this structure creates a challenge identified in a 1992 North Carolina Office of State Budget and Management (1992, p. 2) study that was, and continues to be, consistency of service quality from locale to locale. It should be noted that SBCs are allowed to report the efforts of both paid and volunteer counselor during end of year annual reporting.

SBCs have become equally creative in responding to entrepreneurship training needs within communities throughout the State of North Carolina. As mentioned above, the SBCs are funded locally by a lump sum distribution from the State of North Carolina through the NCCCS at the start of each fiscal year with limited restrictions. One of those restrictions is that SBCs must spend at least \$9K (USD) per year on seminars/workshops. This means that each SBC must expend this minimum amount in instructional expenses each year. This results in a system total of a minimum of \$522K (USD) per year in training for prospective and existing small business owners. Each SBC must offer a “core” curriculum twice per year consisting of six seminars (typically three hours in length each) on topics related to starting a small business. Other than that, SBCs are free to offer “...additional educational programs and services designed to address the specific and unique management needs of current and prospective local small business owners...” (SBCN Program Guidelines, 2011, p. 4). The SBCN system office does not place any restrictions on who can teach the seminars or how much can be paid for the instruction. Therefore, a local SBC has the ability to hire very high-quality instructors to present business seminars and workshops to small business owners within the local community. This affords small business owners access to the same quality of instructors that larger corporations can afford to hire. Additionally, since the instruction cost is borne by the SBC, the seminars and workshops offered to prospective and current small business owners are typically free. Barriers to education and learning which could prohibit lower wealth prospective business owners from starting businesses are eliminated. Furthermore, due to the funding flexibility, local SBCs can expend more than the minimum required amount on instruction, some SBCs nearing double the minimum amount expended on instruction annually. Many SBCs also use gratis instruction provided by local accountants,

attorneys, marketing, and other business experts. Both reimbursed and gratis instruction is reported as outputs in the SBCN annual report.

Although less of an issue than it once was, there continues to be areas and populations in the State of North Carolina that have limited access to library services and computer/internet resources. As one might expect, having limited access to resources to learn about business or research possible business opportunities can place a barrier to entry. The SBCs counter this issue by providing open access to business startup and research materials along with free computer and internet access at all SBCs. These services have been especially helpful in assisting low wealth and historically disadvantaged individuals in starting their own business.

One of the most interesting aspects of how the SBCN has assisted in creating an environment conducive for small business startup and success has been termed “a network of linkages”. As the SBCN Program Guidelines states: “Each SBC will provide access for the local small business to community, state and federal business related agencies, non-profits, and private organizations that support small business development and growth such as chambers of commerce, economic development organizations, accounting and legal firms” (North Carolina Community College System, 2011, p. 4). In practice this means that the SBC Director purposefully interacts with a wide number of individuals and organizations on the local level with the goal of assisting small business creation and growth. This widespread and consistent locally focused small business economic development emphasis has resulted in the SBC Director being seen as a key factor in local economic development statewide.

5. Job Creation Tools

The SBCN utilizes two major “tools” to increase effectiveness and efficiency which are a client management and web site hosting service, CenterEX (designed by CenterDynamics) and a financial analysis tool called ProfitCents (developed by Sageworks). The SBCN then modifies the standard use of these tools to achieve strategic goals for the SBCN and the State of North Carolina.

CenterDynamics’ client management and web site hosting service, CenterEX, is referred to as the Small Business Center Network Client Management System or SBCN CMS. The Client Management System allows users to manage clients and counseling sessions, training events and attendees including online counseling and event registration, event participation, customer appointments, mailing lists including email marketing, surveys & assessments, online resource libraries, and impact & performance metrics in an easy-to-use web interface (CenterDynamics: Making Connections, 2016). The system allows individual SBCs to track clients and counseling impact results in a paperless fashion as well as providing a means by which to market educational seminars to an ever increasing database of clients and prior attendees.

ProfitCents, by Sageworks Inc., is a web-based financial analysis software suite in use by thousands of accountants throughout the United States. It enables users to turn financial statements into plain language written reports. The reports use ratio and trend analysis as well as industry comparisons to analyze a business client's financial health. The reports also make recommendations and presents strategies to improve profitability. The reports range from 3-8 pages in length, depending on the type of report selected

(Product Overview, 2012). The SBCN utilizes the entire ProfitCents suite which includes industry comparative analysis and as well as the ability to develop revenue projections.

6. Unique Partnerships and Success Strategies

Having a reputation of being one of North Carolina's most locally involved and focused economic development organizations, combined with the flexibility of being state funded and locally controlled, the SBCN has become one of the "go to" organizations for serving rural North Carolina and addressing the needs of special populations within the State.

The SBCN is seen as uniquely capable of assisting would be entrepreneurs explore the possibility of starting their own business. Offering over 3,500 seminars and workshops per year, and offering business counseling at over 60 locations statewide, the SBCN is able to provide prospective entrepreneurs training and assistance when and where needed. Additionally, since the SBCN is a state funded program it has the ability to create guidelines and incentives that assist in fulfilling network goals. These facts have led to some interesting and effective partnerships.

6.1. Assisting Citizens with Physical, Mental, or Intellectual Disabilities

In 2009, the North Carolina Department of Health and Human Services' Vocational Rehabilitation Division (VRD) was struggling with trying to assist physically, mental, and intellectually disabled citizens start and operate their own business. As part of their strategy, the VRD created a small business advisory committee and invited the SBCN State Director to be a member of the committee. The SBCN State Director soon realized that the amount of resources (education and counseling time) required to assist a VRD client start a business was far greater than for the normal startup and with the prospect of very little economic impact in terms of sales, jobs created, and taxes collected. And, although several organizations were willing to work with VRD clients, most were not able to put the extra time into these clients to achieve success simply because the metrics by which those organizations were judged required ever increasing outcome measures.

However, the SBCN believed that assisting persons with physical, mental, or intellectual disabilities to start a successful business was attractive for two reasons. First, it was the "right thing to do", as assisting these individuals to become entrepreneurs would increase their self-value and self-worth. Second, since nearly all of these individuals were receiving some type of publicly funded assistance, if you were able to help them start a successful business they would no longer need that public assistance. Thus, you would have both increased jobs and decreased demand for publically funded assistance. The question then became how to provide the incentive needed so that technical assistance providers would desire to expend the extra time with these individuals required for successful business startup. The answer was in the flexibility inherent within the SBCN. As was stated earlier, SBCs receive a performance allocation based upon a number of factors including the number of individuals counseled and number of hours expended in counseling. Since the reporting and performance funding criteria is set at the state level, the SBCN State Director simply put in place a policy that allowed a multiplier when SBCs assisted VRD clients. Specifically, when a SBC counseled a VRD client for 1 hr that SBC was allowed to report 1.5 hrs counseling, providing an incentive or "extra credit" for assisting those individuals. Once SBCs learned that they could receive extra credit for

assisting VRD clients, and potentially extra funding through performance allocations, they soon became the preferred location to send VRD clients for assistance. The result has been an increase in the number of VRD clients that have and are in the process of starting their own businesses.

Since then the SBCN has determined that VRD clients also need more educational assistance prior to starting a small business and, due to their disabilities, the educational assistance may be better provided in small group or one-on-one settings instead of the traditional classroom setting. Again, due to the financial flexibility of educational funds within the SBCN, the network it is in the process of providing “extra credit” for educational services as well.

It should be noted that the North Carolina Department of Corrections, which oversees the states correctional facilities (termed prisons in some countries), has started to partner with the SBCN to provide similar services to select groups of inmates prior to release. Again, the reporting and fiscal flexibility of the SBCN was the driver in this budding partnership.

6.2. Displaced or Unemployed Workers

Historically in the United States, federal and state governments have attempted to assist displaced or unemployed workers by providing publically funded assistance (unemployment insurance payments) while they seek work. In some cases, reemployment education and/or training was offered to provide the worker with new skills that could be helpful in securing employment. However, since the start of what is termed the “great recession” job availability has become an issue. Providing payments until a person was able to find a new job was less effective since the jobs were not available. Providing workers with new job skills was becoming less effective due to the limited number of jobs available.

In response, several years ago, the United States Department of Labor started offering grants to entities that wanted to explore the possibility of providing entrepreneurship training and assistance to displaced or unemployed workers in lieu of traditional skill improvement training. The entity in North Carolina eligible to apply for these funds, the Employment Security Commission, partnered with the North Carolina Rural Center and the community colleges to provide entrepreneurship training and assistance. The SBCN has been involved in several of these federally funded grants aimed at providing self-employment as an alternative for unemployed workers including the New Opportunities for Workers (NOW) and Growing America Through Entrepreneurship (GATE) grants. The partnering organizations have found that the SBCN is uniquely positioned to assist in these types programs due to the breadth of locations, ability to modify metric tracking and reporting systems (SBCN Client Management System) to accommodate federally mandated requirements, and an emphasis on startups. Again, the strategic emphasis placed on taking individuals off of public assistance and onto the roles of employed and taxpaying citizens was instrumental in achieving the goals of the grants.

6.3. SBTDC and SBCN Market Delineation

As stated earlier, the development and expansion of the SBTDC and the SBCN led to areas where both organizations were located in close proximity. As the networks grew there was a tendency for the services of both organizations to overlap. During the 1990’s this was seen as such a potential issue that the Office of Budget and Management commissioned a study to see if the level of redundancy was such that

one of the organizations should be reduced. The initial recommendations of that study included that SBCs where SBTDCs were closely located should be eliminated (North Carolina Office of State Budget and Management, 1992, p. 18). Prior to the study, both organizations were known as sources of business counseling. The organizational structure of the SBCN limited its ability to perform comprehensive in-depth counseling targeting growth oriented small businesses yet some SBCs chose to target this market. There are indicators that from the early 1990s through the mid 2000's the organizations had friction of varying degrees. In 2008 the State Directors of both organizations, made the strategic decision to emphasize entrepreneurship training and assisting small business creation within the SBCN and emphasizing growth oriented companies within the SBTDC. Although neither organization is prohibited from providing comprehensive services, the strategic emphasis provided the groundwork needed for true cooperation and has since nearly total eliminated of duplication of services. Now the two organizations regularly meet together for professional development and the head of each organization meets weekly to discuss strategic direction of small business within the State of North Carolina. This emphasis on entrepreneurship (business startups) and assisting disadvantaged/non-traditional populations has resulted in the SBCN starting over 700 business per year and having a client base with a larger percentage of minorities and females than the state average.

7. Leadership Not Management

At the state level the SBCN emphasizes leadership of the network over management of the network. By this it is meant at the state level the focus is not on maintaining or managing the SBCN as it is currently deployed but rather leading the network forward by introducing new tools, creating new opportunities, and encouraging creativity. SBCN Guidelines are written in such a way that they provide basic pathways but rarely dictate a specific course of action. Most guidelines, in fact, have some means by which to submit or request and exception so that creativity and responsiveness on the local level is maintained and encouraged. For example, the standard SBC has one full time director and one part time administrative assistant. The guidelines allow for exceptions to this standard as long as a college submits a plan on how that exception is going to meet the needs of the local small business community. Central Carolina Community College (CCCC) is one such institution that has submitted an alternative plan. As a result, CCCC has a small business center and related staff in each of the three counties that it serves. Each SBC Director at CCCC has duties in addition to serving as a Small Business Center Director but the total full-time equivalency exceeds that of one full time director plus prospective and current small business owners have shorter distances to travel in order to receive services. Unique strategies such as is used by CCCC is how the SBCN has only 58 host community colleges but over 60 Small Business Center sites.

8. Conclusion: Lessons Learned and Transferability

There are three major lessons learned by the development of the SBCN: find your niche, metrics matter, and flexibility provides opportunity.

From inception of the SBCN, there was the potential for conflict between various organizations and duplication of services. Without a strategic and collaborative emphasis these potentialities caused friction

between the various organizations and confusion within the market place. However, by clearly understanding the inherent strengths and weakness of the network due to its organization, funding, and culture network leaders were able to work collaboratively to delineate market niches for the organizations. This created an extremely robust and synergistic system of providing small business services within the State of North Carolina.

For over the first twenty years of the existence of the SBCN, local SBCs reported only output measures such as number of seminar attendees and number of clients counseled. Additionally, these output measures were uniquely defined by the SBCN. In FY 2007-2008 the SBCN started defining outcome measures more in line with those in use by the federal Small Business Administration. Additionally, the SBCN started reporting outcome measures specifically business started, jobs created/retained. Prior to this shift, the SBCN was seen as a system focused on activity. Since that change the SBCN is seen as a system focused on results. Results that can be quantified and results that can show the value of the investment in the programming. For instance, the network can now report the expenditure of tax dollars per job it creates which is currently slightly over \$1,600 (USD) per job created or retained.

Flexibility has been a hallmark of the SBCN. Being state rather than federally funded has allowed the SBCN to quickly modify mission emphasis to respond to a rapidly changing environment. Other organizations that receive federal funds are restricted from changing emphasis unless those changes happen to align with federal reporting, measurement, and metrics. The SBCN has the flexibility to change reporting, measurement, and metrics to meet state level goals. The use of SBCN Program Guidelines which outline some requirements without being overly prescriptive in nature also assists in flexibility. The guidelines “draw the box” so to speak but the local SBC is able to maneuver anywhere in the box it is deemed appropriate to meet local needs. This flexibility enhances creativity.

TRANSFERABILITY: There are a number of aspects of the development, deployment, and leadership of the SBCN that are transferable to other states and countries. Specifically, engaging local political leaders in program development, emphasizing breadth of operations when the goal is startups, partner with as many organizations as possible to create synergy rather than competition and duplication, use proven and effective tools to maximize efficiency and effectiveness, and focus on strategic jumps in organizational development rather than short term marginal improvements.

The creation of the SBCN was accomplished not by one or two powerful individuals or a centralized entity that desired to have a comprehensive small business technical assistance network. Instead it was developed by demand for services and programs at the local level. Local demand can be generated in any state or country if local leaders are aware of the opportunities and realize how the project will help them and their constituents.

Breadth of operations is critical when attempting to maximize the entrepreneurial goals of many. Transportation, economic, and cultural barriers often prohibit widespread creation of small businesses. However, the SBCN has proven that when assessable assistance is available locally widespread business startups will follow.

Partnering with organizations to the point of developing mutually beneficial strategic directions can greatly enhance the ability of an organization to operate in a synergistic fashion. In North Carolina, the

SBCN is seen as the key player in entrepreneurship. It is also seen as a partner that will provide referral clients to other organizations and enhance their ability to fulfill their goals.

The true effectiveness of the SBCN was unknown until it started using comprehensive tools to maximize results then track and report those results. The use of these tools can help most technical assistance providers achieve similar goals.

From inception until the mid 2000s the SBCN focused on marginal improvements and realized marginal gains. From the mid 2000s to the present time the emphasis has been how to get major shifts in organizational development. These major shifts have helped the SBCN become one of the economic development leaders within the state. Emphasizing strategic improvements is possible for any organization.

In parting, it is believed that organizations can achieve more if they follow a simple rule. That being: Results not activity.

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