State University of New York

Memorandum to Presidents

Date: September 22, 1981
From: Clifton R. Wharton, Jr. Chancellor

Subject: University of New York Services to Small Businesses Across the State through Creation of the Small Business Development Network

Last year, on July 30, I sent you a memorandum on this subject (copy attached). Notwithstanding the difficulties and obstacles encountered, and lack of Federal funding, our intentions remain the same. The State University of New York is determined to proceed with the development of the Small Business Development Network in 1981-82. The need to assist small businesses is no less, in fact greater, than in 1980, and we have a most consequential role to play.

The proposal is to establish within SUNY a good number of Small Business Centers in an interconnected systemwide, interactive framework—a Small Business Development Network (SBDN).* The purpose of the Network is not to control or to administer the small business development activities and services of each Center, but to provide each Center with access to the resources of the full SUNY system and to facilitate any needed coordination of the effort. Thus, the purpose of designation of Centers within a Network is to provide a more formal way to enhance what many campuses are already doing by providing access to the scientific and technical resources of the entire system.

This approach does not preclude eventual participation in such activities by private New York State colleges and universities when they are in a position to contribute their own resources to such an effort. However, we believe that we should not wait on them since the problem continues to cry out for our attention. Therefore, we have decided to proceed to organize our own internal structure for the effort.

Establishment of Small Business Centers comprising the SBDN will, of necessity, need to occur through the allocation of existing resources and organizational structure to achieve this purpose. Over the longer term, however, it is reasonable to anticipate that the perceived value of assistance given to small businesses by the campuses and the Network as a whole will result in appropriate budgetary support.

As stated above, in the short term, the State University will move ahead, and we intend to do so by providing designation by the State University Board

*All campuses designated for involvement in the Network will be titled "Small Business Centers" as opposed to "Productivity Centers" or "Development Centers."
of Trustees and certification of campus-based SBCs in December of 1981. Designations of SBCs will be made by the Board of Trustees following the recommendations of a special review panel set up to evaluate materials forwarded by campuses. The panel will be composed of selected Presidents and campus administrators involved in this area. Guidelines for Establishment of Small Business Centers are attached as part of this memorandum.

The State University of New York has a vitally important role to play in providing direct and specific assistance to businesses in the Empire State. While our record is massive and impressive as will be witnessed in the updated new The Third Dimension, the fact is there is a great deal more we can do to assist in the revitalization of the economy of the State of New York. As a state university system, it is our obligation and the responsibility of each campus to explore what can be done in a contributory way to the achievement of these collective purposes.

Working with the organizations representing the business community of this State in very practical, pragmatic ways in the New York public interest, SUNY will, I think, be able to achieve an operational service mode comparable to that of the major institutions in other states. Accordingly, I hope that you will view the Small Business Development Network as a unique point in time opportunity in the history of the State University of New York.

The Small Business Development Network plan calls for an endeavor in which SUNY, a State governmental entity, is closely involved with organizations representing the business community in the operation of the Network. This subject is addressed more extensively below.

Organizations representing the business community will be actively involved through a Statewide Advisory Board for the SUNY Small Business Network. The composition of the Board will be described separately. It is anticipated that they will be active in providing policy advice for our outreach efforts just as local Campus Small Business Center Advisory Boards will as described in the attached "Guidelines."

With respect to actual daily operations of the SBCs within the Small Business Development Network, it is important for participating campuses to function in an interactive mode, regionally and Statewide. In brief, there needs to be intercampus communication and communication with the SUNY Public Service Office with respect to responses for meeting local needs when requests exceed local capacity. Somewhere within SUNY and the business community there are resources deliverable locally to meet legitimately expressed needs that are reconcilable with our position to assist, not compete, with private enterprise.

*Certificates will be issued over the signature of the Chancellor of the State University of New York.
State University of New York campuses should review the attached "Guidelines" and determine their response to the invitation for designation by the State University as Small Business Centers. We would like 30-40 institutions to qualify in 1981-82. Qualifying justifications for SBC status should be sent to John Mather, Associate Chancellor for Public Service. A special review panel of State University will study each one, and referrals with recommendations will be submitted to the Chancellor and SUNY Board of Trustees for designation and certification in December 1981. Please send your proposals to John Mather by October 30, 1981.

Attachments

This memorandum addressed to:

Presidents, State-operated Campuses
Presidents, Community Colleges

Information copies to:

Dr. Odle
Vice Provost Spencer
TO: Presidents, State University of New York  
FROM: Clifton R. Wharton, Jr., Chancellor  
SUBJECT: Joint State University of New York-New York State Department of Commerce Services for Giving Assistance to Small Businesses Across the State

July 30, 1980

Not long ago I sought your help in securing the support of businesses in your communities for the SUNY-DOC Bill submitted by Governor Carey to the Legislature for creation of a Small Business Development Network. We appreciated your efforts in behalf of SUNY and DOC to secure passage of the legislation, Senate 9930 and Assembly 11977. As you know by now, the Bill was passed by the Senate, but it was not reported out in the Assembly.

It is regrettable that we did not have legislation that could have become law. However, SUNY and DOC have determined that we would go ahead and do what was proposed in the legislation. We have formed a partnership or joint venture for doing so.

While we--SUNY and DOC--have been working toward joint enterprise for delivery of services in a number of areas--assistance to small business, international trade development, and research projects with the Science and Technology Foundation of the Department of Commerce--it was not until July 10, 1980, that Commissioner Hassett and I formalized the arrangement for assistance to small businesses. The operating arrangement between SUNY and the Science and Technology Foundation was formalized somewhat earlier on June 18.

Under Article 4-B of the State Commerce Law, the New York State Department of Commerce is specifically directed to provide programs of assistance to small businesses Statewide. The Office of Ombudsmen and Small Business Services Division, under the direction of Deputy Commissioner Ray Norat, currently provides a broad range of services.

State University, likewise, is empowered under its Public Service mission to extend services to the business community. As you know, our efforts are coordinated through the Associate Chancellor for Public Service, John Mather. Joining SUNY and DOC in joint operations constitutes a State plan for assistance to small businesses.
Using the existing authority of SUNY and DOC, Commissioner Hassett and I have determined to proceed with the development of a plan to jointly administer services of assistance to small businesses Statewide. The development of the details of the plan is a joint endeavor and is proceeding at the present time. In development of the plan, we are making adaptations of current successful programs at SUNY campuses and the SBDC Center at the University of Georgia.

As provided in the proposed legislation, we anticipate the creation of small business development centers and small business productivity centers. Designation of these two kinds of centers will be achieved through the process of recommendation by a yet to be named Advisory Board with final decision resting with the Chancellor and Commissioner. We assume that start-up operations will probably focus upon locations of the greatest concentration of need.

With regard to selection and designation, it should not be assumed that we will approach this from any particular hierarchical order of institutions. Rather, it will most likely be upon the basis of history of delivery of services to small businesses and the capability to deliver services in the future as outlined in the legislative proposal. However, at this point, nothing is set in place with regard to selection. I will be communicating with you further about this.

As you know, there is no State appropriation to fund the development of a Small Business Development Network. However, SUNY will provide $100,000 in cash and in excess of $150,000 in services, and DOC will provide over $150,000 in services. While these resources are very nominal for start-up of the Small Business Development Network, our intention is to do as much as possible.

To augment these resources, Commissioner Hassett and I have submitted a joint application to the Small Business Administration in Washington for SBDN designation and funding in the amount of $400,000 for Phase I in 1980. In so doing, we are endeavoring to enlist the support of the New York Congressional delegation.

It is not certain whether or not the current funds available to SBA in 1980--$1.6 million--will be released by OMB for expenditure. However, Commissioner Hassett and I will do our best to secure SBDN designation and funding this year, before October.

Our proposal also provides for Phase II operations and a greatly expanded Small Business Development Network in 1981-82 to create more SUNY campus Centers and Productivity Centers. Under Phase II, we also propose the participation of City University and independent colleges and universities. Their participation would, of course, be contingent upon their willingness to commit funds, to accept the rules and procedures established by SUNY and DOC, to follow the requirements of the State Finance Law and the
U.S. Small Business Administration, and to report through the joint office operations of SUNY's Public Service Office and DOC's Office of Ombudsmen and Small Business Services Division.

We think the State University-Department of Commerce proposal is a good one and that a good case is stated for funding a Small Business Development Network for the State of New York. There are 16 Small Business Development Centers in other states at the present time. Compared to other states, New York is more needful in terms of giving assistance to small businesses. There are more than 390,000 small businesses with less than 100 employees. All are feeling the sharp effects of inflation/recession, and we are hopeful that the Small Business Administration will see the merit of our proposal and fund our operations in FY 1980. If not, we will persevere in our endeavors.

President Carter signed the Small Business Act of 1980 on July 3. This Act provides for creation of new state university based small business development centers in 1981. Our effort, of course, is directed toward the immediate goal of securing funds from existing appropriations and being able to secure additional funding in 1981.

At the present time, this is about as much as I can report, except for the following:

a) The State University and the Department of Commerce intend to go ahead with joint operations for assistance to small businesses with or without Federal funding.

b) The selection and designation of Centers and Productivity Centers comprehend ultimate participation of State University campuses: Community Colleges, Agricultural and Technical Colleges, Four-Year Colleges, the University Centers, Specialized Colleges, and Statutory Colleges.

c) Efforts to develop a plan of operations will proceed as rapidly as possible.

d) Every effort will be made to secure Federal funding.

e) As soon as criteria for selection and designation are fully refined with DOC, copies will be sent to you by the Associate Chancellor for Public Service, along with details about the program.

f) As far as we can determine, the direct linkage between DOC and SUNY for delivery of services to small businesses is one of a kind among the states, nationally. This unique connection has much promise as a national model.
I am pleased with the newly created working relationship with Department of Commerce, and hope you concur in my belief that this is a very useful joint enterprise for ensuring real assistance to businesses in the State of New York. This clearly gives focus to the University's intent to expand Public Services for the benefit of our society. Assistance to small businesses is, of course, but one part of the broad range of services delivered by SUNY campuses that constitute Public Service.

cc: Commissioner Hassett
   Executive Deputy Commissioner Redmond
   Deputy Commissioner Norat
   Executive Staff

Information copy sent to:

President Howard Neville                  Mr. James Spencer
Alfred University                           Cornell University
Alfred, New York 14802                 Ithaca, New York 14850
Guidelines for Establishment of Small Business Centers

To qualify for designation and certification as a Small Business Center by State University, certain conditions of service are important.

Commitment and History of Service

Present a brief statement of the campus commitment to service to business and industry through research, training, and technical assistance. This should be accompanied by several specific examples—not a comprehensive listing—of significant services provided during the past three years.

Organization and Operations

There must be a stated willingness to designate and identify publicly a member of the campus staff as "Director of the Small Business Center" and provide appropriate support services. Directors will interface with the SUNY Public Service Office, Department of Commerce field representatives, and the main DOC Small Business Services and Minority Business Development Office, as well as with the campus administration, the local Campus Small Business Center Advisory Boards, business organizations, e.g., Chambers of Commerce, SCORE, ACE, the regional SBA representative and, of course, last but not least, specifically, businesses seeking assistance.

With respect to staffing, each institution should decide how much will be required to handle the case load.

The Director of each SBC is a coordinator for the access to campus services described below under the section "Services." In addition, the Director will be asked to send quarterly success reports of services to both the DOC Small Business Services and Minority Business Development Office and the SUNY Public Service Office.

The appointment of local Campus Small Business Center Advisory Boards referenced above is of critical importance to the Small Business Centers and for the purposes of outreach. Upon identification of those persons in the business community who would be excellent candidates, recommendations should be forwarded to the Chancellor by the campus President.

Services

The services offered by the SBCs will include such activities as:

- Communication with the public about programs of assistance offered by the State and Federal Governments.

- Provide one-on-one counseling in financial management and planning for below-the-line small businesses to help them upgrade to the point where they can afford private, full-service accounting and business consultants.

- Conduct feasibility studies for small businesses applying for assistance.
- Provide increased information to small businesses about how to engage in the export trade and provide counseling to those businesses new to market on marketing their products.

- Provide training for prospective minority entrepreneurs and counseling for those needing assistance in the marketplace.

- Provide training that brings the existing work force up to the level of new technologies and thereby increase productivity of businesses.

- Provide access to existing technologies and research resources of SUNY for development of new innovative technologies.

- Provide access to technical information available through SUNY data bases (eventually to include marketing information of the U.S. Department of Commerce) accessible through computer terminals at 64 campus locations.

- Advertise availability of services through media and organizations.

**Designation Procedure**

Campuses seeking to qualify for SBC designation and certification by SUNY should address each one of the subjects above when preparing the application and provide a statement concerning a willingness to provide such services.

Responses should be sent to John Mather by October 30, 1981.

September 22, 1981
Statewide Advisory Board for the SUNY Small Business Network

Small Business Centers with local campus Advisory Boards will be established within the SUNY system during 1981-82. Campuses meeting the SUNY criteria for qualifying as Small Business Centers will be so designated by the State University Board of Trustees, and members of local campus Advisory Boards will be designated by the Chancellor of State University, following a SUNY nomination and review procedure.

SUNY campuses with Small Business Centers will be part of the total State University Small Business Network. Through the creation of this Network, operating in an interactive mode, each campus Small Business Center will have access to resources beyond its limits and, accordingly, will be able to serve the needs of its locality in more ways.

To optimize the potential of the SUNY Small Business Network, a quite complex University-wide operation, it is desirable and necessary to have a Statewide Advisory Board that will participate fully in assisting the Chancellor and his staff in policy guidance, in University-wide plans for implementation of programs, and in fullest possible resource utilization. Formation of the Statewide Advisory Board for the SUNY Small Business Network is, accordingly, given a very high priority.

The Statewide Advisory Board for the SUNY Small Business Network will be comprised of 15 members with the Chairman elected by the Advisory Board. The Chancellor of State University will serve as Co-Chairman, ex officio. The Associate Chancellor for Public Service will serve as Secretary to the Advisory Board. Members of the Advisory Board will be appointed to serve a term of three years. Their appointments will be made by the Board of Trustees of the State University of New York.

Nominations for membership on the Advisory Board will be solicited from leaders in the small business community, organizations representing businesses in New York State, Presidents of State University campuses, and State University Trustees. Nominations will be reviewed by Central Administration staff and recommendations submitted to the Chancellor in preparation for his final recommendations to the Board of Trustees.

It is suggested that the Advisory Board be comprised mainly of persons engaged in business (with appropriate consideration for representation by minorities and women), and persons representing business organizations having a particular concern for small business success in these difficult financial times. Persons nominated will be chosen on the basis of their ability, their commitment to the small business community, their ability to take a Statewide view, their understanding of what it is to develop the capacity of an interactive Network of Small Business Centers, and their willingness to participate fully in this effort to help in revitalizing the economy of the Empire State.

September 22, 1981
Campus Small Business Center Advisory Boards

Each SUNY Small Business Center will be sustained in its services to the community through an active participating Advisory Board. The functions of such Advisory Boards shall be that of helping the campus President and the SBC Director in establishment of operating policy, initiation and development of areas of program assistance to small businesses and in communicating the availability of resources and services to the public.

Each Advisory Board will be comprised of nine members with the Chairman elected by the Board. The campus President will serve as Co-Chairman, ex officio.

Because the Small Business Centers are established to serve the business community, the majority of members should be persons actively engaged in business and economic development programs; six members from the business community and three members from the campus faculty or staff, inclusive of the Director.

Suggested categories of those who might be considered for nomination to membership on each Advisory Board would include: operators of small businesses (with representation from minority and women entrepreneurs), a business person represented on the College Council or Board of Trustees, the Executive Director of SCORE, the Chairman of the Private Industry Council, a representative of the Chamber of Commerce, the Chairman of the Small Business Council, bankers, and management consultants.

Those who are nominated should be willing to give of their time and energies to the enterprise of furthering assistance to small businesses provided by the Small Business Center. Clearly, their active participation is integral to the success of Center operations.

As soon as a campus receives SBC designation by the State University Board of Trustees, the President should develop a list of prospective nominees for membership on the Advisory Board. He should then send the list to the Central Administration Public Service Office with an anecdotal recommendation for each nominee. A SUNY panel will review the list of those proposed for membership in consultation with the campus President and, following this procedure, the Chancellor will formally designate members to a two-year term on the Advisory Board.

September 22, 1981