

2012 Economic Development Finance Service Peer Networking Conference



**April 24 – 26, 2012
Burlington, VT**

Conference Guide

Welcome

Thank you for making the journey to Burlington for the 2012 Economic Development Finance Service (EDFS) Peer Networking Conference. This event was crafted to meet the needs of loan fund managers that are working to assist small businesses around the country thrive and make a positive impact to their local and regional economies, and to be part of the evolving global marketplace. Conference attendees are challenged daily to meet the dynamic needs of borrowers—existing and potential—that are not able to secure loans or technical assistance from other lenders. The focus of this conference has always been to convene small business loan fund staff and provide a format for intense information sharing and idea exchange, hear about best and promising practices that might be replicated elsewhere, and to create an environment for rich and meaningful peer networking.

This year's conference has departed slightly from the format of previous years. Recognizing that everyone has examples to share, ideas to mull over, problems that others may have encountered and remedied, thoughts on ways to overcome challenges, and successes to share, each session has been designed to allow for greater information sharing and discussion among attendees and speakers. And, rather than force attendees to choose among breakout sessions, we were able to develop an agenda that offers a broad range of topics to all. You will be encouraged to participate throughout the event!

Conference highlights include a welcome from USDA Deputy Under Secretary for Rural Development Doug O'Brien; a mobile workshop to the Vermont Center for Emerging Technologies; a presentation about the White House Rural Council study on access to capital in rural regions; a working lunch that will include a discussion about Rural Wealth Creation and small business lending; an overview of the federal budget; and the ever-popular closing federal program update which will include representatives from various federal agencies that have loan fund programs that you all manage. Sessions will address the potential for small business loan funds to assist small manufacturers further define their role in the U.S. economy, preparing for audits, loan servicing, analyzing business plans and financial statements, technical assistance and much more. And, there are chunks of time throughout the event for mega-opportunities for peer networking!

This conference was, as always, planned for and by small business loan fund staff. We hope that you will offer your honest and thoughtful feedback about the content in the evaluation that is included in the packet. We recognize there is always room for improvement in our quest to offer the best training possible.

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About the Economic Development Finance Service

With their entrepreneurial fortitude and innovative spirit, small businesses are the backbone of the nation's economy. Without them, the U.S. will be hard-pressed to be a major force in the global economy. Small businesses create jobs, bring innovation to the forefront and employ over half of the nation's private sector workforce. The Economic Development Finance Service (EDFS) provides research, training, and information to publicly funded small business loan funds managed by regional councils nationwide. The resources and tools in this section will help loan fund managers and others engaged in small business financial and technical assistance develop strategies to increase capital, better manage their loan fund operations, develop strong training programs, and share information and resources with their peers.

The Economic Development Finance Service (EDFS) is a program of the NADO Research Foundation that provides training and a network platform for small business loan fund staff from around the nation to share and exchange information and ideas. Visit nado.org/category/resources/edfs to learn more.

About NADO and the NADO Research Foundation

The National Association of Development Organizations (NADO) is a national membership organization for the nation's 540 regional development organizations focused on strengthening local governments, communities, and economies through regional solutions, partnerships, and strategies. NADO and its membership of regional development organizations (RDOs) are part of the nation's intergovernmental partnership system of federal, state, and local officials. While many regional development organizations in smaller metropolitan and rural regions were originally founded solely as multi-county Economic Development Districts (EDDs) designated by the U.S. Economic Development Administration (EDA), most have expanded and diversified their programs and services to play a key role in community and economic development, emergency management and homeland security preparedness, GIS data analysis and information management, business development finance, technology and telecommunications, transportation, and workforce development.

Founded in 1988, the NADO Research Foundation is the nonprofit research affiliate of NADO. The NADO Research Foundation identifies, studies, and promotes regional solutions and approaches to improving local prosperity and services through the nationwide network of RDOs. The Research Foundation shares best practices and offers professional development training, analyzes the impact of federal policies and programs on RDOs, and examines the latest developments and trends in small metropolitan and rural America. Most importantly, the Research Foundation is helping bridge the communications gap among practitioners, researchers, and policy makers.



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In Appreciation

This event was sponsored, in part, by the U.S. Small Business Administration under a cooperative agreement (# SBAHQ-10-I-0317) with the NADO Research Foundation. SBA's funding should not be construed as an endorsement of any products, opinions or services. All SBA funded projects are extended to the public on a nondiscriminatory basis. Additional support was provided by NADO and the NADO Research Foundation, The Ford Foundation, Bank of America and the Development District Association of Appalachia.

This conference was planned by and for small business loan fund staff from across the nation. Their expertise, suggestions and willingness to plan this event are very much appreciated. The 2012 EDFS Conference Planning Committee members are:

- Brent Boswell, Six County Association of Governments (UT)
- Patricia Brennen, North Central Pennsylvania Regional Planning and Development Commission
- Michael Burress, Lincoln Trail area Development District (KY)
- Janelle Dotson, Mid-Ohio Valley Regional Council (WV)
- Sean Esten, Rhode Island Economic Development Corporation
- Char Gurney, West Central Wisconsin Regional Planning Commission
- Carol Jackson, Mid-Ohio Valley Regional Council (WV)
- Roxanne Jobe, Eastern Maine Development Commission
- Mitch Montgomery, Three Rivers Planning Development District (MS)
- Wayne Rollins, Mid-East Commission (NC)
- Alan Singer, Franklin County Community Development Corporation (MA)

Event Logistics

Location Hilton Burlington Hotel
60 Battery Street
Burlington, VT 05401
802.658.6500

Meeting Room Green Mountain Ballroom (hotel lobby level)

Attire Business Casual (ties optional, but not encouraged ☺)

Airport Burlington International Airport
The airport is about a 15 minute cab ride from the hotel
Cab fare is approximately \$15-20 each way

Meals Light reception on Tuesday evening
Lunch on Wednesday
Full breakfast on Thursday

Mobile Workshop For those who registered for the VCET tour on Tuesday morning, please meet in the hotel lobby at 9:45 am; transportation will be provided

Schedule of Events

Tuesday, April 24

10 a.m. – 12:00 p.m.

Hotel Lobby

Mobile Workshop: Vermont Center for Emerging Technologies

VCET opened in June 2005 under the vision and efforts of U.S. Senator Patrick J. Leahy, the Vermont Technology Council and the University of Vermont. Today, VCET is a leading-edge technology incubator serving all of Vermont under a mandate to increase technology startups and accelerate next generation job creation for this generation of Vermonters. VCET offers a targeted business incubator program designed to foster the success of high opportunity technology firms by providing firms with substantive business mentoring along with traditional incubator services such as low cost, flexible office space, shared resources, capital, networking, and training. VCET is an independent 501 c (3) public benefit corporation in affiliation with the University of Vermont and partners with Norwich University, Middlebury College, Champlain College, and the five Vermont State Colleges.

Emerging companies may have terrific ideas, but not necessarily all of the skills, experience and resources in place to grow and prosper. In response, VCET's programs and capital funds offer select early stage firms substantive business mentoring along with traditional business incubator services and infrastructure. VCET team members and partners work closely with entrepreneurs helping to crystallize concepts, assemble teams, craft business models, secure resources, and locate early customers. Some firms will develop rapidly in a matter of months for a software launch while others might take years to complete medical trials. Either way, the VCET incubator and capital programs serve a select few firms by supporting the design, positioning, and acceleration of a new product idea, a better service offering or a truly breakthrough platform technology.

Our tour guide will be VCET Vice President Andrew Stickney. After a quick tour of the site, he will provide an overview of the Center's core programs:

- *Connecting Entrepreneurs* – a regular networking event that brings entrepreneurs together with business leaders, other entrepreneurs and other stakeholders from the community to build professional connections and networks.
- *Talent Cloud* – an entrepreneur in residence program; at least one will be on hand to talk about their experience with VCET.
- *Seed Venture Fund* – an investment program that VCET has created to meet the needs of a select group of entrepreneurs.

2:00 – 3:30 p.m.

Green Mountain Ballroom

Small Business Loan Funds and Small Manufacturers: Potential for Partnerships

Depending on the source, the U.S. is either the world's first or second leading manufacturing economy. Indeed, manufacturing is a critical component of the U.S. economy and as the country continues to struggle through a slow economic recovery, small manufacturers are challenged to survive and grow. And they will continue to be challenged to compete in the global marketplace. Not only do manufacturers provide millions of jobs throughout the nation, they also support growth in a variety of support industries.

According to the Department of Commerce's National Institute of Standards and Technology (NIST), about 36 percent of the nation's 330,000 manufacturing firms have less than five employees and over 80 percent have under 50 employees. Moving forward, many experts believe that smaller and more specialized firms will dominate the manufacturing industry. This will pose opportunities and challenges for small business loan funds as they work to meet the needs of businesses in their regions.

Across the nation, RLFs are working to help small manufacturers continue to make goods, provide jobs, and contribute to local and regional economies. A study by the Manufacturing Extension Program (MEP) found that small manufacturers seek capital for facility expansion, equipment purchase, refinancing and general working capital.

There are many opportunities for small business loan funds to provide assistance to small manufacturers. Consider these facts:

- 64 percent of small manufacturers have sought assistance from organizations in efforts to continue or expand operations.
- Every \$1 of federal funds invested into a small manufacturer generates \$29 in new sales growth, about \$3.6 billion annually.
- According to the MEP, “small manufacturing enterprises (SMEs) with less than 200 employees... comprise the backbone of the U.S. manufacturing industry, accounting for about half of all manufacturing jobs in the U.S.”

This session will provide insights into the programs that two loan funds in Massachusetts and Rhode Island are implementing to help small manufacturers in their regions seek the capital they need to survive and grow.

Welcome: Misty Casto, Executive Director, Buckeye Hills-Hocking Valley Regional Development District (OH)
Speaker: Doug O’Brien, Deputy Under Secretary for Rural Development, USDA
Speaker: Sean Esten, Financial Portfolio Manager, Rhode Island EDC
Speaker: Alan Singer, Lending Director, Franklin County CDC (MA)
Moderator: Erik Pages, President, EntreWorks Consulting (VA)

3:30 – 3:40 p.m.

Networking Break

3:40 – 4:45 p.m.

Green Mountain Ballroom

Innovations in Small Business Lending Programs: Noteworthy Practices

A hallmark of the Economic Development Finance Service (EDFS) is cultivation of a practitioner network that provides an environment for learning – during conferences and events, but also through electronic information sharing and exchange.

Rapid round robin presentations from small business lending programs that are using creative strategies to meet the needs of clients, resulting in job retention and creation, business growth and contributing to regional economic vitality. Group discussion will follow the round robin presentations, with a focus on ways to build programs that streamline operations while also meeting client needs. Participants will be encouraged to participate in a facilitated discussion about ways to overcome barriers and challenges to meeting the needs of small businesses in their regions.

Facilitator: Erik Pages, President, EntreWorks Consulting (VA)

5:00 – 6:30 p.m.

Seasons on the Lake

Networking “Meet Up” Reception

EDFS events are not all work and no play. At previous conferences, we have kicked off the learning with “speed networking” receptions that fostered new professional connections. In keeping with new social networking strategies, the networking “meet up” reception will give attendees a chance to “meet up” with others interested in talking about specific loan fund topics and issues. We’ll supply beverages and snacks and the space to share and exchange information and ideas, and a list of local eateries for groups to continue conversations over dinner.

9:00 – 10:15 a.m.

Green Mountain Ballroom

Access to Capital in Rural Regions and Small Communities/White House Rural Council Study

A research team assembled by RUPRI is working with the U.S. Department of Agriculture to better understand issues related to capital access in rural America. The project is designed to achieve the following three objectives:

- To provide USDA with a more detailed understanding of the capital market *system* in rural America and how it supports business development, job and wealth creation
- To provide insights into effective models that support innovation within the system to improve rural business outcomes, including job and wealth creation
- To provide evidence-based policy recommendations that support the creation or scaling of innovations that improve rural business outcomes

As part of this effort, the team is interested in learning about the capital access challenges faced by businesses in your regions and innovative practices to support and finance entrepreneurs in rural regions. This session will offer an update on the research findings as part of an overview of the study to date. The facilitator will also engage attendees in an active discussion to learn more about challenges and opportunities faced by loan fund staff working in rural communities as part of the research team's quest to learn about and highlight new innovations that can be shared with USDA leadership.

Speaker: Erik Pages, President, EntreWorks Consulting (VA)

10:15 – 10:30 a.m.

Green Mountain Ballroom

Networking Break

10:30 a.m. – 12:00 p.m.

Green Mountain Ballroom

First Things First: Evaluating Financial Statements and Business Plans

Learn successful tips for evaluating business plans and financial statements, and get an understanding of the red flags that signal potential trouble that can be avoided. This session will benefit those new to the small business lending world and will be a great refresher for those more "seasoned" loan fund managers.

Speaker: Pat Brennen, North Central PA RP&DC

Moderator: Mike Burress, Lincoln Trail ADD (KY)

12:00 – 2:00 p.m.

Seasons on the Lake

Working Lunch: Rural Wealth Creation

Wealth Creation in Rural Communities seeks to improve rural livelihoods with a systems approach to development that creates multiple forms of wealth that are owned and controlled locally. The wealth creation approaches comes to life as development organizations research and then construct wealth creation value chains that connect market demand outside poor rural areas with the resources in those areas in a non-exploitative, market driven, set of relationships that is a value chain. The wealth creation approach uses a framework that includes seven forms of wealth as a tool for design and evaluation. This session will illustrate how the seven forms of wealth tool is being used to assist business development in rural communities and regions. Yellow Wood Associates has been working with The Ford Foundation on a national initiative to share the concepts with a broad audience; NADO has also been working with The Ford Foundation in targeted areas of the country to test the approaches that regional development organizations are employing with regard to rural wealth creation.

Speaker: Melissa Levy, Senior Associate, Yellow Wood Associates

Moderator: Holly Quinn, Business Loan Specialist, Northeast Nebraska EDD

2:00 – 2:15 p.m.
Networking Break

Green Mountain Ballroom

2:15 – 3:30 p.m.

Green Mountain Ballroom

Going the Distance: Making Sure the Loan Fits the Business

Learn how businesses benefit from strategic and practical loan servicing (before, during, and after the lending decision is made), and the importance of a solid technical assistance plan aimed at meeting their needs.

Speaker: Sean Esten, Financial Portfolio Manager, Rhode Island EDC

Moderator: Jeff Christensen, Business Loan Specialist, Northeast Nebraska EDD

3:30 – 3:45 p.m.
Networking Break

Green Mountain Ballroom

3:45– 5:00 p.m.

Green Mountain Ballroom

Preparing for a Smooth Audit

It's inevitable: we all experience audits at least annually. This session will offer insights into what auditors are looking for, and how you can prepare your organization to sail through the process. Topics to be covered include considerations for audits while calculating loan loss reserves, making loan confirmations, engaging in management discussions and analysis write-ups, and accrued interest receivables. The session will also address the importance of documentation and footnote preparations.

Speaker: Carol Jackson, Comptroller, Mid-Ohio Valley Regional Council

Moderator: Adam Quinlan, Financial Portfolio Manager, Rhode Island EDC

7:30 – 9:00 a.m.

Networking Breakfast

Green Mountain Ballroom

8:30 – 9:00 a.m.

Legislative Update: State of Small Business Programs in the Federal Budget

The current battle over deficit reduction continues to dominate the federal decision making process, and encompasses all programs including those that fund your lending programs. The funding decisions being made right now will impact our nation for decades to come. During this session, NADO legislative staff will provide an overview of some of those key decisions and the potential impact on your organizations. Conference participants will learn about the latest federal legislative and policy developments and the budget and appropriations outlook for the year ahead, with an emphasis on the various small business loan fund programs that you all manage.

Speaker: Deborah Cox, Director of Government Relations and Legislative Affairs, NADO

Moderator: Russ Cowley, President, NADO, and Executive Director, Six County AOG

Green Mountain Ballroom

9:00 – 10:15 a.m.

Helping Businesses Succeed: Technical Assistance Strategies and Programs That Work

This session will provide examples of technical assistance programs and strategies that are being implemented to help businesses not only re-pay their loans, but succeed in their communities.

Speaker: Linda Rossi, Associate State Director, VT Small Business Development Center

Moderator: Paulette Potter, Loan Program Manager, Northern Tier RP&DC (NY)

Green Mountain Ballroom

10:15 – 10:30 a.m.

Networking Break

10:30 a.m. – 12:00 p.m.

Federal Program Update

The always popular ending to the conference returns! This session is an outstanding opportunity to hear the latest program updates from the funding agencies and to get answers to your program questions.

Speaker: Darcy Carter, District Director, SBA VT

Speaker: Michael DeVillo, Program Analyst, EDA

Speaker: Joshua Hanford, Director, State of Vermont, HUD (Invited)

Speaker: David Robinson, Business Program Director, USDA Rural Development VT/NH

Speaker: Kyle Wilber, ARC Program Manager, NY State (Invited)

Green Mountain Ballroom

12:00 p.m.

Conference Adjournment

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