


## Small Business Resource Guide



**A QUICK REFERENCE GUIDE TO PROGRAMS,  
SERVICES AND RESOURCES TO AID THE  
DAYTON REGIONAL BUSINESS COMMUNITY**

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# INTRODUCTION

Today's financial institutions have put tighter, leaner lending practices in place, which can sometimes make it difficult for companies seeking new sources of financing and will likely require more carefully developed strategies. Often times, many smaller companies still overlook some of the best financing options available, especially in the federal tax and program areas. Many state and federal government programs remain an underutilized source for company financing. And, while some companies looking to participate in the global marketplace are also becoming more adept at accessing private sector sources of financing, others have yet to review the range of financial options available that may be applicable to their unique business circumstances or financial requirements.

Raising capital is one of the most basic of business activities, but for many small and medium sized businesses, it is often a complex and frustrating process.

## INTERNAL CASH MANAGEMENT PRACTICES

The first step in any finance and investment strategy should be to analyze a company's internal cash management practices. This includes exploring relationships with vendors, suppliers, and customers in context of what the company wishes to accomplish and determining how existing assets can be leveraged to support the company's capacity and capital growth goals. Better efficiencies in the management of internal cash can result in a reduced need for additional outside financing. Moreover, better cash flow will improve a company's chances at obtaining funding and at more desirable rates. Finally, having cash management as a guiding strategy will allow a company to have more choices in identifying external sources of financing that reflect the company's values, management style, and objectives. Areas that may offer opportunities to improve company cash flow and add to the supply of working capital include:

### Accounting Management Practices

In order for a company to analyze its internal cash management practices, it needs to first verify that it is using accounting management practices that accurately measure and project the amounts of cash and cash equivalents entering and leaving the company. The practice of creating credible cash flow statements is critical to understanding how much cash is generated by the company's core products and services, and how much is being consumed in supporting core operations. Cash flow statements complement, but are distinct from income statement and balance sheets in that they do not include the amount of future incoming and outgoing cash that has been recorded on credit. A company can use the cash flow statements to confirm that there is enough money on hand to buy new inventory, internally finance new investments in equipment and labor, and channel any excess into the asset column of its balance sheet. Preparing accurate cash flow statements also allow a company to project future cash flow which is essential for accurate budgeting. All potential lenders require these cash projections before approving loans to ensure that cash is adequate to cover future loan expenses. Moreover, these cash projections conveyed in the statements can be used to help a company decide whether to seek outside funding, even when this decision may seem obvious based on the company's current market activities.

## Vendor and Supplier Financing

One way of realizing working capital is through supplier financing. Typically, suppliers and vendors provide goods with the understanding that payment is due within 30 days. However, suppliers may be willing to extend payment terms to 60, 90, or even 120 days. Vendors and suppliers frequently offer discounts for early payment and penalize slow paying companies with interest charges. In some instances, companies may be able to extend payment terms in lieu of discounts. In addition, some suppliers may enable a company to pay for specific items only as they are sold, with the supplier retaining ownership of goods until payment is received.

## Customer Financing

In some cases, companies may have the option of negotiating a full or partial advancement from customers to help finance any preparation costs associated with taking on their business. Stepped or partial payments, which are payable at a defined stage of progress, are sometime possible in project oriented industries. Companies may also want to consider a deposit for all work to finance production costs associated with orders and to reduce the need for lines of credit. A deposit collected for work that involves special orders or services can also serve to prove that the customer is committed to the order and help avoid situations where the company needs to absorb costs resulting from customer late or non-payment.

## Inventory Financing

Inventory financing is a bank line of credit secured by a company's inventory. For companies that maintain high levels of inventory to conduct ongoing business, this type of financing can free up cash tied up in inventory to purchase supplies for the next production cycle. Generally, lending institutions are not interested in gaining ownership of inventory and are more interested in assurances that the loan will be repaid.

## Factoring Accounts Receivable

One option that is available for some companies with limited working capital is to utilize a factor company to purchase at a discount invoices and accounts receivable. Good factoring companies can also provide credit management expertise. The advantage of factoring is that the company receives cash right away and can focus on the next sale while the factoring company waits and assumes risks for payment. The disadvantage is that factoring can be more expensive (sometimes 5% of the face value of the invoice) than other forms of finance and requires strategies to incorporate the factoring costs into pricing and invoicing or earning it back from suppliers (for goods that are exported, see the separate section on export factoring that appears later in this guide on page 17).

## Renting or Leasing vs. Buying

Leasing equipment can be a better option for companies that have limited capital or need equipment that must be upgraded every few years. Leasing has the advantages of potentially freeing up equity capital for investment in other areas of greater return for a company and freeing up additional borrowing power. In contrast, buying equipment can be a better option for an established business with cash or for equipment that has a long usable life. Although buying may necessitate a large initial capital investment, companies can usually reap significant tax benefits through depreciation. Since every company's situation is unique, any decision to buy or lease should be made on a company-by-company basis, factoring in the company's cash reserves, the equipment's usable life, and tax advantages and strategies.

# DEBT FINANCING

## Differences Between Debt and Equity

Typically, financing is divided into fundamental types: debt financing and equity financing. When a provider of capital lends money to a user of capital, it is a debt transaction. When the provider owns a portion of the user of capital, it is an equity transaction.

Growing companies usually require both debt and equity at some point of their development. Both forms of financing provide complementary opportunities for funding growth and companies should look to maintain a commercially acceptable debt to equity ratio. Lenders and investors look closely at the ratio of debt-to-equity in assessing whether a company is being operated in a sensible credit worthy manner. While the ratio of debt to equity varies considerably between industries, banks generally consider an acceptable debt-to-equity ratio to be between 1:2 to 1:1. In evaluating a loan application, lenders will also examine the ratio of a borrower's current assets to current liabilities and usually look favorably on a ratio of 2:1 or less.

## Debt Financing

Debt financing can be either short term or long-term. In either case common lending principles apply. Lenders typically consider the risk of lending to borrowers on the basis of:

- Credit history
- Cash flow history and projections
- Collateral available to secure a loan
- Character of the borrower
- Loan documentation: financial statements, tax returns, and a business plan

## Sources of Debt Financing

There are a variety of sources for debt financing; commercial banks, commercial finance companies, community lenders, and through U.S. Small Business Administration (SBA) sponsored programs. State and local governments have also developed programs, like revolving loan funds (RLFs), to encourage the growth of small companies.

Commercial banks have traditionally been the primary source of loans to small companies. Banks have provided the majority of short-term loans. The SBA Guaranteed Lending Program was established to encourage banks and financial institutions to make loans to small companies by reducing the lenders risk and leveraging funds available. Banks that participate in SBA's certified and preferred lenders programs also offer fast turnarounds on loan applications. Other sources of funding to fuel growth are the commercial finance companies that provide business loans rather than consumer loans. The primary use of commercial finance companies is to borrow money for the purchase of inventory, equipment, or other revenue producing assets. These types of lenders can be a useful resource, particularly if a company has adequate collateral available to support a loan. Commercial finance companies also do a great deal of accounts receivable and inventory financing.



# EQUITY FINANCING

## How It Works

Candidates for investment are typically introduced to strategic investors through banks, brokerage firms, professional advisors, other investors, or through a variety of professional and personal contacts. Some firms specialize in niches, such as manufacturing companies who have a proprietary product and need capital for expansion, while others will consider most industries. A key factor in negotiating deals between a company and an investor is ensuring an alignment of interests. While some owners strive for family continuity, others hope to maximize their value to potential outside owners. Negotiations typically focus on the development of an ownership strategy that spans all of the remaining time frame of the owner's tenure as a shareholder and manager. Additional information is available through the Small Business Investor Alliance (SBIA) at [www.sbia.org](http://www.sbia.org).

## Strategic Investors

Strategic investors or investment groups provide equity capital to complete transactions that include: recapitalization and growth financing, management buyouts of private companies or divisions of a corporation, management buy-ins, family succession, and industry consolidations or other acquisition or ownership transitions.

**Sources** - Strategic investors may raise their investment funds from other affluent individuals, insurance companies, bank affiliates, endowment funds, or other investment groups.

**Terms** - Strategic investors look for companies that can be grown quickly or be made more efficient within a relatively short time, usually 3-7 years. Strategic investors may also seek to recoup their initial investment and make a profit by exiting during that time frame through the sale of the company to a strategic buyer, financial buyer, or in some cases an initial public offering.

**Conditions** - Strategic investors typically seek companies with good management. Many are willing to take a minority ownership position, with company management accountable to clearly defined performance benchmarks. In general, most look to existing management to run the daily operations while providing support and strategic planning at the board level.

## Options for Business Owners

**Recapitalizations** - For many business owners, their financial net worth is often tied up in the company. A business owner can sell a portion of his or her equity to an investment group to realize liquidity or to reinvest the proceeds back in the business. The advantage of a recapitalization over an outright sale of the company may include: access to growth capital, continuing equity and partnership in future growth, liquidity, and additional management support in developing new products or markets.

**Growth Financing** - Access to beyond what a bank can provide in terms of capital, contacts, and expertise to enable a strategic acquisition or to support organic growth through expansion.

**Generational Transitions** - Retiring company owners may be able to transfer their ownership through an insider transaction with family members, partners, management, or employees while achieving liquidity.

**Management and Employee Buyouts** - Opportunities often exist for management or employees in private companies or divisions of public companies to buy out ownership and resources to support continued company growth after the transaction.

**Buy-out or Sale** - Company owners may seek to maximize their liquidity and financial security through an outside sales transaction with investors who are interested in assuming company ownership and management responsibilities. Sales can be timed and planned to ensure maximum value and liquidity for the owners.

## Angel Investment

Angel investors are important participants in the informal, unregulated market for small business equity capital. While no standard angel profile exists, the typical angel is a successful entrepreneur who has sold his or her business and is interested in assisting new businesses in their immediate community or a corporate leader or professional. They often maintain an interest in a particular business sector and are looking for opportunities to invest where they have the chance to apply their acquired skills to help others grow successful businesses. They are generally not interested in controlling a business, although many want to be more than passive investors and have the chance to contribute their experience and skills in an advisory role. This attribute can be a distinct advantage over using other types of financing, as it can offer strategic advice and valuable personal connections to assist a business in accessing potential markets, new customers, or favorable supplier opportunities. This combination of capital, management support, industry knowledge and relationships is often referred to as “smart money” and can be the key to shaping a company’s future success.

**Finding a Business Angel Investor** - The chances of connecting with a business angel investor will be greater if the following profile of the “sophisticated” business angel is kept in mind:

- Has a net worth in excess of \$1,000,000 and meets the legal definition of an “accredited” investor.
- Can invest \$20,000 - \$150,000 of their own money but may participate in a syndicate of other investors to boost the total investment amount possible by multiples (with syndicate rounds between \$500,000 and \$2 million).
- Is typically “homegrown” and prefers to stay close to home, which is a distinct advantage for “flyover” locations outside major population centers.
- Has previous experience in the industry and can help open new distribution channels, broaden product and service offerings, and locate suppliers and customers.
- Enjoys advising companies and likes to be part of the action.
- Is comfortable being a minority rather than a majority investor, unlike venture capitalists.
- Understands the riskiness of investing and therefore looks for an overall portfolio that will bring a return on investment, but accepts a variety of losses and strong returns in their investment portfolio.
- Expects to stay invested for 5-7 years but may be open to cashing out earlier or being patient for a longer period.
- Acts independently, but also in concert with other angels to share information about possible investments and pool resources (with many participating in formal groups of angel investors).
- Refers deals to other private investors even if the angel has chosen not to invest.

**Not All Angels Are Alike** - Diversity among angel investors is wide. Active experienced angel investors tend to have a targeted industry focus, while passive angel investors may not have an industry focus. While many angels are exclusively focused on early stage companies with the potential for high growth, others will consider moderate growth and existing niche businesses. Angels generally rely on a more subjective evaluation and their due diligence may be less rigorous than venture capitalists. Many base their decision to invest on their “gut” or personal assessment of the company, the product, and the market. Therefore, each investment deal tends to be different. It is also important to recognize that there is a wide variety of sophistication among angels, with a portion of them not adding value to the companies in which they invest or even hurting any future chances of their companies to grow and receive additional capital.

Places to Look - Finding Angel Investors may be a lengthy process that can often consume a great deal of time. Some options are:

#### Online Resources:

- Angel Capital Association [www.angelcapitalassociation.org](http://www.angelcapitalassociation.org)
- Angel Resource Institute [www.angelresourceinstitute.org](http://www.angelresourceinstitute.org)

#### Professional Networks:

Getting introductions to angels through professional networks of other business owners, accountants, bankers, lawyers, or friends is often the best way identify business angels. Membership in business or civic organizations can offer companies more opportunities for the type of introductions to investors that can lead to an investment deal.

## FEDERAL AND STATE LOAN PROGRAMS

### Note on SBA Financing Programs

The SBA offers a variety of financing options through a loan guaranty program with commercial banks and lending institutions. The SBA does NOT provide direct loans or grants to start or grow a business. However, the SBA guaranty programs, by sharing the risk with the lender, do reduce the probability of a loss to the lender and thereby make it easier for the lender to extend credit. For small businesses that are unable to borrow on reasonable terms through conventional lenders, the SBA guaranty program can make the difference in successfully securing a loan.

### Prospective Borrowers Begin By Visiting A Local Financial Institution

The lender reviews the company’s business plan; company financial records, or projections if the company is just beginning operations, and; specific plans for the use of the borrowed funds. Participating lenders have all the necessary information about the SBA’s loan guaranty programs and the required SBA application forms. The prospective borrower does not need to contact SBA. If the lender determines that the business meets SBA and the lending institution’s eligibility and credit requirements, the lender can then suggest which of the SBA guaranty programs would best suit that loan.

### Rapid Outreach Grant Program

These grant funds are for on- or off- site infrastructure improvements, including water, sewer, road and rail improvements. This fund is for companies primarily engaged in manufacturing, R&D, high technology, corporate headquarters, and distribution. Given the demand for limited grant funds, qualified projects must involve substantial job creation or retention, and all other public and private sources of financing must be considered before the availability of Rapid Outreach funding is determined.



## Enterprise Ohio Investment Company (EOIC)

EOIC will invest in businesses with the potential for a profitable rate of return. Managed by CityWide Development Corporation, EOIC provides capital for promising Ohio-based businesses. Leveraging private funding, EOIC lends and invests in both established and start-up companies. Eligible loan/investment uses are: fixed asset acquisition, working capital, mezzanine financing. Loan amounts up to 150,000 and terms of 5-years for working capital, and 15-years for fixed assets. Contact [www.citywidedev.com](http://www.citywidedev.com) for more information.

## 166 Direct Loan

Provides financial assistance for economic development, business expansion and job creation. Eligible projects include those related to industry, commerce, distribution or research activities. Both retail and refinancing projects are ineligible. Loan terms can be up to 20 years for financed real estate and up to 10 years for financed machinery/equipment. The interest rate is fixed at or below market rates.

## Ohio Enterprise Bond Fund (OEBF Loan)

The Ohio Enterprise Bond Fund (OEBF) promotes economic development, creates and retains quality jobs and assists governmental operations. The program enables non-profit and for-profit borrowers to access the national capital markets through bonds issued through OEBF. The program is administered by the Ohio Department of Development and financing is provided by the Ohio Treasurer of State. The OEBF may provide financing up to 90 percent of the total eligible project costs that are directly related to the fixed-asset purchase. The minimum borrowing amount is \$1.5 million and the maximum amount is \$10 million.

## SBA 7(a) Loan Program

This is the SBA's primary loan program where the SBA guarantees major portions of loans made to small businesses by private lenders. This program is intended for For-profit businesses with: good character, fair credit record; sufficient management expertise; a feasible business plan; adequate equity in the business – typically a minimum of 20%; sufficient collateral; and adequate cash flow to repay debt from historical or projected cash flow. The fund may be used for business acquisition or start-up, purchase or remodeling of real estate, leasehold improvements, equipment purchases, working capital, and inventory. No debt refinancing. Term loans only. Private lenders provide the loan. Typically, the Small Business Administration (SBA) will guarantee up to 75% of loans (or up to 85% for loans less than \$150,000).

## Research & Development Investment Loan Fund (R&D Loan)

R&D Loans typically ranging in size from \$500,000 to \$5,000,000 and are for Ohio businesses that create research and development capabilities and high-wage jobs. Rates are fixed and have terms similar to those of commercial bank financing.

## SBA 504 Loan Program

The 504 Loan Program provides growing businesses with long-term fixed-asset financing with a minimum equity injection from the company being financed. Funds may be used for land acquisition, building construction, purchase of existing buildings, site improvements, renovation, restoration, and purchase of major equipment. Maximum 504 Loans can reach \$4 to \$5.5 million depending on the type of business, have fixed interest rates, and loan terms of 10 to 20 years.

## SBA Express Loan Program

Gives select lenders the authority to expedite applications for the SBA's most common loan type-the 7(a) loan. Qualifying businesses may enjoy a turn-around-time of no more than 36 hours, making this a quick loan processing service that can provide borrowers with up to \$350,000 for a term loan or a revolving line of credit. Funds may be used as term loan or as a revolving line of credit; some limitations on real estate and construction. A private lender provides the loan. SBA guarantees up to 50% of the loan.

## GrowNOW

GrowNOW is a partnership between eligible banks and the Ohio Treasury. The program enables small business owners to receive up to a 3% interest rate reduction on new or existing small business loans for two years with the opportunity for renewal. Small business owners must commit to the creation or retention of at least one full-time job or two part-time jobs in the State of Ohio for every \$50,000 borrowed, up to \$400,000.

## SBA CAPLines Loan Program

The CAPLines program for loans up to \$5 million is designed to help small businesses meet their short-term and cyclical working capital needs. The programs can be used to finance seasonal working capital needs; finance the direct costs of performing certain construction, service and supply contracts, subcontracts, or purchase orders; finance the direct cost associated with commercial and residential construction; or provide general working capital lines of credit that have specific requirements for repayment. There are four distinct loan programs under the CAPLines umbrella:

- The Seasonal Line of Credit Program: Supports the buildup of inventory, accounts receivable or labor and materials above normal usage for seasonal inventory.
- The Contract Loan Program: Used for finances the cost associated with contracts, subcontracts or purchase orders. Proceeds can be disbursed before the work begins.
- The Builders Line Program: Provides financing for small contractors or developers to construct or rehabilitate residential or commercial property that will be sold to a third party that is not known at the time construction/rehabilitation begins.
- The Working Capital Line of Credit Program: A revolving line of credit (up to \$5,000,000) that provides short-term working capital.

## Energy Loan Fund

The Energy Loan Fund is a program that provides low-cost financing to small businesses and manufacturers for energy improvements that reduce energy usage and associated costs, reduce fossil fuel emissions, and/or create or retain jobs. Funding is provided through the Advanced Energy Fund and the U.S. Department of Energy's State Energy Program. Eligible activities include energy retrofits, energy distribution technologies and renewable energy technologies. Projects must achieve 15 percent reduction in energy usage, demonstrate economic and environmental impacts and be included within a long-term energy strategy.

**Eligible Efficiency Measures** include insulation, LED lighting, energy efficiency lighting technologies, energy management control systems, HVAC upgrades, weather sealing, door and window replacements, combined heat and power systems, and cogeneration systems.

## Micro Loans

The Microloan program provides loans up to \$50,000 to help small businesses and certain not-for-profit childcare centers start up and expand. The average microloan is about \$13,000. Microloans can be used for:

- Working Capital,
- Inventory or supplies,
- Furniture or fixtures,
- Machinery or equipment.

## Innovation Ohio Loan Fund (IOF Loan)

This program was created to assist existing Ohio companies develop next generation products and services within certain Targeted Industry Sectors by financing the acquisition, construction and related costs of technology, facilities and equipment. Targeted Industry Sectors are:

- Advanced Materials
- Instruments, Controls and Electronics
- Power and Propulsion
- Biosciences
- Information Technology

The IOF is intended to provide capital to Ohio companies with limited access to capital and funds from conventional financing sources due to the risks associated with the development of new products or services. An IOF loan may finance up to 75 percent of allowable project costs with loans typically ranging from \$500,000 to \$1,500,000.

## Ag-Link Financing

Through Ag-LINK, the State Treasurer's office partners with eligible banks and Farm Credit Lenders on an annual basis. Ag-LINK allows Ohio farmers and other agriculture businesses to apply for an interest rate reduction on new or existing loans or lines of credit up to \$150,000. Applications are accepted on an annual basis from January through March. If the application is accepted, the Treasurer places an investment with a lender for one year. In turn, the lender lowers the interest rate on the loan.

# OHIO THIRD FRONTIER PROGRAMS

To accelerate the creation and growth of investable and scalable technology and tech-enabled companies, the Ohio Third Frontier provides access to essential business assistance, capital and talent resources. The Ohio Third Frontier is a thriving statewide community of expert people and organizations dedicated to increasing the odds of success of your entrepreneurial enterprise.

## Current Programs

The following programs are currently available through the Ohio Third Frontier.

**Entrepreneurial Services Provider Program** is a robust network of entrepreneurial services and capital to accelerate the growth of early stage Ohio technology companies.

**The Ohio Third Frontier Fellowship Grant Program** is being managed by Venture For America, a non-profit company with an existing presence in Ohio. Their mission is to attract recent graduates into early-stage technology or technology-enabled companies.

**Pre-Seed/Seed Plus Fund Capitalization Program** is a source of professionally managed capital and associated services to accelerate the growth of early stage Ohio technology companies.

**Technology Validation and Start-up Fund** to create greater economic growth in Ohio based on start-up companies that commercialize technologies developed by Ohio research institutions.

**Ohio Opioid Abuse, Prevention and Treatment Technology Initiative** is to accelerate the development and commercialization of promising new products (or adaptations or modifications) in the categories of medical devices, diagnostics, pharmaceuticals, and health technology.

**Ohio Opioid Technology Challenge** is a prize competition seeking innovative solutions to reduce morbidity and mortality associated with opioid use and addiction by addressing prevention, treatment, and overdose response and avoidance.

**The Diversity & Inclusion Internship Program** is intended to provide internship experiences to diverse students in technology and technology-enabled small business across Ohio. The Ohio Development Services Agency seeks one or more qualified intermediary organization(s) to manage the curated deployment of student internships into Ohio early-stage companies.

## FEDERAL AND STATE TAX PROGRAMS

### Conversion Facilities Tax Exemption

Administered by the Ohio Department of Taxation, the Conversion Facilities Tax Exemption may provide an exemption for certain property state sales and use taxes for property used in energy conservation, thermal-efficiency improvements and the conversion of solid waste to energy. The Ohio Development Services Agency's Energy Office provides technical review of the energy equipment utilized in the projects to verify it fulfills the intent of the Ohio Revised Code. An opinion is then issued to Ohio Department of Taxation, where the commissioner makes a final determination on certification of the property.

### Job Creation Tax Credit (JCTC)

The Ohio Job Creation Tax Credit Servicing site provides assistance to businesses that have previously been approved for a tax credit by the Ohio Department of taxation. This site provides information for companies on the (1) agreement process, (2) amendment process, and (3) annual report requirements and filings.

### Ohio Motion Picture Tax Incentive

The Ohio Motion Picture Tax Credit (OMPTC) provides a refundable, transferable tax credit. Eligible productions can receive 30 percent on production cast and crew wages, as well as other eligible in-state spending. To be eligible, a production must spend at least \$300,000 per project in the state of Ohio, in the production of entertainment content created in whole or in part within this state for distribution or exhibition to the general public.

### Ohio Historic Preservation Tax Credit Program

The Ohio Historic Preservation Tax Credit Program provides a 25 percent tax credit for the rehabilitation expenses to owners and lessees of historically significant buildings. A building is eligible if it is individually listed on the National Register of Historic Places; contributes to a National Register Historic District, National Park Service Certified Historic District, or Certified Local Government historic district; or is listed as a local landmark by a Certified Local Government. The program is competitive and receives applications bi-annually in March and September.

# WORKFORCE DEVELOPMENT

## Pre-Employment Recruitment, Testing, and Screening Services

The Ohio Department of Job and Family Services can provide a variety of skills testing and employee recruitment services at its county branch offices. These services are typically available to companies at no cost, and the company still maintains control over the final employee screening and hiring processes.

## Bureau of Worker's Compensation Premium Discounts

Through a variety of employer-led safety initiatives, companies in Ohio can further reduce their annual worker's compensation premiums. Local discount programs include the Drug-Free Workplace and the Miami Valley Safety Council.

## Incumbent Worker Training Voucher Program

The program aims to create an exceptional state workforce with advanced skills that can meet the present and future demands of a changing economy by providing training funds to Ohio's key business sectors. Under the program, eligible employers can apply to receive direct financial assistance, up to \$4,000 per employee per fiscal year with a maximum grant of \$75,000, for specific training costs.

## On the Job Training (OJT)

On the Job Training is a federal funded program that helps employers hire and train individuals for long-term employment. There is an opportunity for an employer to work with the local OhioMeansJobs Center to recruit, pre-screen and hire new employees, and to train them in specific skills they will need to help the business thrive. The employer is reimbursed for the costs of training and up to 50% of the trainee's wages during the training period.

# MINORITY ASSISTANCE

## Minority Business Partnership

The Minority Business Partnership (MBP) focuses on accelerating the growth of sizable scalable minority business enterprises (MBEs) and expanding the Dayton region minority entrepreneurial community by advocating for increased minority business participation and facilitating strategic business partnership. The MBP advocates for a diverse and inclusive environment for businesses in the region through partnership, networking, and advocacy. MBP creates supply chain opportunities for local businesses with an emphasis on minority business participation.

## Benefits for Qualified Buying Organization

- Purchasing Roundtable: Quarterly meetings for Chief Procurement Officers and Purchasing Managers to network and exchange best practices.
- Facilities Committee: Regular meetings for Facilities Managers to network and exchange best practices related to increasing supplier diversity within the construction and building maintenance industries.
- Business Opportunity Breakfast (B.O.B.): Three times a year the MBP hosts industry focused networking functions where local & diverse small companies are introduced to larger buyers in our region.



- One-on-One Consultations: Support for Chief Executives and internal teams to help strengthen the supplier diversity process and identify new opportunities for MBE participation in an organization's supply chain.
- Bid Opportunities: Chance to share open bid notices and work with the MBP to target suppliers for pre-qualified opportunities.

### **Benefits for Qualified Minority Business Enterprises**

- Enterprise Leadership and Development: Support through the Dayton Entrepreneurial Development Network as well as statewide and national partners to help companies refine and execute their plans for business growth.
- Financing and Mergers & Acquisitions: Referrals to counseling, information, and access for funding and support to help meet the capital needs of a growing business.
- Mentor-Protégé and Teaming relationships: Introductions and recommendations to potential partners interested in developing joint ventures and strategic alliances.
- One-on-One Consultations: Support for Chief Executives and internal teams to strengthen the company's value proposition, enhance operations, and accelerate growth potential.

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### **Minority Business Assistance Centers (MBAC)**

Minority Business Assistance Centers (MBAC) provide a variety of business development services to new and existing business owners. Each Minority Business Assistance Center is staffed with certified business counselors that assist minority entrepreneurs with loan and bond packaging services, management, technical, financial and contract procurement assistance.

Minority Business Assistance Centers provide minority firms with the following services:

- Accounting assistance
- Business management counseling
- Completing federal, state and local certification applications
- Contract procurement assistance
- Estimating/Bidding assistance
- Identifying local resources
- Loan packaging assistance
- Marketing plan development
- Referrals to financial assistance programs

Services offered by the MBAC offices are provided to new and existing business owners free of charge.

### **General Contact Information**

Greater Dayton Minority Business Assistance Center  
 371 W. Second St., Suite 100, Dayton, OH 45402  
 Phone: (937) 333-1002

<http://daytonhrc.org/business-technical-assistance/minority-business-assistance-center/>

## Ohio Minority Supplier Development Council (OMSDC)

The Ohio Minority Supplier Development Council (OMSDC) is an affiliate of the National Minority Supplier Development Council (NMSDC). The Council is a non-profit organization funded privately through corporate membership dues and contributions, as well as generated revenue from special events. OMSDC is governed by an elected Board of Trustees. The Board is comprised of Corporate Members and MBEs, and operates with its own Chairperson, Vice Chairperson, Treasurer, Secretary, and various committees.

Our focus is to assist the development and maintenance of effective corporate supplier diversity programs. Our most important function is to connect corporate purchasing and procurement departments with minority business enterprises. Results driven and strategic in our efforts, we bring unparalleled value to our membership base.

OMSDC can assist in the following areas:

- MBE Certification
- Supplier Diversity Training
- Working Capital Assistance - The Business Consortium Fund (BCF)
- National Referrals
- Corporate Plus
- Bid Notification
- Business Opportunity Fairs
- Mentoring Programs
- Scholarship Programs
- MBE Showcases
- Quarterly Newsletter
- MBE & Corporate Member Directory
- Consulting

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## Miami Valley Community Action Partnership

Community Action Partnership's Micro-Enterprise Business Development and Training Program has the tools you need to start and grow your own business. Through the program, we have assisted individuals in starting and maintaining many businesses including catering, landscaping, home repairs, dance instruction, floral design, childcare and marketing.

Micro-Enterprise Business Development and Training Classes offer:

- Business start-up tips.
- Instruction from experienced accountants, bankers and other professionals.
- Individualized attention.
- Assistance with business research and planning.
- On-site child care for participants.

You'll learn to write a business plan from which you can start and grow your own small or home-based business. In addition: Experienced accountants, bankers, and other business professionals lead informative and timely sessions. Our computer lab allows you to research business topics and create a business plan. Classes are small, and instructors provide individualized learning and encouragement. On-site child care is available on a first come, first serve basis.

## **Community Action Partnership Micro-Enterprise Business Development & Training Program - Needs and Space**

719 South Main Street Dayton, Ohio 45402

Phone: (937) 341-5000 ext. 125

Fax: (937) 341-5002

E-mail: [micro@cap-dayton.org](mailto:micro@cap-dayton.org)

[www.cap-dayton.org](http://www.cap-dayton.org)

## **Ohio River Valley – Women’s Business Council**

The Ohio River Valley provides a national, premier WBENC certification to women owned companies in Ohio, Kentucky and West Virginia. Major corporations and government agencies utilize the WBENC organization as a clearinghouse for women suppliers seeking procurement opportunities.

### **Benefits of Certification:**

- National recognition by thousands of major U.S. corporations and several public agencies as a certified WBE.
- B2B opportunities with other WBEs via networking and database access.
- Procurement inquiries by governmental and private entities that utilize WBE database to access potential vendors.
- Ohio River Valley Women’s Business Council’s networking opportunities both internal and external.
- Advocacy of women owned businesses to major corporations, government agencies and other buying organizations.

## **Ohio River Valley Women’s Business Council**

3458 Reading Road, Cincinnati, OH 45229

Phone: (513) 487-6528

[www.orvwbc.org](http://www.orvwbc.org)

## **Minority Business Development Agency**

The Minority Business Development Agency (MBDA) is part of the U.S. Department of Commerce. It is the only federal agency created specifically to support the establishment, growth and global competitiveness of U.S. businesses that are minority-owned. For more information, visit their website at <https://www.mbda.gov/>.

## **City of Dayton – Procurement Enhancement Program**

The Procurement Enhancement Program (PEP) establishes aspirational goals to overcome barriers identified in the Disparity Study (“A Second-Generation Disparity Study for the City of Dayton, Ohio” final report dated August 8, 2008) for minority-owned, woman-owned, small and local companies. These goals serve to enhance the percentage of minority-owned, woman-owned, small and local companies working with the City over the next 10 years. The program does not set contracting quotas, which have been struck down by federal courts over the past 20 years.

## **City of Dayton Human Relations Council (HRC)**

Procurement Enhancement Program

371 West Second Street, #100

Dayton, OH 45402

(937) 333-1403

## **The Minority Direct Loan Program**

The Minority Business Direct Loan Program provides fixed, low-interest rate loans to certified minority-owned businesses that are purchasing or improving fixed assets and creating or retaining jobs. The Minority Direct

Loan Program focuses on several factors to determine the eligibility, chief among those determinations are the number of jobs created and/or retained as a result of the State's investment, the extent of participation by the business and a conventional lender in the project; and the demonstration by the business that the State's assistance is necessary in order for the project to go forward.

These criteria are designed to provide a more definite review of the applicant's need and capabilities. The State's financing is take-out financing. In other words, the business will need to complete its project utilizing interim financing from a conventional lender, and its equity. When the project is completed, the State's funds will be released.

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### Minority Business Bonding Program

The Minority Business Bonding Program provides bid, performance, and payment surety bonds to state certified minority-owned businesses that are unable to obtain bonding through standard surety companies. To be eligible for this program, the project for which bonding is sought must be economically feasible; and the minority business must not have defaulted on a previous bond issued by the Ohio Development Services Agency. The maximum bonding line pre-qualification is \$1 million per business. The premium for each bond requested is 2 percent of the face value of the bond. The business must demonstrate the benefit to Ohio residents by increasing employment opportunities. The collateral and/or security are the personal guarantees of the principals and persons substantially involved in business operations, and other such collateral as warranted.

## INTERNATIONAL TRADE ASSISTANCE

### FEDERAL LOAN PROGRAMS – INTERNATIONAL TRADE

#### U.S. Small Business Administration (SBA) Export-Express

Export Express lenders can directly underwrite a loan without getting prior approval from the SBA, which allows you to get capital quickly. Loans are typically approved within 36 hours, and can be up to \$500,000. amounts up to \$150,000 and 75% on loans amounts \$150,000 to \$250,000. Certain loans may currently qualify for a 90% guarantee with Recovery Act funding.

#### U.S. Small Business Administration (SBA) Export Working Capital

Export Working Capital loans allow small business owners to apply for loans in advance of finalizing an export sale or contract, giving exporters greater flexibility in negotiating export payment terms. The turnaround time is usually 5-to-10 business, and can be up to \$5M.

## U.S. Small Business Administration (SBA) International Trade Loan Program

International Trade loans help small businesses enter international markets and make investments to compete with other importers. These loans offer a combination of fixed asset, working capital financing, and debt refinancing with the SBA's maximum guaranty of 90 percent on the total loan amount. The maximum loan is \$5 million in total financing. Ohio International Market Access Grant for Exporters (IMAGE) supported by the Small Business Administration (SBA) through the State Trade Expansion Program (STEP)

The IMAGE program funded through the State Trade Expansion Program (STEP) is designed to increase exports and create jobs. STEP is funded through the Small Business Administration's (SBA) Office of International Trade, which provides guidance on the IMAGE grant that offers financial assistance for small businesses to promote their products and services in international markets. The grant will provide a 50 percent reimbursement up to \$12,500 per fiscal year for qualifying activities.

## Local International Trade Assistance

### International Trade Association

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. In 2008 this organization assisted U.S. businesses export goods and services worth over \$34 billion. They can also assist companies enter new markets faster and more profitably with their worldwide network located within U.S. Embassies and Consulates in over 80 countries. Trade Specialists are trained to help your business grow and prosper in areas such as:

International Trade Partners - Meet pre-screened buyers through our trade missions, International Partner Search, or personalized business meetings.

Consulting and Advocacy - Get expert help at every step of the export process with our consulting and market access services.

Market Research - Target the best markets with our world-class research including: Country Commercial Guides, International Market Insights, and tools that answer specific product and market questions.

Trade Events - Promote your product or service through our trade events including the International Buyer Program and catalog exhibitions

### **Local Contacts:**

U.S. Commercial Service - Cincinnati

Phone: (513) 684-2944

Fax: (513) 684-3227

Email: [Office.Cincinnati@trade.gov](mailto:Office.Cincinnati@trade.gov)

Address: 36 East 7th Street, Suite 2650

Cincinnati, OH 45202

- International Trade Specialist, Deborah Dirr - [Deborah.Dirr@trade.gov](mailto:Deborah.Dirr@trade.gov) or (937) 775-4836 (Tuesday – Friday) covering Champaign, Clark, Clinton, Darke, Fayette, Greene, Highland, Miami, Montgomery, Preble, and Shelby counties.
- International Trade Specialist, Chris Simpson – [Chris.Simpson@trade.gov](mailto:Chris.Simpson@trade.gov) or (513)684-2944 covering Adams, Athens, Butler, Gallia, Meigs, Ross, Scioto, Vinton, and Warren counties in Ohio and Boone, Campbell, and Kenton counties in Northern Kentucky.



# ENTREPRENEURSHIP ASSISTANCE

## The Entrepreneurs Center (TEC)

TEC provides entrepreneurial support services and assistance to technology companies in the following areas:

- Advanced Energy, Materials, or Manufacturing
- Aerospace/Defense
- Agribusiness and Food Processing
- Medical Technology
- Sensing and Automation Technologies
- Software Applications

The Entrepreneurs Center specializes in incubation, acceleration, and commercialization; the ideal candidates are interested in seeking significant outside funding or accelerating a 'focus-area' technology with high growth potential.

## The Ohio Small Business Development Centers Network

This is the premier technical assistance program for Ohio's small businesses. The network is provided through a partnership between the Ohio Development Services Agency, the U.S. Small Business Administration and selected Ohio chambers of commerce, colleges and universities, and economic development agencies. Today, these federal, state, and local partnerships contribute more than \$10 million in cash and resources to the support of small business development in Ohio.

There are 28 funded SBDCs throughout Ohio staffed by highly trained, Certified Business Advisors®. Centers provide no-cost, confidential, in-depth, one-on-one counseling for businesses that will or currently employ under 500 employees. Additional services include training, e-counseling, quality-based assessments, technical assistance, loan packaging guidance, and information on federal, state, and local regulations and programs.

## The Dayton Chapter of SCORE

The Dayton Chapter of SCORE, founded in 1970 as part of a national network of experienced entrepreneurs and corporate managers, offers free one-on-one mentoring sessions. These are for anyone who is considering starting their own business or needs assistance with an existing business. Dayton SCORE partners with local chambers of commerce, the Better Business Bureau and local libraries to provide workshops and training around business strategies. The Dayton Area Chamber of Commerce partners with Dayton SCORE to provide special programming for women entrepreneurs and non-profit leaders. *Contact Dayton SCORE at [score@daytonscore.org](mailto:score@daytonscore.org) or (937) 225-2887.*

## 1st Stop Business Connection

1st Stop is the easiest way to learn about starting a business in Ohio. It provides free state-level information needed to get started or continue on your entrepreneurial journey. Follow this four step process and you'll be on your way. *Contact the 1st Stop Business Connection Hotline at (800) 248-4040 or (614) 466-4232.*

## Entrepreneurial Services Provider Program (ESP)

ESP was created by the Ohio Development Services Agency as a program offering of the Ohio Third Frontier. The goal of the program is to increase technology-based entrepreneurship and commercialization outcomes in the State of Ohio, ultimately creating jobs and attracting investment to the state. Each ESP represents a coordinated

network of services that are accessible to technology-based entrepreneurs. The ESP approach integrates deal flow, entrepreneurial support, and capital to support and advance technology-based entrepreneurs.

Entrepreneurs who are located in the Dayton Region (Champaign, Clark, Darke, Greene, Miami, Montgomery, Preble, or Shelby County) interested in being considered for the ESP services can contact Jordan Roe, the ESP analyst at [jroe@tecd Dayton.com](mailto:jroe@tecd Dayton.com).

## Entrepreneurial Education and Strategic Planning Assistance

- Accelerant - <http://www.accelerantdayton.com/>
- Aileron - <http://www.aileron.net/>
- Dayton Metro Library - <http://www.daytonmetrolibrary.org/research>
- Dayton Tech Guide - <https://daytontechguide.com/>
- Procurement Technical Assistance Center (PTAC) - [http://www.development.ohio.gov/bs/bs\\_ptac.htm](http://www.development.ohio.gov/bs/bs_ptac.htm)
- Small Business Development Center at Wright State University - <https://sbdCWSU.wordpress.com/>
- Wright State University Paul Laurence Dunbar Library (Patent and Trademark Reference) - <http://www.libraries.wright.edu/>
- Small Business Development Center at Springfield - <http://www.smbusdev.org/>
- University of Dayton: Entrepreneurial Leadership Program - <https://www.udayton.edu/business/academics/centers/crottycenter/index.php>
- Small Business Development Center at The Entrepreneurs Center - <http://www.tecd Dayton.com/ohio-sbdc/>

## Organizational Development Services

- Montgomery County Economic Development - <http://www.mcohio.org/>
- Sinclair Community College Workforce Development - <http://workforce.sinclair.edu/>

## Funding Options and Access to Capital

- CDC Resource Consortium - <http://cdcrc.org>
- CityWide Development Corporation - <http://citywidedev.com/>
- CountyCorp - <http://www.countycorp.com/>
- Dayton Development Coalition - <http://www.daytonregion.com/>

## Mentoring

- Dayton SCORE - <http://www.daytonscore.org/>
- Entrepreneurial Signature Program - [http://development.ohio.gov/bs\\_thirdfrontier/esp.htm](http://development.ohio.gov/bs_thirdfrontier/esp.htm)

## Incubation Space and Services

- Mound Business Park - <http://www.mound.com/>
- National Environmental Technology Incubator, Central State University - <http://www.centralstate.edu/academics/support/index01.php?num=16>
- The Entrepreneurs Center - <http://www.tecd Dayton.com/>

To view the current list of the Dayton Area Chamber's upcoming small business education related events click the Events tab at [DaytonChamber.org](http://DaytonChamber.org).

For additional information please contact: [Jessica Wagner](#), Manager, Workforce and Economic Development, Dayton Area Chamber of Commerce, (937) 226-8258.