

This blog is the second in a series that will highlight opportunities for OEA grantees to sustain and enhance work undertaken in OEA-funded programs by leveraging new programs and funding related to the COVID-19 pandemic response.

## **SBA Entrepreneurial Development Programs Offer Key Resources**

### **Program Description**

The Small Business Administration's (SBA) Office of Entrepreneurial Development (OED) manages several technical assistance programs that provide training and counseling to small business. The network includes Small Business Development Centers (SBDCs), Women's Business Centers (WBCs), and the Office of Entrepreneurship Education (OEE) which works closely with SCORE volunteer counselors. With 63 lead Centers and more than 900 service locations, SBDCs represent one of the most extensive networks of small business counseling resources across the nation. Local SBDCs provide free one-on-one consulting and low-cost training to small businesses on business planning, accessing capital, marketing, complying with federal and state regulations, developing new products, and finding new customers in the US and abroad. They are complemented by over 100 WBCs that work closely with women-owned enterprises to ensure they have access to resources, including improving their ability to access federal contracts. OED works with 348 SCORE chapters representing more than 13,000 volunteer business counselors and a free online learning portal, SBA's [Emerging Leaders Initiative](#).

### **What the Stimulus (CARES Act) Does**

The CARES Act provides \$240 million to SBA's Office of Entrepreneurial Development for SBDCs and WBCs. The Act stipulates that 80 percent of the funds go to SBDCs and 20 percent to WBCs. The Act also waives any match requirement for these additional funds. The funding essentially doubles available funding to the Centers with additional resources targeted to addressing the anticipated increase in demand for information and help to navigate available small business resources.

### **Program Parameters**

Funding is being provided to SBDCs and WBCs through a noncompetitive Funding Opportunity Announcement process that requires Centers to describe how they will provide services to meet the spirit and intent of the legislation.<sup>1</sup> Centers are expected to enhance their capacity to undertake specific activities addressing COVID-19, such as responding to calls from businesses, conducting webinars, and hiring specialized counselors. Centers may also work through partner organizations in delivering relevant services to small businesses.

The funds can be used for educating, training, and advising impacted small business owners and employees on how to:

- access and apply for Federal resources;
- reduce and prevent the transmission of COVID-19 and other communicable diseases;

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<sup>1</sup> U.S. Small Business Administration Office of Small Business Development Centers (SBDCs) Funding Opportunity [Announcement No. OSBDC-COVID-2020-1](#) and U.S. Small Business Administration Office of Women's Business Ownership (OWBO) Funding Opportunity [Announcement No. OWBO-COVID-1](#).

- address the potential effects of COVID–19 on the supply chains, distribution, and sale of products of covered small business concerns;
- manage telework and provide remote customer service to reduce possible transmission of COVID–19;
- mitigate risks associated with cyber threats due to increased remote customer service or telework practices;
- overcome the consequences of reduced travel or outside activities on covered small business concerns during COVID–19 or similar occurrences; and
- identify other business practices to mitigate the economic effects of COVID–19 or similar occurrences.

Currently, most Centers are reacting to the immediate needs demanded by the public health crisis. The new funding is for a 12-month grant that should allow Centers to structure partnerships designed to increase company awareness about approaches to ensure company survival and resiliency through more strategic business recovery planning and implementation efforts.

### **Discussion and Implications for OEA Grantees**

At least seven OEA grantees have engaged SBDCs as part of their effort. However, this network is an underutilized resource that could be used to help defense-related business owners access information and develop skills to support their enterprises. With increased flexible funding available, OEA grantees could potentially leverage even greater involvement from SBDCs and WBCs to help defense-related companies learn more about best practices in addressing a variety of challenges. Furthermore, SBDCs and WBCs are seeking new team members and partners to help address the massive increase in demand for SBDC training and counseling services resulting from the COVID-19 crisis. Opportunities include:

1. Cybersecurity awareness training

At least two OEA grantees have already engaged SBDCs to assist in providing cybersecurity awareness to small businesses that are currently or potentially could be in the defense supply chain. Beyond DOD requirements, COVID-19 has created a greater demand for using remote work locations, expanding the deployment of web-enabled robotics, and increasing the use of video conferencing. These all created potential risk points for cybersecurity threats, and they suggest a greater need for SBDCs and OEA grantees to partner to mitigate cybersecurity threats and provide counseling to small businesses (including defense-related companies that are not manufacturers).

2. Assistance with accessing SBA and Treasury capital programs

Many defense-related companies rely largely on traditional financing mechanisms, including bank lending and available contracts to manage cash flows. With slowdowns in production due to disruptions in supply chains and worker safety concerns, defense-related businesses are struggling to ensure that they have the cash flow required to continue operating. DOD has demonstrated a willingness to address some capital needs for its industrial base, but companies farther down the supply chain tiers are less likely to benefit from those policies. SBDCs provide an invaluable resource in helping defense-related companies continue operating and meet the needs of DOD customers. SBDCs provide expertise in available financing options and hands-on help with putting together financial packages for available Federal and state programs that address immediate capital needs as well as existing lending and equity investment programs that could help defense-related companies to access the capital needed to take advantage of

growth opportunities. These programs are particularly relevant for OEA grantees promoting innovation in new product development and entrepreneurial efforts to create or expand businesses that could offer new defense-related products or services.

3. Worker safety and productivity improvement training associated with re-opening after COVID-19 closures or slow-downs

Many defense-related companies continued operating in some capacity throughout the COVID-19 crisis while others significantly reduced or shut down production entirely. To get back to full productivity will require ensuring that defense-related companies are taking appropriate measures to protect their workers from the coronavirus. Several organizations have created recovery frameworks designed to help companies get back to full production. These frameworks identify several steps in hazard mitigation designed through improved housekeeping and sanitation standards, redesigning production spaces to increase social distancing, providing protective equipment to reduce virus spread, and restructuring administrative requirement to reduce potential transmission points. The goal is to increase worker confidence that their workspace is safe. SBDCs, working closely with other partners such as MEP Centers, can be invaluable partners in helping to share information with defense-related companies about best practices and guiding companies through one-on-one counseling designed to assess and benchmark efforts to reduce COVID-19 related worker hazards.

4. Resiliency and business continuity training and awareness

While some companies had business continuity plans, others had to create them on the fly. Now would be a good time to work with defense-related companies to review what worked and what didn't for them during the COVID-19 crisis. The goal is to help document the efforts taken and set up more structured plans for potential future disruptions, including the potential for future waves of the COVID-19 virus. For instance, companies must review their supply system to anticipate potentially significant disruptions (something that companies did not previously plan for) and develop plans that recognize greater risks as they review their priorities, develop safeguards, and reduce the potential impact for disruptions. To remain competitive, most businesses will need to consider strategies that address cash flow and revenue sources, distribution and fulfillment, as well as supply chain contingencies in ways that reduce the impact of future regional flare ups of COVID-19 or other man-made or natural disasters on their operations. SBDCs provide a potential resource to gain these insights and to develop best practices that could be shared with companies through structured training programs. In addition, SBDCs could help with developing social media, blog posts, and related communications to help defense-related companies better prepare for future disruptions.

5. Assistance with matching entrepreneurs willing to create companies to meet supply chain gaps caused by COVID-related disruptions

COVID-19 is creating a plethora of opportunities for entrepreneurs that can meet new demands for health mitigation and prevention equipment for defense-related firms to possible defense-related product design changes that would protect the warfighter or reduce the need for face-to-face worker for production line defense workers. As entrepreneurs explore these opportunities and test new ideas, they will need a variety of help in designing business plans, developing business models, and finding start-up or product develop support. SBDCs could be a vital force multiplier in reviewing these entrepreneurial ideas and supporting expanded pitch competitions or other options to prepare these ideas (and the businesses supporting them) for potential DOD procurement opportunities. Through their expanded stimulus resources, SBDCs

have pre-existing support systems in place and will have expanded staff and partner networks to support these activities in collaboration with OEA grantees.

### **Next Steps**

SBDCs and WBCs are already able to expand their activities based on a “pre-award” condition that allows reimbursement for COVID-19 related activities before grants are put into place (expected in May and June 2020). OEA grantees seeking to collaborate can reach out to their state SBDC lead Center or to relevant Women’s Business Centers to explore opportunities like those suggested above. In addition, models of how OEA grantees were already working with SBDCs before the COVID-19 crisis can offer some ideas. Those include efforts in Indiana, Texas, Georgia, Hawaii, California’s CASCADE project and Colorado Springs (which leveraged the SBDCs and PTACs to help provide cybersecurity awareness training and some cyber assessments), and Kern County, CA.