

Fast Mobile Service, Grandview, WA



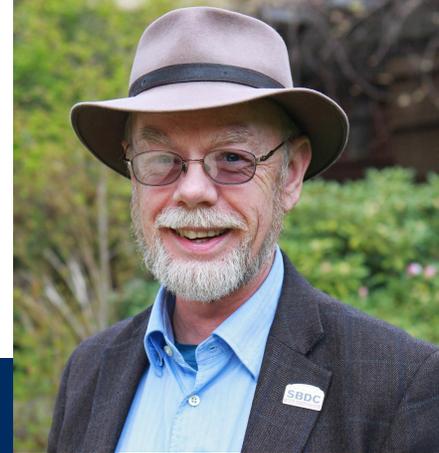
2022 ANNUAL REPORT

Washington Small Business Development Center



Helping Washington Businesses
Grow & Succeed

Letter from the State Director



SBDC ADVISING HELPS BUSINESS OWNERS HANG ON, MOVE FORWARD

Apparently, it was Franklin Roosevelt who said, “When you reach the end of your rope, tie a knot in it and hang on.” That’s the reality for so many small business owners across our state right now. They are just hanging on.

Those that made it through 2020 with grit and good fortune were then hit with the challenges and frustrations of 2021. The pandemic was supposed to be over by now, but it’s not.

Uncertainty over pandemic protocols, labor shortages, supply chain issues, shifting consumer behaviors and more, make day-to-day operations difficult and long-range planning nearly impossible.

Even so, we know that access to an SBDC business advisor makes a difference. In a recent client impact survey, we heard from hundreds of clients who voiced appreciation for what we do.

“SBDC was a lifeline for me as a business owner and continues to be.”

“We went to SBDC several times this year for help with PPP & EIDL applications. We also sought help with our transition from being service oriented to selling products...and received very good advice. This service is invaluable.”

“SBDC advising helped give me the courage to start a business and pointed me in the right direction on where to get started. Their time and assistance was invaluable.”

“My SBDC advisor was extremely helpful in helping me understand PPP and EIDL guidelines as well as helping with the sale of my business. She is exceptional and a huge asset.”

We know, too, that federal disaster relief for small businesses has been and continues to be critically important.

Across the country and certainly in Washington state, we have seen how CARES Act money and SBA disaster relief programs including the Paycheck Protection Program, COVID-related Economic Injury Disaster Loan (EIDL), Shuttered Venue Operators Grant (SVOG)

and the Restaurant Revitalization Fund (RRF) made a tangible difference in people’s lives.

Those programs helped keep businesses open and people employed.

In 2021, Washington SBDC advisors assisted more than 1,100 business owners in their efforts to obtain over \$37M in disaster relief.

As we head into year three of this pandemic, I am exceedingly grateful for our partners in small business development at the federal, state, county and community level. The level of collaboration and coordination within the small business ecosystem has been extraordinary over the past two years, but we know we can do more, especially when it comes to serving underrepresented or historically underserved entrepreneurs in the BIPOC community.

On behalf of the entire Washington SBDC network and our clients, I thank you for your ongoing support. Your support for small businesses has made and is continuing to make a difference for business owners, employees, their families and communities across the state.

Sincerely,

Duane Fladland

Duane Fladland
State Director
Washington Small Business Development Center

2021 by the Numbers

SBDC ASSISTANCE



3,461

Advising Clients



10,477

Training Attendees



316

Delivered Training Events



99%

*Client Satisfaction Rate

CLIENT IMPACT



2,855

Created and Saved Jobs



161

New Business Starts



\$120M

Increased Sales



\$107M

Raised New Capital

Client reported impacts from 2021

*The "Economic Impact of SBDC Counseling Activities in Washington: 2019-2020," by Dr. James J. Chrisman of Mississippi State University

Our Locations

Washington SBDC provides community-based services to entrepreneurs and small business owners from the Canadian border to the Columbia River and every point in between.



Partners and logos include: AMERICA'S SBDC WASHINGTON, WASHINGTON STATE UNIVERSITY, HIGHLINE COLLEGE, South Puget Sound Community College, WESTERN WASHINGTON UNIVERSITY, OneRedmond, and CENTER FOR INCLUSIVE ENTREPRENEURSHIP.

Funding Partners

Thank you to our stakeholders and partners who have supported the Washington SBDC over the past 40 years. We look forward to continued collaboration in the years ahead.



Kerrie Hurd

District Director, Seattle District Office, U.S. Small Business Administration

On behalf of the U.S. Small Business Administration (SBA), I'd like to thank and commend our valued partner, the Washington Small Business Development Center, for their critical role in helping small businesses across the Evergreen state survive unimaginable challenges due to the lingering pandemic.

In addition to leveraging their expertise to assist business owners with cash preservation measures, adapting sales channels, streamlining business operations, etc., the SBDC's nationally recognized CBAs helped tens of thousands of small business owners navigate several COVID recovery programs launched by SBA and state/local governments alike. These business-saving services were provided at no cost to the business, allowing prized cash to be retained for salaries and other vital business needs, highlighting the importance of the SBDC's pro-bono model and the funding partners who financially support the SBDC.

As we look forward to the future, we can be assured that small businesses will continue to face obstacles like the impact of regulation changes, cyber security, and complexity of human resource matters. Fortunately, the Washington SBDC will continue to be here to help you successfully navigate these impediments while also helping you identify opportunities that may exist to enhance your business.



U.S. Small Business
Administration



Brian Kraft

*Assistant Vice President, Innovation & Research Engagement Office,
Washington State University*

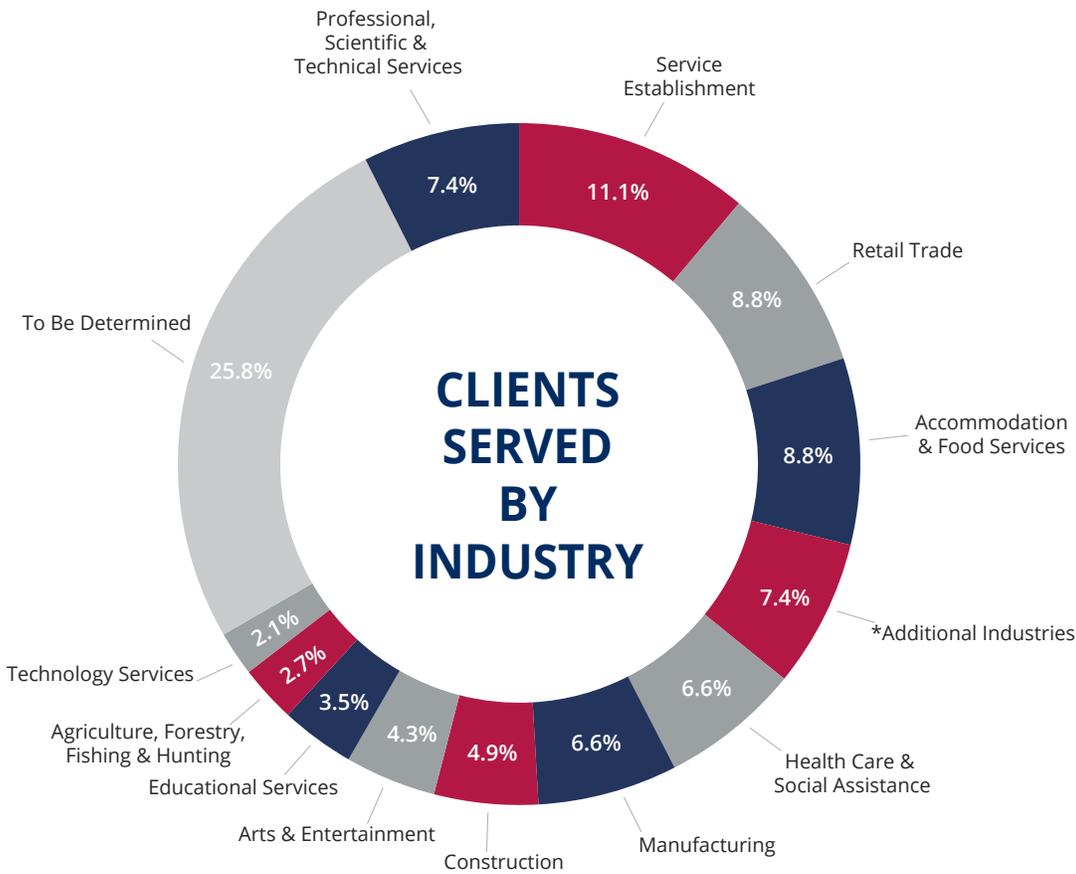
As Washington State's land-grant research institution, Washington State University's mission is to advance knowledge through creative activity, research, and scholarship, extend knowledge through innovative educational programs, and to apply knowledge through local and global engagement. WSU improves the quality of life of citizens in Washington State and enhances the economy of the state, nation, and world. It lives out its public service mission in part through the SBDC, which has partnered with WSU for over 30 years to serve the small business and entrepreneurial community in Washington State.

The Washington SBDC, a member of the national America's SBDC program, is governed by a cooperative agreement between WSU, which is the statewide host of the program, and the U.S. Small Business Administration. With more than 30 advisors working in communities throughout the state, the WSU-SBDC collaboration yields meaningful local impact for our local stakeholders and community partners.



WASHINGTON STATE
UNIVERSITY

2021 Client Demographics



ADDITIONAL INDUSTRIES*

Real Estate, Rental & Leasing	1.8%	Management of Companies & Enterprises	0.6%
Transportation & Warehousing	1.6%	Research & Development	0.4%
Finance & Insurance	1.4%	Administrative & Support	0.04%
Wholesale Dealer	1.4%	Utilities	0.02%



GENDER



58.8%
Male



27%
Female



14.2%
Male/Female Owned

RACE

0.3%
Alaska Native

6.0%
Asian

9.5%
Black or African American

8.0%
Hispanic

1.8%
Native American

0.7%
Pacific

11.7%
Unspecified

62%
White

VETERAN



5.4%

Featured Programs and Services

Last year, SBDC business advisors continued to help their clients adapt to changing conditions, focus on cashflow and look to ecommerce and partnerships. In addition to no-cost, one-on-one, confidential business advising, the Washington SBDC offers live and on-demand training to help aspiring business owners get started, move forward, and survive.



BUSINESS ADVISING

Our team of certified business advisors and international trade business advisors work together to provide no-cost, one-on-one, confidential business advising that is customized to the needs of each client. Advisors can work with businesses at every stage of growth and development and in just about any industry. Whether the business is just starting, seeking capital, bringing new products to market, surviving a pandemic, improving operations, or planning a business succession, SBDC advisors help clients achieve their goals.

In more than 30 communities across the state, entrepreneurs can easily access our services. Additionally, advisors utilize technology to engage with clients remotely, which has made connecting easier, more efficient, and safer throughout the pandemic.



LIVE AND ONDEMAND TRAINING

SBDC training provides practical, real-life solutions for the most common issues faced by entrepreneurs and established business owners. Participants can access on-demand webinars at their convenience or attend a live webinar on topics of interest. All webinars are facilitated by SBDC advisors with first-hand experience and expertise. They take the time to understand the needs of webinar participants so they can provide assistance that is both relevant and actionable.

Small Business

ENTREPRENEUR

HUMAN RESOURCES Financial Analysis

CYBER SECURITY Marketing

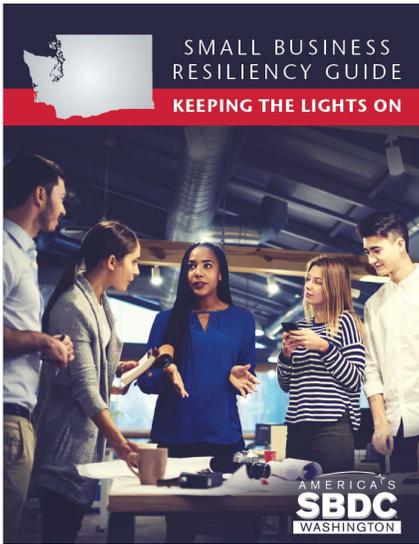
INTERNATIONAL TRADE Government Contracting



10,477
Training Attendees



316
Delivered Training Events



KEEPING THE LIGHTS ON

If we didn't know it before, we certainly know it now. Every business needs a disaster response plan, or a business resiliency plan, and every business needs to take steps to protect itself from a cyberattack. Business owners who think their business is too small to attack are likely wrong. Unfortunately, small businesses make attractive targets because they too often lack even basic protection. In both business resiliency planning and cybersecurity, an ounce of prevention is worth a pound of cure. The Washington SBDC has tools to help.

In 2019, student interns with our SBDC Market Intelligence Research Team published a business resiliency planning workbook titled "Keeping the Lights On." The workbook helps business owners think through the vulnerabilities of their businesses and create action plans for responding to a disruption caused by anything from a wildfire to malware to a supply chain issue. In the early days of the pandemic, we shared that workbook with SBDCs across the country and offered quite a few webinars to explain the process of creating business resiliency plans. We continue to offer on-demand webinars on business resiliency and business owners can download the workbook at no cost.



CENTER FOR INCLUSIVE ENTREPRENEURSHIP
EMPOWERING COMMUNITIES THROUGH BUSINESS

CENTER FOR INCLUSIVE ENTREPRENEURSHIP

The Center for Inclusive Entrepreneurship (CIE) has been working with aspiring entrepreneurs and early-stage small businesses in underserved communities since 2013. In 2019, CIE entered into a partnership with the Washington SBDC to provide training and services to aspiring business owners on the Olympic Peninsula. CIE then expanded services to Skagit County as well.

While CIE focuses on aspiring entrepreneurs and early-stage businesses in specific regions, the SBDC works with early-stage and pre-concept business owners in regions not served by CIE and helps existing businesses across the state.

The collaboration enables important synergies and offers a seamless continuum of services from startup to growth to succession.

COVID-19 RESPONSE

"Thanks to the SBDC, we are still in business." Over the past two years, we have seen that feedback on satisfaction surveys over and over again. As COVID-19 continues to cause disruptions in the workplace and in the economy, we continue to help business owners access disaster relief funding and adapt to changing conditions.

With funding from the CARES Act, we were able to add business advising capacity and develop new programs. We created a Center for Business Resilience to help business owners get connected to an SBDC advisor and to reduce the administrative load on advisors so that they can spend more time helping clients.



1,180

Disaster-Related Clients Counseled



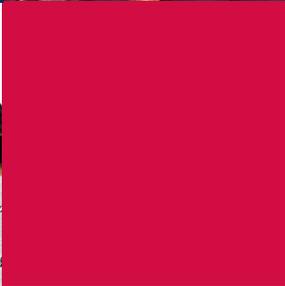
\$37,490,929

Disaster-Related Capital



Client Profiles

Owning a small business is challenging, which is only heightened during the stress of a pandemic. The success stories that have emerged from the resulting economic challenges serve as an inspiration to businesses, new and old.



SBDC CLIENT

StingRey Services

OWNERS

Ramon Rodriguez and Heather Cunningham

LOCATION

Snohomish

STINGREY SERVICES

Ramon Rodriguez and his wife, Heather Cunningham, opened their property management business, StingRey Services, in November 2019 and reached out for SBDC assistance in November 2020.

At that time, they were looking for information about LLCs and sole proprietorships. But, when they started meeting with SBDC business advisor Janet Toth in Snohomish County, they got so much more.

In a recent client satisfaction survey, Heather wrote, "It is priceless to have a trusted and safe source to get real answers to real questions without fear of penalty." Heather said she has met with Janet to discuss multiple issues, including how to set prices for services, whether to charge taxes on services, how to create a

strong business plan, the pros and cons of different business structures, the benefits of using contractors versus in-house staff and much more.

StingRey Services specializes in helping landlords get properties cleaned and repaired for new tenants. While their business suffered early in the pandemic, they stayed the course and have been fortunate to see a steady increase in business. They are currently reevaluating their business model with an eye toward bringing on additional staff.

"She's always been there to answer questions. Even just knowing you have someone to talk to is huge."

- Heather Cunningham



SBDC CLIENT

Green Flush Restrooms

OWNERS

Kyle and Ken Earlywine

LOCATION

Washougal

GREEN FLUSH RESTROOMS

Family-owned Green Flush Restrooms builds flush restrooms in efficient, environmentally sound, accessible modules. Over 10 years, father and son Ken and Kyle Earlywine likewise have fashioned the components of good business practice into a company that continued to provide work for its three employees and associated supplier businesses through the Covid-19 pandemic. It doubled annual revenue in 2021 with sales exceeding \$2.7 million.

"Our explosive growth is the result of putting together many little things done over time," said Kyle Earlywine. "Every day presents a challenge to progress."

SBDC advisors Buck Heidrick and Jerry Petrick helped Green Flush Restrooms progress from startup to established business of value.

"The pandemic challenge made us realize even more that we are not limited. With years of help from Buck and Jerry, we were poised well to act on opportunity."

- Kyle Earlywine



SBDC CLIENT
Ethos West Construction

CO-OWNER
Elke Stevens

LOCATION
Bellingham

ETHOS WEST CONSTRUCTION

Elke Stevens and her business partners, Saul Whitworth and Kenny Nichol, sought SBDC assistance in mid-2019 to launch their own construction company, Ethos West Construction. Each of them had more than 20 years' experience in construction but wanted help setting up a partnership agreement. The goal was to create a business structure that would help them navigate shared governance, create a business of value and withstand the ups and downs of the construction industry. They also wanted their business structure to support their mission to create a culture of honesty and integrity that would improve the lives of customers, employees, industry partners and the community.

The pandemic started less than six months later, but Ethos West has continued to

grow. Within a year they had 12 employees and a year after that they had 24 employees.

Stevens says the Paycheck Protection Program (PPP) loan was critical to their ability to keep their team together.

In 2021 she credited their SBDC advisor with helping the ownership team start their business with the end in mind, which has enabled them to be strategic and focused in their plans for growth

"Having the SBDC's support with navigating the EIDL Advance and the PPP loan were pivotal in Ethos' success in obtaining these funds to help us survive during the Covid shutdown."

– Elke Stevens



SBDC CLIENT
Kelnero

OWNERS
Kris and Kali Kelnero

LOCATION
Edmonds

KELNERO

Kris and Kali Kelnero opened Kelnero cocktail bar in downtown Edmonds in February 2019 and, eight months later, contacted business advisor Janet Toth for help with their next step: Kelnero Beyond ready-to-drink (RTD) cocktails in cans or bottles.

But then, "Covid happened," recalled Kali Kelnero. "Our strategy shifted from thinking about the future to NOT thinking about the future – for the sake of our own sanity."

Though the vagaries of Covid interrupted the timeline for Kelnero Beyond, it also provided a test kitchen for the concept of RTD cocktails.

"The Kelneros reconfigured their business to stay successful," Toth said. "Instead of people coming in, they put out cocktail recipes on video and bottled cocktails for customers to take away. They could test their product, while they also kept staff employed and kept their vendors working during the pandemic."

"For Covid assistance, Janet was our conduit to the SBA - a reliable resource for helping us understand the most up-to-date information in a changing situation. Her advising has been a support during this sometimes-discouraging year."

– Kali Kelnero



SBDC CLIENT
Restoring Eden

OWNER
Troy Picou

LOCATION
Seatac

RESTORING EDEN

Troy Picou, owner of Restoring Eden, a nursery specializing in edible and exotic fruit trees and shrubs, started meeting with SBDC advisor Taryn Hornby in 2019 and over the next two years he worked to refine his business plan, build inventory and increase sales. After starting out his business in his parents' backyard, Troy is working with an agent to find a 10-acre site in unincorporated King County where his business can put down roots and continue to grow.

"Taryn is very sharp. She doesn't sugar-coat it. She tells it like it is."

— Troy Picou



SBDC CLIENT
WEMCO

PARTNER
Juston Rouse

LOCATION
Spokane

WEMCO

Family-owned Washington Equipment Manufacturing Company (WEMCO) has grown steadily since its founding by John and Karma Rouse in 1989. Son Juston (pictured at right) joined at age 20 in 2004, followed by his wife Lisa in 2016. WEMCO built a new facility eight years ago and with recent hires, now employs 89.

In 2018, WEMCO was ready to grow but struggled to find financing. "We have seen consistent growth, but we had a minute line of credit compared to what we needed to continue," Juston Rouse said. "We needed to move to a different banking relationship."

Alan Stanford, their SBDC advisor, used WEMCO's financial statements to run monthly and quarterly reports that tracked business ratio improvement.

Ratios use myriad components – like working capital, cash flow, liabilities, and more – in order to analyze larger-scale characteristics like efficiency, profitability and leverage.

"WEMCO's ratios continued improving," Stanford said, "so I worked with them to find a lender who saw it the same way."

"Our new bank has refinanced us and set us up to continue to grow," Rouse said.

"Alan had been a banker his whole career. He had worldly experience in banking and a quick understanding of manufacturing. This made him very easy to relate to and work with."

- Juston Rouse



SBDC CLIENT
Cates & Erb

OWNERS
Mike Cates & Robert Erb Jr

LOCATION
Omak

CATES & ERB

In 1986, veteran and Native American, Robert Erb, Jr. and his cousin Mike Cates, also a veteran and descendant of the Colville Tribe, started Cates & Erb Logging on the Colville Indian Reservation with only one logging truck & skidder.

Both had other careers but wanted to work for themselves and create opportunities for others. To harvest the timber they needed to build roads, which then led to more projects. They incorporated in 1994, got certified with state, federal and tribal entities, and their business began to grow.

The SBDC helped them keep going during the recession and they now employ 25 people.

"Our SBDC advisor is a real benefit to our business and the community. He helped us keep our business going and our people employed."

- Mike Cates



SBDC CLIENT
Coastal Maintenance Solutions

OWNER
Samantha Grace

LOCATION
University Place

COASTAL MAINTENANCE SOLUTIONS

Many young mothers want more time with their kids, but not many start their own business to get it. In February 2018, Samantha Grace founded Coastal Maintenance Solutions. As it has grown, Neal's aim has held fast on good pay and flexible hours for herself and her employees as they provide exceptional quality in janitorial and maintenance services.

With the help of her SBDC advisor, Grace was able to pivot her business from small residential clients to multi-unit commercial contracts.

In 2021 Coastal Maintenance Solutions client portfolio included one 92-unit property and another 40-home

development and was expanding her staff to meet the demand.

"I love the work and getting others employed and providing for their families too," she said.

"I don't want to grow too fast, and I don't want to be stagnant. [My advisor] has helped me stay on track and remain accountable. She is involved and she cares. She doesn't let you slip away."

- Samantha Grace



SBDC CLIENT

Jack and Jill's House
Preschool

OWNER

Melissa Gillaspy

LOCATION

Ellensburg

JACK AND JILL'S HOUSE PRESCHOOL

When the Covid-19 pandemic closed Jack and Jill's House Preschool in March 2020, owner Melissa Gillaspy wasn't sure how her family or her client community would continue.

To generate income and assist former preschool families desperate for meaningful learning activities for their now-homeschooling children, Gillaspy began assembling and selling monthly themed learning kits. At \$50 each, the first batch of 25 in August 2020 sold out in 48 hours. Another 25 sold in a week. She had obviously found a profitable niche of service to her community, but she also realized that purchasing, assembling, marketing and selling comprised "a whole different business model that I had no experience in."

Through the Washington SBDC network, advisor Liz Jamieson provided guidance that helped the business owner acquire

three pandemic economic stimulus grants and a second Paycheck Protection Program (PPP) loan: "That was huge for us," Gillaspy said. "I was able to change my business model, adapt my business, buy materials for my learning kits that I also can use in the preschool, and hire or rehire employees."

"I can't say enough in praise of Liz and the help I received from the SBDC. I created and built my preschool on my own, with no business expertise. But when Covid hit, I felt isolated; I knew I had to adjust and adapt. Liz is an amazing and knowledgeable resource. She really took the time to get to know me and my business so she could provide assistance."

- Melissa Gillaspy



SBDC CLIENT

White Barn Decor

OWNER

Jim Cook

LOCATION

Belfair

WHITE BARN DECOR

Belfair, a town with fewer than 5,000 people in rural Mason County, isn't the obvious location for a 4,000-square-foot home décor shop (and adjacent nursery) featuring one-of-a-kind metal work and hand-selected home goods from crafters and artisans from across the country and now featuring new European lines.

But owner Jim Cook said the decision to open White Barn Decor in Belfair is a sign of his commitment to his community. And thanks to Cook's design skills and business savvy, the shop has become both a gathering spot for local residents and a destination for out-of-town visitors.

White Barn Decor is a family-run business, with Jim's dad, Buck, creating metal signs and sculptures. The business also employs 10 people.

White Barn Decor was open 3 days before it had to shut down because of COVID restrictions. However, the outpouring

of support from the community when restrictions eased ensured the success and growth of the company.

In late 2021, Cook reached out to SBDC business advisor Jaime Forsyth for help with a loan application to purchase the property from his landlord.

Cook is continuing to work through the purchase of the property in Belfair and is also actively considering expanding into nearby communities.

"If it wasn't for Jaimie at the SBDC I don't think we would have been able to get the loan for the purchase of our building. She was incredibly kind and thorough. She made the process so easy and simple for us. The SBDC is an incredible resource and I believe every small business should know about their resources available."

- Jim Cook

Molly Ray Parfums, Seattle, WA



AMERICA'S SBDC WASHINGTON

Contact SBDC today to learn more about our programs and services or to be connected with a certified business advisor.

www.WSBDC.org
Washington@wsbdc.org
833-492-7232



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