

SERVICES and CORE COMPETENCIES

for the

ILLINOIS SMALL BUSINESS DEVELOPMENT CENTER NETWORK



**ILLINOIS DEPARTMENT OF COMMERCE AND
ECONOMIC OPPORTUNITY**

Illinois Small Business Development Center Network

Illinois Small Business Development Center Services/Core Competencies

The Business Advisor/Consultant provides the following services and delivers the core competencies identified below:

- 1. Business Planning, including Strategic Planning and Business Plan Development**
 - a. Identify and assess the critical business issues facing the existing business client based on inputs such as client interviews, financial statements, operating information and external customer/market data.
 - b. Assess the start-up client's readiness and needs
 - c. Identify and convey to the client the basic steps and considerations for starting or buying a business or franchise and selling, transferring or liquidating a business or franchise.
 - d. Identify available resources and tools including government regulations and services available via multiple sources.
 - e. Assist in developing a strategic plan using tools such as a SWOT analysis, Porter's 5-Forces or other strategic tools.
 - f. Identify different types of business plans and the purpose and use of each
 - g. Understand the components of a business plan and be able to explain/demonstrate them to a client
 - h. Effectively assist clients to develop a business plan
 - i. Effectively assist clients in implementing their business plan
 - j. Develop an action plan with activities and next steps with the client

- 2. Financial Analysis**
 - a. Identify businesses costs.
 - b. Determine what the gross profit margin is and relate to the client why it is important.
 - c. Determine what sales volume is needed to break even.
 - d. Track and forecast cash flow.
 - e. Know the effect of delayed collections on cash flow.
 - f. Know the difference between margin and markup.
 - g. Know how to monitor gross, operating, and net profit margins.
 - h. Know how to estimate minimum cash (working capital) reserves.
 - i. Know how to use business ratios and industry averages.
 - j. Effectively convey all of the above concepts to clients.
 - k. Understand and effectively convey to clients key financial management issues including costs, cash flow, break-even, gross profit margin, forecasting, business ratios and industry averages, and financial statements.

- 3. Accounting**
 - a. Reconcile a bank statement.
 - b. Be able to teach a client how to hire and pay an employee in the specific State/Region.
 - c. Be knowledgeable and have a basic understanding of electronic and paper recordkeeping systems.
 - d. Cash basis vs. Accrual basis of accounting

- e. Provide resources for setting up a company using electronic software such as Quick Books.
- f. Assign appropriate expense categories to expenses incurred within a checking register.
- g. Create financial statements.
- h. Account for A/P and A/R.
- i. Account for COGS (Beg. Inv + Purchases – End Inventory)
- j. Demonstrate knowledge of each part of the Accounting Equation
- k. Demonstrate knowledge of invoicing and collections.
- l. Demonstrate knowledge of internal controls necessary to minimize theft.
- m. General knowledge of federal, state and local taxes.

4. Marketing

- a. Identify and define four P's of marketing – product, price, place & promotion
- b. Identify and define the five segments of promotion – advertising, personal selling, public relations, sales promotion and direct marketing
- c. Direct clients to proper sources for market research (SBDC net services)
- d. Understand competitive strengths and how to perform a competitive analysis (SWOT)
- e. Assist clients in developing a “superior” value proposition
- f. Effectively assist clients to understand basic selling skills
- g. Effectively assist clients in developing a compelling, professional sales presentation
- h. Assist clients in developing a marketing plan consisting of a strategic plan and a tactical plan. Concise strategies will be developed for:
 - i. Products/services
 - ii. Targeting
 - iii. Positioning
 - iv. Pricing
 - v. Value proposition (Why should I choose you?)
 - vi. Distribution (Go to market strategy)
 - vii. Communication (the message and the media)
- i. Assist clients in developing and implementing an action plan
- j. Assist clients in how to do fundamental, cost effective:
 - 1. Market research
 - 2. Market analysis
 - 3. Customer research
 - 4. Competitive analysis
- k. Assist clients in developing strategies and tactics to:
 - 1. Find/acquire new customers
 - 2. Satisfy
 - 3. Grow
 - 4. Keep
- l. Internet marketing
- m. Research
- n. Newsletters
- o. Blogs and other emerging electronic and social networking tools that can be used by small business clients
- p. Relationship marketing

5. Assistance with Access to Capital

- a. Identify financing sources to include:

- i. State and local loan/economic development programs
 - ii. Federally sponsored programs
 - iii. Banks
 - iv. Internal methods of financing – bootstrapping
 - v. Initial public offering, funding using an LLC
 - vi. Angel investing groups
 - vii. Venture capital
 - viii. Equity capital
- b. Identify and define financing strategies
- c. The factors considered for project/loan approval via each financing vehicle
- d. How to convert an unfundable project/proposal to one that is fundable
- e. Understanding how to effectively combine a myriad of financing programs – investors, banks and government loans when necessary to fund the project
- f. Understand and demonstrate a fundable loan proposal
- g. Assist in developing the loan proposal to include two year month to month financial projections
- h. Time value of money
- i. Capital budgeting
 - i. Payback period
 - ii. NPV and IRR
- j. Amortization schedules
- k. Leases
- l. General knowledge of credit reports and credit scoring

FOUNDATIONAL SKILLS

6. Communication skills

- a. Active listening
- b. Effective client interviewing using open ended questions
- c. Creative problem solving
- d. The ability to handle difficult people

7. Consulting/Counseling Techniques

- a. Display knowledge and use of effective consulting/counseling and coaching techniques
- b. Assist client to set goals within an action plan
- c. Understand how to develop a standard consulting/counseling session outline that serves as a diagnostic tool for effectively assessing the client
- d. Identify consulting/counseling tools/resources and how they would be used
- e. Understand and demonstrate when team based consulting/counseling would be used
- f. Understand how to use SBDCNet, any web-based client database, such as WebCATS, Center IC, EDMIS, etc. and consulting/counseling resources and how to develop effective documentation
- g. Demonstrate understanding of identifying high growth/high opportunity clients and how to engage the state/region-wide services available
- h. Demonstrate an understanding and awareness of Cultural diversity
- i. Understand and comply with the State/Region Code of Professional Conduct:
 - i. Conflict of interest policies

- ii. Client confidentiality requirements
- iii. Ethics
- iv. Educational or host organization policies (*to be covered by College or host organization*)
- v. Introduction to core competencies

**Illinois Small Business Development Center
International Trade Center
Services/Core Competencies**

The Business Advisor/Consultant provides the following services and delivers the core competencies identified below:

Certified Global Business Professional (CGBP) credential

The Certified Global Business Professional credential demonstrates knowledge of four top-level international trade-related domains and five topic threads that cross the domains:

Domain one: Global business management

Develop and/or assist with the strategic and operational planning, development, implementation, and assessment of the international aspects of the business.

Domain two: Global marketing

Manage, implement, coordinate and/or assist with marketing, including planning, sales, research and support functions to assess customer needs; evaluate opportunities and threats on a global scale; and meet corporate needs within environmental constraints and corporate goals.

Domain three: Supply chain management

Evaluate all supply chain options which result in the best overall solutions to support the international business plan while complying with all rules, regulations, and security issues from sourcing to final distribution.

Domain four: Trade finance

Evaluate financial risks and methods, select and implement most favorable methods of payment to support global activities and ensure that all related costs are included at the time of quotation. Evaluate quantity and source of finance necessary to implement global activities.

Five threads are topics across all four domains:

- Documentation
- Legal and regulatory compliance
- Intercultural awareness
- Technology
- Resources

Above information from the NASBITE website
<http://nasbite.org/cgbp-info/single-entry/required-domain-knowledge-and-skills-for-the-cgbp-credential/>

NASBITE Learning Objectives

The NASBITE Learning Objectives coincide with information contained in *A Basic Guide to Exporting, 10th edition*: <http://bookstore.gpo.gov/actions/GetPublication.do?stocknumber=003-009-00733-0>

- A. Introductory I (Helping small businesses to export)
 1. Counselor's role: NEI, export outreach teams, point of contact and referral network center, key terms, recognize export readiness.

2. How to write an export plan: Elements of global mission statement and business plan, assess export readiness
 - B. Introductory II (Resources for small business counselor)
 1. Resources you should know: Government, freight forwarders, export marketing and trading companies
 2. How to find valuable stuff on Internet: export.gov, UN Comtrade, Kompass, USA Trade Online, others
- II. Intermediate
- A. Export marketing and sales
 1. Foreign market identification and selection, including where to find information and how to enter
 2. Foreign partner selection and management, including partnership types, contracts, marketing channels, and pricing and promotion
 - B. Global logistics and supply chain
 1. How to ship your product I (logistics), including transport methods and documentation, Incoterms, and other resources and service providers
 2. How to ship your product II (customs), including product classification, duties and taxes, and export documents
 - C. Export compliance best practices
 1. Export regulations and controls, and which government agencies control what
 2. Export documentation for compliance, including online applications and resources
 - D. International trade payment methods
 1. Understanding and managing financial risk
 2. Payment methods
 - E. Financing export sales
 1. Bank and government resources
 2. Risk mitigation

Other topics for consideration

- Once core competencies are agreed upon, should a standard training be offered?
- Much of the above knowledge requires knowing about and accessing information and data. Would it be worth aggregating links to all of this on a (customizable?) portal for ITC counselors?
- As in the larger SBDC network, different ITCs have different specialties. Can/should we better take advantage of this for clients?
- What else haven't we considered?

**Illinois Small Business Development Center
Technology, Innovation and Entrepreneurship Specialty (TIES)
Services/Core Competencies**

Illinois SBDC TIES Specialists

The Business Advisor/Consultant provides the following services and delivers the core competencies identified below:

Business Strategy

- Business strategy development and review
- Market research and analysis
- [Commercialization assessment and strategies](#)
 - The TIES advisors provide the client with an overview of technology roadmapping and the processes for dealing with a market pull (customer demand satisfaction) or a technology push (customer demand creation). The roadmap ties together market drivers, product or service attributes, technologies required, and resources needed to form a one page visual business plan for commercialization. Business mapping or mind mapping is also used to collect and organize the content for the technology roadmaps.
- Commercialization planning using Roadmapping (based upon the [Goldsmith Technology Commercialization Model](#))
- Market Potential Analysis (Market Size, Industry, Target Customers, Competitors)
- Assessment of business issues (Legal, Transportation, Plant, Equipment, etc.)
- Start-up strategies
- New product development plans

Technology Development

- Applied Research and Development (to solve a known industry problem)
- Proof of concept
- Prototype testing
- Initial deployment of new product or process to customer
- Cross product applications

Alternative Financing

- Assistance in understanding and accessing R&D funding
- Small Business Innovation Research (SBIR)
- Small Business Technology Transfer (STTR)
- Equity financing opportunities in the state of Illinois
- Angel capital
- Venture capital
- Assistance preparing for equity financing through Angel and Venture Capitalists
- Post-capital raise assistance.

IP Guidance

- General intellectual property guidance, including trademark, model agreements and licensing agreement information;
- General business law assistance, including choice of entity and contract negotiations;
- Referrals to network of attorneys;
- Intellectual property strategies and options

Management Team

- Assess the founding team.
- Identify gaps in current team.
- Define roles and responsibilities of missing team members and plan how and when to bring those members aboard.
- Assist founders in stepping up to fill the gaps on interim basis
- Assist founders in filling gaps through networking and introductions.

SBIR/STTR/Other Federal R&D Assistance

- General SBIR/STTR program information sessions;
- Specific agency information including tips, templates, instructions, and information necessary for the client to write a successful proposal;
- Screening, technical, and commercialization reviews as well as submission assistance;
- Post award negotiation and reporting assistance.

Typical TIES Client:

A business which brings forth an innovative product or process, most often as a result of research and development is a primary candidate for TIES services. The innovation typically involves intellectual property that contributes to a strong competitive advantage in the marketplace, and serves as a foundation for a high rate of growth. The innovation often addresses a complex, multidimensional problem. Although TIES clients may come from a broad range of sectors, Illinois DCEO focuses on these five categories of competitive edge technologies:

- Alternative Energy
- Information Technology/Digital Media
- Food/Agriculture
- Bio/Life Sciences
- Advanced Manufacturing

Some TIES Company Characteristics:

Shown below are a few characteristics of companies that might be strong candidates for TIES services. These characteristics are not meant to be exclusive but only examples of some traits of targeted TIES clients.

- Early members of these companies are "team members" rather than employees. They expect the bulk of their financial compensation to come at the exit rather than in form of salary.
- TIES companies face most of the same business issues as traditional companies but deal with a higher level of uncertainty, face higher stakes, and usually must operate at a quicker pace.
- Companies are often pursuing alternative forms of financing. Investors expect solid exit strategies which usually involve an acquisition by a large corporation. "Founders will buy back shares" is not an accepted exit strategy.
- Companies may have innovations involving rapid incremental changes or breakthrough, game changing, disruptive innovations that launch rapidly growing startups and can redefine the trajectories of entire industries.
- Founders usually have a high level of expertise in a certain area (PhD, engineer, etc.) or have acquired intellectual property and/or have run a successful tech company in the past.

- Companies may work towards a short term exit (longer in the case of many life sciences companies). This exit is usually an acquisition by a large corporation.

High Potential Indicators:

- Management team with complementary skills devoting full time effort
- Collaborative support from University, research institute, or large corporation
- Understand their market and customer needs
- Large market opportunity, usually upwards of \$1 billion
- Platform technologies – have potential to be used in several applications and markets, and often create other opportunities in those markets
- Willingness of founders to recruit contributors who are “smarter” than the founders
- Willingness to do everything it takes to commercialize the technology – primary focus is not to maintain equity and/or “be the boss”
- Spinout of existing company (regional service provider-company looking to launch new product on a national or international scale)
- Have “beta customers” (customers that are willing to contribute resources towards testing the product for development purposes)

Examples of TIES Companies:

- Company that has fuel cells for auto industry and needs to reconfigure fuel cell for military use. (They have revenue and management team in place.)
- Company with an app based technology that has working prototype but is pre-revenue. (They have potential industry agreement for beta testing.)
- Company with a patent-pending innovation that will lower cost and increase productivity in grain logistics. (They have working product, pre-term sheet, and management team in place.)
- Company with patented technology, working prototype, CEO with industry experience looking to raise capital for FDA approval.
- Manufacturer of machine parts for assembly line equipment that has developed an innovative process to reduce failure rates of parts, thereby reducing the frequency of assembly line stoppages.

Examples of Companies Not Targeted by TIES

Technology service providers usually do not fit the profile of companies targeted by the TIES business advisors.

Other examples of companies typically not targeted by TIES include:

- Company with an inventions that are idea driven rather than market driven
- Company with an inventions that do not implicitly have strong legal/IP protection
- Company/inventor with limited market knowledge, and producing inventions for the sake of research and not commercialization
- Company/inventor that is un-coachable, unwilling to build a team around innovation or invention and does not have a viable revenue model.

**Illinois Procurement Technical Assistance Center
Services/Core Competencies**

The Business Advisor/Consultant provides the following services and delivers the core competencies identified below:

A. General Business Knowledge (Specifically in regard to SB owners)

- Marketing - understanding customer need, market research, competition, elements of product, logistics, pricing, promotion.
- Administrative and Financial - record keeping and accounting systems requirements.
- Production
- Quality Systems

B. Basics of Contracting with the Government

- Federal Acquisition Regulations (FAR)
- Registrations, Central Contractor Registration (CCR)
- Representations and Certifications
- Past Performance process and reporting procedure
- Government Buying Cycle
- Electronic Business, E-Government Procurement-all methods and types
- Commercial Items Acquisition
- Source Selection
- Bids and Solicitations
- Packaging and Transportation/Shipping
- Financial aspects---Wide Area Workflow, Contract Payments and Financial Controls
- Post Award Administration
- Subcontracting
- Property Management
- State and Local Government Laws, Policies, Regulations
- Socio-Economic Programs

C. Specialized Knowledge

- SBIR and STTR
- Buy American Act
- ITAR/Export Compliance
- Construction Contracting
- Service Contracting
- Mentor-Protégé Program
- Teaming Arrangements, Agreements, Joint Ventures
- Negotiation of Government Contracts, skills and techniques
- GSA/Federal Supply Schedules

D. Government vs. Commercial Procurement

- FAR versus Uniform Commercial Code (UCC)
- Standard Form 1449 versus commercial contract documents

E. Communication Skills

- Counseling Skills
- Instruction Skills
- Marketing Skills (educating constituents, etc.)

F. Program Requirements

- Ethics
- Client Intake
- Client Counseling, training events
- Administration and Reporting
- References/Resources
- Professional Development