



ASSOCIATION OF
WOMEN'S
BUSINESS
CENTERS

The Values, Views and Visions of Women's Business Center Leaders in the United States

The women's business center program in the United States, which began after the passage of the Women's Business Ownership Act of 1988, is due to be reauthorized by the U.S. Congress this year – as are all programs administered by and funded through the U.S. Small Business Administration (SBA). As there are many aspects of the program that will be up for review and refinement during this process – and proposed changes will likely come not only from women's business center leaders but from the SBA and Congressional leaders – the Association of Women's Business Centers (AWBC) surveyed the leaders of the nearly 100 women's business centers across the country to gather their opinions on several important issues related to the program and its future. The results of this survey are summarized in this report.

AWBC worked with Womenable, a research consultancy whose mission is to enable women's entrepreneurship worldwide, on a pro bono basis to design, conduct and analyze the survey results. The Women's Business Center of Northern Virginia provided the use of their online survey subscription service to conduct the survey. The AWBC would like to thank both Womenable and the Women's Business Center of Northern Virginia for their support of this effort.

The Study

An e-mail message with a link to an online survey was sent to the 77 members of the Association of Women's Business Centers (AWBC) on April 7, 2006. A similar e-mail message and link was sent to 19 additional leaders of women's business centers that are not members of the AWBC. This online survey consisted of 20 questions with 52 items, and included 3 open-ended questions. As of the closing date of April 21, 44 responses were received, for a 46% response rate.

Key Findings

The major goals of this survey were four-fold:

- To elicit views from the leaders of women's business centers (WBCs) across the country about what is most unique and valuable about the women's business center program;
- To ascertain the level of support among WBC leaders for several potential program changes;

- To gauge the level of connectivity of women's business centers with other entrepreneurial assistance providers in their communities; and
- To ask WBC leaders to envision the future of the program, specifically with respect to reauthorization, their relationship with the SBA, and program funding.

After reviewing the responses to the questions in this online survey, we suggest that there are **five key survey findings**, with implications for potential program modifications during this year's reauthorization process. They are:

I. Women's business centers offer unique benefits to their clients that are not available anywhere else.

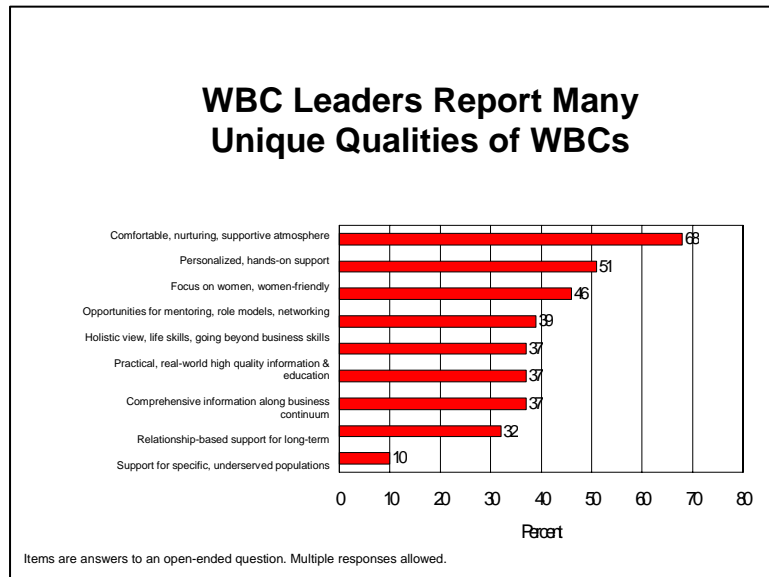
When asked, in an open-ended question, to describe the unique experiences and characteristics found in women's business centers which would not be found in any other entrepreneurial training and technical assistance provider,¹ the responses were rich and

multi-layered. Women’s business center leaders are passionate about the unique value that their organizations provide to their clients. Primary among them are:

- A comfortable, nurturing, supportive, non-judgmental atmosphere (68% of respondents mentioned this or a similar response)
- Personalized, hands-on support (51%)
- A focus on women, women-friendly (46%)

Other key qualities of women’s business centers, according to their leaders, are:

- Opportunities for mentoring, role models, networking (39%)
- Holistic view, offering training that goes beyond business issues to include life skills (37%)



- Comprehensive information for multiple stages of business growth, beyond just the basics (37%)
- Practical, real-world, high quality information and education (37%)
- Relationship based support for the long-term (32%)
- Support for specific populations, underserved markets (10%)

It is clear that women’s business center leaders feel strongly that their centers go beyond providing basic or academic business start-up information and technical assistance to put their information into a real-world context. They are proud to provide their services in a relational rather than a transactional manner, serving clients well beyond a single encounter or class. In addition, women’s business centers provide a far more holistic environment for

their clients, going beyond being a provider of information and technical assistance to serving as an ongoing source of support, sharing, and life skill development.

II. Women’s business centers are an integral part of the fabric of local economic development – they are connected, collaborative, and are leveraging their assets and the assets of other organizations to the benefit of their clients.

The world of a women’s business center is a highly connected one. Fully 98% of all women’s business center leaders surveyed report that they actively collaborate with other organizations in a wide variety of ways. On average, they work with seven different organizations, many of them regularly.

When asked which types of collaborative activities the centers were engaged in (among a list of eleven possible activities), only 2% of the centers said that they did not collaborate with other organizations on any of the listed activities. The most frequent collaborative arrangements are:

- Cross referrals of clients to other services (93%)
- Holding events or classes at other organizations’ facilities (91%)
- Cross-promotion of events (86%)
- Occasionally collaborating on events

- Regularly collaborating on events (66%)
- Sitting on the boards of other organizations (57%)
- Hosting other organization events or classes in WBC offices (55%)
- Having other organizations sitting on WBC boards (48%)

In addition, 39% say they are located close to other organizations, 36% share personnel, such as trainers or office services, and 21% say they are co-located with another organization in the same office. Overall, WBC leaders collaborate on an average of 6.7 of the 11 activities tested.

With whom are WBCs collaborating? Again, a wide variety of organizations involved in economic

development, from the other SBA-funded Small Business Development Centers (SBDCs) and SCORE, to local chambers of commerce, women’s business associations, and other government agencies. In all, among 13 organizations tested, WBCs collaborate with an average of 7.2 of them, and on minimum have relationships with three other organizations. Here are the most frequent WBC collaborative partners:

- SBDCs (89%)
- Local chambers of commerce or other general business organizations (89%)
- SBA district office (84%)
- Local, regional or state economic development agencies (80%)
- Local women’s business associations (68%)
- Local community colleges (66%)
- SCORE (66%)
- Area universities (57%)

With respect to how regularly the WBCs work with the afore-mentioned groups, local economic development agencies and local business organizations are the most frequent partners, with SBA district offices, SBDCs, area universities and local women’s business groups not far behind. When asked the frequency of their collaboration, 64% of WBC leaders say they collaborate regularly with local, regional or state economic development agencies, and 61% regularly collaborate with local chambers of commerce or other similar business organizations. The share that regularly collaborate with other organizations are:

- SBA district office (59%)
- SBDCs (50%)
- Area universities (46%)
- Local women’s business association (44%)

The remaining organizations partner with WBCs on a less frequent basis.

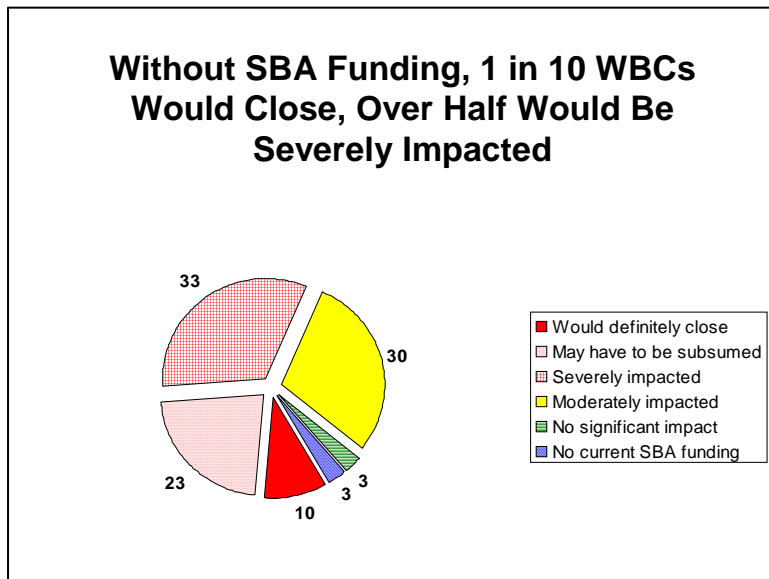
III. Funding from the SBA is a crucial element of the ongoing growth and success of the women’s business center program.

Even though financial support from the SBA comprises only a portion of the average women’s business center’s budget,² SBA is the single largest

contributor to the operation of the program, and is thus crucial to the continued operation of the centers.

WBC leaders were asked what would likely happen if they ceased to receive funding from the SBA. Only 6% would not be impacted – 3% say they would remain in operations without a significant loss of services, and another 3% do not currently receive any SBA funding. Nearly two-thirds would be moderately (30%) or severely (33%) impacted, and one-third would either have to close their doors (10%) or say they would likely be subsumed into another organization (23%).

Among the WBCs that have been in operation for five years or less, fully 50% would have to close or be subsumed into another organization if they lost SBA funding, while the other half say they would face moderate to severe cutbacks in services. None say that cessation of SBA funding would have no impact at all.



Among the centers that have been in operation for six or more years, 23% would close or lose their independence with a cessation of SBA support, 69% would have to curtail their services significantly, and only 8% say they would be able to continue with little or no impact on their services.

Despite the fact that SBA funding is currently an integral part of the program’s operations, most WBC leaders say that they would rather face the loss of SBA funding than give up the unique value of what women’s business centers provide to their clients. A 55% majority of WBC leaders agree with the statement that “the unique value of WBCs must be

preserved at all costs, even if it means losing SBA funding.” Twenty-five percent (25%) disagree, and another 21% are unsure.

Even a 54% majority of those who say that a loss of SBA funding would mean that their programs would risk closure or being taken over by another organization would rather walk away from SBA funding than risk losing their unique value as a women’s business center. Clearly, WBC leaders are strongly protective of the program and all that it represents to their clients.

IV. Some administrative inefficiencies are hampering the performance of SBA’s entrepreneurial development programs. WBC leaders point to three areas in particular: barriers to collaboration among programs, unfunded and changing mandates, and reporting requirements.

The leaders of the nation’s women’s business centers see several areas in SBA’s management and oversight of their entrepreneurial development programs which could be improved:

- SBA rules and paperwork often hinder greater collaboration at the local, program delivery level;
- Changing directives, unclear requests, and shifting priorities consume financial and human resources that could otherwise be directed toward serving their clients, and also get in the way of maintaining ongoing relationships with others. In addition, performance requirements are often added without a corresponding increase in financial support to carry them out; and
- The SBA’s financial management reporting system (known as EDMIS) is overly burdensome.

Fully 70% of WBC leaders agree that “SBA rules and paperwork get in the way of collaborative arrangements, especially when it comes to who gets to count clients served.” While it is true that nearly all WBCs are actively collaborating with other organizations anyway – including other organizations that receive SBA funding – working out a more efficient system of giving “credit” to SBA’s entrepreneurial development programs for referrals or other forms of collaboration could increase such activity.

A 53% majority of WBC leaders says that “changing SBA directives and shifting priorities get in the way of maintaining cooperative arrangements with other

organizations.” Just 21% disagree with that statement. In addition, a solid 82% majority say that many of these changes add additional performance requirements to their contract with the agency without providing any additional resources to support them.

In response to an open-ended question about suggestions for program improvement, one in 6 (17%) WBC leaders made reference to the EDMIS system – the online electronic reporting software that all of SBA’s entrepreneurial development programs must use for their ongoing activity reporting. They feel that the system needs improvement, and an additional 17% say that red tape and paperwork need to be streamlined.

Improvements in these three key areas – reducing the administrative barriers to intra-program cooperation, reducing the level of “unfunded mandates” and changes in program goals and priorities, and streamlining reporting requirements, particularly the EDMIS system – would significantly enhance the efficiency of SBA’s entrepreneurial development programs: not only the women’s business centers, but small business development centers and SCORE as well.

V. Looking forward, the leaders of women’s business centers wish to be treated and evaluated equally with SBA’s other entrepreneurial development programs, and funded in an ongoing manner based on their performance.

Perhaps the most important area of questioning in this brief online survey was in the area of visioning the future of the program. Since program reauthorization, delayed for several years by larger political battles related to SBA’s financial programs, could finally occur this year, the AWBC wishes to convey the views of its members – and of other women’s business centers as well – concerning the program improvements supported most strongly by the community.

Primary among the issues related to WBC program reauthorization is the issue of “sustainability,” or ongoing program funding. It is the strong belief of WBC leaders that the centers have risen to the challenges given to them, provided value to clients in an efficient and cost-effective manner, and should be

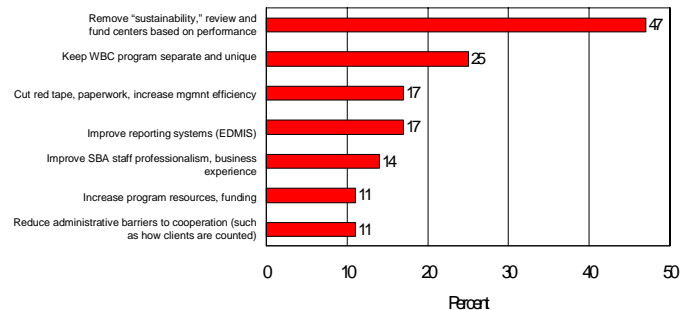
judged equally with their SBA-ED counterparts. Indeed, when judged side by side with SBDCs and SCORE in an internal program review and client satisfaction study, WBCs receive the highest ratings of any of the programs.³

Eight in ten (80%) WBC leaders support removing the “sustainability” language governing the WBC program, thereby ensuring ongoing funding for the centers based on performance reviews – putting the WBC program on a par with the way the SBDCs and SCORE chapters are evaluated and supported. Fully 73% support this strongly, while 7% support it somewhat. Just 7% would oppose removing sustainability, while 14% are neutral on the issue.

Part of the reason that WBC leaders would like to see the US Congress address this issue and remove ambiguity with respect to ongoing support of the WBC program is that most WBC leaders do not feel that the SBA treats the program fairly and equitably compared to its other entrepreneurial development programs. Fully 69% of WBC leaders agree with the statement that “the SBA does not seem to truly value the contributions that women’s business centers make to the economic development landscape.” This is a very telling finding, and has been borne out by recent disputes between the SBA and Congress with respect to the overall WBC budget, as well as how to apportion the WBC program budget between new and existing centers.

Another area that WBC leaders would like to see addressed in reauthorization is streamlining SBA reporting requirements. Eighty-two percent (82%) favor this action: 64% strongly and 18% somewhat. As stated previously, overly burdensome reporting, midyear changes in goals, and the unfriendliness of the EDMIS system add administrative burdens to the WBCs, robbing human and financial resources that could be better utilized serving clients. Providing clarity on these issues in the legislation could minimize the chances of misinterpretation or creative application of administrative oversight authority.

Removing “Sustainability” the Top Policy Recommendation for Program Reauthorization



Items are answers to an open-ended question. Multiple responses allowed.

Conclusions

The messages that women’s business center leaders wish to convey about their program are clear:

- WBCs reach clients who are not served by other programs in a way not undertaken by other programs. They are unique, non-duplicative, and add value to the enterprise development landscape.
- WBCs maintain program efficiency through active collaboration and communication with other educators, enterprise development groups, and business service providers in their communities. They are an integral part of their local economic development landscapes.
- WBC leaders would stack up their program performance measures against those of any other enterprise development program; indeed, they strongly wish to be judged equitably and treated fairly, especially in comparison with other programs supported by the SBA.

In envisioning the future of the women’s business center program, WBC leaders:

- Strongly support the elimination of the concept of “sustainability”, thereby putting the WBC program on a permanent, equal footing with the SBA’s other entrepreneurial development programs.

- Feel that there are inefficiencies in the management of the program that should be addressed, and are willing to work with the SBA and Congressional leaders to improve the program.
- Realize that their current fortunes are tied to a good working relationship with the SBA, and remain reliant on the “seed capital” provided by the agency – but are nonetheless willing to walk away from that funding if the unique identity and values of the WBC program are endangered.

The vision of the Association of Women’s Business Centers is a world where economic justice, wealth and well-being are realized through the collective leadership and power of successful entrepreneurial women. The AWBC mission is to develop and strengthen a global network of women’s business centers to advance the growth and success of women business owners.

Womenable is a research, program and policy development consultancy which works to enable women’s entrepreneurship worldwide. Our mission is to improve the policies and programs aiding women’s enterprise development by providing fact-based information, thoughtful and insightful analysis and actionable recommendations. We do so by working in a collaborative manner with all members and stewards of the women’s business community.

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Endnotes

¹ The exact wording of the question was, “Women (and men) seeking to start or grow their businesses typically have a choice as to where they can go for entrepreneurial training and technical assistance. What, in your view, is unique about the women’s business center experience? In other words, what will a client get at a women’s business center that they will not find anywhere else?”

² In a survey of women’s business centers conducted in mid 2004, center leaders reported that 41% of their budget came from the SBA. Other sources were program income/fees (18%), grants (16%), other government funds (14%), individual donors (6%) and loans (5%). For additional information on this study, see Godwyn, M., Langowitz, N., Sharpe, N. [The Impact and Influence of Women’s Business Centers in the United States](#). June 2005. For the press release announcing the study, visit [WBCs Are Driving Entrepreneurship Among Economically Disadvantaged Women](#). To download the full report, visit <http://cspot01.babson.edu/CWL/features/upload/wbc%20report.pdf>. The study was commissioned by the AWBC and conducted by The Center for Women’s Leadership at Babson College, Babson Park, MA, with a grant from the Ewing Marion Kauffman Foundation.

³ These findings were shared at a presentation given to the SBA’s Entrepreneurial Development staff and program heads by Concentrance, the firm hired by the SBA to conduct a multi-year review of the ED programs. The review has finished its second of three possible years of review, but a formal report has not yet been publicly released.