



Economic and Rural Development and Policy Committee

November 13, 2024

New Mexico Small
Business
Development Center
Ecosystem



www.nmsbdc.org



Overview



New Mexico SBDC Ecosystem and Services

NMSBDC Outcomes

Small Business Needs

Questions



New Mexico SBDC Ecosystem

Lead Center – Santa Fe Community College

New Mexico SBDC Structure

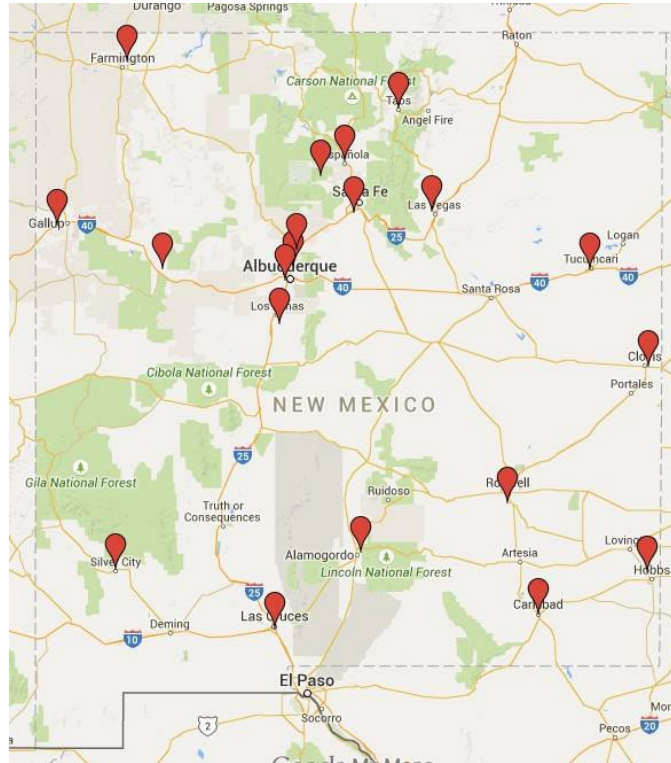
- 19 Subcontracted Service Centers
 - 11 Independent Community Colleges
 - 8 Associated Community Colleges (4-year institution branches)
 - Additionally, there are 9 satellite offices throughout NM

5 APEX Accelerator Centers (formerly Procurement Technical Assistance Centers (PTAC)) – a U.S. Department of Defense program (Santa Fe, Albuquerque (2), Clovis & Las Cruces)

International Business Accelerator (IBA) in Santa Theresa in conjunction with Western New Mexico University



SBDC Network Locations



The program is designed to leverage the strength of NM's Higher Education institutions allowing the SBDC network to provide direct assistance to both existing and potential entrepreneurs in all 33 counties.

The NMSBDC strategically hosts 15 of its 19 service centers in rural areas. This deliberate placement allows for effective rural business support, including marketing, technical assistance, and service delivery strategies. By equipping rural entrepreneurs with the necessary tools, these efforts enable them to compete both domestically and internationally.



SBDC Services

The network develops skilled entrepreneurs and strong businesses through direct hands on **NO FEE** assistance & business counseling (one on one) as well as no to low cost training and workshops.

Through our services we primarily focus on:

- Starting a new business
- Growing an existing business
- Saving a business
- Obtaining financing

Common assistance includes business plan development, manufacturing assistance, technology development, lending assistance, exporting/importing support, disaster recovery assistance, procurement and contracting aid & market research.



SBDC Program

The New Mexico SBDC is the **State's ONLY nationally accredited** business assistance program. Accreditation is on a 5-Year Cycle and we visited in 2019 and accredited in 2020 with zero conditions. Our next accreditation site will be in October 2025.

The New Mexico SBDC is also the State's first and only business assistance program with an economic impact **verification system** in place.



APEX Accelerator



APEX Accelerator (formerly Procurement Technical Assistance Centers (PTACs)) provide expert **Government Contracting** help at no charge, through training, one-on-one counseling, tailored to the specific needs of the business.

This includes government at all levels (federal, state, local and tribal).

Teaches what businesses need to know to connect with other small businesses and agency buyers. Funded in part through a cooperative agreement with the Department of Defense.

International Business Accelerator (IBA)

The International Business Accelerator is a one-stop shop of resources for NM businesses and individuals wishing to introduce their product or service into the global market. They offer:

- educational programs on how to export/import
- an online resource guide of international trade materials,
- an electronic database of international trade leads/joint venture opportunities.
- outgoing and reverse trade missions of foreign buyers and sellers for the benefit of NM companies.
- one-on-one counseling for businesses seeking assistance in meeting their international trade objectives.
- innovative supply the supplier program.





SBDC Outcomes

January – December 2023

- 3,615 Clients including 1,641 new
- 11,637 Counseling Hours
- 320 New Business Startups
- 1,155 Jobs Created and 4,380 Jobs Saved
- \$38,464,319 Capital acquired by small businesses

January – June 2024

- 1,855 clients
- 5,681 Counseling Hours
- 141 New Business starts
- 187 Capital Infusion Transactions



NMSBDC Ecosystem Outcomes

SBDC Over the Last Five State Fiscal Years (2020-2024)

- 5,344 Jobs Created and 10,915 Jobs Saved totaling 16,260
- Average Annual Cost per Job Created and or Saved = \$1,214

APEX Accelerator - April 2023 – March 2024

- 850 Clients
- 422 Government Awards for \$57,923,351

International Business Accelerator - January – June 2024

Export Revenue \$146,070,000



NMSBDC Recent Federal Projects

- FY22 – 2 Year Grant to Support Microbusinesses with E-commerce. This program just ended and created an online presence for 161 microbusinesses. This targeted the creative economy and in particular Native American artisans. Another 2 Year grant starts in January 2025.
- FY23 – 1 Year Grant Entrepreneurship Training for Current and Formerly Incarcerated Individuals project. The project just ended and was piloted in person at two Correctional Facilities in New Mexico and provided formal training for incarcerated individuals with the knowledge needed to consider becoming an entrepreneur once released thus preparing them for a return as a productive member of society. This will continue for both incarcerated and formerly incarcerated individuals.¹¹

The Current Needs of Small Businesses

What small businesses are telling the SBDC that they are faced with at this time:

- Increased labor and rental costs
- Can't keep up with intense wage competition from large businesses, sign on bonuses, etc
- Struggling to find employees regardless of pay
- Reduced operational hours due to staffing shortage
- The available workforce lacks basic job skills, experience, and soft skills
- Many business owners and employees are still facing burnout and emotional distress
- Customer habits have changed such as e-commerce a "new normal" & delivery
- Learning technology & updating antiquated systems to adapt to offering product/services
- Access to broadband limits working from home
- Inflation impacting increased cost of inventory and supplies (30% or more for some)
- Supply chain improving but delays & interruptions including delays at ports of entries continue and shipping costs increases (25% or more)

The Current Needs of Small Businesses (2)

What small businesses are telling the SBDC that they are faced with at this time (continued):

- Significant debt incurred due to continuing business operations with little to no revenue
- Loss of net profits despite modestly increasing prices and fees to customers
- Remote workforce issues both positive and negative according to business type
- Difficulty in reaching and navigating government agencies Federal, state and local as many government employees and/or offices still working remotely
- Some small businesses impacted by fires and floods
- A lending industry major training company (Coleman) RANKED problems for small businesses were Quality of Labor, taxes, inflation fears, government regulation, cost of labor, poor sales, competition from large businesses, cost/availability of insurance
- “Grants are the number one priority for small businesses to get back on their feet.”



Other Thoughts Impacting Small Businesses

- 2017 Federal tax law leveled the playing field between small businesses and larger corporations by enacting the 20% Small Business Tax Deduction which is due to expire in 2025 unless the deduction can be made permanent by passing the *Main Street Tax Certainty Act* in the 119th Congress.
- CORPORATE TRANSPARENCY ACT – Rule went into effective January 1, 2024
ALL (registered) companies must file a Beneficial Ownership Information Report (BOIR) if in business prior to 1/1/2024 the deadline is 1/1/2025 if after 1/1/2024 90 days to file and after 1/1/2025 within 30 days; noncompliance - criminal sanctions imprisonment (up 2 years) and fine up to \$10,000 and civil sanctions for \$500 day. PLEASE TELL BUSINESSES TO CONTACT AN SBDC OR APEX ACCELERATOR SERVICE CENTER FOR ASSISTANCE.



Our website at <http://www.nmsbdc.org> has lots of resources available including how to obtain our no-fee services and live and recorded training offerings.



Quotes From Incarcerated Trainees

“Plants seeds of hope for doors that may be closed upon release, to future avenues to seek a decent living.” – Snooky

“It gave me a chance at life that I didn’t know I had.” – Lety

“Hard work and adversity proves the resilience of the person.” – JT

“This class is challenging. It makes me think outside the walls.” – Noel

“The contrasts have been unimaginable. The tools and skills have been vivid.” – Donovan

“As a convicted felon I would like to thank SBDC for providing the knowledge to show me and other convicts that change is possible, and to be able to start a business instead of continuing a life of crime.” – Frankie

“This thought of starting a business is very intimidating. This class offers you the chance to see it as not so much as a giant, but something attainable.” - LaWanda



QUESTIONS AND COMMENTS



Thank You For Your Continued Support of Small Businesses in New Mexico!

The New Mexico Small Business Development Center Ecosystem

- Centers Statewide
- No-Cost confidential business consulting
- Low-cost business training workshops
- Certified business professionals



The NMSBDC is funded in part through a cooperative agreement with the U.S. Small Business Administration. All options, conclusions or recommendations expressed are those of the NMSBDC and do not necessarily reflect the views of the SBA. Reasonable accommodations for persons with disabilities will be made if requested at least two weeks in advance.