

# Washington SBDC VANCOUVER/LONGVIEW CENTER 2019 ECONOMIC IMPACT



## SBDC ADVISORS MAKE A DIFFERENCE

	2019	2010-2019
Served by the SBDC <b>CLIENTS</b>	<b>133</b>	<b>1,236</b>
Start New <b>BUSINESSES</b>	<b>13</b>	<b>131</b>
Created & Saved <b>JOBS</b>	<b>183</b>	<b>920</b>
Generated <b>SALES</b>	<b>\$3,636,093</b>	<b>\$50,295,536</b>
Change in Sales <b>EXPORT</b>	<b>\$0</b>	<b>\$44,884</b>
Access Investment <b>CAPITAL</b>	<b>\$5,714,325</b>	<b>\$40,807,314</b>

*Economic Impacts are self-reported and client-verified*

## STATEWIDE IMPACT

Compared to average Washington businesses, Washington SBDC clients increased revenue & created jobs at significantly greater rates than other Washington businesses.	<b>+ JOB GROWTH +</b>
	<b>5.4%</b> Washington average vs <b>75%</b> average SBDC client
	<b>↑ SALES GROWTH ↑</b>
	<b>4.9%</b> Washington average vs <b>14.1%</b> average SBDC client



For every **\$1** invested in the Washington SBDC, our clients generate **\$3.32** in incremental tax revenue.



**96%** of our clients say they would recommend SBDC services to others.

*10-year average (2010-2019) of Independent Annual Survey by Dr. James Chrisman, Mississippi State University*

## SUCCESS STORY: Bent River Tech, Vancouver, WA

When Sam Gagliano read on Craigslist that a machine shop was for sale, he was intrigued. With 20 years' experience in CNC machining, this was an opportunity he'd been looking for.

As it turned out, the seller had several pieces of equipment in his garage—where he'd been manufacturing custom RV accessories under the name Bent River Tech for a number of years—but financial records and business systems were scant or non-existent.

Which meant, Gagliano said, "there was no basis for valuation."

Individual machines—from grinders and lathes to mills and routers—can cost anywhere from \$5,000 to \$100,000 and up for the type of high-precision computer-programmed manufacturing Gagliano wanted to do. But, buying a machine is different than buying a business.

At the time, Gagliano was managing a prototype machine shop in Vancouver, Wash., for a large, multinational, privately-owned corporation. With the support of the seller, Gagliano planned to keep his day job and work nights and weekends running Bent River Tech as his own business for a year so that he could create the financial documents necessary for valuation. Unfortunately, the same day he informed his employer of his plan, in late December 2017, he was out of a job.

Instead of having a year to figure out if he could make a business—and a living—out of seven machines in someone's garage in Washougal, it was go time.

Gagliano filed for unemployment, and then learned about Washington state's Self-Employment Assistance Program (SEAP) that allows people on unemployment to forego looking for a new job if they are actively working to start their own business.

One of the requirements of SEAP is that participants work with a state-approved technical advisor, and that's how Gagliano met and began working with Jerry Petrick, a certified business advisor with the Washington Small Business Development Center (SBDC).

When he needed information, tools or resources, Petrick was his go-to resource. "He's been instrumental in helping me get hooked up with the right people," Gagliano said.

It ended up taking a little more than a year, but in May 2019 Gagliano became the owner of the assets, name and client list of Bent River Tech. He financed the purchase with an SBA loan for nearly \$150,000, which included extra capital for startup costs.

Stories that start like this don't usually lead to such happy milestones, said Petrick,

who has been an SBDC advisor since 2002. Far too often, small business owners who don't have an exit strategy end up just closing their doors and selling their assets for pennies on the dollar.

"This story is remarkable in that the seller and the buyer were working together to figure out the value of the business," Petrick said.

"It was a win-win situation," Gagliano agreed. "The seller was able to get close to his asking price and it afforded me the opportunity to prove myself to a bank and get an SBA loan."

It also gave him time to build his customer base and reputation as a prototype shop able to take on complicated, advanced manufacturing jobs in robotics, semi-conductors, consumer electronics and other industries.

Since getting the SBA loan, Gagliano has been able to move to a new location, hire a full-time employee and devote even more of his time to growing the business.

While Gagliano currently has one employee, and is about to hire a second, he anticipates growing his business to 12 to 15 employees with revenue of \$3 to \$5 million within about five years.

"I don't want to be a mom and pop shop," he said. "I wanted to do something different."



Sam Gagliano, owner

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