The American economy—indeed, the world economy—descended into recession in December 2007, according to current expert opinion; economic conditions deteriorated as 2008 drew to a close. The downward trend persisted into 2009, as the economy continued to struggle. In fact, I recall that the year 2008 begin with relative optimism that the economic downturn—which had not yet been officially declared a recession—would be short, and that concerted fiscal and monetary policy actions would help to spur economic activity and slow the downturn. In 2008, President George Bush signed the bipartisan Economic Stimulus Act of 2008, which was designed to help soften the effects of the economic downturn. The impact of this policy is still unclear.

As 2009 began, the incoming administration of President Barack Obama pursued a massive stimulus package to counteract the debilitating economic impact of this downturn in the private sector. In February 2009, President Obama signed the American Recovery and Reinvestment Act, which invested $787 billion in infrastructure development, educational facility improvements, broadband access, scientific research, and tax incentives. It also increased funding for the U.S. Small Business Administration (SBA) by $730 million. Dollars were also targeted to support economic development and entrepreneurship, especially in rural, urban, and low-income communities. Even as I write this piece, the effects of these initiatives on small firms are still unfolding. As we all know, small business owners have struggled to weather the economic downturn. I am especially sensitive to this since I have many friends and family members who are entrepreneurs. Clearly, small business owners are less willing now than they were in previous years to expand their companies, hire additional workers, invest in new facilities and equipment, or borrow money. One top concern that I continue to hear about from my circle of small business owners has been the high cost of healthcare. Many of them say that they are exercising caution as they watch for signs that the economy is improving; and while they look for ways to streamline their firms’ operations, they are paying closer attention to their balance sheets.

(continued on page 2…………..)
Construction project at U of M planned to exceed inclusion goals

The University of Minnesota will begin construction on the Biomedical Discovery District Phase II Cancer and Cardiology building in March 2011. The five-story research building will be 289,000 sq. ft. and construction costs are projected to be $136 million. The project is scheduled to be completed in May of 2013 by Mortenson Construction, the General Contractor; Architectural Alliance, the Project Architect; and Zimmer Gunsul Frasca, the Design Architect.

The project team has established inclusion goals for community participation which exceed the University’s typical goals. These requirements will ensure women- and minority-owned firms will be an integral part of the construction, from site preparation to final furnishings and close-out:

Targeted Business Participation is 20% (it is usually 10%).

Workforce Diversity is planned as 18% Unskilled Minority (usually 15%), 10% Skilled Minority (usually 8%), and 5% Female (usually 4%).

For more information on these requirements, contact Lynn Littlejohn at Mortenson Construction (lynn.littlejohn@mortenson.com) or 612-287-5649, or Sharon Banks at the Office for Business and Community Economic Development (banks016@umn.edu) or 612-626-8043.

Project Schedule:

- January 2011: Procurement Period
- February 2011: Mobilization
- March 2011: Earthwork/Foundations
- June 2011: Structure
- November 2011: Enclosure
- December 2011: Rough-in
- February 2012: Interior Finishes
- May 2012: Site Improvements
- March 2013: Substantial Completion
- May 2013: Final Completion

Variety of organizations, businesses working with student consultants

The Office for Business & Community Economic Development (BCED) offers the Management Assistance Program (MAP) for Small Businesses and the Management & Technical Assistance Program (MTAP) for Nonprofits to improve the quality of life in Minnesota’s urban communities by enhancing the overall performance and building capacity of area businesses and nonprofits.

Businesses and nonprofits send in detailed project proposals, and are matched with U of M graduate students who wish to gain hands-on consulting experience. Deadlines fall around the beginning of the spring and fall semesters.

Spring semester projects are just underway, with participant organizations falling into a variety of industries and emphases. The nonprofit participants for this semester provide programs and services around housing, educational, youth/teens, seniors, health, human services, immigrant organizations, and community neighborhood associations. The industries of retail, catering, medical supply, manufacturing, hospitality, janitorial services, procurement, construction, and language services are covered by this semester’s small businesses. The variety we see in the organizations and businesses that apply for the programs provides our student assistants with many great ways to gain diverse knowledge and skills while helping out in the community.

For more information on MAP and MTAP, check out bced.umn.edu, or contact Nedy Windham at windh003@umn.edu or 612-625-2053.

Director’s Cut (continued from front)

However, what we do know is that small businesses with fewer than 500 workers account for half of the nation’s private gross domestic product, and half of all Americans who work in the private sector are employed by our small firms. Indeed, the overall importance of small businesses in our communities has been well documented and the importance of new venture creation is widely recognized.

Looking forward, we know that industries will recover from the downturn in different ways. However, whatever happens, we fundamentally know that small businesses will be a large part of moving the economy forward, simply because small entrepreneurs continue to lead the way in new innovation and creating employment opportunities for people in our communities.

D. Craig Taylor
Executive Director, Office for Business & Community Economic Development and the Business & Technology Center

Small businesses employ many people throughout the country, and while they are struggling like any business due to the recession, we at BCED believe small businesses are the key to economic recovery.
BAP trains thousands, increases outreach

The fourth quarter of the Broadband Access Project (BAP), which coincided with the second quarter of the University’s fiscal year, focused on curriculum development, training, and outreach by using local, state, national, and University resources. Curriculum resources were shared and coordinated locally to create e-Financial Literacy and e-Government online learning platforms. The e-Government curriculum was key in the BAP’s Get out the Vote initiative. Public Computer Center (PCC) users were encouraged to use the Internet to research candidates, find their voting precincts, and fill out a sample ballot, to prepare them for the November election.

A grand opening celebration was held for the St Paul PCCs; representatives from municipal, county, state, and federal elected offices attended, as well as community partners and PCC users, as the mayor proclaimed Thursday, December 9, 2010, to be Broadband Access Day. A smaller, all-day Open House was held at the Sabathani Community Center in Minneapolis, to promote the Sabathani PCC to agencies operating within the Center.

Outreach plans were developed for each PCC and included a focus on training opportunities for not-for-profit organizations and small/disadvantaged businesses. Over 10,000 hours of trainings were held, primarily in the areas of Internet Basics, Internet Safety, and Computer Basics.

Outreach and awareness activities included launching the Minnesota Multicultural Media Consortium super-website and running advertisements in three newspapers with targeted audiences. BAP staff has been innovative in their attempts to get new users into the labs; staff members have hosted sample trainings at a variety of unique locations, including local grocery stores, and have also been regularly featured on a local radio program.

If you are interested in visiting the PCCs for access or trainings, or you would like more information on the BAP, please visit www.bap.umn.edu, or call the BAP hotline at 612-625-2271.

Marsh brothers, Synico Staffing, give big to support youth entrepreneurs

Robert and Jerry Marsh, founders of Minneapolis-based Synico Staffing, have a special place in their hearts for youth entrepreneurship. After serving as guest judges in 2009 and 2010 for Global Entrepreneurship workshops, Robert and Jerry remarked at how impressed they were with the caliber and commitment the students had for their business ideas.

In 2010, Synico Staffing and the Marsh brothers decided to step up their commitment to the Office for Business & Community Economic Development’s youth initiatives by donating $5,000.00 to the Junior Entrepreneurs of Minnesota (JEM) summer business boot camp. For 2011, Synico has already matched their donation with another $5,000.00 which will help to underwrite a very special opportunity for 30 urban youth this summer at the Carlson School of Management.

It is companies like Synico, and entrepreneurs like Robert and Jerry, who make programs like JEM possible for our youth; we thank them for their generosity, and for being ‘benefactors of our future.’

Business Development Services small business workshops a success

Business Development Services (BDS), at the Office for Business & Community Economic Development (BCED) B-Tech Center, is in the middle of offering the Breakthrough Series for Small Business, a set of workshops designed to provide focused insight into specific business skills and issues, to help local business owners ‘break through’ to the next level.

The first two workshops in January, “Unleashing the Leader Within” and “Becoming More Strategic,” were very well received; registrations are picking up for the workshops in February and March. The upcoming workshops deal with a variety of topics; from financial skills, to marketing, to capital. If you are a leader at a local small business, and are interested in finding out more details about the takeaway, content and pricing of the workshops, please visit bced.umn.edu/bts.

We will soon be accepting applications for membership in the overhauled BDS program, which includes benefits such as workshops and trainings; meeting space by reservation; coaching and mentoring; printing and copying; first-come, first-serve office space and computers with Microsoft Office; access to fax and telephone; and an in-house “literature library” of business- and technology-related books and magazines. Please keep an eye on bced.umn.edu and facebook.com/umbtechcenter for more details as they become available if you are interested in applying for membership.
Local small business profile: Innovative Office Solutions

In 2001, Jennifer Smith co-founded Innovative Office Solutions as a full-service office supply business. Under Jennifer’s leadership, Innovative Office Solutions has now grown into a multi-million-dollar full-service dealer of office and school supplies, office furniture, facility and maintenance supplies to businesses of all sizes. At the end of 2010 they were at a run rate of hitting $40 million in sales!

With a strong track record of performance, Innovative has gone head-to-head with the big box stores and succeeded. In 2010, Innovative won the University of Minnesota’s contract for office supplies. Already having established a contract with the State of Minnesota and having existing contracts with the University of Minnesota for office furniture, Innovative used it strategic position to win a significant piece of campus business. But, the real work begins after you win the contract; knowing that, Innovative has emphasized its face-to-face sales approach to ensure a smooth transition and a successful business relationship.

Jennifer has earned herself and her business numerous awards for the past ten years of hard work. From Jennifer gaining recognition as an “Entreprising Woman of the Year,” to Innovative becoming one of the fastest growing privately-held companies, the company is a success story. The diverse business community can be proud of. In discussing leadership, Jennifer says, “You have to be very, very decisive. You have to act on problems right away. Be very positive and optimistic. As a leader you almost have to take a news diet. It’s tough out there right now, and you really need to surround yourself with the positive.”


Contact:
Innovative Office Solutions
151 East Cliff Road
Burnsville, Minnesota 55337
Phone: 952-808-9900
Fax: 952-894-7153
Web: http://innovativeos.com
Facebook: Facebook.com/innovativeos

Jennifer Smith, President of Innovative Office Solutions

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