

SBA Reimagined: Powering the American Dream -- Strategic Plan | Fiscal Years 2018 - 2022

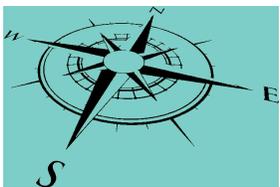
The SBA has a proven track record of successfully assisting America’s small businesses by increasing and improving their access to capital, federal contracting opportunities, entrepreneurial development, and disaster assistance. The Agency also boosts America’s longterm competitiveness by improving the entrepreneurial ecosystem to ensure small business owners and entrepreneurs are well positioned to take advantage of new opportunities and new markets. Since its founding, the SBA has delivered millions of loans, contracts, counseling sessions, and other forms of assistance to small businesses.

Contents

- Mission..... 3
- Values 3
- 1. Revenue & Job Growth 4
 - 1.1. Capital 5
 - Strategy 1.1.1. Emerging Markets 5
 - Strategy 1.1.2. Investment Capital 5
 - Strategy 1.1.3. Lenders 6
 - Strategy 1.1.4. Knowledge 6
 - Strategy 1.1.5. Oversight & Risk Management 6
 - 1.2. Exports 7
 - Strategy 1.2.1. Partnerships 7
 - Strategy 1.2.2. Training & Counseling 7
 - Strategy 1.2.3. Trade Promotion..... 8
 - Strategy 1.2.4. Trade Negotiations 8
 - 1.3. Set-Aside Goals 9
 - Strategy 1.3.1. Contracting 9
 - Strategy 1.3.2. Simplification, Attraction & Education 9
 - Strategy 1.3.3. Awards 10
 - Strategy 1.3.4. Guaranty Bonds 10
 - Strategy 1.3.5. Research 11
- 2. Ecosystems & Environments..... 12
 - 2.1. Technical Assistance 13
 - Strategy 2.1.1. Emerging Markets 13
 - Strategy 2.1.2. Growth & Infrastructure 14
 - Strategy 2.1.3. Mentors & Protégés 14
 - 2.2. Entrepreneurial Ecosystems 15
 - Strategy 2.2.1. Services 15
 - Strategy 2.2.2. Resources 15
 - Strategy 2.2.3. Veterans & Military Families 15
 - Strategy 2.2.4. Native Americans 16
 - 2.3. Environment 16
 - Strategy 2.3.1. Ombudsman Process 16
 - Strategy 2.3.2. Policy & Advocacy 17
- 3. Disasters 18
 - 3.1. Assistance 18
 - Strategy 3.1.1. Preparedness 18
 - Strategy 3.1.2. Efficiency & Effectiveness 19
 - Strategy 3.1.3. Infrastructure 19
- 4. Service..... 20
 - 4.1. Efficiency & Effectiveness 20
 - Strategy 4.1.1. Finances & Culture 20
 - Strategy 4.1.2. Service Delivery 21

4.2. Workforce.....21
Strategy 4.2.1. Recruitment & Retention.....21
Strategy 4.2.2. Talent Development.....22
Strategy 4.2.3. Performance & Accountability.....22
4.3. Information & Technology.....22
Strategy 4.3.1. Stability & Innovation.....22
Strategy 4.3.2. Value & Focus.....23
Strategy 4.3.3. IT Governance.....23
Strategy 4.3.4. Planning & Development.....23
Administrative Information.....24

DEMONSTRATION ONLY



U.S. Small Business Administration (SBA)

Description:

The SBA was created in 1953 through the Small Business Act as an independent agency of the Federal Government to aid, counsel, assist, and protect the interests of small business concerns; to preserve free competitive enterprise; and to maintain and strengthen the overall economy of our nation. Small businesses are critical to economic strength, to building America's future, and to helping the United States compete in today's global marketplace. Although the SBA has grown and evolved in the years since it was established, the bottom-line mission remains the same: the SBA helps Americans start, build, and grow businesses. Through an extensive network of field offices and partnerships with public and private organizations, the SBA delivers its services to people throughout the United States, Puerto Rico, the U.S. Virgin Islands, and Guam.

Stakeholder(s):

Linda E. McMahon :
Administrator

Small Businesses :

America's 30 million small business owners are the engine of job creation and economic growth in this country. The U.S. Small Business Administration ensures that these businesses have the tools and resources they need to start and expand their operations and create good jobs that support a growing economy and strong middle class.

Mission

To maintain and strengthen the nation's economy by enabling the establishment and vitality of small businesses and by assisting in the economic recovery of communities after disasters.

Values

Convictions: The SBA has four core values that underscore the work of our employees each day. These core values represent key convictions that are driven and modeled by the Administrator and senior leadership down to every line employee. Throughout this Strategic Plan, the core values are integrated into the strategies that drive policy and resource management decisions.

Effectiveness: We will clearly define the outcomes we are striving to achieve and ensure that our programs, processes, and policies are aligned to demonstrate results.

Efficiency: We will ensure that our programs and services are delivered on-time and at a minimized cost to the taxpayer.

Accountability: We will hold ourselves accountable to deliver meaningful, innovative services to America's entrepreneurs.

Empowerment: Employee Involved: We will ensure that our employees are empowered to make decisions and seek continuous improvement as we extend the hand of service to Americans not only from Washington, DC, but also across the field offices.

1. Revenue & Job Growth

SUPPORT SMALL BUSINESS REVENUE AND JOB GROWTH

Stakeholder(s)

Small Businesses :

Small businesses are America's job creators and account for about 65 percent of private-sector net job creation. They rely on capital to generate revenue and create jobs, which in turn creates a healthy U.S. economy. Furthermore, new business startups play an important role in job creation and rely on capital to start and grow their business. In times of financial distress, like the Great Recession (2007-2010), bank lending declines, which further impacts economic growth for small businesses and the overall economy.⁴ While capital is often leveraged through the market in the form of loans and private equity, small businesses often face challenges with getting access to it. The SBA leverages capital for small businesses through lending, assists small businesses interested in international trade, and supports access to contracts through the Federal Government.

their businesses. Figure 6 displays the expansion in the total dollars awarded to small businesses between FY 1997-2015.

Lenders :

Lenders and investors are less likely to provide capital to small businesses in comparison to their larger counterparts; small businesses tend to be younger and have less credit history, which increases their risk for loan default. Lenders and investors may also be reluctant to provide capital to small businesses with innovative products because it might be difficult to collect enough reliable information to correctly estimate the risk of production and future sales. The SBA fills this credit market gap through several capital access programs. Figure 4 demonstrates the need for small business capital through the dollar value of outstanding loans to all small businesses in the United States. Note that lending to non-small businesses has greatly expanded in the last 20 years. At the same time, the number of financial lending institutions has been declining through bank mergers and the expansion of online lending.

Investors

Exporters :

The United States is also the largest exporter in the world, with nearly \$2 trillion in products and services delivered overseas each year. Small businesses that export have greater revenue and job growth than those businesses that remain domestic.

Entrepreneurs :

By supporting international trade for small businesses, the SBA helps to ensure that entrepreneurs can be competitive in a global market through export loan products and counseling, and training assistance to both lenders and small businesses. Figure 5 displays the growth of U.S. export sales for total goods and small and medium size enterprises between 1997 and 2015.

Contractors :

The Federal Government is the largest buyer in the world. In total, hundreds of billions of dollars in contracts are awarded each year to deliver products and services for federal agencies. Through small business contract set-asides, the SBA ensures that small businesses have access to an additional source of revenue to start and grow

1.1. Capital

EXPAND ACCESS TO CAPITAL

Access to capital is critical to the long-term success of America's small businesses. Many entrepreneurs or small business owners often do not have the same access to credit as larger businesses that can more readily take on a traditional loan from a bank. Also, new entrepreneurs may not have a credit score that can guarantee them a loan – especially on a new or innovative product.¹⁰ In addition, some economically and socially disadvantaged businesses, including minorities, women, and veterans, are more likely to be denied credit¹¹ and often rely on personal savings or credit cards to sustain their business.¹² At the SBA, one of the top priorities is to get capital flowing to small businesses. The SBA is working to ensure that gaps in the commercial lending markets are filled and that small businesses across the country are well-positioned to access credit on reasonable commercial terms. Through various programs and services, the SBA will support strategies that focus on opening credit with a special emphasis on minority-owned, women-owned, and veteran-owned small businesses and entrepreneurs. Through new technology, streamlined loan processes, and focused outreach, small businesses will be better able to start and expand.

Strategy 1.1.1. Emerging Markets

Increase capital provided to small businesses and emerging markets when conventional credit is not available.

SBA loan guaranty and microloan programs play a critical role in ensuring access to capital on reasonable commercial terms for small businesses that cannot obtain it conventionally. When a small business cannot qualify for a loan under conventional credit standards, SBA's loan guaranty programs support necessary capital to entrepreneurs. The SBA will promote and develop its 7(a), 504, and international trade loan guaranty programs to best meet the needs of varying markets and entrepreneurs. The SBA will continue to use the direct microloan program to spur small-dollar lending through microloan intermediaries to the smallest of businesses. As an area of focus, the SBA, through its FY 2018-2019 Agency Priority Goal, will further expand lending to areas of the country located in socially and economically disadvantaged urban communities and rural areas.

Strategy 1.1.2. Investment Capital

Supplement investment capital to small businesses that have inadequate supply.

The SBA accomplishes this strategy by licensing professionally managed investment funds that raise private and/or public capital and combine it with guaranteed leverage to invest in or lend to qualified small businesses. The SBA seeks to maximize participation of private financing sources.

Stakeholder(s):

Small Business Investment Company (SBIC) Program :

The Small Business Investment Company (SBIC) program stimulates and supplements the flow of private equity capital and long-term loan funds that small businesses need for the sound financing of their business operations and for their growth, expansion, and modernization; when such capital and funds are not available in adequate supply in the private capital markets.

Strategy 1.1.3. Lenders

Strengthen and expand the network of lenders offering SBA products.

SBA lending partners are critical to the delivery of small business loans. The SBA is committed to strengthening the relationships with existing SBA lenders and attracting new lenders.

Stakeholder(s):

Lenders :

The SBA will partner with banks, credit unions, nonprofit intermediaries, and other lenders to ensure they have the tools and resources they need to best meet the needs of small businesses.

Lender Relations Specialists :

Through SBA's lender relations specialists in the field, the SBA will play a key role in supporting outreach and training to lenders on SBA loan products.

Strategy 1.1.4. Knowledge

Expand knowledge of SBA loans through its network of resource partners and field offices.

Each year, hundreds of thousands of entrepreneurs access information about small business lending through SBA's network of resource partners (including Small Business Development Centers, Women's Business Centers, Veterans Business Outreach Centers, and SCORE) and SBA field offices. The SBA will strengthen and expand the knowledge of the specialists in these organizations to provide the highest quality of service and information possible. Through new technology and better communication, SBA's resource partners and field staff will receive specialized training on products and tools and how to best promote them.

Stakeholder(s):

Entrepreneurs

SBA Resource Partners

Small Business Development Centers

Women's Business Centers

Veterans Business Outreach Centers

SCORE

SBA Field Offices

Strategy 1.1.5. Oversight & Risk Management

Enhance oversight and risk management of lenders and SBICs and improve recovery of taxpayer assets.

The SBA will seek comprehensive risk management through its loan and lender monitoring system, which incorporates historical and predictive risk measures, systematic reporting and analysis, and focused reviews of SBA lending partners to identify both performance and compliance risk behaviors. These tools and updated processes are designed to enhance risk mitigation in a cost-effective manner. Multi-stage portfolio monitoring and targeted levels of assessments will allow SBA staff to determine the potential risk of each lending partner and what level and scope of review is most applicable. The SBA will review current SBIC regulations, policies, and procedures and will implement enhanced oversight and risk management that is commensurate with other private equity capital providers, and OMB Circular A-129 best practices. The SBA will accelerate the collection of outstanding guaranteed leverage associated with failed SBICs, while maximizing net recoveries.

Stakeholder(s):**Lenders****1.2. Exports***HELP SMALL BUSINESS EXPORTERS SUCCEED IN GLOBAL MARKETS*

Exports contribute to a strong middle class by fueling economic opportunity. Today, nearly 96 percent of consumers and more than three-fourths of the world's purchasing power reside outside the United States. Small businesses that can tap into this global market have the potential for vast expansion and growth, with small businesses now constituting one-third of total export dollars. Expanding the base of small business exporters and leveling the playing field for U.S. companies wanting to enter foreign markets are key objectives of the Federal Government. Through key partnerships with the U.S. Department of Commerce, other members of the interagency Trade Promotion Coordinating Committee (TPCC), and state governments, the SBA will promote exporting opportunities, expand access to trade financing (for more information on loan products see Strategic Objective 1.1, Strategy 1), and train business counselors and lenders on exporting.

Stakeholder(s):**Small Business Exporters****U.S. Department of Commerce****Trade Promotion Coordinating
Committee (TPCC)****State Governments****Business Counselors****Lenders****Strategy 1.2.1. Partnerships***Strengthen partnerships with state and territorial governments.*

Expanding the base of small business exporters and making the process as easy as possible for them is key to increasing exports. The SBA will partner with states and territories through the State Trade Expansion Program (STEP) to support small business export development, including participation in trade missions and foreign market sales trips, export trade shows, international marketing efforts, and export training.

Stakeholder(s):**States****Territories****State Trade Expansion Program (STEP)
Program****Strategy 1.2.2. Training & Counseling***Provide tailored training and counseling to small businesses and lenders.*

Through its network of trade finance specialists located at U.S. Export Assistance Centers and Small Business Development Centers with trade export specialists located throughout the country, the SBA will provide training and consultation services on trade financing and export financing programs to both lenders and small businesses. SBA trade finance specialists will provide in-depth training for lenders on export products and services to increase access to capital. U.S. Export Assistance Centers will combine in one location the

international marketing expertise of the U.S. Department of Commerce's commercial service staff with the trade financing expertise of SBA specialists.

Stakeholder(s):

Small Businesses

Lenders

U.S. Export Assistance Centers

Small Business Development Centers

SBA Trade Finance Specialists

U.S. Department of Commerce

Strategy 1.2.3. Trade Promotion

Support trade promotion policy through federal partnerships.

The SBA will provide support on trade policy and advocate on behalf of small businesses. Through the TPCC, the SBA will support a unifying export promotion framework with other agencies, including the U.S. Department of Commerce, Overseas Private Investment Corporation, U.S. Trade and Development Agency, U.S. Department of Agriculture, Export-Import Bank, and the U.S. Department of State.

Stakeholder(s):

TPCC

U.S. Department of Commerce

Overseas Private Investment Corporation

U.S. Trade and Development Agency

U.S. Department of Agriculture

Export-Import Bank

U.S. Department of State

Strategy 1.2.4. Trade Negotiations

Represent small business interests in bilateral and multilateral trade negotiations.

Stakeholder(s):

Trade Policy Staff Committee :

The SBA works with the Trade Policy Staff Committee, which is responsible for developing interagency consensus on trade policy and relies on nearly 60 subcommittees responsible for work in specialized areas.

Congress :

Congress has charged the SBA with helping to ensure that small business interests are adequately represented in bilateral and multilateral trade agreement negotiations.

1.3. Set-Aside Goals

ENSURE FEDERAL CONTRACT AND INNOVATION SET-ASIDE GOALS ARE MET AND/OR EXCEEDED

The Federal Government is the largest procurer of goods and services in the world, spending nearly \$400 billion in FY 2016 alone and averaging nearly \$90 billion in contracts each year between FY 2006 and FY 2016.¹⁴ These dollars present a large opportunity for small businesses, and Congress has recognized this potential through a minimum spending requirement of 23 percent for small businesses. The SBA provides an oversight role in federal contracting to ensure that this goal is achieved each year. In addition, as a subset of this overall small business goal, the Federal Government sets aside a minimum of 5 percent of its annual contracting budget for awards to small disadvantaged businesses and women-owned small businesses, and 3 percent to service-disabled veteran-owned small businesses and small businesses located in economically depressed areas or historically underutilized business zones (HUBZone). Small businesses, moreover, provide the Federal Government with quality, performance, innovation, agility, and competitive pricing. In return, the Federal Government helps sustain a healthy American small business infrastructure vital to the health of the economy. The Federal Government also provides for small business innovation and technology transfer by establishing minimum spending requirements for federal agencies through awards to small businesses for their research and development needs. Each year, agencies with extramural research and development budgets that exceed a specific threshold must reserve a portion of these funds for Small Business Innovation Research and Small Business Technology Transfer program awards. The SBA reports on federal progress to stimulate technology innovation and commercialization through small businesses. In addition, the SBA provides unique products like the surety bond guarantee to support small business contractors who need bonds to access the commercial and federal contracting market. Through several key strategies that focus on education, training, and oversight, the SBA will continue to support other federal agencies' efforts to exceed small business contracting set-asides, help agencies surpass small business innovation and technology goals, and increase surety bonds.

Strategy 1.3.1. Contracting

Ensure federal agencies are meeting their small business contracting goals.

The SBA will partner with other federal agencies, with a special emphasis on agencies with the largest acquisition budgets, to ensure that they meet their small business contracting goals. The SBA will support the Small Business Procurement Advisory Council and assist agencies in their acquisition planning efforts. Through area office procurement strategies, training, sharing best practices, publishing data, and hosting matchmaking events, the SBA will create opportunities for small businesses to win federal contracts. In addition, the SBA will ensure oversight through its agency surveillance reviews and will tailor meetings with federal partners to ensure that they are fully knowledgeable of small business contracting. To further support this strategy, the SBA has established a FY 2018-2019 Agency Priority Goal that focuses attention on the Federal Government's overall 23 percent small business contracting goal.

Stakeholder(s):

Federal Agencies

Strategy 1.3.2. Simplification, Attraction & Education

Simplify access to federal contracting; attract and educate small businesses on contracting opportunities.

Small businesses are more likely to engage in federal contracting when barriers to entry are removed and the process is simplified. The SBA will continue to develop and refine policies that simplify access to contracting, so that small businesses can more readily compete. Through new tools like www.certify.SBA.gov, the SBA will streamline processes for small businesses to become certified to participate in Federal government contracting and SBA business development programs more efficiently, so that more small businesses can compete for federal contracts that are set aside for them

Stakeholder(s):
Small Businesses

Strategy 1.3.3. Awards

Educate the federal contracting workforce on ways to increase awards.

The SBA promotes education and training for federal contracting officers and program managers, as well as for entrepreneurs seeking to enter the federal marketplace. With a greater understanding of small business contracting, key staff at other agencies will know the requirements to foster strong competition, be better able to assist with contracting payments, understand the changes in small business size standards criteria, and protect against fraud. The SBA will accomplish this strategy through a variety of sources, including online training, marketing and outreach, and participating in other Agency-sponsored procurement events delivered and supported by business opportunity specialists, procurement center representatives, and commercial market representatives.

Stakeholder(s):
Federal Contracting Officers
Federal Program Managers
Entrepreneurs

Strategy 1.3.4. Guaranty Bonds

Increase surety agents issuing guaranty bond products.

The SBA will support small and emerging contractors to compete and receive construction, service, and supply projects through SBA's surety bond guarantee. All Federal and many state, local, and private projects require a small business to obtain surety bonds which can be difficult in conventional commercial channels for small businesses without sufficient working capital and work experience. The SBA provides a service that is not readily available in the small business private market. The SBA offers surety bond guarantee products to ensure that small businesses can obtain surety bonding, support job creation and retention, and can grow.

Stakeholder(s):
Surety Agents
Small Contractors

Strategy 1.3.5. Research

Coordinate with agencies to ensure they meet research set-asides for innovative entrepreneurship.

The Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Programs help innovative small businesses meet federal research/research and development needs and commercialize those innovations. The SBA establishes the policy for these programs. In this role, the SBA issues guidance through policy directive and size regulations, tracks metrics for small business and agency participation, manages the business intelligence data platform, conducts outreach to funding agreement officers about the programs, advocates on behalf of program participants, and submits reports to Congress on program performance. Furthermore, the SBA assists small businesses interested in pursuing SBIR/STTR opportunities through outreach, training resources, and technical assistance.

Stakeholder(s):

Federal Agencies

Small Business Innovation Research (SBIR) Program

Small Business Technology Transfer (STTR) Program

2. Ecosystems & Environments

BUILD HEALTHY ENTREPRENEURIAL ECOSYSTEMS AND CREATE BUSINESS FRIENDLY ENVIRONMENTS

Stakeholder(s)

Technical Assistance Programs :

Through specialized technical assistance programs like 8(a) Business Development, 7(j) Management and Technical Assistance, and All Small Mentor-Protégé, small businesses can better compete for federal government contracts. The contracting marketplace can be challenging to navigate, and these tools help small businesses get on a level playing field.

ensure that they are not overburdened as they start new ventures

8(a) Business Development Program

7(j) Management and Technical Assistance Program

All Small Mentor-Protégé Program

Small Business Owners :

SBA's business and entrepreneurial development programs provide training, mentoring, and counseling to small business owners and entrepreneurs. Some training is free, and some of it is offered at a low cost.

Entrepreneurs

SBA Resource Partners :

Through SBA resource partners, including Small Business Development Centers, Women's Business Centers, SCORE, and Veterans Business Outreach Centers, small businesses have multiple channels of support to start and grow. These services are offered by trained specialists and counselors who have expertise in business planning, marketing, strategy, and finance.

Small Business Development Centers

Women's Business Centers

SCORE

Veterans Business Outreach Centers

Federal Agencies :

The SBA also seeks to create business-friendly environments across the country through advocacy and outreach. By advocating for small businesses and partnering with other federal agencies to reduce regulatory burdens, the SBA seeks to create an environment where small businesses can flourish. With an emphasis for those businesses in markets that are socially and economically disadvantaged, the SBA seeks to create a level playing field for all small businesses to remain competitive.

Regulator Agencies :

In addition, regulations affect small businesses in many ways and therefore, influence the attractiveness of starting new businesses. The cost of compliance with a given regulatory requirement is often largest relative to revenues for small businesses. The SBA will continue to partner with other federal agencies and champion for entrepreneurs to

Businesses thrive in healthy environments where there is proximity to other businesses and support for growth. Entrepreneurs often need advice and technical assistance to get their businesses started, and minority, veteran, and women entrepreneurs often face even greater hurdles as they may not have access to services that are available in the private sector. In addition, new business startups serve as an indicator of health for entrepreneurial ecosystems. Figure 7 portrays new businesses that have started and are less than 1 year old. An uptick in business startups occurred in 2006 before the Great Recession. As of 2015, about 650,000 new businesses are starting each year.¹⁵ While there are signs of new business growth, the numbers have not significantly increased in the past 20 years.

2.1. Technical Assistance

DEVELOP SMALL BUSINESSES THROUGH TECHNICAL ASSISTANCE

Small businesses in markets that are economically and socially disadvantaged often have difficulty accessing services that lead to federal contract opportunities. As noted in Strategic Objective 1.3, the Federal Government sets aside billions of dollars each year in contracts to small businesses. The SBA helps to ensure inclusive entrepreneurship through products and services that offer a clear path through business development technical assistance.

Stakeholder(s):

8(a) Business Development Program :

Through 8(a) Business Development, small businesses that are owned and controlled by socially and economically disadvantaged individuals, by at least 51 percent, receive targeted business assistance.

HUBZone Program :

Similarly, the HUBZone program encourages economic development in historically underutilized business zones across the country. HUBZone firms operating in these areas invest in their buildings and in the training of HUBZone residents to help improve the economic conditions of these areas.

Women-Owned Small Businesses :

In addition, women-owned and service-disabled veteran-owned small businesses are often at a disadvantage to compete.

Service-Disabled Veteran-Owned Small Businesses

Congress :

As such, Congress has established small business contracting set-asides for these entrepreneurial populations.

Strategy 2.1.1. Emerging Markets

Strengthen business development opportunities in emerging market communities.

The SBA will strengthen technical assistance through the 8(a) Business Development program to foster the growth and development of businesses owned and controlled by socially and economically disadvantaged individuals and small businesses in HUBZone areas. Through the 7(j) Management and Technical Assistance Program, the SBA will deliver technical assistance to eligible enterprises to prepare small businesses for contract opportunities. Under this strategy, the SBA has established an FY 2018-2019 Agency Priority Goal that seeks to increase the percent of unique 8(a) small business contracts awarded. Through tailored business development assistance offered by SBA's business opportunity specialists supported by procurement center representatives in the field, the SBA will seek to increase the number of 8(a) firms that win federal contracts.

Stakeholder(s):**8(a) Business Development Program****HUBZone Areas****7(j) Management and Technical Assistance Program****Strategy 2.1.2. Growth & Infrastructure**

Provide individual, specialized support to small businesses to increase growth and build infrastructure.

The SBA will ensure that businesses operating in historically underutilized business zones (HUBZone), as well as veteran-owned and/or women-owned businesses, seeking to create, develop, and expand their business have full access to business development and expansion tools available through the Agency's entrepreneurial development, training, and federal contracting programs. The SBA will coordinate the development of policies through field staff specific for HUBZone firms, veteran-owned, and women-owned small businesses through outreach, technical assistance, and counseling.

Stakeholder(s):**Small Businesses****HUBZones****Veteran-Owned Businesses****Women-Owned Businesses****Strategy 2.1.3. Mentors & Protégés**

Expand Mentor-Protégé program support to connect businesses.

Stakeholder(s):**Mentors****Protégés****All Small Mentor-Protégé Program :**

Through the All Small Mentor-Protégé program, the SBA will develop small business firms as proteges to work with mentors to gain access to the federal acquisition marketplace to the extent possible.

Federal Agencies :

The SBA will collaborate with federal agencies and other resource and community partners that support matchmaking to promote 8(a) firms, HUBZone, service-disabled veteran-owned, and women-owned small businesses interested in establishing a mentor-protége partnership.

8(a) Firms**HUBZones****Service-Disabled Veteran-Owned Small Businesses****Women-Owned Small Businesses**

2.2. Entrepreneurial Ecosystems

BUILD HEALTHY ENTREPRENEURIAL ECOSYSTEMS

A healthy entrepreneurial ecosystem offers entrepreneurs access to a wide range of resources to help them succeed. Entrepreneurs and small business owners who receive training and mentoring increase sales, create more jobs, and have greater economic impact on their communities. Research shows a direct positive correlation between hours of business advising and related assistance a client receives and the improvement in longevity, profitability, and business growth. Additionally, evidence shows that small businesses that receive more than 3 hours of counseling have higher 1 year survival rates than firms that receive less counseling.¹⁶ These findings demonstrate that counseling and training provide effective service to entrepreneurs. The SBA, through its resource partners and innovative programs, will help small businesses seeking to start or grow their business. The following strategies provide a foundation for nationwide access to high-quality business assistance and resources for would-be and in-business entrepreneurs, particularly in communities where resources do not exist. Ecosystems will be strengthened by reducing duplicative services, coordinating best practices, and encouraging innovative partnerships to more efficiently and effectively serve small business entrepreneurs across the country.

Stakeholder(s):

Entrepreneurs

Strategy 2.2.1. Services

Deliver entrepreneurial services in collaboration with resource partners.

The SBA will deliver core counseling and training services in communities across the country through its resource partners: Small Business Development Centers, Women's Business Centers, SCORE, and Veterans Business Outreach Centers. Through SBA cooperative agreements, resource partners will train, advise, and mentor entrepreneurs interested in starting or expanding a small business. SBA's resource partners will place more emphasis on training and counseling in key areas related to finance, new business markets, procurement, human capital, exports, disaster recovery, cybersecurity, and emerging technology.

Strategy 2.2.2. Resources

Provide entrepreneurs with in-person and virtual resources.

The SBA will design and host a variety of educational online tools to promote active learning for aspiring entrepreneurs and existing small businesses. Online courses will focus on common business topics such as social media marketing, financing, and government procurement to explain business concepts to entrepreneurs. Through interactive learning worksheets, checklists, and other resources, entrepreneurs will be able to apply skills and improve retention of core concepts. The SBA will also provide high-growth small businesses with an opportunity to strengthen and enhance their local entrepreneurial ecosystem.

Stakeholder(s):

Entrepreneurs

Strategy 2.2.3. Veterans & Military Families

Empower veterans and military families who want to start or grow their business.

The SBA is dedicated to serving aspiring and existing veteran business owners. About 2.5 million businesses are majority-owned by veterans, and nearly all veteran-owned businesses are small businesses.¹⁷ Many veteran business owners have gained important skills and leadership abilities from their active duty, Reserve, and National Guard service that are often directly relevant to business ownership. The SBA will promote and

support veteran small business ownership by administering programs, formulating policies, and administering grants to Veterans Business Outreach Centers and other partners. The SBA will ensure resources are accessible and available to active duty, National Guard and Reserve service members, veterans, and veteran or military spouses.

Stakeholder(s):

Veterans

Military Families

Strategy 2.2.4. Native Americans

Support Native American entrepreneurs through outreach.

The SBA will aid Native American communities that often do not have the same access to resources due to their remote locations. The SBA will ensure that American Indians, Alaska Natives, and Native Hawaiians can create, develop, and expand their small businesses through business development and expansion tools available through SBA's programs. The SBA will follow the guidelines, operational policies, and statutory requirements established by the National Policy of Self-Determination for Indian Tribes, Consultation and Coordination with Indian Tribal Governments, and American Indian and Alaska Native Education.

Stakeholder(s):

Native American Entrepreneurs

2.3. Environment

CREATE A SMALL BUSINESS FRIENDLY ENVIRONMENT

Small businesses face a myriad of issues that may not impact larger businesses in the same way. With fewer staff and other resources, a small business owner can face greater obstacles to start or grow their business. At the same time, the type of industry, location, and other factors can shape the environment that determines its success. Small businesses in the United States have consistently ranked health insurance costs, regulations, and taxes as key issues that impact their growth.¹⁸ These factors can also determine whether an entrepreneur decides to start a business. The Office of National Ombudsman (ONO) works with federal agencies to mitigate excessive fines, penalties, or unfair regulatory enforcement actions taken by federal regulators, which hinder the growth and threaten the survival of small businesses. In addition to reducing the regulatory burden, SBA's independent Office of Advocacy represents the interests of small businesses within government, including before Congress, the White House, federal agencies, the federal courts, and state and local policymakers, as appropriate. The Office of Advocacy believes that sound policy requires accurate information; and through research and data, policymakers and other stakeholders are provided with the information Advocacy needs to make better decisions. The SBA also supports the National Women's Business Council (NWBC), a nonpartisan federal advisory council created to serve as an independent source of advice and counsel to the President, Congress, and the SBA on issues of economic importance that impact women business owners. Women-owned businesses comprise nearly one of out every three businesses in the United States, generating over \$1.4 trillion in sales and sustaining nearly 8 million jobs each year. However, only 2 percent of women-owned businesses have more than 10 employees, with many disparities in the market still apparent.

Strategy 2.3.1. Ombudsman Process

Maintain a confidential, user-friendly ombudsman process to receive complaints from small businesses and advocate on behalf of small businesses to federal agencies to create a level playing field.

The SBA will help small businesses seek relief from unfair regulatory enforcement through sustained outreach to entrepreneurs and to the broader small business community through engagements with trade associations,

field offices, and SBA resource partners. The SBA will leverage its Regional Regulatory Fairness Board members to extend its reach to small businesses across the country. In addition, the SBA will maintain an effective, efficient, and user-friendly process by which small businesses may file complaints and work with federal agencies to resolve specific regulatory compliance and enforcement issues.

Stakeholder(s):

Small Businesses

Federal Agencies

Strategy 2.3.2. Policy & Advocacy

Recommend policy and advocate for small businesses through research and engagement.

SBA's independent Office of Advocacy will champion the interests of small entities by assisting regulatory agencies during all stages of the rule development process to mitigate the disproportionate impact of proposed rules on small businesses. SBA's Office of Advocacy will develop research and data products with the information policymakers and other stakeholders need to make better decisions. The Office of Advocacy will publish data and research products related to the office's regulatory mission and the role that small business plays in the economy on its website for the use of all stakeholders, including agency regulators and the more than 28,000 subscribers on its economic research listserv. Each year, the NWBC will conduct research on women-owned business issues and submit an annual report to the President, Congress, and the SBA detailing policy recommendations for implementation with a focus on the needs of women entrepreneurs and women business leaders. Many factors account for disparities between women-owned firms, and more data and research are needed to better understand the ways that the public and private sectors could facilitate the origination and growth of women-owned businesses.

3. Disasters

RESTORE SMALL BUSINESSES AND COMMUNITIES AFTER DISASTERS

Disaster can strike at any time, and even the most prepared businesses and business owners can be adversely impacted. While many businesses have private insurance, not all small businesses have the same access or the necessary coverage. After a disaster, employers must be able to restore their operations to get a community returned to normal. To help restore communities and return businesses to normal operations, the SBA offers direct loans to businesses, homeowners, renters, and nonprofits to help repair, rebuild, and recover from physical damage and economic losses after a disaster. Approximately 80 percent of SBA's approved direct disaster loan dollars are made to individuals and households (renters and property owners) that help them repair and replace homes and personal property. In this way, the SBA fulfills a unique role helping all aspects of a community impacted by disasters. SBA disaster assistance is provided in the form of loans, not grants, and therefore must be repaid to the Federal Government. Only survivors located in declared disaster areas (and, for many disasters, contiguous counties) are eligible to apply for disaster loans. Disaster declarations are official notices recognizing that specific geographic areas have been damaged by a sudden event which causes severe damage. Examples include floods and other acts of nature, riots, civil disorders, or other incidents such as spills. Figure 8 represents SBA's disaster assistance home and business loans provided between FY 1995 and FY 2016. Note the spike in loans that occurred in FY 2006 due to Hurricanes Katrina, Rita, and Wilma, and again in FY 2013 from Hurricane Sandy.

3.1. Assistance

DEPLOY DISASTER ASSISTANCE EFFECTIVELY AND EFFICIENTLY

Returning businesses to normal operations, preserving jobs, and helping families rebuild their homes after a disaster are critical to ensuring that local economies recover as quickly as possible. The SBA deploys disaster assistance resources to survivors quickly, effectively, and efficiently to preserve jobs and help revitalize communities. In coordination with the Federal Emergency Management Agency (FEMA), other federal agencies, the American Red Cross, and state and local entities, the SBA helps small businesses prepare for disasters and provides affordable, timely, and accessible financial assistance to businesses of all sizes, private nonprofit organizations, homeowners, and renters following a disaster. Disaster loans are a source of economic stimulation in disaster-ravaged communities and help generate employment and stabilize tax bases by protecting jobs. Small businesses are helped by a stronger customer base and revitalized communities. In addition to providing loans for physical damage, the SBA provides working capital in the form of economic injury disaster loans to small businesses and most types of nonprofit organizations.

Strategy 3.1.1. Preparedness

Promote disaster preparedness through pre-disaster outreach by region and type of disaster.

While small business owners invest time and money to make their ventures successful, many of them do not prepare for disasters. In fact, many small businesses never reopen their doors following a disaster, but the SBA promotes planning and preparedness to provide the favorable conditions needed to stay in business. The SBA will partner with state and local partners and a nationwide network of resource partners and business counseling services, in coordination with the field offices, to prepare businesses for disasters and assist them after one occurs.

Strategy 3.1.2. Efficiency & Effectiveness

Strengthen disaster operations to enhance effectiveness and efficiency.

The SBA is continually reviewing and implementing process improvements to enhance program delivery. The development of www.DisasterAssistance.gov has made it easy for disaster survivors to find resources that are responsive and consistent. The SBA will enhance its systems that provide disaster survivors with online access to check the status of their disaster loan applications. Plans are underway to modernize SBA's Disaster Credit Management System and further streamline disaster loan application processing. To further support this strategy, the SBA has established an FY 2018-2019 Agency Priority Goal that focuses on reducing the time to process disaster loan applications. With new technology, the SBA will increase its bandwidth to process more applications, which will make SBA's disaster response more efficient and help scale for large disasters.

Strategy 3.1.3. Infrastructure

Capitalize on SBA's nationwide infrastructure for short- and long-term recovery.

The SBA is committed to providing a straightforward, comprehensive approach in the aftermath of disasters to provide short- and long-term assistance. To accomplish this strategy, the SBA will engage early in the process with regional, district, and area offices and resource partners, so they can continue to aid their communities after the disaster declaration deadlines to apply for loans for physical damages and economic injury have closed.

4. Service

STRENGTHEN SBA'S ABILITY TO SERVE SMALL BUSINESSES

SBA's ability to respond efficiently and effectively demands cross-office coordination to problem-solving that employs new tools and technologies. An organization that is high performing is characterized by business practices that effectively incorporate innovation, and a work environment that supports staff growth and development, collaboration, and a focus on results. Becoming a high-performing organization requires continuous improvement to both internal and external processes, and the SBA will actively solicit advice and engagement from both within the SBA as well as external partners. To ensure efficiency and effectiveness, the SBA will focus on streamlining business processes and decision-making at all levels. To stay current, programs must be constantly reevaluated to ensure they are well focused and cutting edge. The SBA is committed to process improvement and other business practice improvement techniques, as well as the involvement of the expertise and insights of employees to identify opportunities to succeed. The SBA will be an effective steward of taxpayer dollars and will use information and resources efficiently, operate with fiscal responsibility and management integrity, and demonstrate results. The SBA cultivates a highly skilled and diverse workforce, with employees energized by opportunities to learn and work collaboratively for small businesses. The SBA aims to maintain and attract a workforce of the future to ensure that its employees represent diverse backgrounds and perspectives, are equipped with the most current technical skills, tools, and knowledge, and are positioned to effectively achieve SBA's goals. The SBA must also be more nimble with fewer resources. As Figure 9 demonstrates, between FY 1990 to FY 2016, the SBA experienced an almost 50 percent reduction in the number of regular-funded full-time equivalent (FTE) staff positions. During that same period, the SBA implemented and supported 17 new programs that came into existence through legislation, Executive Order, or SBA policy. Disaster assistance-funded FTE levels are dependent on the occurrence of natural disasters and subsequent volume of disaster loans processed. The spike in 2006 is attributable to Hurricanes Katrina, Rita, and Wilma.

4.1. Efficiency & Effectiveness

ENSURE EFFECTIVE AND EFFICIENT MANAGEMENT OF AGENCY RESOURCES

With an annual budget of over \$800 million, an outstanding loan portfolio of nearly \$132 billion, more than \$30 billion in loans guaranteed each year, success in driving nearly \$170 billion in annual federal prime and subcontracts, and hundreds of grants and cooperative agreements, the SBA has a huge responsibility to the American taxpayer to ensure effective and efficient use of its resources.²⁰ The SBA works to continuously strengthen and streamline its programs to meet the needs of small businesses, and continues to improve processes for managing fraud, waste, and abuse. These ongoing efforts have contributed to improved delivery of services and better customer service for stakeholders. Through the Office of Performance Management and the Chief Financial Officer, the SBA will lead oversight of its financial and performance management activities. Through the Office of Executive Management, Installation and Support Services, the SBA will ensure that it provides excellent management of key processes and the transparent coordination of key functions. Through the following strategies, the SBA will provide the resources and support necessary for its employees to better serve small businesses and be effective financial stewards of taxpayer dollars

Strategy 4.1.1. Finances & Culture

Provide stewardship over financial resources and promote a robust performance management culture.

The SBA will effectively and efficiently manage its resources by ensuring that all employees have the tools to make effective decisions. Through newly developed policies, the use of advanced data analytics and evidence, and strong internal controls, SBA employees will provide outstanding oversight of their programs. A well-formulated and executed budget and an effective acquisition process will ensure that every employee is equipped to manage their resources. Well-managed financial systems and new technology will help further

automate processes and reduce error. The SBA will reduce improper payments for the acquisition of goods and services by reducing documentation error, and will continue to strive to exceed its small business acquisition goals. Evidence will be used to drive decisions and continuous learning will be a key part of performance management.

Strategy 4.1.2. Service Delivery

Implement process and operational improvements to simplify and enhance service delivery.

The SBA will improve and re-engineer its processes to ensure that it fully delivers results. The SBA will contribute to effective federal-wide resource management by optimizing its real estate, improving space utilization, and ensuring physical security. Significant progress has been made to reduce the footprint of federal building space, and the SBA will continue in its efforts to optimize records management. The SBA will continue to build a culture that uses enterprise risk management and successfully plans for future events. Through core administrative functions, including those services of the Executive Secretariat, administrative services, and grants management, the SBA will improve service delivery to its internal customers to ensure a high-performing organization.

4.2. Workforce

BUILD A HIGH-PERFORMING WORKFORCE

The SBA recognizes that employees are critical to achieving its mission and continues to make investments in its workforce a top priority. An engaged, high-performing workforce is vital to meet organizational goals and prepare for the future.²¹ The President's initiative to create a lean, accountable, more efficient government will be further achieved through improvements to hiring, training, employee engagement, communication, and performance management strategies. In addition, the SBA will integrate U.S. Office of Personnel Management guidelines on human capital management practices and continue to implement new and changing guidelines in a timely manner. Implementation of the guidelines will ensure that the SBA is poised to proactively respond to anticipated environmental changes. The SBA has defined specific and measurable human capital management strategies that address efforts to build an inclusive workforce, proactively respond to current and anticipated skills gaps and changes in Agency priorities, and transform human resource service delivery to provide employees with the tools they need to increase efficiency, effectiveness, and accountability.

Strategy 4.2.1. Recruitment & Retention

Recruit and retain an inclusive workforce.

The SBA will enhance efforts to build an inclusive organization that values and leverages the backgrounds, life experiences, and attributes of all employees. The SBA will develop and implement an integrated strategy to promote and nurture an inclusive environment where employees are fully engaged. In addition to internal partners, the SBA will collaborate with the OPM's Office of Diversity, Inclusion, and Civil Rights to identify and implement government-wide best practices. The SBA will deploy reforms to ensure the efficiency and effectiveness of the Agency's hiring process. These reforms will be geared to assist program offices in accessing a high-quality workforce with the capabilities required to set conditions for small businesses to grow and thrive.

Strategy 4.2.2. Talent Development

Deliver a comprehensive, mission-focused, talent development strategy to foster professional development and continuous learning.

The SBA will equip its workforce with the knowledge and skills needed for success, using its talent development plan to support professional and technical development needs for mission critical occupations, which account for more than 80 percent of the workforce. The SBA will expand educational offerings and increase training, certification, cross-training, rotational opportunities, and mentoring, thereby providing opportunities for employees to enhance their learning and development goals.

Strategy 4.2.3. Performance & Accountability

Build a high-performing culture that maximizes workforce performance and drives accountability.

The SBA will promote a high-performing culture by implementing SBA's plan for maximizing employee performance. Implementation of this plan will: improve performance management processes; ensure managers, human resource staff, and the workforce are appropriately trained; ensure accountability in manager performance plans; and provide real-time manager support.

4.3. Information & Technology

IMPLEMENT ENTERPRISEWIDE INFORMATION SYSTEM MODERNIZATION AND COST-EFFECTIVE TECHNOLOGY

The use of information and technology is vital to the success of the SBA and its programs. A reliable, secure, highperforming computing environment is critical for SBA's program offices to efficiently and effectively deliver on their goals. As technology develops, organizations can optimize to become more streamlined and agile. With new platforms, employees can leverage data to make informed decisions and achieve cost savings. To support SBA information systems, technology, and data, the Office of the Chief Information Officer provides oversight of information technology and delivers cost-effective technology solutions that reduce the duplication of products and services. SBA's Office of the Chief Information Officer will collaborate with business owners and stakeholders to identify enterprise-wide business objectives and priorities and will jointly develop solutions, ensuring an optimal return on investments. A continuous communication feedback loop provides the platform between program offices' workforce and OCIO for ideas to be discussed, concerns to be addressed, and common agendas to be developed.

Strategy 4.3.1. Stability & Innovation

Provide the balance between stable, secure, well-run operations and innovative new strategic contributions.

The SBA will take an enterprise approach to modernize, innovate, and test new capabilities to optimize meeting the business needs of its customers. SBA's information technology infrastructure is the foundation that enables SBA programs and operations. Delivering a consistent, reliable, and secure infrastructure is imperative to achieving this mission. The SBA will upgrade its core infrastructure to become current with existing technologies, and will improve the reliability and availability of services that will help improve the Agency's security posture.

Strategy 4.3.2. Value & Focus

Drive value and focus on the consistent use of information and technology as strategic business assets.

The SBA recognizes an increased need for information technology functions within the organization to better collaborate and identify efficiencies. The SBA will eliminate duplicative products and services and consolidate multiple instances into the enterprise architecture to achieve greater efficiency. Through information technology management, enterprise data management, and shared government services, the SBA will increase its ability to meet customers' needs. To better serve the SBA workforce, the SBA will upgrade technology and promote agile methodologies for all software development projects. These features will allow for greater communication, collaboration, and responsiveness to customer-driven deadlines and will provide opportunities for a greater return on investment.

Strategy 4.3.3. IT Governance

Mature SBA's approach to information technology governance to ensure the best possible technology decisions to effectively drive results.

The SBA will mature governance of its investments. The SBA will involve all stakeholders to drive mission alignment, set priorities for technology spending, ensure integration with enterprise-wide processes, identify cost savings, and use its investment oversight framework to demonstrate accountability. Developing and implementing an enterprise-wide customer relationship management solution will be a key initiative, requiring collaboration across program offices. As a result, interactions with entrepreneurs and small businesses will greatly improve.

Strategy 4.3.4. Planning & Development

Improve information technology organizational and workforce functions through workforce planning and competency development.

The SBA will sufficiently prepare its staff to provide solutions for SBA programs. All information technology personnel, including security, infrastructure, and operations, will increase their relevance as technology evolves. SBA's information technology staff will design and deliver solutions that leverage Cloud architecture. The Chief Information Officer will partner with the Chief Human Capital Officer to collect capability requirements, develop a holistic approach to determine personnel requirements, and build a competency and workforce plan that provides developmental opportunities for employees to keep up with new information technologies.

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