

Annual Report to the Minnesota Legislature

Enterprise Minnesota

Small Business Growth Acceleration Program

Minnesota Statutes 116O.115

Period Ending December 2020

Minnesota Department and Economic Development

The Minnesota Legislature, during the 2009 Session, adopted legislation and appropriated \$500,000 each year 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. Funding is used to deliver Enterprise Minnesota's growth services to Minnesota's small and mid-sized manufacturing companies.

During the 2009 session, DEED entered into grant agreements with Enterprise Minnesota to establish and operate a Small Business Growth Acceleration Program to help small manufacturing companies that need assistance to stay in business, grow and compete. Under the Authority of Minnesota Statutes 116O.115, the Small Business Growth Acceleration Program was established providing direct matching funds of between \$250,000 and \$500,000 every fiscal year from FY10 – FY21.

Small Business Growth Acceleration Program funding grant #SPAP-17-0032-P-FY18 provides direct matching funds of \$875,000 (\$831,250 after State administrative fees) for fiscal year FY18 and FY19. Small Business Growth Acceleration Program funding Grant #SPAP-19-0033-P-FY20 provides direct matching funds of \$450,000 (\$427,500 after State administrative fee) for fiscal year FY20 and FY21.

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

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

For the twelve months ended December 2020, the end of the required reporting period for the Small Business Growth Acceleration Program, Enterprise Minnesota grant reports:

- Fiscal FY18 Summary:
 - As of 6/30/2019 fiscal year FY18 funding of \$831,250 was fully allocated, delivered and utilized. 115 unique companies received funding for this grant, with 91% of these companies employing less than 100 employees.

- Fiscal FY19 Summary:
 - \$125,133 was disbursed during the twelve months of the reporting period with match of \$51,727 provided by the 16 assisted companies receiving. 100% of these companies have less than 100 employees.
 - As of 6/30/2020 fiscal year FY19 funding of \$831,250 was fully allocated, delivered and utilized. 124 unique companies received funding for this grant, with 72% of these companies employing less than 100 employees.
- Fiscal FY20 Summary:
 - For the twelve months ending 12/31/2020 we have disbursed \$255,838 with match of \$410,511 provided by the 84 assisted companies receiving funding during the year, with 70% of these companies have less than 100 employees.
 - On-going projects with 19 companies using this funding represent \$74,353 in funding allocations. Enterprise Minnesota anticipates fully utilizing the remaining funding by June 30, 2021.
- Fiscal FY21 Summary:
 - As of 12/31/2020 we have disbursed \$20,981 with match of \$35,731 provided by the 9 assisted companies receiving funding during the year, with 88% of these companies have less than 100 employees.
 - On-going projects with 24 companies using this funding represent \$61,375 in funding allocations. Enterprise Minnesota anticipates fully committing the remaining funding by June 30, 2021.
- Based on past client outreach Enterprise Minnesota estimates a return of \$20 - \$30 on every \$1 invested in the program (for the 4 quarters ending 09/30/2020 the ROI averaged \$109:1). Estimates are based on similar services and similar companies surveyed by an independent third party. For this reporting period, 229 companies responded through the independent survey group associated with the Federal Dept. of Commerce. The respondents attributed increased sales, cost reductions and investments totaling \$198 Million with 952 jobs created or retained. Similar results would have been expected for the Small Business Growth Acceleration clients served.
- Consulting services delivered by Enterprise Minnesota Inc. to clients include but are not limited to: Leadership Training, ISO (Quality) Certification, Internal Auditor Training, Value Stream Mapping, Lean Enterprise Implementation, Enterprise Value Assessments, Workplace Organization, Business Growth Services, Strategic Planning, Operational Excellence, Marketing Management Systems, Talent Development, Change Management and Peer Councils.
- Annual reports, as prescribed by M.S. 116O.115, Subd. 6., will be provided to the Legislature following the completion of each grant period. That report will include an estimate of the financial impact of funds awarded to each company receiving service under the program.

DEED Contact:

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**Provided from Payment Log
and Funding Masters**

Calendar 2020	GAP 19	GAP 20	GAP 21
Disbursed \$	125,133	255,838	20,981
Match \$	51,727	410,511	35,731
# of payments	41	150	9
Total grants	16	91	8
Unique clients	15	84	8
Under 50 emp	11	40	5
Under 100 emp	4	19	2
% under 100 emp	100%	70%	88%
% over 100 emp	0%	30%	13%
Metro	7		
Greater	8		

Provided from MEP specialist

MEP Survey	Q4 2019-Q3 2020	Q4 2018-Q3 2019	Q4 2017-Q3 2018
# companies	229	192	165
\$ S.CR.I.	197,833,885	429,813,203	341,625,086
# jobs	952	1564	1759
ROI	\$109:\$1	\$78:\$1	\$140:\$1

Gap Summary by Grant and Calendar Year

		Column Labels												Total Sum of Payment Request	Total Count Company Pmts	Total Sum of Match
		2017			2018			2019			2020					
Row Labels	Fiscal Yr	Sum of Payment Request	Count Company Pmts	Sum of Match	Sum of Payment Request	Count Company Pmts	Sum of Match	Sum of Payment Request	Count Company Pmts	Sum of Match	Sum of Payment Request	Count Company Pmts	Sum of Match			
GAP-18-	FY18	80,925.00	35	97,225.00	235,115.05	132	320,684.23							316,040.05	167	417,909.23
	FY19				302,847.00	128	263,633.33	212,362.95	84	129,144.84				515,209.95	212	392,778.17
GAP-18- Total		80,925.00	35	97,225.00	537,962.05	260	584,317.56	212,362.95	84	129,144.84				831,250.00	379	810,687.40
GAP-19-	FY19				58,388.33	30	64,405.00	351,506.89	145	327,571.67				409,895.22	175	391,976.67
	FY20							296,221.63	95	176,121.37	125,133.10	41	51,726.86	421,354.73	136	227,848.23
GAP-19- Total					58,388.33	30	64,405.00	647,728.52	240	503,693.04	125,133.10	41	51,726.86	831,249.95	311	619,824.90
GAP-20-	FY20							97,309.38	38	144,003.12	198,712.02	115	303,808.52	296,021.40	153	447,811.64
	FY21										57,125.75	35	106,702.25	57,125.75	35	106,702.25
GAP-20- Total								97,309.38	38	144,003.12	255,837.77	150	410,510.77	353,147.15	188	554,513.89
GAP-21-	FY21										20,981.25	9	35,731.25	20,981.25	9	35,731.25
GAP-21- Total											20,981.25	9	35,731.25	20,981.25	9	35,731.25
Grand Total		80,925.00	35	97,225.00	596,350.38	290	648,722.56	957,400.85	362	776,841.00	401,952.12	200	497,968.88	2,036,628.35	887	2,020,757.44

Grant #	Grant ID #	Activity	Authorized
GAP-SPAP-17-0032-FY18	GAP-18	Year 1	831,250.00
GAP-SPAP-17-0032-FY18	GAP-19	Year 2	831,250.00
GAP-SPAP-19-0033-FY20	GAP-20	Year 1	427,500.00
GAP-SPAP-19-0033-FY20	GAP-20	Year 1	427,500.00

NIST MEP Survey Quarter Summary

Survey Summary Q4 2019 - Q3 2020

Quantitative Impacts	Q3 2020 49 companies	Q2 2020 113 companies	Q1 2020 none	Q4 2019 67 companies
# of Companies	49	113	0	67
Did the services you received lead to:				
An increase in sales?	4,140,000	17,875,000		11,230,000
Creation of additional jobs?	47	116		106
Retention of sales that otherwise would have been lost?	6,175,000	48,027,000		38,228,001
Retention of Jobs	158	247		278
Cost Savings	2,231,500	5,893,000		7,879,000
Did the services you received lead to an increased investment in:				
New Products and Processes?	1,370,000	5,771,600		5,468,000
Plant or equipment?	15,560,000	9,149,384		8,652,000
Information systems or software?	373,000	1,190,000		1,785,500
Workforce practices or employee skills?	681,000	1,672,400		680,500
Other areas of business?	369,000	685,000		238,000
Did the services you received lead you to:				
Avoid any unnecessary investments or save on any investments?	758,500	1,263,000		488,500
Impact data based on Client/Project Submission				
Mfg. clients / \$M Fed (10)				
Customer Satisfaction				
How likely is a client to recommend your center's services?				
0-6: Detractors				
7-8: Neutrals				
9-10: Promoters				

Summary Q4 2019 - Q3 2020 Stats December 2020 DEED submission	
# Client Reporting	229
Increased Sales	\$33,245,000
Retained Sales	\$92,430,001
<i>Sales reduction for ROI 15% *</i>	
Jobs Retained	683
Jobs Created	269
Cost Savings	\$16,003,500
Investment	\$53,645,384
Savings on Unnecessary Investments	\$ 2,510,000

Government source Stats Reported Q3 2020 (Dec 2020 DEED report)	
# Client Reporting	229
Combined sales, cost savings, invest	\$197,833,885
Jobs created & retained	952
ROI	\$109:\$1

Survey Summary Q4 2018 - Q3 2019

Summary Q4 2018 - Q3 2019 Stats December 2019 DEED submission	
# Client Reporting	192
Increased Sales	\$174,650,002
Retained Sales	\$157,255,000
<i>Sales reduction for ROI 15% *</i>	
Jobs Retained	1191
Jobs Created	373
Cost Savings	\$14,191,001
Investment	\$83,717,200
Savings on Unnecessary Investments	\$ 4,843,501

Government source Stats Reported Q3 2019 (Dec 2019 DEED report)	
# Client Reporting	192
Combined sales, cost savings, invest	\$429,813,203
Jobs created & retained	1639
ROI	\$78:\$1

Government source 2018 Stats Reported March 2019 (June DEED report)	
# Client Reporting	168
Combined sales, cost savings, invest	\$339,598,239
Jobs created & retained	1564
ROI	\$140:\$1

Government source 2018 Stats Reported December 2018	
# Client Reporting	165
Combined sales, cost savings, invest	\$ 341,625,086
Jobs created & retained	1759
ROI	\$140:\$1

Return on Investment (based on related period Sales Revenue - Financial Report)				
Sales Revenue - Financial Report				
NIST MEP Results \$	\$109			
*Adjusted MEP ROI				
12/31/20 Bus results				
Snapshot ROI Average				
Snapshot ROI by qtr		\$61	\$48	51

Account #20-00-4640	1,614,613.39
	551,521.69
	524,911.85
	479,765.43
	797,808.79
	357,267.75
	1,634,841.97