GAO Review of Entrepreneurial Assistance Programs

August 2012

The US Government Accountability Office conducted an analysis of 52 economic development programs at Commerce, HUD, SBA and USDA that support entrepreneurs.

Summary of Findings:	Explore opportunities to enhance collaboration among programs, improve tracking of program information and conduct more program evaluations.
Small Business Development Centers Standard Practices:	The Small Business Development Centers have strong on-the-ground, local collaborative partnerships with other economic development programs; collect extensive data on performance; and have rigorous standards of quality control.

- ✓ The Small Business Development Centers are a national network of over 1,000 local centers that leverage community resources to meet the unique needs of entrepreneurs and small businesses in their regions.
- ✓ All centers deliver a consistent set of business management educational services, operate according to robust and detailed standards, collect and report consistently on hundreds of data points, and have strong financial controls to assure the prudent and efficient utilization of the public funds invested in the program.
- ✓ To assure the availability of high-quality services nationwide SBDCs must maintain accreditation, which is based on the Baldrige Performance Excellence Program.
- ✓ As a result of this emphasis on efficiently delivering high-quality, localized services, the return on the Federal investment is significant, with annual, independent research confirming a return of $2.09 for every $1 federal dollar invested in the SBDC program.

See reverse for details on how the SBDCs offer an example of the best practices suggested by GAO.

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GAO Finding	SBDC Standard Practices
Limited tracking of activities	SBDCs use online Management Information Systems to collect and report data on over 200 metrics. These metrics track demographic information, outputs (clients, hours, events, etc.), outcomes (business plans written, capital acquired, etc.) and impact (businesses opened, sales increased, jobs created, etc.).
Some programs not meeting performance goals	All SBDCs are required to meet minimum performance goals that are consistent across the country for all SBDCs. Accreditation standards require centers to determine and meet goals of other sponsors and to address local needs. Failure to meet federal goals results in performance improvement plans. Consistent data from all programs is reported quarterly. SBA performs annual reviews of all centers to ensure goal achievement. Accreditation ensures programs are operating at a high-level of quality that is responsive to local needs.
Some programs lack evaluations	As recipients of federal, state and local public funds, SBDCs are extensively evaluated to ensure both the prudent use of funds and the effectiveness of services. SBA conducts annual programmatic and financial audits. All programs must maintain accreditation, which is based on the Baldrige Performance Excellence program, to be eligible for federal funding. All centers have processes in place to survey program recipients to evaluate quality and to make enhancements. Other program stakeholders are also surveyed for feedback.
Opportunities for more collaborations	The over 1,000 SBDCs across the country have deep local connections. They actively partner with USDA, SCORE, Women's Business Centers, Procurement Technical Assistance Centers, EDA, FAST, HubZones, USEAC, USTDA, Commerce, and MEP, along with state, county, and municipal programs, as well as local chambers of commerce, financial institutions, trade associations and professional service providers.
Effectiveness	SBDCs achieve tangible results. In 2011 the SBDCs helped: • **Start 13,351 New Businesses** • **Increase Sales by $4.7 Billion** • **Create 61,214 New Jobs** • **Save 69,363 Jobs** • **Generate over $234 Million in New Federal Income Taxes**
Efficiency	The return on investment for the SBDC program is $2.09 for every $1 in Federal funding invested in the program.