



Enterprise Minnesota Small Business Growth Acceleration Program

Report to the Legislature
as required by Minnesota Statute 1160.115

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Annual Report to the Minnesota Legislature
Enterprise Minnesota
Growth Acceleration Program
Minnesota Statutes 116O.115
Period Ending December 2012
Minnesota Department and Economic Development

The Minnesota Legislature, during the 2009 Session, adopted legislation and appropriated \$500,000 to the Department of Employment and Economic Development (DEED) to be used as a grant to Enterprise Minnesota during the biennium. Enterprise Minnesota is a non-profit organization, based in Minneapolis, serving all of Minnesota.

In December 2009, DEED entered into a grant agreement with Enterprise Minnesota to establish and operate a small business Growth Acceleration Program (GAP). Under the Authority of Minnesota Statutes 116O.115, the GAP was established to provide direct matching funds of \$500,000 each year, later changed to \$485,000 and \$475,000 in FY10 and FY11 respectively and \$250,000 each year (\$237,000 after State administrative fees) for 2011 and 2012 (FY12 and FY13, respectively) to help small manufacturing companies that need assistance to stay in business, grow and compete. Funds are used to deliver Enterprise Minnesota's services to these companies.

Growth Acceleration Programs funds are targeted to assist qualified firms with the following activities.

- A. Bridging the gap between standard market pricing for technology business improvements, and the amount qualified companies can afford to pay.
- B. Helping qualified companies including manufacturing and related industries that employ up to 250 full-time workers.
- C. Awarding funds not to exceed 75% of project costs or \$25,000 for any project or \$50,000 for any company during the calendar year.
- D. Aiding eligible firms to foster technology improvements, increase job creation and job potential, and contribute to the quality of life of citizens and communities throughout Minnesota.

For the twelve months December 2012, the end of the required annual reporting period for the Growth Acceleration Program, Enterprise Minnesota has:

- Disbursed \$268,453, and matched it with \$469,475 provided by the assisted companies. This represents 65 companies receiving GAP funding during the year
- Enterprise Minnesota Inc. has approved total projects with 211 unique clients.
- Results of Forty-Five (45) of the GAP participants have worked on or completed some portion of their improvement plans.

- A total of \$147,986 on the FY11 program was disbursed during 2012. There was an additional \$116,640 distributed from the FY12 programs and \$3,828 from the FY13 program. There are on-going projects with 4 companies using funding from the FY11 program, 12 companies in the FY12 program and 15 companies from the FY13 program. This represents \$21,931, \$67,445, and \$82,858 in funding and allocations, respectively.
- Based on past client outreach Enterprise Minnesota estimates an average return of \$15 for every \$1 invested in the program. Estimates are based on similar services and similar companies surveyed by an independent third party. In 2012, 200 companies surveyed by an independent survey group associated with the Federal Department of Commerce responded attributing increased sales, cost reductions, investments, and jobs created or retained totaling \$104 Million.
- Some examples of consulting services delivered by Enterprise Minnesota Inc. to GAP Clients include: Value Stream Mapping, Lean Enterprise Programming, Business Management-Financial Analysis and Budgeting, Workplace Organization, Business Management Services, Corporate Strategic Planning, Business Process Review, Strategic Planning-Situation Analysis, and Operation Excellence, Marketing and Innovation Management and Pathways to Business Growth (an integrated approach to business growth).
- A final report on the results of the growth Acceleration Program will be provided to the Legislature following the completion of the grant period. That report will include an estimate of the financial impact of funds awarded to each company receiving service under the program, as prescribed by M.S. 116O.115, Subd. 6.

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