

MINUTES OF THE SENATE COMMITTEE ON LABOR, INDUSTRY AND SMALL BUSINESS

The meeting was called to order by Senator Dan Thiessen at  
Chairperson

1:30 ~~am~~/p.m. on Tuesday, February 25, 1986 in room 527-S of the Capitol.

All members were present except:

Senator Eric Yost (excused)

Committee staff present:

Jerry Ann Donaldson, Research Department  
Gordon Self, Revisor  
Marion Anzek, Committee Secretary

Conferees appearing before the committee:

Susan Osborne-Howes, State Director-Kansas Small Business Development Centers  
Dr. Frank Sotrines, School of Business-Washburn University SBDC  
Dr. Bart Finney, Director-Emporia State University SBDC  
Dr. Terry Mendenhall, Director-Pittsburg State University SBDC

The Chairman called the meeting to order at 1:30 p.m..

Senator Werts moved to amend the minutes of February 18, 1986 by striking the word "text" and inserting the word "test" in paragraph 4, line 5 of the 1st page, seconded by Senator Feleciano. The motion carried as adopted.

Senator Feleciano moved to amend the minutes, by adding "or take their group from the provisions of SB586", to the testimony of Karen McClain on page 2, seconded by Senator Daniels. The motion carried as adopted.

The Chairman directed the committee members attention to SB617 a bill sponsore by Senator Vidricksen and Senator Daniels.

SB617:An Act concerning small business development centers; authorizing certain state financial assistance therefor; making appropriations for the fiscal year ending June 30, 1987.

Susan Osborne-Howes introduced 8 directors of the Small Business Development Centers, that were attending the meeting today, throughout the State of Kansas. (See Attachment A) These centers are located in our State Universities. She also distributed, a copy of her testimony, (Attachment B) and packets including a list of The Advisory Council, list of State SBDC'S currently receiving state funding, Fact Sheet-KSBDC accomplishments, maps and a list of the KSBDC network. (Attachment C)

Ms. Howes spoke in favor of the bill and explained the program of the SBDC'S. The Director, said small companies dominate the Kansas Business scene, but they still need all the support they can get, and numerous studies have shown that businesses are particularly vulnerable in the first 5 years, and failure comes most often from lack of capital, and an absence of sound management and planning practices. Mr. Chairman, in behalf of the Kansas SBDC'S, I am requesting \$300.000 for the next fiscal year to continue the work that the centers do to help keep small businesses in the State afloat.

Discussion followed by the committee as they were concerned with the cap amount, if Kansas farmers were included in referrals, and the expertise of those involved, in the program and if the Board of Regents was being by passed.

Ms. Howes stated they are currently receiving \$583.000 and the cap amount is \$630,000. The total amount of money we have, half is funded by the Universities, so the total is about \$1.2M. Farmers are secondary, we are involved with main street merchants, not farmers, but we help with cash flow.

Frank Sotrines stated we are currently working with computer soft ware for farmers, and they are very eager to get into this, primarily for the bookkeeping, and valuation of their crops, land and stock and we hope it works. We have so many, we just can't handle them all.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON LABOR, INDUSTRY AND SMALL BUSINESS,  
room 527-S, Statehouse, at 1:30 ~~xxx~~/p.m. on Tuesday, February 25, 1986

Bart Finney stated we don't propose to be agriculture experts, but in one case, there was a farm family that had a large home, and they lived in a rural area and they moved, into their home convalescents that were not able to return to their own homes from the hospital, and this was, one way to help that farm family. We work with farmers in similar situations.

Senator Norvell Mr. Chairman, I question whether or not SB614 should be referred to the Ways and Means Committee, as this bill is in appropriation of \$300,000.

Chairman Thiessen The appropriation should probably be in the Ways and Means Committee, but I think this hearing was proper, here in Small Business, and I think it was a good hearing, and we needed to find out these things.

Terry Mendenhall today while I am here in this committee meeting, I have a score representative talking with 4 people who called in for appointments, and I could not be there, so he fills in for me 1 day a week. This score individual does a one on one counseling every week, at Pittsburg State University.

All of the directors, that we have, have broad experience, but it is not just the Directors that do the counseling. It could be a staff member, it could be another faculty member, not mentioned in SBDC brochure, or it could be someone from the private sector, someone that has agreed to come in and help Small Businesses. We have a number of people from the private sector that not only consels, but also do training sessions.

Ms. Howes The way the bill is set up for the Board of Regents, it would be appropriated from them by the Wichita State University, because that is the program control center, but is is not Wichita State University's money.

Chairman Thiessen I appreciate having you appear before the committee today, and we will take this up for discussion some other time.

We will meet again next Monday, and we will possibly take action on bills previously hear.

The meeting adjourned at 2:30 p.m.

GUEST LIST

COMMITTEE: SENATE LABOR, INDUSTRY & SMALL BUSINESS

DATE: Tuesday 2-25-86

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Cynthia Friend	W.S.U. <sup>Wichita,</sup> <del>KS,</del>	KSBDC <sup>to</sup> <del>State Dir.</del>
DONNA WILLIAMS	W. S. U. <sup>WICHITA</sup> STATE UNIV	STATE KSBDC: SECRETARY
LAURIE LEONARD	KANSAS STATE UNIVERSITY	KSU SBDC
Terry Mendenhall	Pittsburg St Univ Pittsburg, KS	PSU/SBDC
Mark Comstock	"	"
Joyce Claterbos	SBDC, University of KS, Lawrence, KS	SBDC, KU
David Shulenburger	303 Summerfield Vof KS, Lawrence KS	School of Business, KU.
Victor Finkelstein	Lawrence, KS.	Legis. Intern for Sen. Daniels
Barry Swanson	Topeka	Federated Intern
Sally Gingrich	Topeka	Kansas State Univ.
Simon Jerome-Hoover	Wichita State Univ.	Kansas Small Bus. Dev. Center
Frank Sotrinis	Washburn Univ. <sup>Topeka</sup>	SBDC, W.U.
Shirley Byrnes	Washburn Univ <sup>Topeka</sup>	SBDC, W.U.
Robert C. Camp	Fort Hays State Univ	KS/SBDC
Bartlett Q. Finney	Emporia, KS.	KS/SBDC
Shirley Krueger	Washburn Univ.	KS/SBDC
Mary Jenkins	Wichita State Univ.	KS/SBDC
Judy Krueger	Topeka	DIA
Engene G. Keady	Wichita	SBA
David E. Smith	Johnson County, Comm. College	JCC/SBDC
GLENN DAVIS	KANSAS City, Mo.	SBA/KC District Office



# OUR BUSINESS IS SMALL BUSINESS

The Kansas Small Business Development Centers offer free Counseling and Information and low cost Training to small business owners or potential small business owners. For information or assistance, contact the SBDC nearest you.

- Kansas Small Business Development Center**.....316-689-3193  
 Susan Osborne-Howes, State Director  
 The Wichita State University  
 Campus Box 48  
 021 Clinton Hall  
 Wichita, KS 67208
- Emporia State University SBDC**..... 316-343-1200  
 Dr. Bart Finney, Director EX. 308  
 1200 Commercial, Box 46  
 Rm. 207, Cremer Hall  
 Emporia, Kansas 66801
- Fort Hays State University SBDC**.....913-628-5340  
 Dr. Robert Camp, Director  
 600 Park Street  
 McCartney Hall, Rm. 203  
 Hays, KS 67601
- Barton County Community College Subcenter Great Bend**.....316-792-2701 EX. 238  
**Colby Community College Subcenter**.....913-462-3984 EX. 239  
**Dodge City Community College Subcenter**.....316-225-1321 EX. 205  
**Garden City Greater Southwest Kansas**.....316-275-9176  
 Certified Development Company Subcenter  
**Seward County Community College—Liberal Subcenter**.....316-624-1951 EX. 204
- Johnson County Community College SBDC**.....913-469-8500  
 Dave Smith, Director EX. 3623  
 12345 Collete at Quivera  
 OCB 257  
 Overland Park, Kansas 66210
- Kansas State University SBDC**.....913-532-5827  
 Dr. James Townsend, Interim Director  
 Calvin Hall #114  
 Manhattan, Kansas 66506
- Pittsburg State University SBDC**..... 316-231-8267  
 Dr. Terry Mendenhall, Director  
 Kelce School of Business & Economics, Rm. 102  
 Pittsburg, Kansas 66762
- University of Kansas SBDC**..... 913-864-3536  
 Joyce Claterbos, Assistant Director  
 342 E. Summerfield Hall  
 University of Kansas  
 Lawrence, Kansas 66045
- Washburn University SBDC**.....316-295-6305  
 Dr. Frank Sotrines  
 School of Business  
 Henderson Learning Center, Rm. 110  
 Topeka, Kansas 66621
- The Wichita State University SBDC**.....316-689-3193  
 Mary Jenkins, Director  
 Campus Box 48  
 021 Clinton Hall  
 Wichita, KS 67208
- Hutchinson Community College Subcenter**.....316-665-3360

# KANSAS SMALL BUSINESS DEVELOPMENT CENTER

*Preview & Update*

January 24, 1986

## State Funding Survey

The Kansas SBDC conducted a national survey of the 43 state SBDC's. Results include:

- \* The majority (63%) receive state funding.
- \* 8 of the 16 State SBDC's without current state funding are now actively applying for it.
- \* Most SBDC's with state funding received it in their 2nd or 3rd year of operation.

The Kansas SBDC is investigating the possibility of state funding for its centers. Governor Carlin expressed support of the Kansas Economic Development Study which includes the recommendation that the state provide funding for the KSBDC network to expand technical assistance to small businesses.

## Intra-state Cooperation

KSBDC has been fortunate to work with other state agencies and organizations with a high degree of cooperation. KSBDC receives business counseling referrals from FACTS (Farmer's Assistance, Counseling and Training Service), the Cooperative Extension Services, local Chambers of Commerce, and Certified Development Companies.

Additionally, the F.H.S.U. SBDC has recently opened five subcenters and W.S.U. has opened one subcenter.

## Counseling Evaluation Survey

In Fall 1985, KSBDC surveyed clients who had received business counseling. KSBDC is very pleased with the responses, which include:

1. 84.4% rated the SBDC consulting services as Excellent, Very Good, or Good.
2. 88.3% would recommend the SBDC to other small business owners.

## Advisory Council Update

Dan Bearth, Kansas Business Review Editor: New Member  
Norma Daniels, Kansas State Senator: New Member  
James Crawford, District SCORE Representative: Chairman  
Ben Vidricksen, Kansas State Senator: Vice-Chairman  
Douglas Wright, Mayor, City of Topeka: Vice-Chairman

## Updates & Previews

- \* 1st Quarterly Newsletter will be available around February 10.
- \* Gene Keady is the new SBA/SBDC Project Officer for Kansas.
- \* Vic Gradert, SBA Project Officer and Dr. Joe Barton-Dobenin, K.S.U. SBDC Director retired in January.
- \* Dr. James Townsend is the new Interim Director at the K.S.U. SBDC.
- \* The Second Annual Report will be available by February 1.
- \* KSBDC will conduct a survey on the needs of small businesses in Kansas.

**WSU SMALL BUSINESS  
DEVELOPMENT CENTER  
BOX 48  
WICHITA STATE UNIVERSITY  
WICHITA, KS. 67208**

**STATE OF KANSAS  
OFFICIAL MAIL  
PENALTY FOR PRIVATE USE  
\$50 TO \$500**



2-25-86  
ATT B



**kansas  
small business  
development center**

Emporia State  
University  
Emporia, KS  
66801  
(316) 343-1700, Ext. 308  
Fort Hays State  
University  
Hays, KS  
67601  
(913) 628-5340  
Johnson County  
Community College  
Overland Park, KS  
66210-0900  
(913) 669-8500, Ext. 3623  
Kansas State  
University  
Manhattan, KS  
66506  
(913) 532-5827  
Pittsburg State  
University  
Pittsburg, KS  
66762  
(316) 231-7000, Ext. 1593  
University of  
Kansas  
Lawrence, KS  
66045  
(913) 861-3536  
Washburn University  
of Topeka  
Topeka, KS  
66621  
(316) 295-6305  
The Wichita State  
University  
Wichita, KS  
67208-1595  
(316) 689-3193

Statement of Testimony

SUSAN OSBORNE-HOWES

STATE DIRECTOR

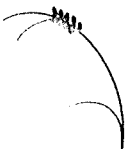
KANSAS SMALL BUSINESS DEVELOPMENT CENTER

Before

THE SENATE LABOR, INDUSTRY AND SMALL BUSINESS COMMITTEE OF KANSAS

February 1986

Topeka, Kansas



**KSBDC Statewide Administrative Office**  
021 Clinton Hall  
Campus Box 48  
The Wichita State University  
Wichita, Kansas 67208-1595  
(316) 689-3193

2-25-86 Attachment B  
Lbr. Ind. & Sm. Business

MR. CHAIRMAN, MY NAME IS SUSAN OSBORNE-HOWES. I AM THE DIRECTOR OF THE KANSAS SMALL BUSINESS DEVELOPMENT CENTER. MY OFFICE IS LOCATED IN THE COLLEGE OF BUSINESS ADMINISTRATION AT THE WICHITA STATE UNIVERSITY. I APPRECIATE THIS OPPORTUNITY TO TESTIFY BEFORE YOU ON THE SMALL BUSINESS DEVELOPMENT CENTER PROGRAM.

IN OCTOBER 1983, THE KANSAS SBDC'S WERE CREATED WITH THE FINANCIAL SUPPORT OF THE U.S. SMALL BUSINESS ADMINISTRATION. KANSAS WAS THE 27TH STATE TO ESTABLISH AN SBDC NETWORK--TODAY, 41 STATES HAVE SBDC'S IN OPERATION. THE SBDC CENTERS ARE SPONSORED BY EIGHT ACADEMIC INSTITUTIONS IN KANSAS, SIX OF WHICH ARE REGENTS' INSTITUTIONS. SCHOOLS SPONSORING SBDC'S INCLUDE EMPORIA STATE UNIVERSITY, FORT HAYS STATE UNIVERSITY, JOHNSON COUNTY COMMUNITY COLLEGE, KANSAS STATE UNIVERSITY, PITTSBURG STATE UNIVERSITY, THE UNIVERSITY OF KANSAS, WASHBURN UNIVERSITY AND THE WICHITA STATE UNIVERSITY--THE SITE OF THE STATE SBDC OFFICE.

THE CENTRAL PRIORITY OF THE KANSAS SMALL BUSINESS DEVELOPMENT CENTER (KSBDC) IS TO BE AN EFFICIENT AND EFFECTIVE PROVIDER OF MANAGEMENT, TECHNICAL AND BUSINESS ASSISTANCE TO NEW AND EXISTING KANSAS SMALL BUSINESSES. IN ORDER TO ACCOMPLISH THIS OBJECTIVE, PROFESSIONALS AT THE EIGHT CENTERS PROVIDE BOTH ONE-ON-ONE BUSINESS COUNSELING AND PRACTICAL TRAINING SEMINARS ON VARIOUS TOPICS. THE KANSAS SBDC IS UNIQUE IN THAT IT PROVIDES QUALITY, CONFIDENTIAL, COUNSELING FREE OF CHARGE TO THE CLIENT.

AS THE KSBDC STRIVES TO PROVIDE COUNSELING AND TRAINING SERVICES TO THE APPROXIMATELY 68,000 SMALL BUSINESSES IN ALL 105 COUNTIES, A FEW SUBCENTERS AND SATELLITE CENTERS HAVE BEEN ESTABLISHED. FORT HAYS STATE UNIVERSITY HAS ESTABLISHED SUBCENTERS IN COLBY, GREAT BEND, DODGE CITY, GARDEN CITY AND LIBERAL. THE WICHITA STATE UNIVERSITY HAS RECENTLY OPENED A NEW SUBCENTER IN HUTCHINSON.

THE KANSAS SBDC'S RECEIVE CONTINUAL ADVICE AND SUPPORT FROM AN ACTIVE STATE ADVISORY COUNCIL COMPOSED OF TWENTY-ONE COMMUNITY LEADERS AND SMALL BUSINESS OWNERS IN KANSAS.

#### NEED FOR KSBDC

THE NEED FOR SMALL BUSINESS DEVELOPMENT CENTERS IS EVIDENT WHEN CONFRONTED WITH THE FACT THAT IN 1985 KANSAS SET A NEW RECORD IN THE NUMBER OF BUSINESS BANKRUPTCIES. IN FACT, KANSAS HAD THE SECOND HIGHEST INCREASE IN BUSINESS FAILURE RATE IN THE NATION (+109%). THIS INCREASE WAS LARGELY DUE TO FAILURES OF SMALL BUSINESSES IN THE SMALLER AND RURAL COMMUNITIES AND TO SERVICE BUSINESSES THROUGHOUT THE STATE. [STATISTICS BASED ON DUN & BRADSTREET AND SBA OFFICE OF ADVOCACY REPORTS.]

NATIONALLY, SMALL BUSINESSES ACCOUNT FOR 95% OF ALL BUSINESSES AND 57% OF THE WORK FORCE, BUT IN KANSAS 99.8% OF ALL BUSINESSES ARE SMALL AND THESE BUSINESSES ACCOUNT FOR AT LEAST 75% OF THE WORK FORCE. [KANSAS DEPARTMENT OF HUMAN RESOURCES]

WHILE KANSAS IS A STATE DOMINATED BY SMALL BUSINESS, THE RATE OF BUSINESS FORMATION IN KANSAS IN RECENT YEARS HAS BEEN WELL BELOW THE U.S. RATES, SIGNIFICANTLY BELOW THE CONTIGUOUS STATES OF OKLAHOMA AND COLORADO AND ABOUT THE SAME AS MISSOURI AND NEBRASKA. [COUNTY BUSINESS PATTERNS] YET SMALL BUSINESSES PRODUCE A MORE-THAN-PROPORTIONATE SHARE OF NET NEW JOBS RELATIVE TO THE SMALL BUSINESS SHARE OF TOTAL EMPLOYMENT. IN FACT SMALL BUSINESS START UP AND GROWTH ACCOUNTED FOR ALMOST ALL OF THE NET NEW JOBS CREATED IN THE UNITED STATES FROM 1980 TO 1982. [THE "STATE OF SMALL BUSINESS: A REPORT FOR THE PRESIDENT" MARCH 1984 AND 1985]

NUMEROUS STUDIES HAVE SHOWN THAT SMALL BUSINESSES ARE PARTICULARLY VULNERABLE IN THE FIRST FIVE YEARS OF LIFE AND THAT FAILURE COMES MOST OFTEN FROM LACK OF CAPITAL AND AN ABSENCE OF SOUND MANAGEMENT AND PLANNING



PRACTICES. THE KANSAS SBDC PROGRAM PROVIDES FREE MANAGEMENT ASSISTANCE AND LOW COST PRACTICAL SEMINARS FOR THE SMALL BUSINESS OWNER IN AN EFFORT TO MITIGATE SOME OF THE CIRCUMSTANCES THAT THREATEN SMALL BUSINESS SURVIVAL.

#### ACCOMPLISHMENTS

IN IT'S FIRST TWO YEARS OF OPERATION THE KANSAS SMALL BUSINESS DEVELOPMENT CENTER HAS COMPLETED COUNSELING PROJECTS WITH OVER 2,000 BUSINESS OWNERS, GIVEN ADVICE TO AN ADDITIONAL 3,000 CLIENTS, AND PROVIDED OVER 300 TRAINING SEMINARS WITH OVER 8,000 ATTENDEES. THE SUCCESS OF THE SBDC IS BECOMING EVIDENT AS BUSINESSES IMPLEMENT THE ADVICE AND INFORMATION GAINED FROM THE COUNSELING AND TRAINING EXPERIENCE. IMPROVED BOTTOM LINE PROFITS, THE CREATION OF NEW JOBS AND HENCE INCREASED TAX REVENUE FOR THE STATE ARE THE DEMONSTRATABLE RESULTS. A NATIONAL IMPACT STUDY WAS COMPLETED ON NINE MATURE SBDC'S IN 1983; AND THE FINDINGS OF THIS RESEARCH WERE TRULY AMAZING! AFTER ONE YEAR OF COUNSELING, SBDC CLIENTS PERFORMED BETTER THAN THE GENERAL POPULATION IN TERMS OF SALES, PROFIT AND EMPLOYMENT. SALES INCREASED 25 PERCENT, PROFITS BY 83 PERCENT AND EMPLOYMENT BY 23 PERCENT ABOVE THE RATE OF ALL BUSINESSES IN THOSE STATES.

MOST IMPORTANTLY, THE STUDY FOUND THAT STATE AND FEDERAL DIRECT TAXES GENERATED BY THIS INCREASE IN PERFORMANCE FAR EXCEEDED THE INVESTMENT IN THE PROGRAM. FOR EVERY ONE DOLLAR IN FEDERAL FUNDS SPENT ON THE SBDC PROGRAM, \$9.40 WAS RETURNED IN NEW TAXES. FOR EVERY ONE DOLLAR IN STATE MONEY SUPPORTING THE SBDC PROGRAM, \$10.90 WAS RETURNED TO THE STATE IN NEW STATE TAXES.

INITIAL STUDIES CONDUCTED BY THE KANSAS SBDC OFFICE INDICATES THAT OVER ONE THIRD OF OUR SURVEY RESPONDENTS HAVE ALREADY INCREASED THEIR SALES SINCE RECEIVING SBDC COUNSELING AND AT LEAST TWENTY PERCENT HAVE HIRED ADDITIONAL EMPLOYEES.

THE KANSAS SBDC HAS ALSO BEEN SUCCESSFUL IN INTERFACING WITH THE CIVIC

AND STATE ORGANIZATIONS TO ESTABLISH A NETWORK OF CONTACTS AND REFERRALS IN EACH OF THE 105 COUNTIES. SEVERAL ORGANIZATIONS, SUCH AS FACTS (FARMERS' ASSISTANCE COUNSELING AND TRAINING SERVICE), CERTIFIED DEVELOPMENT COMPANIES, CHAMBERS OF COMMERCE, THE KANSAS DEPARTMENT OF ECONOMIC DEVELOPMENT, AND THE KSU COOPERATIVE EXTENSION SERVICE ARE REFERRING APPROPRIATE CLIENTS TO THEIR NEAREST SBDC ON A REGULAR BASIS. THE SBDC'S ALSO COORDINATE CLOSELY WITH THE SBA AND ITS SCORE/ACE PROGRAM.

A PERFORMANCE EVALUATION SURVEY CONDUCTED BY THE STATE CENTER INDICATED KANSAS SBDC CLIENTS ARE SATISFIED WITH THEIR SERVICE:

84.4% OF THE SBDC CLIENTS RATED THE CONSULTING THEY RECEIVED AS EXCELLENT, VERY GOOD, OR GOOD;

88.3% WOULD RECOMMEND THE SBDC TO OTHER SMALL BUSINESS PERSONS;

88.3% RECEIVED PROMPT ASSISTANCE.

SPECIFIC TYPES OF COUNSELING STORIES RANGE FROM THE NEW BUSINESS OWNER WHO HAS NO KNOWLEDGE OF SETTING UP BOOKS, TO THE POTENTIAL BUSINESS MAN WITH A NEW PRODUCT IDEA, TO THE SMALL KANSAS COMMUNITY WHO DESIRES A NEW BUSINESS TO LOCATE IN ITS DOWNTOWN, TO THE SMALL MANUFACTURER WHO HAS PRODUCED AGRICULTURE EQUIPMENT FOR THE FARMER AND HAS SEEN HIS MARKET DWINDLE, TO THE BUSINESS OWNER WITH NO EXPERIENCE IN SETTING UP AN ADVERTISING PLAN. THE KSBDC HAS HELPED BUSINESSES WITH A TREMENDOUS GROWTH POTENTIAL LIKE A FOOD DISTRIBUTOR WITH \$200,000 IN CURRENT SALES WHO HAS THE POTENTIAL OF GROWING TO \$6,000,000 IN SALES IF HE PLANS HIS BUSINESS DECISION ACCORDINGLY. . . .OR THE MANUFACTURER OF A NEW PLASTIC PRODUCT WHO HAD LOST ALL HIS DEVELOPMENT MONEY ON A BAD BUSINESS DECISION (THIS COMPANY NOW HAS 5 EMPLOYEES, IS IN OPERATION AND HAS VENTURE CAPITALISTS INTERESTED IN INVESTING IN THE COMPANY!) THE SBDC'S HAVE ALSO HELPED THE SMALLER BUSINESS TO EXPAND OR OPERATE MORE EFFICIENTLY---LIKE THE MANY BUSINESS OWNERS WHO ARE AFRAID TO EVEN EXPAND AND HIRE NEW EMPLOYEES BECAUSE THEY HAVE NO KNOWLEDGE OF THE PAPERWORK INVOLVED.

ALSO, THE SBDC'S HAVE COUNSELED POTENTIAL BUSINESS OWNERS NOT TO PROCEED WITH INVESTING THEIR LIFE SAVINGS IN AN IDEA THAT PROVES NOT TO BE FEASIBLE.

THE KANSAS SBDC'S HAVE BEEN SUCCESSFUL IN INVOLVING BUSINESS PROFESSIONALS AND COMMUNITY LEADERS IN THE CENTERS. SINCE THE CENTERS WORK ONLY WITH BUSINESSES WHO CANNOT AFFORD TO HIRE CONSULTING SERVICES, COMMUNITY PROFESSIONALS CONSULT WITH SBDC CLIENTS AND CONDUCT TRAINING PROGRAMS. BUSINESSES WHO CAN AFFORD TO HIRE CONSULTANTS ARE ROUTINELY REFERRED TO PROFESSIONALS IN THE COMMUNITY. ONLY THROUGH THE LEVERAGING OF RESOURCES PROVIDED BY THE SBDC'S CAN A PRIVATE CONSULTANT AFFORD TO WORK WITH SMALL BUSINESS CLIENTS IN THE SBDC MARKET SEGMENT--THESE BUSINESSES ARE SMALL WITH LIMITED RESOURCES. AS THEY GROW AND EXPAND THEIR FINANCIAL BASES, THESE COMPANIES WILL SEEK OUT FURTHER ASSISTANCE FROM PRIVATE SECTOR CONSULTANTS ON A FEE-FOR-SERVICE BASIS.

ADDITIONALLY, THE SBDC'S ARE ABLE TO USE THE EXPERTISE OF THE UNIVERISTY COMMUNITIES' UNIQUE AND VAST RESOURCES--BUSINESS AND ENGINEERING; LIBRARIES; ACCESS TO SOPHISTICATED COMPUTER SYSTEMS; SCHOOL OF LAW; AND, STATE OF THE ART RESEARCH CAPABILITIES. OUR KANSAS CENTERS CAN PROVIDE HIGH TECHNOLOGY ASSISTANCE THROUGH FOUR ENGINEERING SCHOOLS AND CENTERS OF EXCELLENCE, LOCATED AT KANSAS STATE UNIVERSITY, PITTSBURG STATE UNIVERSITY, THE UNIVERSITY OF KANSAS, AND THE WICHITA STATE UNIVERSITY.

THE EIGHT KANSAS SBDC CENTERS HAVE CONTINUED TO WORK CLOSELY TOGETHER--MUTUALLY SUPPORTING THE CENTERS AND SHARING INFORMATION, ADVICE, ETC. IN FACT, THE KANSAS SBDC HAS BEEN RECOGNIZED BY THE SBA FOR ITS REPUTATION OF COOPERATION RATHER THAN COMPETITION (BETWEEN THE UNIVERSITIES AND STATE AND LOCAL AGENCIES).

FUTURE DEVELOPMENT OF KSBDC

IN ORDER TO EFFECTIVELY PROVIDE COUNSELING AND TRAINING TO ALL COMMUNITIES IN KANSAS, THE SBDC'S ARE PLANNING TO DEVELOP PLANNED OUTREACH PROGRAMS, TRAVELING CONSULTANTS, AND INCREASED NUMBER OF SUBCENTERS THROUGHOUT THE STATE. IMMEDIATE TARGETS FOR NEW SUBCENTERS ARE SALINA, (AT THE KANSAS TECHNICAL INSTITUTE) PRATT AND ATCHISON. HOWEVER, CURRENT FUNDING SOURCES ARE LIMITED--THE FEDERAL SOURCE THROUGH SBA IS ALREADY APPROACHING THE CAP AMOUNT POSSIBLE; AND KANSAS SPONSORING INSTITUTIONS CANNOT AND SHOULD NOT BEAR THE INCREASED FINANCIAL COMMITMENT.

IN A RECENT SURVEY CONDUCTED BY THE KANSAS SBDC CENTER, RESULTS INDICATE THAT TWENTY-SEVEN (67%) OF THE 41 STATE SBDC'S CURRENTLY RECEIVE STATE FUNDING; AND TWENTY (74%) RECEIVED THEIR FUNDING WITHIN THEIR FIRST THREE YEARS OF OPERATION. BOTH IOWA AND NEBRASKA, THE STATES WITH THE FIRST AND THIRD HIGHEST INCREASE IN 1985 BUSINESS FAILURE RATES, RECEIVE DIRECT STATE FUNDING.

THE KANSAS SMALL BUSINESS DEVELOPMENT CENTER SUPPORTS SENATE BILL 617 WHICH APPROPRIATES STATE FUNDING TO THE CENTER IN THE AMOUNT OF THREE HUNDRED THOUSAND DOLLARS. THIS FUNDING WILL INSURE CONTINUED COMMITMENT TO EXPANSION, OUTREACH AND INDEPTH COUNSELING. IT IS ASSUMED THAT THE KANSAS SBDC WILL CONTINUE TO FUNCTION UNDER THE CURRENT ORGANIZATIONAL STRUCTURE WITH COOPERATION FROM ALL INSTITUTIONS INVOLVED.

THE KANSAS SMALL BUSINESS DEVELOPMENT CENTER RECOGNIZES THE EMPHASIS PLACED ON ECONOMIC DEVELOPMENT FOR KANSAS AND APPRECIATES THE IMPORTANT PART IT PLAYS IN THAT EFFORT.

I WOULD NOW LIKE TO INTRODUCE THE DIRECTORS OF OUR SBDC'S WHO ARE HERE WITH ME TODAY AND I WOULD THEN BE HAPPY TO ANSWER ANY QUESTIONS. THANK YOU.

2-25-86  
ATT C

TABLE OF CONTENTS

- 1) Testimony
- 2) List of States SBDC's Receiving State Funding
- 3) Fact Sheet. . .KSBDC Accomplishments
- 4) KSBDC Advisory Council
- 5) Map of 8 SBDC Centers and Subcenters
- 6) Map of 8 SBDC Centers, Subcenters, and Proposed Subcenters
- 7) Map of Towns and Cities served by KSBDC
- 8) List of Directors
- 9) 1985 Annual Report
- 10) KSBDC Brochure
- 11) Brochures for 8 SBDC Centers

1986 KSBDC ADVISORY COUNCIL

JAMES D. MYERS  
PRESIDENT, ADMIRE BANK & TRUST OF EMPORIA  
1104 E. 12  
EMPORIA, KS 66801  
316-343-1940  
3 YEARS

LOIS LOUCKS  
THE GARDEN SHOP  
RT 2, BOX 5  
PITTSBURG, KS 66762  
316-231-6440  
2 YEARS

MACK COLT  
PRESIDENT, COLT INVESTMENTS  
SUITE 210  
4500 COLLEGE BLVD  
LEAWOOD, KS 66211  
913-381-6595 (HOME)  
913-491-5010 (WORK)  
1 YEAR

STAN THIBAUT  
PRESIDENT AND GENERAL MANAGER  
OSBORNE INDUSTRIES  
BOX 388  
OSBORNE, KS 67473  
913-346-2192  
2 YEARS

GARY PADGETT  
PRESIDENT, CITIZEN'S NATIONAL BANK  
417 COMMERCIAL, BOX 309  
GREENLEAF, KS 66943  
913-747-2261  
2 YEARS

DOUGLAS WRIGHT  
MAYOR, CITY OF TOPEKA  
215 SE 7TH  
TOPEKA, KS 66603  
913-295-3895  
2 YEARS

DERYL K. SCHUSTER  
PRESIDENT AND CEO  
FIRST NATIONAL BANK OF LIBERAL  
324 N. KANSAS  
LIBERAL, KS 679901  
316-624-1971  
3 YEARS

OTHAL D. VRANA  
PRESIDENT, GENERAL COMMUNICATIONS  
1020 E ENGLISH ST  
WICHITA, KS 67211  
316-262-2645  
1 YEAR

BEN VIDRIKSEN  
STATE SENATOR  
ROOM 143N  
STATE CAPITOL  
TOPEKA, KS 66612  
913-296-7390

OR  
VIDRIKSEN'S FOOD & SERVICE  
1314 SUNRISE DRIVE  
SALINA, KS 67401  
OR  
713 N. 11TH  
SALINA, KS 67401  
913-827-5964  
2 YEARS

DON COLLINS, SR.  
PRESIDENT, COLLINS INDUSTRIES  
BOX 58  
HUTCHINSON, KS 67504-0058  
316-663-4441  
1 YEAR

RON BERGAMO  
GENERAL MANAGER, KWCH-TV  
2815 E 37 NORTH  
WICHITA, KS 67219  
316-838-1212  
2 YEARS

JOHN WATSON  
DIRECTOR OF INTERNATIONAL DEVELOPMENT  
KANSAS DEPARTMENT OF ECONOMIC DEVELOPMENT  
503 KANSAS  
TOPEKA, KS 66603  
913-296-3483  
3 YEARS

JAMES S. CRAWFORD  
DISTRICT SCORE REPRESENTATIVE  
208 N. DELLROSE  
WICHITA, KS 67208  
316-683-1236  
2 YEARS

THOMAS GORDON  
THOMAS GORDON INVESTMENTS  
PO BOX 397  
2111 WASHINGTON ST  
GREAT BEND, KS 67530  
316-792-2401  
316-792-6254 (CHAMBER)  
1 YEAR

JAMES BOLDEN  
PRESIDENT, MID-AMERICAN AVIATION  
HANGAR 601  
FORBES FIELD  
TOPEKA, KS 66619  
913-862-2790  
913-235-6436  
3 YEAR

REX WIGGINS  
REX WIGGINS & CO  
35 CORPORATE WOODS  
9101 W. 110TH ST  
OVERLAND PARK, KS 66210  
913-451-8482  
1 YEAR

PAT KNOCH  
INDUSTRIAL DEVELOPMENT DIRECTOR  
EXECUTIVE VICE PRESIDENT, CHAMBER OF COMMERCE  
CITY OF ATCHISON  
104 N. 6TH - BOX 126  
ATCHISON, KS 66002  
913-367-2428

RON NICHOLAS  
NINE COUNTY DEVELOPMENT, INC.  
PRESIDENT, KANSAS CERTIFIED DEVELOPMENT COMPANIES  
PO BOX 8776  
PRATT, KS 67124

JIM SCHWARZENBERGER  
STAFF COORDINATOR  
WICHITA AREA CHAMBER OF COMMERCE  
SMALL BUSINESS COUNCIL  
350 WEST DOUGLAS  
WICHITA, KS 67202-2970



STATE SBDC'S CURRENTLY RECEIVING STATE FUNDING

67% OF the 41 STATE SBDC'S HAVE MONIES PROVIDED DIRECTLY FROM THEIR STATE . THIS IS ABOVE AND BEYOND UNIVERSITY MATCHED FUNDS. THEY ARE:

ALABAMA  
CALIFORNIA  
CONNECTICUT  
DELAWARE  
FLORIDA  
GEORGIA  
ILLINOIS  
IOWA  
KENTUCKY  
LOUISIANA  
MAINE  
MASSACHUSETTS  
MICHIGAN  
MISSISSIPPI  
NEBRASKA  
NEW HAMPSHIRE  
NEW JERSEY  
OKLAHOMA  
OREGON  
PENNSYLVANIA  
RHODE ISLAND  
SOUTH CAROLINA  
SOUTH DAKOTA  
TENNESSEE  
TEXAS  
VERMONT  
WASHINGTON

## FACT SHEET--KSBDC ACCOMPLISHMENTS

In it's first two years of operation the Kansas Small Business Development Center has:

- Completed over 2,000 counseling cases with current or potential small businesses,
- provided practical-oriented training sessions to over 8,000 businesses,
- supported small business fairs and workshops throughout the state including--The Wichita Women's Fair-August 1985, Annual Small Business Fairs throughout the state, The Kansas Minority Exposition November 1985, and Entrepreneurs Week in Lawrence-September 1985.
- employed over 80 professional consultants from the private sector to work with SBDC clients,  
and
- developed a spirit of cooperation among agencies throughout the state that work with small businesses.  
. . including local Chambers of Commerce, SCORE, FACTS, KDED, CDCs, and Community Colleges throughout the state.

Overall Kansans are pleased with the services provided by the KSBDC. A survey done by the KSBDC in November 1985 revealed that:

- 84.4% of our clients rated our services as Good, Very Good or Excellent,
- 88.3% would recommend other business persons contact the SBDC for assistance,
- 70.4% would have been unable to afford and thus not receive the consultation received by the KSBDC,  
and
- 34.1% had an increase in sales after working with the KSBDC.

In 1986 the KSBDC will continue to provide free one-on-one business counseling and low cost training seminars throughout the state. We will continue to focus on areas of assistance most frequently requested in our last two years of operation. This includes Market Analysis, Business Feasibility, Accounting/bookkeeping, Business Plan Preparation, Financial and Technical Assistance and Management Structure.

As of February 15, 1986 the KSBDC has:

- Completed 110 counseling cases,
- Provided training sessions to 727 Kansas Businesses.

and has:

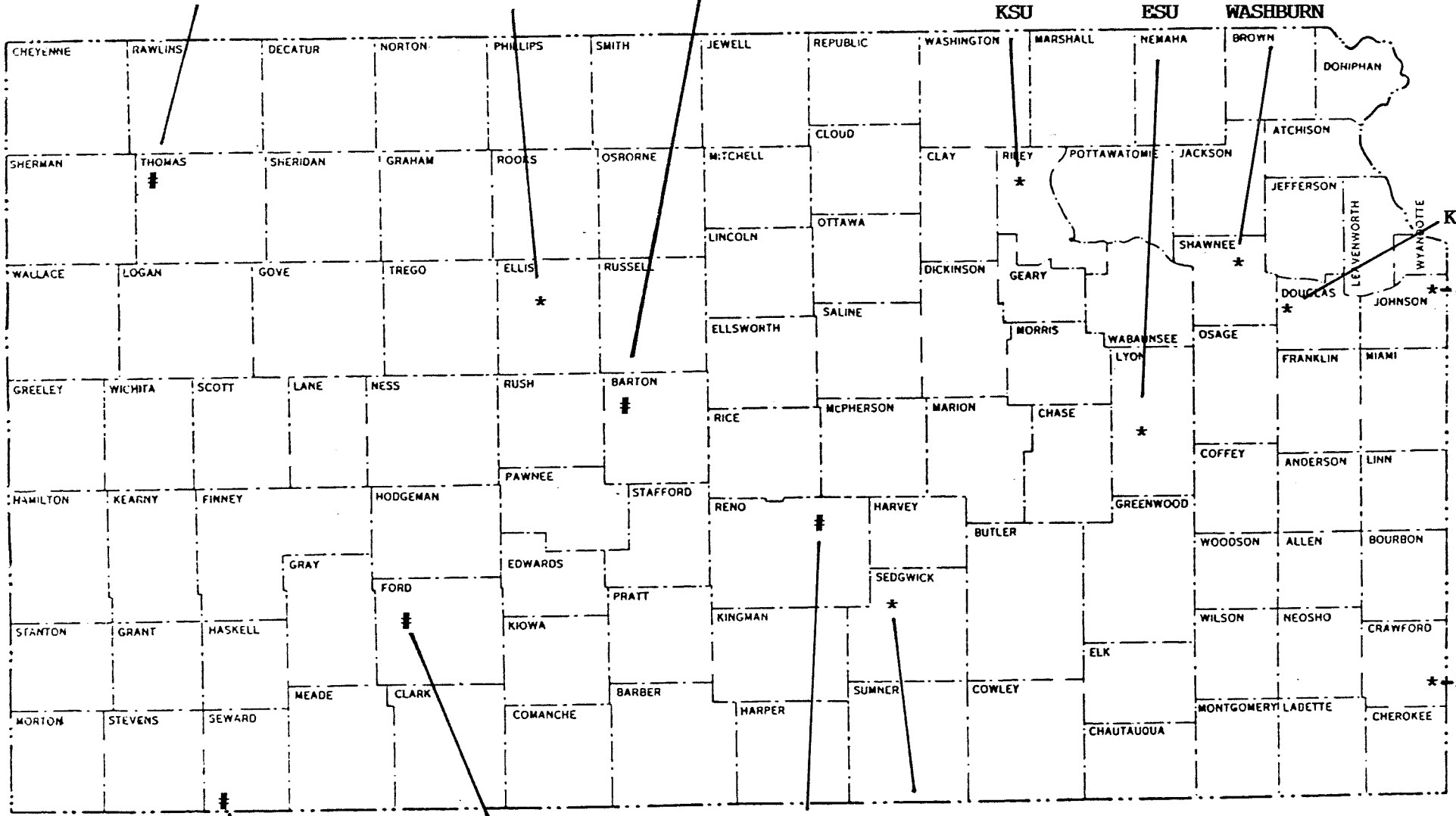
- Approximately 250 consulting cases open,
- 70 training seminars planned for March and April 1986.

In addition several of the KSBDC centers are expanding by proposing to open satellite centers in 1986 to handle the constantly increasing demands for SBDC services.

COLBY COMMUNITY COLLEGE (FHSU SUBCENTER)

BARTON COUNTY COMMUNITY COLLEGE (FHSU SUBCENTER)

‡ SUBCENTER  
\* SBDC CENTER



SEWARD COMMUNITY COLLEGE (FHSU SUBCENTER)

DODGE CITY COMMUNITY COLLEGE (FHSU SUBCENTER)

HUTCHINSON WSU COMMUNITY COLLEGE (WSU SUBCENTER)

KSU

ESU

WASHBURN

KU

JCCC

PSU

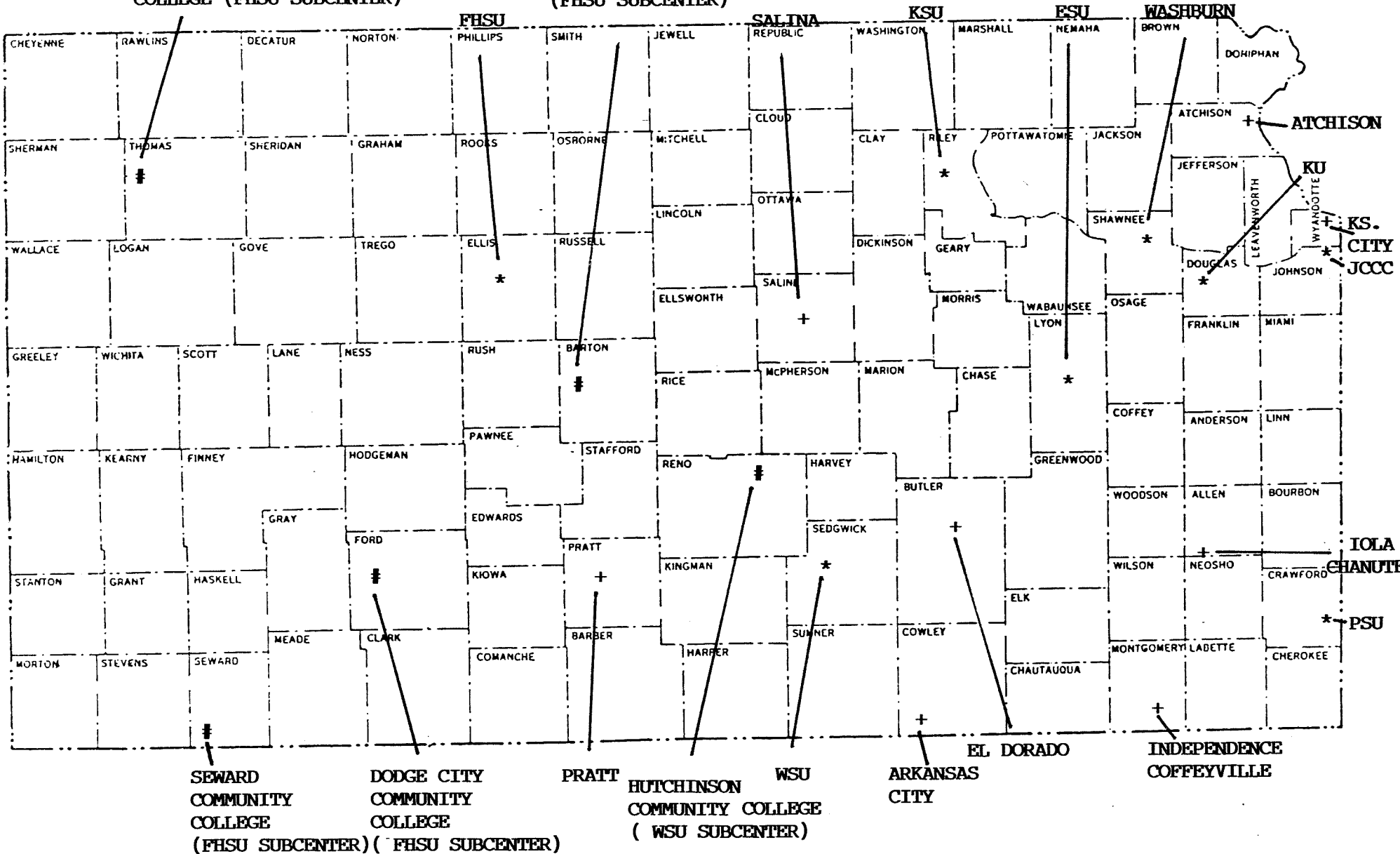
+ PROPOSED SITE FOR SUBCENTER

# SUBCENTER

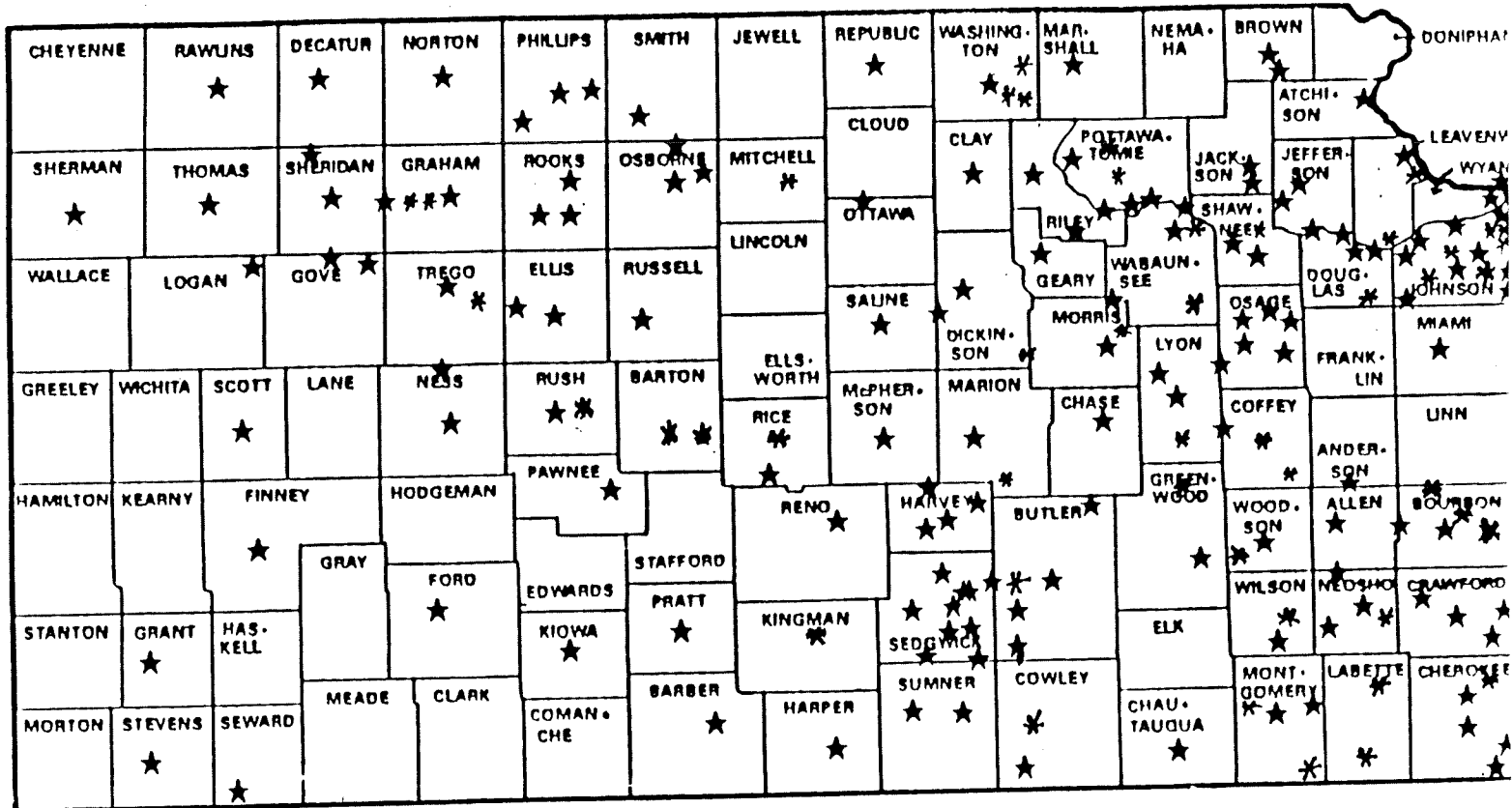
\* SBDC CENTER

COLBY COMMUNITY COLLEGE (FHSU SUBCENTER)

BARTON COUNTY COMMUNITY COLLEGE (FHSU SUBCENTER)



\* TOWNS WHICH HAVE BEEN SERVED BY KSBDC



THE KSBDC NETWORK

Susan-Osborne-Howes, Director  
Kansas Small Business Development Center . . . . . 316-689-3193  
The Wichita State University  
Campus Box 48  
021 Clinton Hall  
Wichita, Kansas 67208

Dr. Bart Finney, Director  
Emporia State University SBDC. . . . . 316-343-1200  
1200 Commercial, Box 46  
Rm. 207, Cremer Hall  
Emporia, Kansas 66801

Dr. Robert C. Camp, Director  
Fort Hays State University SBDC. . . . . 913-628-5340  
600 Park Street  
McCartney Hall, Rm. 203  
Hays, Kansas 67601

Barton County Community College Subcenter-- . . 316-792-2701  
Great Bend EX. 238

Colby Community College Subcenter. . . . . 913-462-3984  
EX. 239

Dodge City Community College Subcenter. . . . . 316-225-1321  
EX. 205

Garden City Greater Southwest Kansas  
Certified Development Company Subcenter. . . . . 316-275-9176

Seward County Community College--Liberal . . . . 316-624-1951  
Subcenter EX. 204

Dave Smith, Director  
Johnson County Community College SBDC. . . . . 913-469-8500  
12345 Collete at Quivera  
OCB 257  
Overland Park, Kansas 66210

James Townsend, Interim Director  
Kansas State University SBDC . . . . . 913-532-5827  
Calvin Hall #114  
Manhattan, Kansas 66506

Dr. Terry Mendenhall, Director  
Pittsburg State University SBDC. . . . . 316-231-8267  
Kelce School of Business & Economics Rm. 102  
Pittsburg, Kansas 66762

David Sculenberger, Interim Director  
University of Kansas SBDC . . . . . 913-864-3536  
342 E. Summerfield Hall  
University of Kansas  
Lawrence, Kansas 66045

Dr. Frank Sotrines, Director  
Washburn University SBDC . . . . . 316-295-6305  
School of Business  
Henderson Learning Center, Rm. 110  
Topeka, Kansas 66621

Mary Jenkins, Director  
The Wichita State University SBDC . . . . . 316-689-3193  
Campus Box 48  
021 Clinton Hall  
Wichita, Kansas 67208

Hutchinson Community College Subcenter . . . . . 316-665-3360