

Arizona Small Business Development Center Network

Understanding Economic Impact



How the AZSBDC Measures Its Success



Our ability to accurately measure and report economic data makes it possible to gauge the true economic impact of the AZSBDC Network and its clients on the Arizona economy. Reliable reporting is also vital to our Network's ability to receive the funding needed to provide free counseling and low or no-cost training to our existing and aspiring small business owners across Arizona.

The AZSBDC Network measures its impact on factors including job creation and retention, sales increases, capital development and government contracts received. AZSBDC clients sign an agreement for services and are polled on a regular basis to track the impact of AZSBDC services on their companies. Economic impact data is verified and validated through a multi-step process which includes:

- Client counseling sessions are recorded into our web-based Client Management System by the client's AZSBDC Business Analyst, following an established format and criteria;
- When a client reports that they have generated economic impact, he or she also submits a signed Client Growth Assessment Form, which verifies the type of impact created (Jobs Created or Retained, Sales Increase, Capital Formation, New Business Started or Loan Obtained), the amount of the increase and the role of the AZSBDC in facilitating that growth. Reports of high-number, high impact growth may require third party verification, including formal financial statements, loan documents or a Dun & Bradstreet report. Economic impact is not entered into the Client Management System until all verification has been obtained;

- Each Center Director reviews the economic impact recorded by their Business Analysts to verify the accuracy of the data, and to ensure that the counseling services that were provided are appropriate for the amount and type of impact that was recorded. Any inconsistencies are adjusted accordingly;
- The data is submitted to the AZSBDC State Office, where the Associate State Director of Performance and Operations reviews individual files for accuracy, verification and appropriate attribution. Any errors or discrepancies are addressed or removed from the system prior to internal or external reporting;



- All economic impact is reported to the U.S. Small Business Administration (SBA) on a quarterly basis, as part of our program agreement. Our Hosts and other AZSBDC stakeholders and partners also receive full-verified economic impact data on a regular basis. We also track, verify and report on quarterly impact for our Clean Technology, Jobs Initiative, Veterans Outreach and Business & Technology Incubators Assistance programs.

This detailed system of checks and balances ensures that the numbers that we report represent the true value of our beneficial impact on the Arizona state economy. A national initiative is underway to ensure that all SBDC networks follow a similar process to the one outlined above.



The **AZSBDC Network** is a successful program that uses funds wisely and has a positive, statewide impact. Our ability to accurately document the economic benefits of that impact is important to our continued ability to obtain the funding that we need to help Arizona small businesses and their owners start, succeed and grow.

Learn more at www.azsbdc.net