

Strategic Plan

(2012-2014 Version 1)

Department of Business Assistance (325)
Agency Plan

Mission Statement

The Virginia Department of Business Assistance promotes economic growth by helping Virginia businesses prosper.

Vision Statement

The Virginia Department of Business Assistance (VDBA) strives to be the Commonwealth's principal point of communication with the business community and to be the one stop businesses need to make to access resources to maximize their potential for success. VDBA strives to build business capacity by ensuring a plentiful and well trained workforce to drive productivity, by facilitating capital solutions to fund business development and expansion and by providing information to support business formation and growth.

Values

- Treat customers and each other with respect
- Encourage creative ideas and initiatives
- Act with honesty, integrity mutual trust and fairness
- Work together to continuously improve programs, services, actions and attitudes
- Openly communicate with each other and our clients
- Respond with prompt quality customer service
- Keep a clean, safe, fun and friendly environment

Information Technology

Current Operational IT Investments

The Virginia Department of Business Assistance (VDBA) is part of the Virginia Information Technologies Agency/Northrop Grumman (VITA/NG) Partnership.

VDBA maintains two project tracking applications for its Virginia Small Business Financing Authority and Virginia Jobs Investment Program divisions. These systems continue to be effective and productive management tools. The Virginia Jobs Investment Program (VJIP) tracking database, ProTrax, is currently going through an upgrade for FY '12.

VDBA's Business Information Services division has administers Virginia's Business One Stop -- a web-based portal providing one place for companies to apply for necessary permits to do business in Virginia. The portal currently has a registration module, a wizard like process (decision tree) to gather data about their new or existing business, and a results page with information and pre filled forms. The hosting and management of the web site is handled within the agency. The overall purpose and benefit of the system is to simplify the process for the citizens of the Commonwealth of Virginia for business registration and setup. A secondary benefit is to share data across other agencies involved in business set up -- initially Taxation, Department of General Services and the Department of Minority Enterprises, providing an alternate avenue for citizen input. Business One Stop is also currently going through an upgrade. VDBA also develops content for its agency website, administered and hosted through Virginia Interactive. However, Virginia Interactive's contract with VITA has not been renewed and VDBA is currently working to move the hosting contract to a new vendor.

Factors Impacting the Current Agency IT

In FY2008, VDBA eliminated its Director of Information Technology position due to budget cuts. The agency currently utilizes a wage employee to administer day-to-day IT issues, information security planning and implementation. The administrative effort needed to comply with IT plans and policies and meet internal customer service demands takes considerable time each week, in spite of VITA's augmentation of agency help desk, desktop, and network services. This impacts the productivity of the agency service area that employs these individuals.

Proposed IT Solutions

After an evaluation period, VDBA determined that the portal concept for Business One Stop and its possibilities met or exceeded their expectations, but that the technology solution used would be too costly and lacked the flexibility and scalability needed for future expansion of new functionality and for adding additional agency and locality users. Hence, there was the need to explore other technology solutions and migrate Phase I functionality to a more robust and comprehensive technology platform. The Business One Stop Phase II will migrate the functionality of Business One Stop Phase I to a more robust and scalable technology platform. It will also add functionality, including fee collection, services to existing businesses, and data integration to other agencies involved in business registration activities.

Financial Overview

Fifty-nine percent (59%) of VDBA's general funds (shown below) are used for program grants associated with the Virginia Jobs Investment Program. The remainder of the of general funds go toward Business Formation and Existing Business Services' programs as well as support for the Virginia Small Business Financing Authority, the agency's administration, and support for the Virginia-Israel Advisory Board.

The non-general funds are not annual appropriations, but are one-time federal and state funds and funds from partner state agencies for specific financing programs. This

non-general fund figure represents an approval to spend up to the amount shown below and does not mean that the agency receives this amount in new funds each year.

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	15,370,899	1,273,998	15,370,899	1,273,998
Changes to Base	-3,700,524	385,132	-3,697,302	385,132
Total	11,670,375	1,659,130	11,673,597	1,659,130

Agency Goals

- Enhance the positive business climate in Virginia by providing information and solving problems for businesses as they move through the business life cycle: formation, stabilization, and growth

Goal Summary and Alignment

The Virginia Department of Business Assistance (VDBA) contributes to the economy of Virginia by integrating entrepreneurship into the Commonwealth's economic development efforts and by retaining and assisting the expansion of existing businesses thereby contributing to the stability and growth of the economy. By supporting the formation, stabilization and growth of entrepreneurs, the department is not only supporting the creation of new jobs and capital investment, but also aiding in the diversification of the economy of the Commonwealth. The Virginia Department of Business Assistance programs proactively link businesses with the state's 65 business assistance programs and 35 regulatory programs.

Long Term Goal

Be a national leader in the preservation and enhancement of our economy.

Societal Indicator: Business Startups

- Provide marketing incentives for new and expanding Virginia businesses to create job opportunities by offering consulting services, recruiting, training, retraining, and funding assistance

Goal Summary and Alignment

The Virginia Department of Business Assistance's Virginia Jobs Investment Program (VJIP) is an economic development incentive that supports economic development efforts throughout Virginia. The program reduces the human resource development costs of new and expanding companies that are creating new jobs throughout the Commonwealth. The Virginia Jobs Investment Program is an integral component of the State's economic development efforts and aligns directly with the department's mission of promoting economic growth in Virginia by helping businesses prosper.

Long Term Goal

Be a national leader in the preservation and enhancement of our economy.

Societal Indicator: Business Climate

- Develop creative applications of public and private financing for the benefit of new and expanding businesses to assist in the creation and retention of jobs

Goal Summary and Alignment

The Virginia Department of Business Assistance (VDBA) through the Virginia Small Business Financing Authority (VSBFA) implements the Virginia Small Business Financing Act which assists Virginia's new and existing businesses, as well as businesses expanding into Virginia, by increasing access to capital through the creative application of public and private financing. The goal is to maximize employment opportunities and investment throughout the Commonwealth. This goal directly aligns with VDBA's mission to promote economic growth by helping Virginia businesses prosper and to one of the Governor's key performance measures which is to "increase financing for small businesses."

Long Term Goal

Be a national leader in the preservation and enhancement of our economy.

Societal Indicator: Employment Growth

- Strengthen the culture of preparedness across state agencies, their employees and customers

Goal Summary and Alignment

This goal ensures compliance with federal and state regulations, policies and procedures for Commonwealth preparedness, as well as guidelines promulgated by the Assistance to the Governor for Commonwealth Preparedness, in collaboration with the Governor's Cabinet, the Commonwealth Preparedness Working Group, the Department of Planning and Budget and the Council on Virginia's Future. The goal supports achievement of the Commonwealth's statewide goal of protecting the public safety and security, ensuring a fair and effective system of justice and providing a prepared response to emergencies and disasters of all kinds.

Long Term Goal

Protect the public's safety and security, ensuring a fair and effective system of justice and providing a prepared response to emergencies and disasters of all kinds.

Societal Indicator: Emergency Preparedness

- Provide effective management of the agency personnel and state resources

Goal Summary and Alignment

This goal provides for the effective use of the resources allocated to VDBA. Through effective financial management, human resources management, government procurement, information technology and performance management, VDBA intends to increase productivity and the performance of its staff while improving customer satisfaction and product delivery.

Long Term Goal

Be recognized as the best-managed state in the nation.

Societal Indicator: Government Operations

Programs and Service Areas for Agency

- 53403: Virginia Jobs Investment Program
- 53418: Business Information Services
- 53422: Administrative Services
- 53423: Financial Services for Economic Development

Customers

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
Business and Finance	Banks	30	131	Stable
State Agency(s),	State Agencies	56	136	Stable
Business and Finance	Business Community	17,177	221,127	Increase
Local or Regional Government Authorities	Local Industrial/Economic Development Bond Issuing Authorities	12	134	Stable
State Government Employee	Agency Staff	33	33	Stable
Local or Regional Government Authorities	Local and Regional Economic Development Agencies	400	400	Stable
Business and Finance	Entrepreneurs	15,000	100,000	Increase

Key Risk Factors

Several factors will have a significant impact on the agency over the next few years.

Workforce: The Virginia Department of Business Assistance (VDBA) has several employees that will be eligible for retirement in the next few years. One Virginia Jobs Investment Program (VJIP) Senior Project Manager has retired. The Administrative Assistant and two more Senior Project Managers are also eligible for retirement. The retirement of these employees will represent a loss of institutional knowledge of the programs that VDBA runs.

Credit: With the credit crisis and recession, credit has been difficult for businesses to access. Demand for government support for small businesses has increased. Equity and working capital financing are needed.

Economy: With a weak economy, followed by uncertainty with federal budget cuts, the number of projects that VJIP runs will be lower than in previous years. The number of jobs created may also decrease as a result of fewer projects.

Products and Services

VDBA's most visible and widely used products and services include Business One Stop, Business Information Services, the Virginia Jobs Investment Program and the Virginia Small Business Financing Authority (VSBFA). During fiscal year (FY) 2012, the agency:

- Hosted 160 events, provided one-on-one counseling to 655 businesses and serviced 30,000 clients.
- Worked with 576 companies and created or retrained 11,091 jobs.
- Made 95 new loans worth over \$12 million.
- VSBFA had 7 bond issuances totaling over \$543 million.

VDBA provides services through Business Information Services, the Virginia Jobs Investment Program and the Virginia Small Business Financing Authority. The agency anticipates providing the same types of products and services in the future, but will continue to make changes in how it delivers its products and services for several reasons including: number of businesses that need assistance with job creation, number of individuals that require help in starting their own business, and small businesses that require working capital for their business.

Trends

Rankings & Customer Trends

The demand for services provided by Virginia Department of Business Assistance (VDBA) has increased with the expansion of its customer base. Because traditional manufacturing is declining in Virginia, VDBA is increasing its efforts to create jobs and capital investment in the Commonwealth by supporting the formation, stabilization, growth and expansion of businesses and in particular small businesses. Additionally, as the population of Virginia becomes more diverse, so does the business community and the challenges this creates. VDBA is developing strategies to insure that its programs and services assist with these challenges and that all of its programs and services are accessible to all Virginians.

The lengthy economic recession and credit crisis have caused an increase in entrepreneurship and an increased need for access to capital for new and existing businesses alike. As the economy flattens and then makes its way toward recovery, VDBA will see an increased need for the services it provides in these areas.

VDBA expects to see increased activity as the economy recovers. In the short term, VDBA expects increases in certain areas of service and steady improvements in other areas. Long term, VDBA anticipates an increase in all services provided by VDBA to companies, both small and large, and to individuals looking to start their own business.

Trend Name	Trend Area
Business participation in VJIP	Steady
Business One Stop use	Steady
Small Business loans	Increase

Performance Highlights: Service Performance & Productivity Initiatives

VDBA had a break through year for BIS and VSBFA. BIS organized over 160 events and made contact with 30,376 clients. In 2012, the number of people attending the Entrepreneur Workshops and the Growing Sales Seminars increased over FY2011. The One on One Counseling sessions have been valuable to VDBA clients. BIS conducted 655 sessions in over 45 different parts of the Commonwealth.

VSBFA also had a breakout year. New loans approved were higher in FY12 than in FY11 due to the increased marketing efforts by VDBA for the Loan Guaranty Program.

While VJIP worked with fewer projects, the overall jobs created or retained slightly increased.

Management Discussion & Analysis

Future Direction, Expectations, and Priorities

The Virginia Department of Business Assistance (VDBA) will continue to support economic development in Virginia by working with new and existing businesses to provide workforce incentives, debt financing products & technical support, and business information to businesses as they move through the business life cycle. VDBA is focused on providing resources and reducing costs for businesses to start-up, sustain it and grow. VDBA has improved services through the use of technology and Business One-Stop. Business One-Stop currently links seven agencies together to streamline the process of starting a new business. Any client data collected for one form can be used for all forms, thus reducing duplicative data entry for the business client. VDBA will also start a new program aimed at jumpstarting investment. The Small Business Investment Grant Fund will give investors 10 percent of their investment in small businesses.

The Department will continue to improve and expand its programs and services, particularly those that support small business, as resources become available.

53403: Virginia Jobs Investment Program

Description

This service area involves the management of the Virginia Jobs Investment Program (formerly known as Workforce Services) at the Virginia Department of Business Assistance. The Virginia Jobs Investment Program is an integral part of the Commonwealth's economic development effort, as one of the most frequently utilized incentives for encouraging the expansion of existing companies and the attraction of new businesses to Virginia. In addition to serving as a single point of contact for coordinating state and local resources to help with recruiting and training needs, Virginia Jobs Investment Program also provides value-added services and funding to help reduce the up-front human resource development costs for these firms, further spurring new job creation and capital investment.

Mission Alignment and Authority

This service area directly supports the agency mission of promoting economic growth by helping Virginia businesses prosper. In FY2012, the program assisted 511 businesses to create or retain 11,091 jobs, and involved over \$2.9 billion in capital investment to the Commonwealth.

Customers for this Service Area

Anticipated Changes to Customers Base

With the economy slowly rebounding from the recession which occurred during FY09, the Virginia Jobs Investment Program is seeing an uptick in business expansion activity around the Commonwealth. With consistent rankings by CNBC and Forbes as the "Best State for Business," Virginia continues to be at the top of the list for consideration by firms looking to relocate or expand. Virginia also continues to experience a shortage of skilled trade workers, engineers and technicians. This shortage will be magnified over the next 5 to 10 years as thousands of baby boomers retire. Companies such as DuPont, Goodyear, and Areva continue to express concern about being able to fill these job vacancies and are looking to the Commonwealth for support.

Current Customer Base

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
State Agency(s),	Economic Development and Workforce Training Agencies	50	136	Stable
Local or Regional Government Authorities	Local and Regional Economic Development Offices	400	400	Stable
Consumer	VJIP - Businesses creating new jobs and retaining existing jobs	500	221,127	Stable

Partners for this Service Area

Partner	Description
Community College System	Training
Department of Labor and Industry	Apprenticeship Program
Department of Taxation	Worker Retraining Tax Credit Program
Local Workforce Investment Boards	Memoranda of Understanding have been executed with several WIBs around the state to implement a joint incumbent worker training program.
Local, Regional and State Economic Developers	Business assistance and recruitment
Virginia Employment Commission	Employment services

Products and Services

Factors Impacting the Products and/or Services

None

Anticipated Changes to the Products and/or Services

None

Listing of Products and / or Services

New Jobs Program: This program targets expansions of existing Virginia companies or new facility locations which involve competition with other states or countries. Businesses must create a minimum of 25 net new jobs and make a capital investment of at least \$1 million.

Small Business New Jobs Program: Supports existing Virginia companies which are for-profit, and have 250 employees or less company wide. Businesses must create a minimum of 5 net new jobs and make a capital investment of at least \$100,000.

Retraining Program: This program provides services and funding to companies to assist in training their existing workforce. Companies participating in the program are typically those undergoing an integration of new technology into its production processes, changing product lines in keeping with marketplace demands, or substantially

changing its service delivery process requiring new skills and technological capabilities. These upgrades and changes frequently lead to increased productivity and business growth. Companies must have a minimum of 10 full-time employees to retrain, and a new capital investment of at least \$500,000 is required.

Local Incumbent Worker Training Program: The Virginia Jobs Investment Program will partner with regional Workforce Investment Board directors to continue joint incumbent worker training programs for existing businesses.

Small Business Jobs Grant Fund: Created by HB 943. Introduced in 2010 by Del. Steve Landes and passed by the General Assembly, the bill provides grants to small businesses that create at least five new full-time positions within a 12-month period, provided that the business meets criteria for participation. Part of the criteria includes paying at least the prevailing average annual wage in the locality in which the business is located. The Virginia Jobs Investment Program sets aside 10% of its overall appropriation to fund this program.

Financial Overview

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	7,961,287	0	7,961,287	0
Changes to Base	0	0	0	0
Total	7,961,287	0	7,961,287	0

Objectives for this Service Area

Objectives for this Service Area

Objective

Assist businesses in the Commonwealth to create and retain jobs through the economic development incentive offered through the Virginia Jobs Investment Program

Description

This service area objective encourages business growth, job creation, and capital investment in the Commonwealth by providing value-added services and funding to employers through the Virginia Jobs Investment Program, an integral part of Virginia's economic development effort.

Objective Strategies

- Increase awareness, update partners and allies (to include economic developers, community colleges, Workforce Investment Boards, et. al.) on program offerings and criteria.
- Revise and enhance marketing materials, including interactive marketing DVD.
- Support local, regional and state marketing teams by giving presentations to economic development prospects; participating in Request for Proposal's, and including incentive information in State marketing proposals.
- Visit local and regional partners to understand targeted industries; labor markets; recruitment and training resources to coordinate project start-ups and meet client needs.

Alignment to Agency Goals

- Provide marketing incentives for new and expanding Virginia businesses to create job opportunities by offering consulting services, recruiting, training, retraining, and funding assistance
- Develop creative applications of public and private financing for the benefit of new and expanding businesses to assist in the creation and retention of jobs

Measures

- Number of companies assisted by the Virginia Jobs Investment Program

Measure Class **Agency Key** Measure Type **Output** Preferred Trend **Increase** Frequency **Annually**

Data Source and Calculation

The Virginia Jobs Investment Program maintains a database to track the projects that seek assistance from the Department. The tracking database will calculate the number of companies assisted during the fiscal year and records the number of companies that received grants from the Department of Business Assistance. Not all companies who apply for the grant receive funding within the same fiscal year. The database will track those companies that received grants within the fiscal year and calculate the final numbers in a generated report at the end of the fiscal year. The database contains companies that have applied for funding from the Virginia Jobs Investment Program.

- Number of jobs created and retrained through the Virginia Jobs Investment Program

Measure Class **Agency Key** Measure Type **Output** Preferred Trend **Increase** Frequency **Annually**

Data Source and Calculation

The Virginia Jobs Investment Program maintains a database that tracks companies receiving grants from the Virginia Jobs Investment Program. Every project has the projected jobs, projected capital investment and the number of jobs reimbursed. The number of jobs created or retrained is tracked and calculated at the end of the fiscal year. Only the jobs reimbursed by the Department of Business Assistance is counted as a retrained or new job.

- Cost to administer an economic development project seeking assistance from the Virginia Jobs Investment Program

Measure Class **Productivity** Preferred Trend **Decrease** Frequency **Annually**

Data Source and Calculation

The average cost to administer an economic development project seeking assistance from the Virginia Jobs Investment Program is the administrative budget divided by the number of projects that the Virginia Jobs Investment Program runs every year. The average costs can fluctuate based on the number of projects that the Virginia Jobs Investment Program runs every year and the administrative costs that is budgeted for the program. The past two years

have had an increase because we were in the process of updating the tracking database and used funds in the administrative budget to pay for the upgrade. The older system was outdated and it started to create problems with missing data and numbers and had to be replaced.

Objective

Achieve a return on investment within the first 12 months of a job being created through the Virginia Jobs Investment Program

Description

This service area objective ensures that program resources are used in an efficient and effective manner. The goal of the program is to recover the State's investment within one year through income and sales tax paid by each new job created.

Objective Strategies

- Educate staff and partners on connection between income and sales taxes paid and State's investment in new jobs created by VJIP projects.
- Limit project funding to annual ROI based on wages paid by new jobs.
- Maintain records to track project funding; jobs created; wages paid; etc.
- Negotiate with prospects and site consultants and give only "what it takes" to land project and limit State's exposure as much as possible.

Alignment to Agency Goals

- Provide marketing incentives for new and expanding Virginia businesses to create job opportunities by offering consulting services, recruiting, training, retraining, and funding assistance

Measures

- Percentage of Virginia Jobs Investment Program projects that achieve a return on investment within the first 12 months of jobs being created at 100%

Measure Class Measure Type Preferred Trend Frequency

Data Source and Calculation

Return on investment incentive table is provided by the Virginia Department of Taxation annually and is used to calculate income tax and sales tax revenues based on wages. Virginia Jobs Investment Program uses this table to gauge the scope of incentive which should be offered to economic development prospects. Virginia Jobs Investment Program has a policy of achieving return on investment within the first 12 months of the new job being created.

Objective

Maintain a high level of overall customer satisfaction with the Virginia Jobs Investment Program

Description

This service area objective ensures accountability to our customer base. Virginia Jobs Investment Program conducts an annual electronic client satisfaction survey regarding the professionalism, accessibility, responsiveness, flexibility and helpfulness of the program's project managers. The survey also asks for feedback on the overall program's ease of use and responsiveness to their needs.

Objective Strategies

- Collect survey information and compare with previous results.
- Design user-friendly survey allowing clients to quickly complete information in an effort to increase response rates.
- Have project managers personally follow up with clients who have not responded to survey regarding status.
- Identify comments and feedback from clients for continuous improvement items.

Alignment to Agency Goals

- Provide marketing incentives for new and expanding Virginia businesses to create job opportunities by offering consulting services, recruiting, training, retraining, and funding assistance
- Develop creative applications of public and private financing for the benefit of new and expanding businesses to assist in the creation and retention of jobs

Measures

- Percent of Virginia Jobs Investment Program customers rating the overall program as "Excellent" or "Good"

Measure Class Measure Type Preferred Trend Frequency

Data Source and Calculation

The Virginia Jobs Investment Program conducts an annual electronic client satisfaction survey regarding project managers' professionalism, accessibility, responsiveness, flexibility, and helpfulness. The survey also asks for feedback on the overall program's ease of use and responsiveness to their needs. The surveys are tallied up and calculated based on the number we receive from the projects.

53418: Business Information Services

Description

Business Information Services makes up both Business Formation (53418) and Existing Business Services (53424) and should be viewed as one service area going forward. Business Information Services contributes to the economy of Virginia by integrating entrepreneurship into the Commonwealth's economic development efforts. The service area encourages new business formation by providing technical assistance to entrepreneurs on state licensing, permitting, registration and regulatory requirements and by providing developmental opportunities for entrepreneurs.

Mission Alignment and Authority

The programs offered by Business Information Services directly align with Virginia Department of Business Assistance's mission to promote economic growth by helping Virginia businesses prosper. These programs accelerate business formation by making it easier for young companies to understand and access the more than 110 regulatory and business assistance programs administered by 26 different state agencies in the Commonwealth. It helps business grow by providing state and federal procurement training and one-on-one counseling.

Customers for this Service Area

Anticipated Changes to Customers Base

Entrepreneurial activity in the Commonwealth continues to increase and to become more important to the overall economy of the state. While economic globalization has pressured some traditional manufacturers in the state to move off shore, service industries have continued to develop and expand. As demand for support increases, the services and programs provided by the Virginia Department of Business Assistance will also need to expand.

Current Customer Base

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
Consumer	Entrepreneurs & existing small businesses	30,000	230,000	Increase

Partners for this Service Area

Partner	Description
Center for Rural Development	Entrepreneur Express
Chamber of Commerce	Entrepreneur Express, Business Sales Growth and One-on-Ones
Community College System	Business Sales Growth
Department of Agriculture and Consumer Affairs	Entrepreneur Express
Incubators	Entrepreneur Express
Local, Regional and State Economic Developers	Business Sales Growth and Entrepreneur Express
Small Business Administration	Business Sales Growth
Small Business Development Centers	Entrepreneur Express
Tobacco Indemnification & Revitalization Commission	Business Sales Growth
Universities	Business Sales Growth
Virginia Tourism Corporation	Entrepreneur Express

Products and Services

Factors Impacting the Products and/or Services

None

Anticipated Changes to the Products and/or Services

None

Listing of Products and / or Services

Business One Stop - This initiative is an interactive electronic portal will help entrepreneurs determine formation requirements and assist with the completion of the filing and permitting process. Currently, there are 26 different state agencies, with over 400 forms, and over 100 business regulatory and assistance programs that could touch a business during its formation process.

Entrepreneur Express (EE) - These half day events identify entrepreneurs, link them with resources and motivate them to take the next step to grow their business. The Entrepreneur Advisory Team has been established to maximize collaboration between local, state and federal service providers.

Virginia Business Information Center - The Virginia Business Information Center (VBIC) is a gateway for assistance with business formation. The service can be accessed by phone, email and live chat and provides tailored solutions to the entrepreneur.

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	1,124,965	0	1,124,965	0
Changes to Base	320,334	0	320,334	0
Total	1,445,299	0	1,445,299	0

Objectives for this Service Area

Objectives for this Service Area

Objective

Support and encourage the creation of new businesses in the Commonwealth

Description

This service area objective encourages new business formation by providing technical assistance to entrepreneurs on state licensing, permitting, registration and regulatory requirements and by providing developmental opportunities for entrepreneurs.

Objective Strategies

- Promote contact with the Virginia Business Information Center and Business One Stop as the gateway to all state businesses services.
- Work with VITA/VEAP to maintain and expand the One-Stop Small Business Permitting Program.

Alignment to Agency Goals

- Develop creative applications of public and private financing for the benefit of new and expanding businesses to assist in the creation and retention of jobs

Measures

- Number of business establishments in Virginia.

Measure Class Measure Type Preferred Trend Frequency

Data Source and Calculation

Virginia Employment Commission, Establishments by size class in VA

Objective

Enhance the positive business climate in Virginia by providing information and solving problems for businesses as they move through the business life cycle: formation, stabilization, and growth

Description

This service area objective will help businesses grow their revenues by helping them tap into new markets specifically those of government contracting and procurement. Given the complex process for selling to the government and the limited resources of many businesses, we make information, training and technical assistance available to simplify the process for businesses as well as networking with procurement officers.

Objective Strategies

- o Business Services Managers will be assigned as needed on a case by case basis to resolve problem that businesses encounter as they try establish and grow their businesses in the Commonwealth.
- o We will continue to market our website to businesses by including information on its value in all of our outreach efforts.
- o We will increase our use of webinars and on-line training modules to offer our products and services.
- o We will provide networking opportunities for businesses that will allow them to get in front of buyers, particularly those purchasing services and products on behalf of the Commonwealth. We will encourage businesses to establish enduring relationship that will help them grow their businesses.

Alignment to Agency Goals

- Enhance the positive business climate in Virginia by providing information and solving problems for businesses as they move through the business life cycle: formation, stabilization, and growth

53422: Administrative Services

Description

Administrative Services within the Virginia Department of Business Assistance provides administrative support to the agency's staff by providing financial management, human resource management, government procurement, information technology, performance management, and communications.

Mission Alignment and Authority

This service area directly aligns with the Virginia Department of Business Assistance (VDBA) mission to promote economic growth by helping Virginia businesses prosper by providing assistance, guidance and support to all service areas within the agency.

Customers for this Service Area

Anticipated Changes to Customers Base

None

Current Customer Base

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
State Agency(s),	Agency staff	33	33	Stable

Partners for this Service Area

Partner	Description
Auditor of Public Accounts	Overseeing state agency for all internal control and compliance.
Department of General Services	Overseeing state agency for all procurement, parking, and real estate services.
The Department of Accounts	Overseeing state agency for all accounting transactions, policies and procedures.
The Department of Human Resource Management	Overseeing state agency for all human resource transactions, policies and procedures and Service Bureau provides most HR agency services.
The Department of Planning and Budget	Overseeing state agency for all budget transactions and the Strategic Planning process.
Virginia Information Technology Agency	Overseeing state agency for all electronic data exchange and telephone service.

Products and Services

Factors Impacting the Products and/or Services

Due to budget cuts over a number of years, this service area has diminished to 3 full-time and 1 wage employee as of 6/30/11. Other agency service areas, have taken on some of the duties of the Administrative Services area.

Anticipated Changes to the Products and/or Services

None

Listing of Products and / or Services

Accounting: All deposits, travel reimbursement vouchers, vendor invoices, project reimbursements, procurement, maintaining the equipment inventory and surplus property records, overseeing the Small Purchase Charge Card and Travel Charge Card programs, monthly reconciliations and policy development and interpretation are handled in the Administration Service Area.

Payroll: All payroll related transactions are processed through Administrative Services. The documents are submitted to the Department of Accounts Payroll Service Bureau to be entered in to the Commonwealth Integrated Payroll/Personnel System (CIPPS). All entries are verified and the payroll is certified for processing. Payroll oversight for the agency is provided by Administrative staff.

Human Resources: HR functions are handled by Department of Human Resource Management's Service Bureau. This will include benefits, compensation and classification, pay transactions, leave accounting, recruitment, employee relations, policy development and interpretation, coordination with payroll and reporting. Workers comp. must be handled internally within the agency by the Virginia Small Business Financing Authority staff.

Budget: All budgetary transactions and distribution and strategic planning processes are responsibilities of Administrative Services.

Financial Reporting: All monthly, quarterly and annual reports as required are compiled and submitted by the Administrative Services & Virginia Small Business Financing Authority staff.

General Support: This consists of overseeing the mailroom function, package pick ups and deliveries, staffing the receptionist desk, answering and directing phone calls from outside callers and/or visitors. These are all Administrative Services functions now handled by Virginia Small Business Financing Authority staff.

Marketing: The Marketing of the agency and its programs and services is the responsibility of the Marketing division within Administrative Services.

Agency Management: The agency director is part of Administrative Services.

Legislative Services: Legislative Services for the agency is administered by Administrative Services.

IT Support: The agency utilizes VITA; however, day-to-day IT needs are administered for the agency by Administrative Services.

Financial Overview

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	810,117	0	810,117	0
Changes to Base	-106,457	0	-106,457	0
Total	703,660	0	703,660	0

Objectives for this Service Area

Objectives for this Service Area

Objective

Ensure that resources are used efficiently and programs are managed effectively, and in a manner consistent with applicable state and federal requirements

Description

Work on measures to ensure that programs and resources are managed efficiently at the highest service with the lowest cost to the taxpayer.

Objective Strategies

- Develop and implement the corrective action plan to respond to the APA Audit Report as needed.
- Implement a work plan to monitor and test internal controls on fiscal processes to meet Agency Risk Management and Internal Control Standards (ARMICS) requirements.
- Monitor legislation and take necessary actions to insure Virginia retains its pro-business rankings.

Alignment to Agency Goals

- Provide effective management of the agency personnel and state resources

Measures

- Meet the Agency Risk Management and Internal Control Standards (ARMICS) plan for the agency

Measure Class Measure Type Preferred Trend Frequency

Data Source and Calculation

Data will be compiled from the results of the Agency Risk Management and Internal Control Standards to ensure that there is security procedures in place to prevent fraud within the agency and be more efficient.

53423: Financial Services for Economic Development

Description

The Virginia Small Business Financing Authority implements the Virginia Small Business Financing Act, assisting Virginia's new and existing businesses, as well as businesses expanding into Virginia, by increasing access to capital through the creative application of public and private financing. The goal is to maximize employment opportunities and investment throughout the Commonwealth. Programs and services are available statewide, with focused effort on regions of highest distress.

Mission Alignment and Authority

This service area directly aligns with the Virginia Department of Business Assistance's by providing financing for the benefit of new and expanding businesses to assist in the creation and retention of jobs.

Customers for this Service Area

Anticipated Changes to Customers Base

As a result of the credit crisis and lengthy recession, credit has been very difficult for businesses to access. At the same time access to capital is cited as the number one need in many business surveys and customer focus groups. Demand for government support for small businesses has increased. Equity and working capital financing products are of even greater need than in the past.

In order to improve efficiency within state government, the Virginia Small Business Financing Authority (VSBFA) has partnered with a number of state agencies to create and administer financing programs for them. The VSBFA continues to be a resource for the Virginia Economic Development Partnership and is frequently brought in to discuss financing needs with their prospective clients.

Current Customer Base

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
Business and Finance	Banks	30	131	Stable
State Agency(s),	State Agencies	6	22	Stable
Employer/ Business Owner	Small Businesses financed	508	169,053	Stable
Employer/ Business Owner	Small Businesses served	1,677	169,053	Stable
Local or Regional Government Authorities	Local Industrial/Economic Development Authorities	12	134	Stable

Partners for this Service Area

Partner	Description
Center for Rural Development	Financing resource for clients
Department of Agriculture & Consumer Affairs	Financing resource for clients
Department of Environmental Quality	Small Business Compliance Assistance Fund
Department of Minority Business Enterprise	P.A.C.E. Program
Department of Social Services	Child Day Care Financing Program
Local, Regional and State Economic Developers	Financing resource for clients
Small Business Administration	Refer clients for small business loans
Small Business Development Centers	Refer clients for technical assistance
Tobacco Indemnification & Revitalization Commission	Southside Tobacco Capital Access Program
U. S. Economic Development Administration	Federal Economic Development Loan Fund Program
U.S. Treasury	State Small Business Credit Initiative
Virginia Economic Development Partnership	Financing resource for clients

Products and Services

Factors Impacting the Products and/or Services

- o Funding available
- o # Full Time Equivalent to market and underwrite
- o Legislative changes to programs
- o Changes in the economy
- o Changes in credit culture of banks

Anticipated Changes to the Products and/or Services

Demand for services is expected to increase as bank credit remains tight and equity resources diminish. VSBFA is exploring the development of new programs such as an asset based working capital line and a preferred lender status for certain banking partners. These proposed enhancements will address key financing needs and make the VSBFA's program more user friendly for banks and businesses.

Listing of Products and / or Services

Direct Loans - The Virginia Small Business Financing Authority provides direct loan financing to businesses and local industrial and economic development authorities through its "gap" financing and certain market specific loan programs. Loan programs include the federally-funded Economic Development Loan Fund and the Defense Conversion Loan Fund. State funded programs include the Virginia Direct Loan Program, in which the VSBFA partners with private debt and equity financing to provide fixed asset loans; the Child Care Financing Program, in partnership with Department of Social Services to provide "soft cost" financing to family home providers and child day care centers; and the Environmental Compliance Assistance Fund, in partnership with Department of Environmental Quality, to provide fixed asset financing to small businesses for purposes of improving the environment.

Indirect Loans – The Virginia Small Business Financing Authority provides deficiency guarantees to banks for specific small business loans through the Loan Guaranty Program and provides loan portfolio insurance to banks to mitigate the risk on a portfolio of small business loans made by banks through the Virginia Capital Access Program, the Tobacco Commission's Southside Tobacco Region Capital Access Program and the Department of Minority Business Enterprise's P.A.C.E. Program.

Conduit Financing - The Virginia Small Business Financing Authority is the statewide issuer of industrial development bonds to qualifying small manufacturers and 501 c 3 non-profit entities through the Industrial Development Bond Program (IDB) and also serves as the Commonwealth's administrator of the statewide private activity bond allocation for industrial bond issuances.

Technical Assistance/Resources - The Virginia Small Business Financing Authority provides limited telephonic and electronic financial counseling to businesses and business owners who express a need for financing but do not know the necessary steps, procedures, and tools to obtain such financing through public and/or private sectors.

Financial Overview

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	0	0	0	0
Changes to Base	0	0	0	0
Total	0	0	0	0

Objectives for this Service Area

Objectives for this Service Area

Objective

Increase financing to small businesses for fixed asset and working capital needs to support their growth when the private lending sector cannot fully assist

Description

Increasing opportunities for businesses to obtain the capital required to grow in order to increase employment and investment in the Commonwealth is at the heart of the mandate provided in Section 2.2-2279, the Virginia Small Business Financing Act. Through its direct loan, indirect loan, and conduit financing programs, the Virginia Small Business Financing Authority fulfills this mission. This objective is also consistent with Virginia Department of Business Assistance's mission of promoting economic growth by helping Virginia businesses prosper.

Objective Strategies

- The Virginia Small Business Financing Authority will develop a marketing plan to include target goals for number of presentations and calls on businesses, economic developers, banks, IDA/EDA's, non-profits, Small Business Development Centers, Chambers of Commerce, attorney's, accountants, and organizations that represent the entities listed above.
- The Virginia Small Business Financing Authority will maintain a goal of a one-week response time on all complete loan applications that are able to be approved within the staff's designated authority.

Alignment to Agency Goals

- Develop creative applications of public and private financing for the benefit of new and expanding businesses to assist in the creation and retention of jobs

Measures

- Number of loans committed by the Virginia Small Business Financing Authority to assist small businesses and localities

Measure Class Measure Type Preferred Trend Frequency

Data Source and Calculation

Data is collected from financing program applications supplied by customers and banking partners and verified at the time of loan closing.

- Number of jobs created and retained by businesses receiving loans from the Virginia Small Business Financing Authority

Measure Class Measure Type Preferred Trend Frequency

Data Source and Calculation

Data is collected from loan accounting and activity reports submitted by project managers and loan accounting personnel as loans are approved.

- Public and private capital investment by businesses receiving loans from the Virginia Small Business Financing Authority

Measure Class Measure Type Preferred Trend Frequency

Data Source and Calculation

Data is collected from financing program applications supplied by customers and banking partners and verified at the time of loan closing.