Attention Small Business Owners: We’ve Got You Surrounded!

Kentucky’s small business entrepreneurs looking to grow their business are discovering they’re surrounded—surrounded by opportunity. They’re making the discovery online by using a handy Website called the Entrepreneur Resource Navigator (ERN). Developed by the Small & Minority Business Division of Kentucky’s Cabinet for Economic Development, the ERN is one of the most comprehensive small business Websites in the country. Bridging the gap between capitol-city government and the small business owner struggling in their home county, the ERN provides the public with a searchable database of small, minority, and woman-owned business service providers across Kentucky—access to help right where they live. And it’s simple and fast to use. An entrepreneur enters their county and the ERN supplies specific information and links to service providers (local, state, and federal) closest to their business.

“The ERN has assisted my firm greatly in identifying the business resources available in the Greater Lexington area and throughout the Commonwealth of Kentucky,” says Charles Thomas, President & CEO of L&C Management, Inc. “As a result, my business was able to take full advantage of the Contractor Training Program offered in Lexington.” Branching out, the company forged B2G relationships and learned the ropes of e-Government procurement. “The ERN has become an invaluable tool for identifying the resources I need locally—and statewide—to expand my existing business.” Currently establishing a business relationship with Kentucky’s Transportation Cabinet, L&C Management sees a bright future ahead.

Small Business is Big in Kentucky

In 1999, Kentucky’s small businesses employed 740,203 workers—more than half the state’s private sector workforce. With this in mind, the Small & Minority Business Division of Kentucky’s Cabinet for Economic Development orchestrated a collaborative effort to pool Kentucky’s business resources and get these people the help they need.

The hardest part of starting a business is planning. Effective planning requires information, guidance, and mentoring. Bringing together data from all aspects of business ownership, the ERN puts critical information in the hands of entrepreneurs who might not otherwise know where to turn. In the past, this involved mailing a sizeable portfolio of all of SMBD’s data to every business who requested it, or lengthy long-distance phone calls to explain available services and where to find them. Many businesspeople had to drive to the city of Frankfort—Kentucky’s capitol—for a face-to-face meeting in order to find what they needed.

All Businesses Aren’t Created Equal

Small businesses are unique. Whether they’re franchises, inventors or craftspeople, many don’t answer to a one-size-fits-all approach. Each business is given special consideration in the ERN, as is the complex art of buying an existing business. Statewide and Federal resources have their own dedicated page and navigation is easy.

Owning a business is not the same year to year. The ERN further breaks information down into key stages. New businesses are walked through planning and building stages, plus those critical first two years. Existing businesses can skip straight to “maintaining” sections with information on the long term. And where many business resource sites require repeat visits, the ERN lets businesses save and take their information home via email.

A year later, the ERN is still going strong. Launched last April, the site generated 81,470 hits in 2003. It has helped small businesses find their way through the maze of those formative years, or simply stay afloat and stand tall in the shaky middle term when businesses mature, stabilize, and continue to grow. It’s a great example of an easy to use online tool that quickly helps Kentucky’s small businesses surround themselves with success.
a) **Description of project, including length of time in operation.**

MISSION: The Entrepreneur Resource Navigator (ERN) will provide small, minority and women-owned businesses with quick and direct access to the financial and technical resources they need to plan, build, grow, and maintain their company.

REQUIREMENTS: A searchable database to help identify services for small businesses, with the ability to be separated by level of access, e.g., county, statewide, federal. Separated information further broken down into business development stages, e.g. Planning, Research, etc. Existing businesses can skip stages pertinent only to new businesses. The ERN must be accessible over the Internet.

FEATURES: Specialized information for franchises, craftspeople, inventors, and buying a business broken into separate categories. Ability to earmark resources and store them in a separate “folder” during the user’s website session. Capability of editing folder selections and e-mailing folder to an email address. User can switch counties without losing current selected folder items. User is given the choice of “walking through” all steps or moving to specific areas of need, again without losing any folder information.

TECHNICAL SPECIFICATIONS: Existing Windows 2000 Web Server running IIS 5, existing database server running MS SQL Server 6.5. Active Server Pages developed using Microsoft Visual Studio 6.0/Visual InterDev. Costs were staff time for 2 programmers plus Small & Minority Business Division staff. Core project staff (including programmers) was 4 people. No outsourcing, additional software or contracted assistance was necessary.

END RESULT: In about 6 months’ time, staff grew and launched a complete ERN, organizing the content, separating it into easy-to-read groups, and adding special-interest information (Franchises, Crafts, etc.). All of this was rolled up into the MyFolder capability so the user could keep that information and take it home with them. MyFolder capability was helpful for small businesses getting their information from their local Internet café or public library computer, unable to afford their own PC. Once they visited the ERN, they needed to be able to keep that information handy for future reference wherever they chose to access their e-mail.

Enabling the user to return to the site and not have to repeat steps or stages they had already taken expanded site usability. The ERN lets you take it by the numbers or jump to what you need. Last, as small businesses grow, their reach extends beyond their home county. New functionality lets them switch counties as many times as they’d like and still save all that information in their folder. To keep it from getting confusing, the folder indicates which counties each of the local resources serves, or indicates if the information applies statewide or federally.

b) **Significance to the improvement of the operation of government.**

Small & Minority Business Division (SMBD)’s staff needed the ERN to ease their workload and allow them to broaden their focus to other areas. Content originally spanned a wide range of resources without one central repository for the information they
needed to do their jobs. Now they’re able to keep more accurate, relevant, and up-to-date information, all of which is right at their fingertips, a browser-click away.

SMBD has a small staff and received a high volume of requests for information. Prior standard practice was to mail a pre-printed packet of the entire volume of information to the requestor. Each packet of information costs approximately US$1.75 to mail. Some PDFs were available on the web, but the information contained in them was not as extensive as was that in Small & Minority Business Division’s files. The ERN eased the first-contact process by allowing staff to refer clientele to the ERN for additional information and assistance.

Interaction with the public was limited to normal business hours and a handful of downloadable documents on a single web page. SMBD’s assistance usually involved a lot of face-to-face meetings with business owners who had to take the time to drive to Frankfort, or long phone calls involving the exchange of contact information on a variety of relevant local and regional service providers.

Resource data was difficult for SMBD staff to read and research. Information was not formally organized into a database nor could it be broken into categories. Training new staff took time to familiarize them with the resources and the system used to find them. "The ERN provided me with an indispensable tool,” says Michael Gray, a recent addition to SMBD staff. The ERN helped him to understand the requirements of his job description and quickly get up to speed in his day-to-day tasks.

New personnel now have an easier time finding information they need and have thus improved their accuracy rate and reduced training time. “Its content and ease of use allowed me to familiarize myself with the lending programs,” Gray continues, “at a pace conducive to my leadership style.” The arduous task of pulling files from separate filing systems and spending more of the trainee’s time teaching him/her how to use them has been streamlined—with the use of the ERN the employee can get up to speed with one interface, and at their own pace. If they have any questions they can review them with staff on-screen, instead of having to shadow a trainer as they do the job for the trainee.

c) Benefits realized by service recipients, taxpayers, agency or state.
“"The ERN made our divisions’ work easier, it made individuals more comfortable, and we have customer testimonials telling us how it’s been helpful."
John E. Cole III, Director, Small & Minority Business Division

Small business owners were limited in their search for information. They would often have to take the time to schedule a face-to-face appointment with SMBD staff and travel to Frankfort to find what they needed, and it had to be done during normal business hours. Many potential new business owners are limited because they are currently working full-time for someone else during those hours. Placing the resources they need online made the information available 24 hours a day. It also encouraged them to use the e-mail system to contact SMBD if they needed further assistance after-hours. Very often, these people don’t realize that there are organizations very close by who can help them—
the ERN raised awareness, making it easier for the small business owner to get convenient help, take advantage of programs in their area, and work locally instead of having to drive to Frankfort. Resources listed in the ERN report an increase in new traffic for 2003.

d) Return on investment, short-term/long-term payback (include summary calculations). Projects must exhibit measurable operational benefit. Savings allowed the Small & Minority Business Division to retain their current staff in the face of budget cutbacks. It also improved productivity by reducing training time and effort required to research information. Reduction in workload allowed staff to broaden their capabilities and to prioritize the use of their available time.

Increase of site traffic also raised awareness. Resources listed in the ERN report an increase in contact with small business owners in their area. The ERN was launched in the second quarter of 2003; for the 3 quarters it was active, the ERN received 81,470 hits from businesses around the state. Downloading of supplementary documents shot up to 8,354. Expenses for mailing were reduced by 10%, as was time spent preparing and sending mailed materials (see chart below) and follow-up time reviewing mailers with clientele.

Employee training time dropped drastically – by more than 60% - as new employees worked more with the easy-to-use ERN interface and less with traditional paper-based filing systems.
After seeing a steady decline in the number of packets mailed each quarter, 1st Quarter 2004 has seen a slight up-tick in the number of requests for information, a possible indicator of an increase in the number of small businesses being created by entrepreneurs. As the U.S. Economy slumped in 2003, jobs became scarcer and more people found themselves laid off. This reverse-trend may indicate an increase in small business growth ahead for Kentucky in 2004.

Long-term benefits are far-reaching, into the economy and the growth of both small businesses and the many jobs they provide to Kentucky’s citizens. The Small & Minority Business Division has streamlined operations and been able to do more with their information. Costs were minimal because the infrastructure existed and in-house programmers were used. Mostly time and effort on behalf of the various staff personnel involved and the work of two developers to write, test, and implement, listening carefully to feedback from SMBD staff. No new or third party software, outsourcing, or outside consulting was necessary.