



U.S. Small Business
Administration

SBA's Emerging Leaders Program



emerging
leaders

USA

U.S. Small Business Administration

Emerging Leaders-StreetWise MBA

What is it?

An intensive training course for up-to 20 executives of established businesses that want to scale their venture.

Each executive creates a growth plan for their business during the annual program.

The business owner/C-exec will essentially use their company as an applied case study to:

- Evaluate the business
- Set realistic growth goals to achieve in 3-5 years, and
- Develop a plan to achieve the goals using milestones to measure the company's progress

Emerging Leaders' Curriculum

Based on research by Boston University

Enables participating businesses to:

- Engage in focused development
- Identify 'profit centers' via financial analysis
- Expansion strategies (new markets)
- Options for accessing new capital
- Securing government contracts.

Eligibility and Requirements

It's for **Existing businesses**, not for start-ups

Limited to **20** small business owners or chief executives that:

- Have **annual revenues** of \$250k to \$10M
- Have been in business for **at least 3 years**
- Have at least **a few employees**
- **Committed** to building growth plan

Cost of Emerging Leaders?

- Only 'cost' is your **time** and **commitment** to complete the curriculum and develop a strategic growth plan for the business.
- All financial costs are covered by **SBA** and our **local partners**
- Commitment to respond to annual survey on the status of your business

Local Donor Organizations



U.S. Small Business Administration

Contact:

Michael Aumack
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How are we doing?

Please take a minute to let us know

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We Live in a Trade Driven Economy

- **57.8% of the World's \$80 Trillion Economy is Trade Related**

Small Business Exporters are an Untapped Market Opportunity for SBA Lenders



Who are these Small Businesses?

- **Manufacturers**
- **Wholesalers**
- **Retailers**
- **Family Farms**

STEP Grant

- Trade Missions
- Marketing
- Gold Key Services
- Website Fees
- Trade Shows
- Training
- Reverse Trade Missions
- Consultant Services
- **NEW** this year – pay EXIM fees



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Trade Finance

- **Export Express for Export Development**
- **Export Working Capital to Fulfill Export Orders**
- **International Trade Loan for Expanding Exporter Capacity**

SBA Lenders can Serve this Growing Market with SBA's Export Loan Programs

Guarantee of up to 90%, with limits up to \$5 million

Working Capital for Export Development:

- Secure CE mark, international patent, or trademark
- Vet potential buyers, agents or distributors, and purchase foreign credit reports
- Legal fees
- In-country promotions

Working Capital to Finance Export Orders:

- Inventory, materials, labor, other production costs
- Insurance and freight costs
- Bank fees related to the transactions
- Standby letters-of-credit for bid, performance, or advance payment bonds or guarantees

Loans to Finance Expanding Production to Meet Foreign Demand:

- Purchase machinery or equipment
- Retooling expenses
- Permanent working capital
- Real estate needed as a result of expanding export sales

Solution: Export Express

Company:

- Food manufacturer with \$500,000 in annual sales

Order:

- Various retail web sales to Australia and European Union

Transaction:

- \$225,000 line of credit with a 60-month term with 90% SBA Guaranty; Max eligible \$500,000, 90%= \$0-\$350,000; 75% =\$350,000-\$500,000
- 60-month term (Working Capital: 7 years; Equipment: 10 years; Real Estate: 25 years)
- Collateral: 1st UCC on all business assets and first lien on all A/R, inventory, and WIP

Use of Proceeds:

- \$200,000 to finance foreign accounts receivable and inventory purchases
- \$25,000 various working capital to revamp company website, increase marketing to support international sales, and attend food trade show with support through

Solution: International Trade Loan

Company:

- Machine shop with \$2.1 million in annual sales

Order:

- Contracted work to provide seat brackets and other assembly to Boeing and Cessna. Company has been a provider to these corporation for 8 plus years (indirect exporter). Expansion was required to fulfill addition of Boeing 737 work.

Transaction:

- \$750,000 term note to expand facility and purchase new equipment with a 90% SBA guaranty; \$5 million max, term note financing only (no lines of credit)
- 10-year term, no balloon or prepayment penalty. (Working capital and Equipment: 10 years; Real Estate: 25 years)
- Collateral: 2nd UCC on all business assets, 2nd deed of trust on commercial property, and 1st UCC lien on all new business equipment purchased with loan proceeds

Use of Proceeds:

- \$200,000 to add additional warehouse space to existing facility
- \$550,000 to purchase new manufacturing equipment

Export Working Capital: Asset-Based Line of Credit

Company:

- Grocery products wholesaler with \$5 million in annual sales

Order:

- Sales to distributors in China and Taiwan totaling roughly \$3.5 million annually

Transaction (ABL Borrowing Base Monitored Line of Credit):

- Seller provides: 60-day terms to distributors

Working Capital Need:

- Loan Amount: \$500,000; \$5 million maximum (SBA Fee: \$1,125)
- Use of Proceeds: asset-based line of credit, 90% SBA guaranty
- Term: 12 months, renewed annually
- Collateral: Foreign accounts receivable - 85% Advance Rate, Export Inventory - 65% Advance Rate (90% max-75% max)
- Working Capital Provided: \$500,000 revolving line used to finance open account terms on sales. SBA policy additionally allows for 75% WIP

U.S. Small Business Administration

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Kansas SBDC is hosting COVID-19 Assistance & Recovery Webinars
Please go to www.kansassbdc.net/covid19 to learn more.



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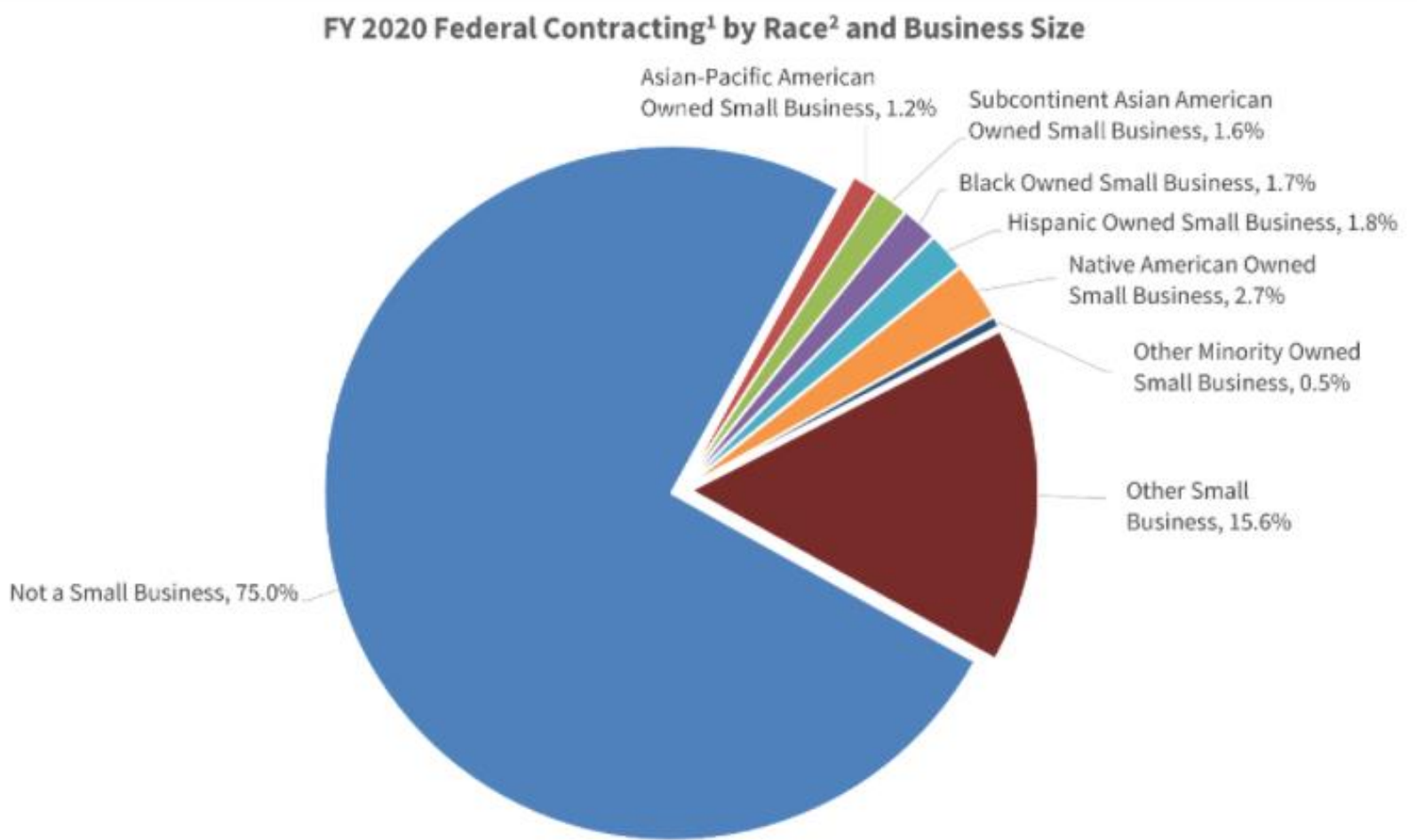




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SBA Releases FY 2020 Disaggregated Contracting Data

For the first time SBA is releasing disaggregated federal contracting data by race and ethnicity



* In FY2020, small-business-eligible dollars totaled \$559 billion. This includes all federal contracts except those excluded by SBA's Goaling Guidelines.

* Racial and ethnic categories are reflected here as they appear in the System for Award management when an entity registers to do business with the government. Classifications are self-reported.

Government-Wide Performance

FY2020 Small Business Procurement Scorecard

Prime Contracting Achievement			
	2019 Achievement	2020 Goal	2020 Achievement
Small Business	26.50%	23.00%	26.02% (\$145.7 Billion)
Women Owned Small Business	5.19%	5.00%	4.85% (\$27.1 Billion)
Small Disadvantaged Business	10.29%	5.00%	10.54% (\$59.0 Billion)
Service-Disabled Veteran Owned Small Business	4.39%	3.00%	4.28% (\$23.9 Billion)
HUBZone	2.28%	3.00%	2.44% (\$13.6 Billion)

Please read: [SBA Releases FY 2020 Disaggregated Contracting Data](#)
[Government-Wide Performance - FY2020 Small Business Procurement Scorecard](#)
[Office of Management and Budget: Advancing Equity in Federal Procurement](#)

Government-Wide Performance

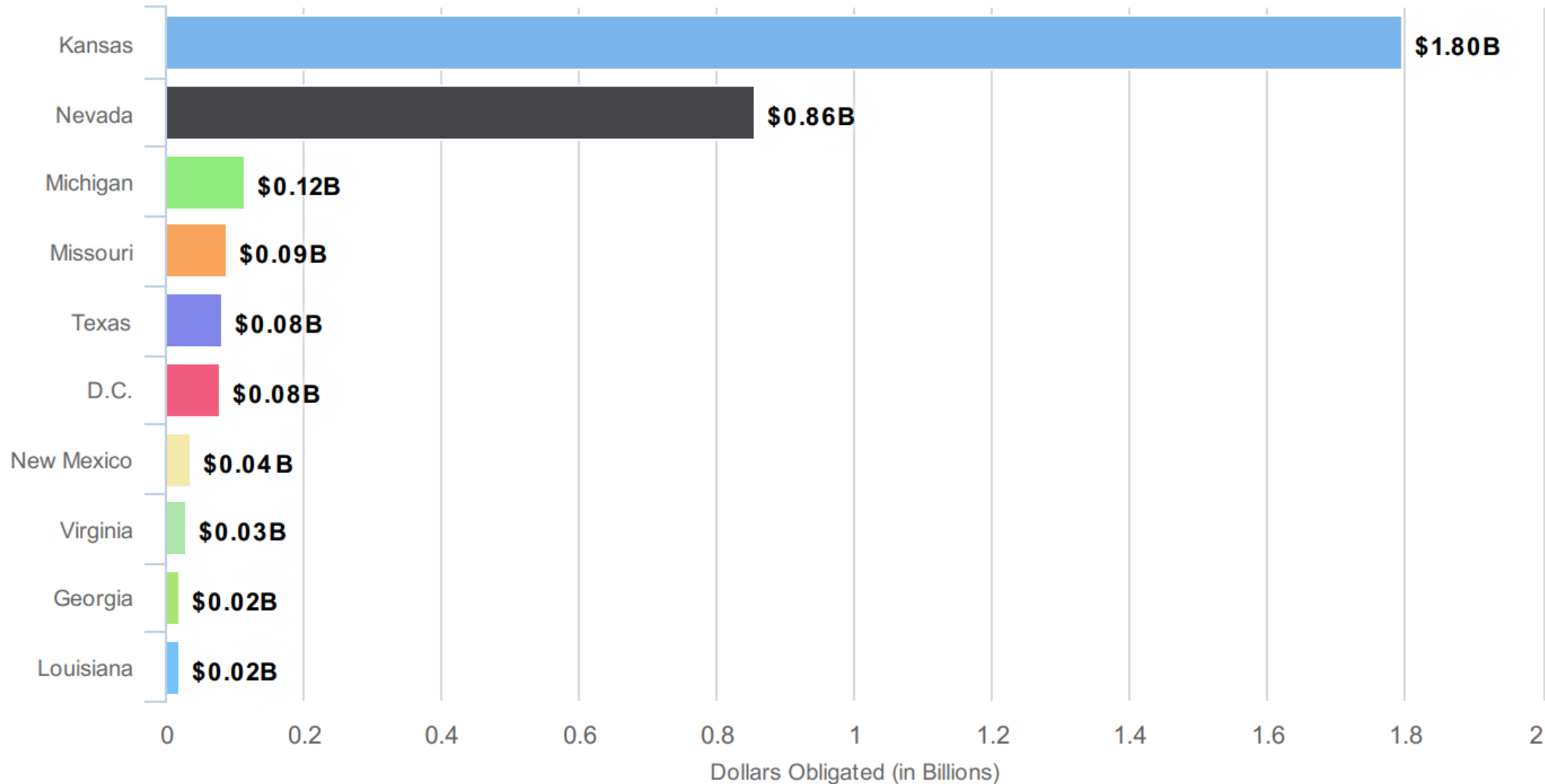
FY2020 Small Business Procurement Scorecard

Subcontracting Achievement			
	2019 Achievement	2020 Goal	2020 Achievement
Small Business	33.27%	29.43%	32.46%% (\$82.8 Billion)
Women Owned Small Business	5.25%	5.00%	5.62% (\$14.3 Billion)
Small Disadvantaged Business	4.17%%	5.00%	4.4% (\$11.2 Billion)
Service-Disabled Veteran Owned Small Business	1.95%%	3.00%	2.14% (\$5.5 Billion)
HUBZone	1.37%%	3.00%	1.65% (\$4.2 Billion)

Federal Contracting Dollars Obligated in FY 2021



Top 10 States (Place Of Performance)



Build Capacity as your Business Develops

GROW • EXPAND



Success Stories

Diggs Construction, LLC



Under the leadership of Dale Diggs, the business has grown to encompass five locations employing a core staff of 25 employees. The firm is a full-service construction company specializing in Program Management, Construction Management, Construction Administration and General Contracting Solutions. The company philosophy is “building together” and according to Dale “they will go wherever they are invited and stay if it makes sense.”

Dale’s resilience has overcome obstacles associated with doing business in a highly competitive environment with diminished leverage, credit, bonding and capital positions.



Beth Harshfield, Owner
Exhibit Arts, LLC
8(a) Business Development
Program Graduate

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Visit www.SBA.GOV



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Economic Injury Disaster Loans

Direct Loans from the Federal Government

EIDL

- **Available to ALL eligible Small Businesses operating prior to January 31, 2020**
- Application **deadline** is December 31, 2021
- 3.75% interest rate (2.75% for nonprofits)
- EIDL loan is not forgivable
- 30-year term, no pre-payment penalty, and the first payment deferred for 1 year after receiving funding

EIDL Targeted Advance

- Provides grant funds up-to \$10,000 for applicants in a low-income community, can demonstrate more than a 30% reduction in revenue during an 8-week period beginning 3/02/2020 or later, and have less than 300 employees.

EIDL Supplemental Targeted Advance

- Provides additional grant funding of \$5,000 for EIDL Advance recipients in a low-income community, can demonstrate more than a 50% reduction in revenue during an 8-week period beginning 3/02/2020 or later, and have less than 10 employees.

Deadline to Apply and Updates:

- **EIDL loan and Targeted Advance applications** will be accepted until December 31 and will continue to be processed after this date until funds are exhausted.
- **Supplemental Targeted Advance applications** will be accepted until December 31; however, the SBA may be unable to process some applications submitted near the December 31 deadline due to legal requirements. The SBA cannot continue to process Supplemental Targeted Advance applications after December 31 and strongly encourages eligible small businesses to **apply by December 10** to ensure adequate processing time.

Apply online: <https://covid19relief.sba.gov>

[Click here](#) for a link to the **FAQ for COVID-19 EIDL**

Deadline to Apply and Updates:

- **Borrowers can request increases up to their maximum eligible loan amount for up to two years after their loan origination date**, or until the funds are exhausted, whichever is soonest.
- **The SBA will accept and review reconsideration and appeal requests for COVID EIDL applications received on or before December 31** if the reconsideration/appeal is received within the timeframes in the regulation. This means six months from the date of decline for reconsiderations and 30 days from the date of reconsideration decline for appeals – unless funding is no longer available.

Increased EIDL Cap and Deferred Payment:

- **Increased COVID EIDL Cap.** The SBA lifted the COVID EIDL cap from \$500,000 to \$2 million. Loan funds can be used for any normal operating expenses and working capital, including payroll, purchasing equipment, and paying off debt.
- **Implementation of a Deferred Payment Period.** The SBA will ensure small business owners will not have to begin COVID EIDL repayment until two years after loan origination so that they can get through the pandemic without having to worry about making ends meet.
- **Establishment of a 30-Day Exclusivity Window.** To ensure Main Street businesses have additional time to access these funds, the SBA implemented a 30-day exclusivity window of approving and disbursing funds for loans of \$500,000 or less. Approval and disbursement of loans over \$500,000 began after the 30-day period ended.

Use of EIDL Funds and Affiliation Requirements:

- **Expansion of Eligible Use of Funds.** COVID EIDL funds are now eligible to prepay commercial debt and make payments on federal business debt.
- **Simplification of affiliation requirements.** To ease the COVID EIDL application process for small businesses, the SBA established simplified affiliation requirements to model those of the Restaurant Revitalization Fund.
- For more information, please read SBA press release: [SBA Announces Updated Guidance Regarding Applicant Deadlines for COVID Economic Injury Disaster Loan Program](#)

How to Report SBA Disaster Loan Fraud

If you suspect attempted fraud related to SBA's Disaster Loan Programs (EIDL or PPP), please contact the **National Center for Disaster Fraud Hotline** at **1-866-720-5721** or fill out the Web Complaint Form on this webpage:

<https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>

Lenders may also report fraud, waste, abuse, or mismanagement of federal funds involving SBA programs, operations, or personnel to the **SBA OIG Hotline** at **(800) 767-0385**. You can also submit a complaint form on this webpage:

<https://www.sba.gov/about-sba/oversight-advocacy/office-inspector-general/office-inspector-general-hotline#section-header-0>

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