



# ADAPTING NEW WAYS *of* DOING BUSINESS



2016 REPORT



Alaska Small Business  
Development Center

UAA BUSINESS ENTERPRISE INSTITUTE



## A NEW BUSINESS MODEL *at the* SBDC

Alaska is facing an economic shift and the SBDC is working to find innovative ways for both our clients and our own organization to not only survive, but thrive. **We have . . .**



Increased our program income and efforts to engage with community partners in order to diversify our revenue source and maximize the impact the SBDC has on the local business landscape.



Reexamined our business model to best serve business owners and the Alaskan economy while ensuring the longevity of our organization.



Focused on measuring key results which indicate the success of our clients and increased our ability to assist in the grow, reinvent and exit stages of the business lifecycle.



Continued to support the small business community in their ability to positively affect the Alaskan economy through investigating sticky industry sectors and promoting small business growth statewide.

## GENERATING OUR OWN PROGRAM INCOME THROUGH *KIMIAN*

Our clients request assistance in a wide variety of business topics and often they need access to help outside of normal business hours. That's why we created *Kimian* – an innovative online portal available 24/7/365 with resources to help with every aspect of starting and running a business. *Kimian*'s tools, articles and workshops are curated by our expert advisors and work in conjunction with our business advising services. *Kimian* assists in our ability to provide high quality, uniform service delivery and a more efficient use of our greatest resource: our business advisors' time.

Launched less than a year ago, *Kimian* has already garnered attention nationwide:

- UEDA Award of Excellence Finalist 2016
- Presented at the ASBDC Conference 2016



In addition to assisting Alaskan small business owners, *Kimian* has the potential to become an additional revenue stream through our ability to license the tool to other SBDCs across the United States. *Kimian* not only helps SBDCs provide better service delivery and saves them time in searching for the best data and tools but also assists in training new Advisors during the onboarding process.

***KIMIAN* INCREASES CLIENT ENGAGEMENT, REQUIRES NO TRAINING AND PROMOTES A LONG-TERM RELATIONSHIP BETWEEN CLIENTS AND ADVISORS.**





## ENERGY EFFICIENCY WORK

- With funding from a Portable Assistance grant from the U.S. Small Business Administration (SBA), the SBDC was able to partner with UAA College of Engineering faculty to perform commercial energy audits for commercial buildings in the Fairbanks region.
- As part of this initiative, the SBDC hosted an event on the business side of energy efficiency in partnership with the Alaska Center for Energy and Power (ACEP), the Alaska Industrial Development and Export Authority (AIDEA), the Renewable Energy Alaska Project (REAP), the Fairbanks Economic Development Corporation (FEDCO), the Cold Climate Housing Research Center (CCHRC) and the Alaska Energy Authority (AEA).



## ENGAGING WITH OTHER PROGRAMS

### *Alaska Center for Microgrid Technologies Commercialization (ACMTC)*

- ACMTC is a product of our work with UAF Alaska Center for Energy and Power, UAF Office of Intellectual Property Commercialization and the UAA Center for Economic Development on an EDA funded effort to commercialize microgrid technologies.
- ACMTC's goal is to advance commercialization of microgrid technologies with the objective of building a local microgrid tech industry and to reduce cost of energy in remote Alaska and beyond.



## LAUNCH:ALASKA ACCELERATES ENTREPRENEURSHIP

In Spring of this year, the SBDC was given the opportunity to work with several economic community partners to build a new world-class business accelerator in Anchorage. In it's first year, *Launch: Alaska*:

- Competed for and raised more than \$150K to fund the nonprofit operation.
- Raised \$125K in investment capital from the Alaskan investor community.
- Built a team of more than 50 Mentors, local and worldwide.
- Recruited 44 teams to apply to the accelerator program.
- Selected 15 teams to participate in the online pre-accelerator.
- Selected 5 teams for the 3 month on-site accelerator program and invested \$25K in each.

The first cohort was a large success. Four teams graduated at the August 25 Demo Day which was attended by over 250 people. Since then, two of the teams have received additional investor funding and a third team is on the path to investment in the coming year.

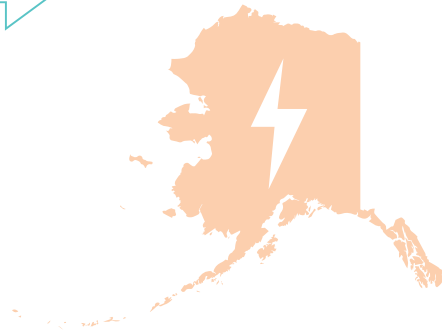
The success *Launch:Alaska* experienced in its first year has earned the program a strong future outlook. Year two has already seen an expansion in the Advisory Board and Directors. \$600K in funding has been secured to fund operations for the next three years.



A NEW BUSINESS MODEL *at the SBDC*

A NEW BUSINESS MODEL *for our CLIENTS*

**With Results  
Driving Future Success**



**OUR MISSION** is to spark  
the amazing in Alaska  
one idea, one business,  
one community at a time.



**\$19.1 MILLION**

Capital accessed by clients

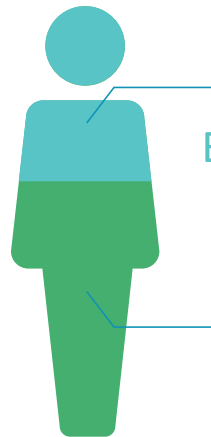
**EVERY \$4,387** invested in the SBDC  
created **1 FULL TIME JOB** in Alaska.

The SBDC **CREATED 1 JOB** for every  
**.87 DAYS SPENT** spent with a client.

The SBDC **MATCHED EVERY DOLLAR**  
received from the State of Alaska  
with **\$1.61 FROM OTHER SOURCES.**



## BUSINESS OWNERS SERVED



918  
BUSINESSES  
ADVISED

1,365  
TRAINING  
ATTENDEES



*These business owners  
directly created*

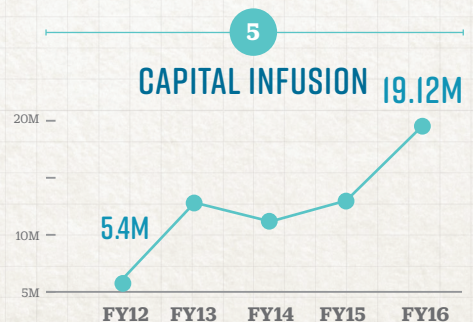
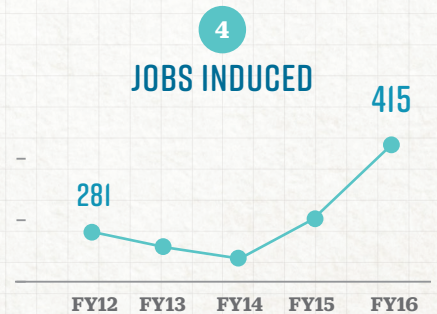
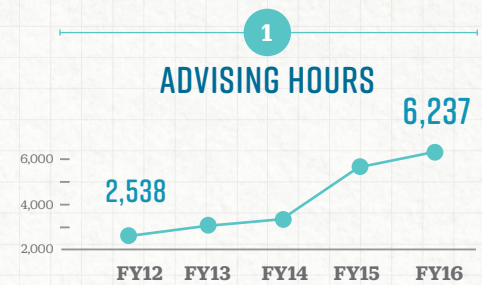


419  
NEW JOBS



146  
NEW BUSINESSES

## WE HAVE EXPERIENCED SEVERAL YEARS OF GROWTH IN OUR 5 KEY METRICS:







*"The SBDC has helped our business in several ways. First and foremost is through the friendly, competent and knowledgeable staff and counselors," said Kevin. "I had the opportunity to work with three different counselors over the years, all of which were helpful in guiding and encouraging through several challenging times."*

## UPDATING BUSINESS MODELS TO REFLECT CHANGING LANDSCAPES

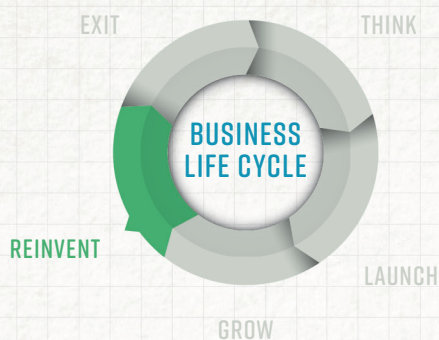
MIDNIGHT SUN HOME CARE, ANCHORAGE

Kevin Turkington is the perfect example of a small business owner who consistently "does it right". Kevin established Midnight Sun Home Care in 2002 and has never stopped keeping an eye on the company's financial measures, market penetration and where the home care industry was headed. The business has stood the test of time and has remained resilient throughout several of the major challenges our economy has faced. His attention to detail not only helps him in his business operations, but in hiring and training the best employees to assist his clients who need around the clock care and compassion.

Midnight Sun Home Care offers a full continuum of home care services for senior and vulnerable adults ensuring their quality of life by helping them remain safely independent in their own homes for as long as possible. Their employees are available whenever their clients call and are certified personal assistants. Moreover, they have improved processes throughout the years to include state of the art accountability systems and monitoring of staff members.

Owning a business with such an extreme responsibility of care for so many people means making an extra effort to carve out time to maintain the health of it's operations as well. Kevin has met with several SBDC business advisors throughout the years to work on financial projections and set goals for the business. Most recently, Kevin met with Anchorage Center Director Lynn Klassert to obtain and analyze industry research which the SBDC is able to provide through our resources IBISWorld and SBDCNet.

In conjunction with one-on-one advising sessions with our Business Advisors, Kevin also benefitted greatly from the SBDC's most popular financial course, Profit Mastery as an attendee in 2012. The course takes clients step by step through the financial statements of their business and teaches them how to interpret them to make better overall business decisions. Kevin utilized the tools from the class as a litmus test against his own forecasting for his growing business. Four years later, Midnight Sun Home Care continues to grow steadily, employing over 75 Alaskans part-time; a 25 job increase from just two years ago.



*Businesses continuously grow and change, experiencing different needs as they travel through the business lifecycle. Whether it is determining the feasibility of an idea, launching a new business, growing the operations, reexamining the business landscape or preparing to sell, SBDC offers different options to help business owners throughout their journey. Our advising, online tools, workshops and webinars are available to help small business owners face the most common challenges in each stage of business.*







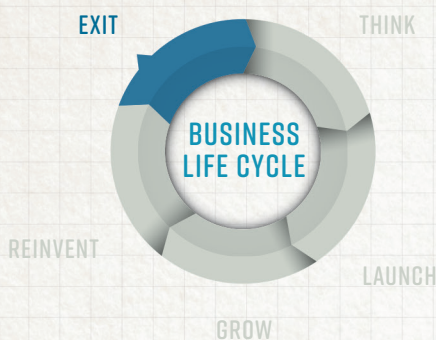
*“Without the SBDC’s help we would have never made it to the closing table,” said Mike. “Julie helped with the entire process of buying a business, start to finish. There was so much more involved in the process of buying a business than we had ever imagined. We learned a lot, thanks to the help from the SBDC.”*

## FROM EMPLOYEE TO OWNER

**H&H SHEET METAL, PALMER**

Mike Braddock and Jason Magers spent over a decade each as employees of H&H Sheet Metal; learning the ins and outs of the business as well as the sheet metal industry itself. When the current owner made the decision to retire, Braddock and Magers saw the opportunity to grow from employees to co-owners and offered to purchase the business. They worked with the Alaska Small Business Development Center to review the financials and prepare their business plan for loan review. Assistant State Director Julie Nolen inspected the financials and assisted the new owners as they negotiated the business sale.

Braddock and Magers knew early on that having a team dedicated to the success of the business was imperative. In addition to Nolen, they worked closely with a local CPA to ensure that the agreement would work well for both the buyer and seller. After months of work and negotiations, Braddock and Magers are officially the new owners of H&H Sheet Metal and have already jumped head first into the day to day operations of business management.



*Purchasing an existing business is an exciting time for new Entrepreneurs and it’s important to make sure the business you are looking to purchase is worth what is being asked. Our business advisors have strong working relationships with the lending community paired with access to financial assessment tools to help potential new business owners assess the viability of an operation.*







A NEW BUSINESS MODEL *for* ALASKA



*With small businesses leading the way*

## CREATING ALASKA'S FIBER INDUSTRY

COYOTE TRAIL FARM AND FIBER MILL, FAIRBANKS

When Kate Wattum first had the idea to create a business manufacturing and selling fiber and fiber based products, she knew she would also have to lay the groundwork for an industry that doesn't yet exist in Fairbanks or even Alaska. Currently, most animal fiber grown in Alaska is thrown away, processed by artists in small quantities or sent out of state for expensive processing. Kate established Coyote Trail Farm and Fiber Mill so she could use her experience to generate business in state and build a reputation for Alaskan fiber as she works with artists, agricultural specialists, fiber collectors and other small businesses.

As Kate began to build her business, she came to the Alaska Small Business Development Center in Fairbanks and began working with Business Advisor, Alexis Fanelli. Alexis assisted her in the first steps of managing the business finances, strategies for marketing and the logistics behind setting up her facility on the farm. Kate very much wanted the farm setting and expanded her small "backyard farm" with an assortment of fiber producing animals that now adds to the charm of her endeavor. Teamed up with Alexis, they initially worked on setting up a bookkeeping system that would keep Kate in the know about the business's finances and on the same page with her accountant. Alexis was also able to support Kate's efforts through the banking process, purchasing, product research and development of the merged farm and fiber model she was after.

**"With my plan, research and experience the SBDC helped me structure a step-by-step process to move me from idea to actual business entity. I had some personal hurdles to get over and the SBDC agent kept moving me forward. The encouragement to continue and the solid, enthusiastic support helped keep me on track," said Kate.**

Kate plans on continuing to work closely with the SBDC as she navigates her first year in business. Coyote Trail Farm & Fiber Mill will ultimately grow to custom process and purchase raw fiber to transform into yarn, thread, rope and felts for crafters and roving for spinners. Tours will also be available by appointment for both the farm and mill.

As any fiber artist will tell you, it is the infinite variations in natural fibers that are the joy and challenge. With plans to grow, the mill will soon offer additional services and the ability to process and blend a wide variety of fiber types including suri and huacaya alpaca, llama, muskox (qiviut), cashmere, yak, mountain goat, angora rabbit, sheep, buffalo, husky and other dog breeds, hemp, flax, long staple cotton, bamboo, polypropylene, nylon blends, silk, mohair and more.





## SBDC SPECIALIZES IN BUSINESS OWNERSHIP TRANSITION

“Due Diligence” ... the most critical period during a business purchase is also the perfect time to call the Alaska Small Business Development Center.

- When entering the phase of due diligence, a business owner turns over all balance sheets, income statements, and business tax returns to a potential buyer. It is during this time when the buyer must take an in-depth look at the accounting practices, historical revenue, inventory management, cash flow, and profitability levels in order to make the determination if this could be the opportunity of a lifetime or a high risk road fraught with insecurity.
- Luckily the SBDC is here to assist. Financial due diligence with an SBDC advisor will enable you to create a 5 year forecasting model that will analyze and validate all the financial, commercial, operational assumptions being made about the business and the purchase. Concluding due diligence with the assistance of SBDC staff will provide you with the knowledge needed to make an informed decision about your financial future. So why wait? Test your What if now!



## FOCUS ON STICKY INDUSTRY SECTORS

The Alaska SBDC has identified three strategic priorities are we work to create a measurable impact on our local economy:

1. Achieve excellence in service delivery.
2. Focused service delivery to enable growth in regional sectors and communities.
3. Significant infusion of new capital cycling through the community.



Through the years, SBDC has worked with thousands of brick and mortar businesses – many of which have high energy costs. Given that numerous business owners around the state face economic hardship due to energy costs, the SBDC launched the SBDC-ENERGY initiative.

Our work is an investment in Alaska property owners and energy companies. We help Alaskan businesses become more resilient to change in energy prices – at no cost to them. Through this initiative, SBDC:

- Coaches companies about how to market the value of their energy-efficient products and services.
- Works with companies to find funding for energy projects.
- Helps businesses find funding for the development of new energy technologies.





“

*SBDC helped me troubleshoot and formulate my ideas on paper which allowed me to get funding for my business. It is an invaluable resource that any aspiring business owner should utilize.*

”

**DENISE AKERT** Birch Leaf Chapel, Ester



“

*SBDC helped me troubleshoot and formulate my ideas on paper which allowed me to get funding for my business. It is an invaluable resource that any aspiring business owner should utilize.*

”

**DAVID MCCASLAND** Deckhand Dave's, Juneau



“

*The SBDC provided many useful workshops: from marketing, to business plans, to structuring your insurance. I found all the teachers and staff friendly and engaging, and couldn't recommend them enough.*

”

**LIZ ELDRIDGE** Spice & Tea Exchange, Anchorage



“

*Attending an SBDC intro class, followed by the business plan class later that very week, gave us the extra encouragement to give our dream a go! We felt good knowing there was a place to get small business advice.*

”

**ELISSA BROWN** Wild Scoops, Anchorage

“

*The SBDC has been an invaluable asset in growing our business! They have assisted with everything from advice on business plans, to developing marketing plans, discussing expansion and helping us to define company direction. They have come alongside us as a trusted mentor.*

”

**JEANIE WRIGHT** Alaskan Sweet Things, Anchorage







“

Since day one, the Alaska Small Business Development Center has played a pivotal and vital role in the continued growth and success of our company.

”

**TRAVIS MADDEN** EOS Creative Media, Eagle River



“

The SBDC has provided constant mentorship and advice throughout every step of the startup process. Their guidance helped me meet key people who specialize in business processes willing to assist me in growing my company.

”

**WYLIE ROGERS** Wylie, Inc., Fairbanks

“

SBDC has been an invaluable resource for us in the growth of our business and the planning of our new facility. The information provided by the SBDC is endless. SBDC provided contacts within our industry in the planning for our expansion and continuously gave us the confidence we were and continue to be on the right path.

”

**DR. SHARON LEMMONS** Lemon Tree Family Medical, Anchorage



“

SBDC helped me troubleshoot and formulate my ideas on paper which allowed me to get funding for my business. It is an invaluable resource that any aspiring business owner should utilize.

”

**KERRIE SPAIN** Bright Minds Learning Center, Wasilla

“

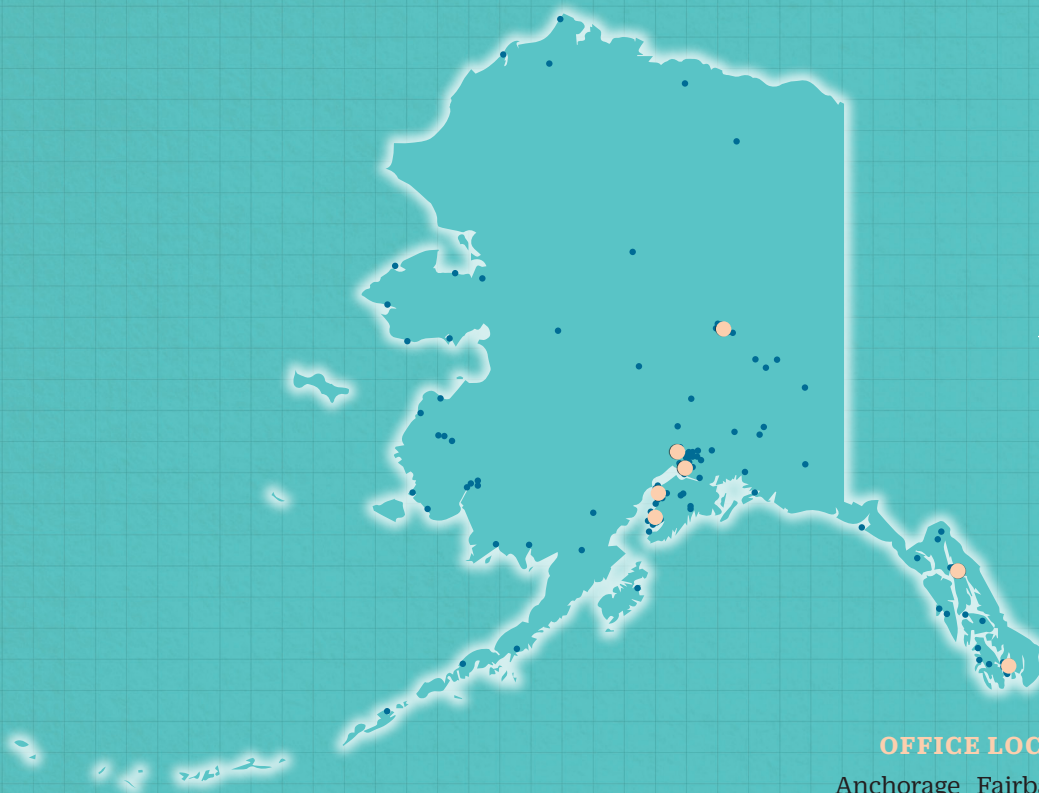
Having already collaborated with SBDC in a successful business start up several years ago, it was only obvious that I should do the same with my recent business. I've found their sharing of information and guidance to be invaluable.

”

**TODD POLLOCK** Freedom Physical Therapy and Sports Rehabilitation, Soldotna







## 86 COMMUNITIES SERVED IN 2016

We are able to provide no cost one-on-one business advising and low cost workshops throughout Alaska via our seven centers and distance delivery to business owners in remote parts of the state.

### OFFICE LOCATIONS

Anchorage Fairbanks Juneau  
Ketchikan Soldotna Homer Wasilla

### THANK YOU TO OUR SUPPORTERS AND FUNDERS:



Alaska Performance Excellence Foundation  
The Boardroom  
The Business Enterprise Institute  
The Center for Economic Development  
The City and Borough of Juneau  
The City of Fairbanks  
The City of Ketchikan  
The City of Valdez  
Evergreen Bank  
Fairbanks North Star Borough  
The Kenai Peninsula Borough  
Ketchikan Gateway Borough

Launch:Alaska  
The Minority Business Development Agency  
Northrim Bank  
The State of Alaska  
UAA College of Engineering  
The UAF Alaska Center for Energy and Power  
The U.S. Economic Development Administration  
Wells Fargo Bank, N.A.  
**Support from Individuals Like You**

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