

# DEPARTMENT OF SMALL BUSINESS SERVICES

Maria Torres-Springer, Commissioner



## WHAT WE DO

The Department of Small Business Services (SBS) makes it easier for businesses in New York City to form, do business and grow by providing direct assistance to business owners, fostering neighborhood development in commercial districts and linking employers to a skilled and qualified workforce. SBS runs the City's NYC Business Solutions Centers, Industrial Business Solutions Providers and Workforce1 Career Centers; provides services to support the growth of local economic development organizations throughout the City; and administers the Minority and Women-owned Business Enterprise Program.

## FOCUS ON EQUITY

By focusing on three key pillars – good jobs, stronger businesses, and a fairer economy – SBS is committed to ensuring economic security for all New Yorkers by providing a wide range of services that help businesses, jobseekers, and neighborhoods throughout the five boroughs. Since April, SBS has announced higher wage standards for businesses receiving free recruitment services through Workforce1; plans to fundamentally change the way the agency provides services to immigrant entrepreneurs through the Immigrant Business Initiative, which has already doubled the number of non-English business courses being offered; Small Business First, an initiative working across agencies to improve the City's regulatory environment and consolidate information that small businesses need to start, operate, and grow; and the Tech Talent Pipeline, which will help train and connect New Yorkers to well-paid jobs in the City's growing tech sector through a public/private collaboration between businesses, community groups, training providers, and government.

## OUR SERVICES AND GOALS

### **SERVICE 1 Help businesses start, operate and expand in New York City.**

- Goal 1a Assure that businesses and entrepreneurs have easy access to a variety of high quality support services.
- Goal 1b Retain jobs and businesses in New York City by administering incentive programs for facility renovation and promoting retention of NYC businesses and relocation of businesses to NYC.

### **SERVICE 2 Match businesses in need of workers with qualified applicants.**

- Goal 2a Assure that businesses have timely access to qualified job applicants.

### **SERVICE 3 Provide financial support and technical assistance for New York City's commercial districts throughout the five boroughs.**

- Goal 3a Strengthen and expand New York City's Business Improvement District (BID) program and other local economic development organizations.

### **SERVICE 4 Help minority and women-owned businesses identify and compete for City contracts.**

- Goal 4a Increase the number of Minority and Women-owned Business Enterprises (M/WBEs) that obtain City contracts.
- Goal 4b Increase the number and value of City contracts awarded to Minority and Women-owned Business Enterprises (M/WBEs).

# HOW WE PERFORMED IN FISCAL 2014

## SERVICE 1 Help businesses start, operate and expand in New York City.

**Goal 1a** Assure that businesses and entrepreneurs have easy access to a variety of high quality support services.

In Fiscal 2014, NYC Business Solutions helped 440 different businesses access \$44.8 million in financing assistance. The 17 percent decrease in the financing amount was due mainly to the fact that the Business Solution Centers no longer processed Hurricane Sandy emergency loans. However, the average loan amount increased in Fiscal 2014 by 91 percent, from \$45,000 in Fiscal 2013 to \$86,000.

These changes also reflected new policies that focus on quality of financing assistance service and changes in the type of financing assistance that is reported. The result of fewer loan awards but larger average loan size in Fiscal 2014 is expected to recur in the coming years.

NYC Business Solutions provides services to small businesses seeking to launch, continue operating and expand in the City. In Fiscal 2014 NYC Business Solutions helped over 8,300 unique businesses. The 26 percent decrease in businesses served from Fiscal 2013 can be attributed to the end of the Hurricane Sandy Emergency Loan and Grant program and to a reduction in smaller loans included in this indicator.

NYC Business Solutions provides business courses in seven different languages to help entrepreneurs launch, market and grow their business. In Fiscal 2014 over 6,300 individuals participated in business courses citywide.

In Fiscal 2014 25 businesses were awarded grants through NYC Business Solutions Customized Training, a program enabling employers to increase the skills and salaries of their employees through investment in training. Over the past three years the NYC Business Solutions Customized Training program has awarded 78 businesses with grants, approximately 25 per year.

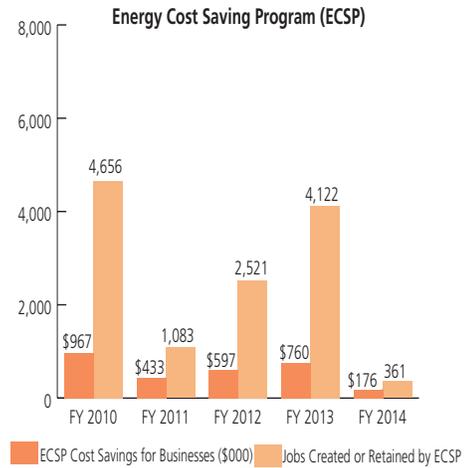
Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
Unique businesses served by NYC Business Solutions	8,957	10,247	8,696	11,340	8,344	*	*	Up	Neutral
★ Financing awards to businesses facilitated by NYC Business Solutions	575	710	683	1,200	518	690	540	Up	Up
★ Unique businesses receiving financing awards facilitated by NYC Business Solutions	514	627	588	1,053	440	590	470	Up	Up
Value of financing awards facilitated by NYC Business Solutions (\$000)	\$29,528	\$39,840	\$71,484	\$54,101	\$44,811	*	*	Up	Up
★ Businesses awarded NYC Business Solutions training funds	42	16	26	27	25	26	26	Neutral	Down
Projected number of individuals receiving wage gains or new employment as a result of Training Funds awards	1,308	270	510	590	888	*	*	Up	Down
★ Recruit-to-hire ratio for job placements made through accounts managed by NYC Business Solutions Hiring	3:1	3:1	3:1	3:1	3:1	3:1	3:1	Down	Neutral

★ Critical Indicator "NA" - means Not Available in this report ↕ shows desired direction

**Goal 1b**

Retain jobs and businesses in New York City by administering incentive programs for facility renovation and promoting retention of NYC businesses and relocation of businesses to NYC.

The Energy Cost Savings Program (ECSP) helps retain eligible NYC businesses by reducing energy costs associated with relocation or capital improvements. Lower energy costs are a significant incentive to promote business retention for firms seeking to move, modernize or expand space. The businesses approved for ECSP in Fiscal 2014 saved \$176,000 in annual energy costs, with an estimated \$1.8 million in savings for firms over the life of the benefits. The reduction in activity and savings from Fiscal 2013 resulted from both ECSP and the Lower Manhattan Energy Program being inactive for most of Fiscal 2014. New York State legislation enabling SBS to resume approvals of new cases was not reapproved until April 2014, with the result that new approvals and also related jobs were lower than the prior year, before resumption in the fourth quarter of the year.



Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
Value of Energy Cost Savings Program savings for businesses (\$000)	\$967	\$433	\$597	\$760	\$176	*	*	Up	Down
Jobs created or retained by Energy Cost Savings Program	4,656	1,083	2,521	4,122	361	*	*	Up	Down
Value of Lower Manhattan Energy Program savings for active commercial tenants (cumulative) (\$000)	\$31,938	\$24,915	\$25,032	\$17,418	\$14,546	*	*	Up	Down
Commercial tenants active in Lower Manhattan Energy Program	1,458	1,403	1,403	1,095	1,059	*	*	Up	Down

\* Critical Indicator "NA" - means Not Available in this report ↕ shows desired direction

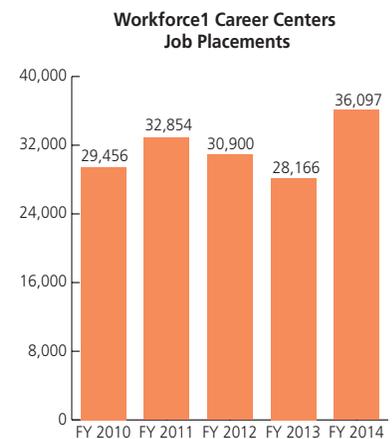
**SERVICE 2 Match businesses in need of workers with qualified applicants.**

**Goal 2a**

Assure that businesses have timely access to qualified job applicants.

In Fiscal 2014 82,619 new jobseekers were registered through the Workforce1 Career Center system, compared with 84,515 the previous year, as SBS maintained its outreach and marketing efforts to connect New Yorkers to Workforce1 recruitment services.

Workforce1 systemwide job placements were 36,097 in Fiscal 2014, a 28 percent increase from Fiscal 2013. The increase in placements was due to vendors adjusting better to a stricter placement definition and new validation policies implemented by SBS in the fourth quarter of Fiscal 2012.



Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
★Workforce1 systemwide job placements	29,456	32,854	30,900	28,166	36,097	30,000	25,000	Up	Up
New jobseekers registered through the Workforce1 Career Center system	97,755	80,083	73,518	84,515	82,619	*	*	Up	Down
Walk-in traffic at Workforce1 Centers	319,736	252,068	312,009	320,273	367,695	*	*	Neutral	Up

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### SERVICE 3 Provide financial support and technical assistance for New York City's commercial districts throughout the five boroughs.

**Goal 3a** Strengthen and expand New York City's Business Improvement District (BID) program and other local economic development organizations.

In Fiscal 2014 SBS continued to strengthen and expand NYC's BID program by assisting more than 25 local organizations and merchants associations interested in creating a BID with the planning, outreach and legislative phases of BID formation. SBS also continued to provide technical assistance training, capacity building workshops, Neighborhood challenge grants and support and oversight to the City's network of 69 existing BIDs, the most comprehensive system of its kind in the country.

In Fiscal 2014 the agency's Avenue NYC Program provided \$1.38 million to 39 local development corporations throughout the City for grants and technical assistance to attract new businesses and promote revitalization of commercial corridors in the neighborhoods.

SBS strengthened its capacity building in Fiscal 2014 with the Neighborhood Leadership Program, which trained and graduated 21 members of local non-profit organizations in the skills needed to lead change in their economic organizations and communities; the Neighborhood Retail Recruitment Program, which provided four local organizations with 10 months of one-on-one technical assistance in business attraction and retention; and with numerous workshops, roundtable discussions and training sessions to increase the capacity and effectiveness of operators of local economic development organizations across the City.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
★City blocks receiving supplemental sanitation services through BIDs	1,262	1,262	1,468	1,468	1,480	1,480	1,480	Up	Up
★Average acceptably clean BID sidewalk ratings (%)	99.1%	99.0%	99.0%	98.5%	96.5%	99.0%	99.0%	Up	Neutral
Value of AvenueNYC local development corporations funding (\$000,000)	\$2.21	\$1.80	\$1.74	\$1.50	\$1.38	*	*	Neutral	Down
Newly certified businesses in Locally-Based Enterprise Program	14	15	26	24	10	*	*	Up	Neutral

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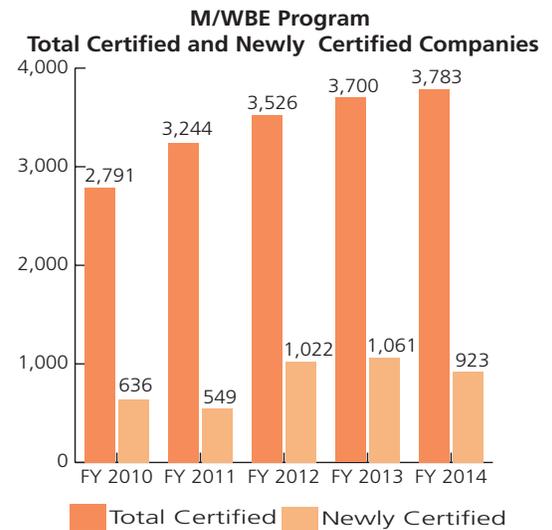
## SERVICE 4 Help minority and women-owned businesses identify and compete for City contracts.

### Goal 4a

Increase the number of Minority and Women-owned Business Enterprises (M/WBEs) that obtain City contracts.

The Minority and Women-owned Business Enterprise (M/WBE) program certified 923 M/WBEs in Fiscal 2014 increasing the total of certified M/WBEs to 3,783, from 3,700 at the end of Fiscal 2013. The M/WBE recertification rate for 2014 met the annual target of 60 percent.

More M/WBEs won City contracts in Fiscal 2014 than the previous year, for the sixth consecutive year. The number of M/WBEs awarded City contracts increased five percent to 684 from 651 in Fiscal 2013. The number of M/WBEs awarded City contracts after receiving direct assistance from SBS rose six percent to 472 from 447 last year.



Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
★ Minority and Women-owned Business Enterprises certified	2,791	3,244	3,526	3,700	3,783	3,811	3,963	Up	Up
★ Minority and Women-owned Business Enterprises awarded City contracts	485	529	633	651	684	671	691	Up	Up
★ - M/WBEs awarded contracts after receiving direct assistance	356	378	439	447	472	460	477	Up	Up
★ Annual M/WBE recertification rate	70.2%	49.4%	62.5%	59.2%	60.4%	60.0%	60.0%	Up	Neutral
Newly certified businesses in M/WBE Program	636	549	1,022	1,061	923	*	*	Up	Up

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### Goal 4b

Increase the number and value of City contracts awarded to Minority and Women-owned Business Enterprises (M/WBEs).

The overall number of City contracts awarded to M/WBEs increased by 9 percent from 7,926 in Fiscal 2013 to 8,663 in Fiscal 2014. The number of City contracts awarded to M/WBEs after receiving direct assistance grew by 20 percent, from 5,297 in Fiscal 2013 to 6,342 in Fiscal 2014.

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
★ City contracts awarded to Minority and Women-owned Business Enterprises	6,173	6,564	8,496	7,926	8,663	8,085	8,663	Up	Up
★ - Contracts awarded to M/WBEs after receiving direct assistance	4,707	4,856	5,391	5,297	6,342	5,403	6,342	Up	Up

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## AGENCY CUSTOMER SERVICE

Performance Indicators	Actual					Target		Desired Direction	5yr Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15		
Customer Experience									
CORE facility rating	90	96	92	93	95	*	*	Up	Neutral
Letters responded to in 14 days (%)	100%	100%	100%	100%	100%	*	*	Up	Neutral
E-mails responded to in 14 days (%)	100%	100%	100%	100%	100%	*	*	Up	Neutral
Completed customer requests for interpretation	4,857	16,631	13,257	17,650	23,308	*	*	Neutral	Up

## AGENCY RESOURCES

Resource Indicators	Actual					Plan <sup>1</sup>		5-year Trend
	FY10	FY11	FY12	FY13	FY14	FY14	FY15	
Expenditures (\$000,000) <sup>2</sup>	\$159.6	\$148.7	\$137.6	\$150.3	\$522.7	\$514.9	\$146.7	Up
Revenues (\$000,000)	\$29.5	\$53.2	\$72.8	\$81.3	\$94.8	\$91.6	\$80.0	Up
Personnel	306	238	242	273	258	314	259	Neutral
Overtime paid (\$000)	\$36	\$30	\$36	\$71	\$16	\$2	\$0	Neutral
Human services contract budget (\$000,000)	\$50.2	\$36.0	\$24.4	\$25.9	\$29.6	\$24.1	\$21.8	Down

<sup>1</sup>Authorized Budget Level      "NA" - Not Available in this report      <sup>2</sup>Expenditures include all funds.

## NOTEWORTHY CHANGES, ADDITIONS OR DELETIONS

None.

## ADDITIONAL RESOURCES

For more information on the agency, please visit: [www.nyc.gov/sbs](http://www.nyc.gov/sbs).