

SBA Place-Based Initiatives: Northwest Aerial Robotics Cluster

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Small Business Administration

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The Impact of Small Business

- Represent 99.7 percent of all employer firms.
- Employ about half of all private sector employees.
- Pay nearly 45 percent of total U.S. private payroll.
- Have generated 60 to 80 percent of net new jobs annually over the last decade.
- Create more than half of nonfarm private gross domestic product (GDP).
- Hire 40 percent of high tech workers (such as scientists, engineers, and computer workers).
- Produce 13 times more patents per employee than large patenting firms; these patents are twice as likely as large firm patents to be among the one percent most cited.

**Bottom Line: Small business will play a major role
in revitalizing the American economy**

Small Business Strength

In America today, there are two kinds of small businesses.

- **Traditional Main Street small businesses** – the drycleaners, the auto repair shops, the local diners. They're part of the fabric of our daily lives. The SBA has served them extremely well since we were created in 1953, and we will continue to do so.
- **Gazelles** – small businesses with the potential to be high-growth and high-impact. Sometimes they're called gazelles. One study shows that there are about 375,000 of these firms. That includes many of you who are doing cutting-edge work with robotics, unmanned systems, port security, sensors, modeling, simulation and more...The fact is, high-growth firms like yours create the most jobs – and they're often good, well-paying, American jobs that help drive innovation, meet federal needs, and increase global competitiveness.

This regional robotics innovation cluster has been created because we want to build on that.

Building a Strong Advanced Technology Cluster



The “Three Cs”

•Capital

- The SBA has a portfolio of about \$90 billion in loans and loan guarantees. We work with about 5,000 banks each year to provide SBA loans to entrepreneurs and small business owners.

•Counseling

- 14,000 SBA-affiliated counselors. Services are free.
- Last year, the SBA and our partners served more than 1 million clients.
- SCORE, our mentoring program utilizing retired executives can be a resource.

•Contracts

- The third “C” is contracting, which is a focus for today and tomorrow. The SBA works across the federal government to ensure that 23% of federal contract dollars go to small businesses. And we have smaller goals for disadvantaged businesses, women-owned businesses, vet-owned businesses and others.

Small Business Federal Contracting Value



Federal contracting is a win-win

- Businesses like yours get the “oxygen” you need to create jobs, increase your top line, and take it to the next level.
- At the same time, the federal government gets products and services from some of the most innovative and responsive small businesses – often with a direct line to the CEO.
- Under the Recovery Act, we’re working with agencies like DoD and DHS to make sure we meet that 23% goal. Right now – we’re actually exceeding that goal with about 29% - or nearly \$6 billion to small business.

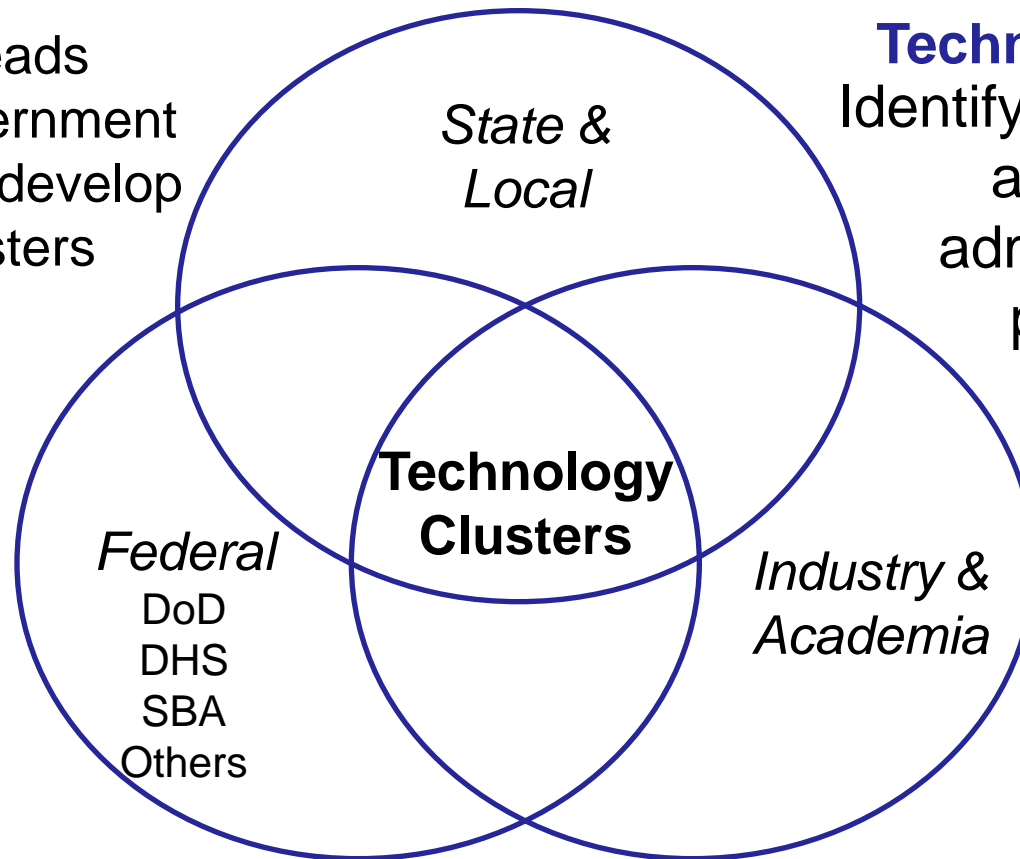
Emerging Advanced Technology Cluster Model

National Economic Council

Economic leads throughout government collaborating to develop regional clusters

Office of Science and Technology Policy

Identifying technology areas and administration priorities



Vision: An integrated National Framework of industry, academia, and government to achieve national defense and economy imperatives

Cluster Success Stories

- **Maine Built Boats**

- The Naval Air Station in Brunswick, Maine was on the Base Closure list. We knew we would need something to replace the jobs that would be lost. The SBA, the Governor and small business leaders worked to find sustainable growth ideas. Boat building had a 400 year legacy.
- Newer technology – composites – replaced wood.
- As a result, Maine-built boats are today selling in places as far away as Shanghai...

- **Michigan Robotics Cluster**

- State that has been hard-hit by the economy.
- As you might know, it's not just the "big 3" auto companies that are hurting in Michigan. Many of their smaller suppliers are hurting, too. What we found were people like you – experts in robotics, sensors and other technologies.
- We helped organize a summit like this that brought together Department of Defense officers and local suppliers.
- Displaced automotive manufacturing personnel and suppliers produce advanced robotics that support Defense and complex growth industries.

5 Keys to Successful Clusters

- **First, the cluster should grow organically out of the local industry.**
 - Each of you needs to be involved in the strategic planning process to envision the long-term benefits. That initial buy-in is a crucial foundation – and the fact that you are here today speaks volumes to your commitment.
- **Second, we need the right people, policies, and programs at local universities and research institutions.**
 - Aligning those R&D resources to create synergy with the local private sector.
- **Third – leadership. Is there a formal organization that can foster the interaction of all stakeholders in the cluster?**
 - It's crucial to have a unified, recognizable and defined voice for your cluster. I'm pleased to hear that you're forming an executive steering committee and a leadership team to get you on the right track.
- **Fourth – Workforce**
 - Local colleges and universities are critical. Their training, interning, and mentoring opportunities are central to the pipeline of high-skilled workers that a cluster needs.
- **Fifth – Market?**
 - Federal agencies, commercial products
 - Who? Where? How to tell customers that NWARC capabilities are a leader for these technologies?

Administration Guarantee



**The SBA is committed to supporting
your growth and success.**

“So to all the small-business owners out there, I just want to close by saying this. I know that times are tough, and I can only imagine what many of you are going through in terms of keeping things going in the midst of a very tough economic climate, but I guarantee you this: This administration is going to stand behind small businesses. You are our highest priority because we are confident that when you are succeeding, America succeeds.”

– President Barack Obama