



**BUSINESS**  
on main A COMMUNITY FOR SMALL-BUSINESS LEADERS

## The Entrepreneur's Hometown Advantage

BY Joanna L. Krotz  
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"If you want to start a business in these troubled times, think out of the box," advises Duane Harden, speaking from hard-won experience. "And don't think about conventional lending."

Harden, 39 and "thirsty for entrepreneurship," lives in New York City's Harlem neighborhood. A house-music songwriter, he's also a leader and die-hard fan of a local CASHFLOW club, the passionate board game community spawned by author Robert Kiyosaki and his best-seller "Rich Dad Poor Dad." Plus, Harden is a committed vegetarian who doesn't drink or smoke.

That lifestyle choice — and a craving for a protein shake late one night — tickled his itch to start a new business. After three years of uphill work and countless meetings, Harden has just opened a healthful-eating fast-food restaurant on Manhattan's Upper West Side under a startup franchise called Energy Kitchen. The company promises that no food is fried and no menu item is more than 500 calories.

Harden secured a whopping \$340,000 loan to back his venture, despite what he describes as three strikes against him:

- No experience working in a restaurant

- No knowledge of the restaurant industry
- The horrific credit crunch and scant collateral

So, how did this apparent fairy tale achieve its cinematic ending? Enter your local Small Business Services (SBS) division.

*Your city needs you*

Small businesses are the economic lifeblood of nationwide growth. A study released in July by the Ewing Marion Kauffman Foundation confirms that "when it comes to U.S. job growth, startup companies aren't everything. They're the only thing." New firms, reports the study, "add an average of 3 million jobs in their first year, while older companies lose 1 million jobs annually."

As a result, cities as dissimilar as Philadelphia, Salt Lake City and Providence, Rhode Island — and pretty much everywhere in between — have launched dozens of free or low-cost Small Business Services to encourage emerging industries and existing businesses.

You'll find professional advice for drafting a business plan or hiring employees. There's information technology training, financial counseling, industry-specific workshops, step-by-step help to acquire permits and licenses, support for green technology initiatives, and more. SBS departments also spotlight minority- and women-owned business enterprises (MWBE) for special training.

**It was New York City's SBS department that found the Bronx microlender that approved Harden's loan. This was after the usual suspects — Bank of America, HSBC, Sovereign, Wachovia — turned him down. Harden also took SBS courses to learn about business management, the restaurant industry and Internet marketing. After he applied online for a personal**

**counselor, SBS assigned an experienced mentor who regularly met with Harden — all for free.**

**“I could not be doing this without SBS,” he says.**

*What SBS divisions offer*

“We use a two-prong approach for the city’s economic development,” says Meredith Dibden-Brown, manager of San Diego’s Office of Small Business. “We help businesses individually, and we work with the business community to revitalize neighborhoods.”

A pioneer in this arena, San Diego launched its SBS department in 1992. Today, the division acts as “an information clearinghouse that serves 5,000 to 7,000 walk-in clients a year,” says Dibden-Brown.

Typically, SBS divisions also stay close to their communities, shaping programs to current needs. For example, with access to credit still so tight, says Dibden-Brown, “we’re focusing on gap financing and assistance built on public-private partnerships.” She’s also been leading conferences on social media and, “because more women are starting businesses now,” a startup workshop for women.

In New York, city council speaker Christine Quinn, a longtime advocate for small business, recently announced an array of incentives to attract startups to the city. These include “High Tech Connect,” which matches newbie tech firms with established entrepreneurs in the industry.

In light of current economic conditions that have forced many small enterprises to rejigger their business models, New York also just awarded nearly \$416,000 to help companies retrain employees (another \$700,000 is earmarked).

“We recognize how unhelpful government can be,” says Quinn. “What seems fair from the regulator’s perspective can play out in extraordinarily burdensome ways for the realities of business. We’re trying to fix what hasn’t been right to keep businesses developing in New York.”

*The SBS payoff takes persistence*

To leverage staff and funding, most SBS divisions forge partnerships with federal Small Business Administration offices, venture capitalists, business schools and community development groups. The result can be a patchwork of sponsors and a maze of options.

So to reach the prize of any one service, you’ll need to do some homework. Begin by searching your city’s or county’s website. Most divisions maintain online portals of small-business resources. You can also get in touch by phone or set up an informational appointment with designated officials, usually listed online.

Whatever your locale, Quinn urges owners to “go to government for help, but don’t assume all of it is in the hands of the executive office, the mayor or city manager. Really explore all the options, whether the legislative branch, chambers of commerce and all the networks that are connected.”

Remember that those who help you, from interns to elected officials, only succeed when you do.