

# **Creating an Office of Small Business and Small Business Assistance Center for San Francisco**

**San Francisco Mayor's Office of Economic and Workforce Development**

December 2007

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## I. Background

In November 2007 San Francisco voters approved Proposition I, which called for the creation of an Office of Small Business to focus on the needs of San Francisco businesses with fewer than 100 employees. The Proposition outlined the following responsibilities for the new Office:

1. *Centralize and coordinate the information and advice services to small businesses managed by other City departments.*
2. *Operate a Small Business Assistance Center, which shall support the full diversity of San Francisco's small businesses with information concerning:*
  - (A) *business structure and formation, obtaining necessary licenses, accessing financial resources, and finding appropriate real estate;*
  - (B) *obtaining City permits;*
  - (C) *bidding on government contracts and participating in the City purchasing process;*
  - (D) *complying with government laws and regulations; and*
  - (E) *adopting "green" and sustainable business practices.*

The Mayor has directed the Mayor's Office of Economic and Workforce Development (MOEWD) to set up the Office of Small Business and create the Small Business Assistance Center. MOEWD committed to hiring staff and opening the office quickly and commissioned this report to lay the groundwork for its implementation.

Key stakeholders were interviewed or participated in small focus groups in November and December of 2007. These discussions focused on prioritizing small business needs and refining a specific programmatic direction for the Office of Small Business and the Small Business Assistance Center.

It is important to note that while this was a relatively quick process and a limited number of stakeholders were interviewed, this is not the first time these questions have been raised. Most of the stakeholders interviewed have participated in the many previous discussions, working groups and planning processes that generated a growing consensus around the need for a more coordinated effort to support the growth and development of small businesses and streamline the process through which small businesses obtain required permits and approvals. These previous discussions have involved hundreds of additional stakeholders, whose input is indirectly reflected in the comments of those who were interviewed more recently.

## II. Challenges Facing San Francisco Small Businesses

The Office of Small Business should be structured to respond to the specific challenges faced by San Francisco's small businesses. The City of San Francisco has recently completed several studies which identified key needs of small businesses and made specific recommendations regarding how the City could better respond to those needs.

### ***The San Francisco Economic Strategy***

MOEWD published *Sustaining our Prosperity: The San Francisco Economic Strategy* in November of 2007. The report outlines a comprehensive strategy for San Francisco's economic growth and highlights the importance of small business to San Francisco's economic well-being. The report highlighted the following trends:

- Since the 1970s, the number of large companies operating in San Francisco has declined by half
- 85% of all firms in San Francisco employ fewer than 20 employees
- 43% of workers are employed by firms with fewer than 50 employees
- Small businesses are spread across many sectors, but small businesses in retail, professional services, health care and food service provide the majority of small business jobs
- Self-employment has been an increasingly important source of income for San Francisco residents
- San Francisco has approximately 20,000 people who are self employed in the professional services industry
- Women and all minority groups are underrepresented among all business owners

In the course of developing the economic strategy, the city conducted a survey and focus groups on business barriers. Among the more than 80,000 businesses notified, 441 completed the business barriers survey. The survey identified challenges in working with the City as the top barrier to operating a business in San Francisco. Other findings included:

- 42% of respondents indicated that San Francisco's business climate was a factor that discouraged them from opening their business
- 55% indicated that the permitting process and cost was a significant barrier to opening a business

The survey asked about small business familiarity and experiences with a wide range of incentive programs, City services for small businesses, and nonprofit agencies that provide services to small businesses. For the most part, the survey respondents that reported having utilized any of these services also reported being satisfied with the services they received. However, very few businesses reported that they had used these programs and, in most cases, the majority of businesses said that they had never heard of the programs.

San Francisco's Economic Strategy highlights a number of recommendations designed to improve the small business climate and improve the City's responsiveness to the needs of small businesses, including:

- Increase awareness of support programs and incentives

- Streamline business interaction with city government to reduce frustration and delays
- Evaluate and refocus the City’s assistance programs for business to provide a more coordinated system targeted to priority needs
- Evaluate the economic impact of City policies on business

***Small Business Commission Streamlining Report***

In 2006 the Small Business Commission sponsored a report on streamlining the permitting and approvals system. The report, *Navigating the Maze: Improving the Small Business Experience of the San Francisco Permitting and Licensing Process* was completed by Joyce Davis Scales, a graduate student at the Goldman School of Public Policy at UC Berkeley.

Based on interviews with small business operators, business advocates and key city staff, the report describes the difficulty that many small businesses face in obtaining the many permits, licenses and approvals required to open or expand a business in San Francisco. Scales notes that there are 12 distinct City departments that are involved in issuing permits, licenses or other regulatory authorizations and refers to the system which encompasses all of these agencies as the “business authorizing process.”

Scales looks at this system as a whole from the perspective of customer service to small businesses and concludes that it is currently too hard for small businesses to understand the City’s many requirements and to navigate this system. She cites examples of businesses that took three years or longer to obtain all the required approvals and concludes that some businesses are failing before they open due, in part, to the complexity of the City’s authorizing processes. She points out that smaller businesses which cannot afford professional expeditors have no way to get a realistic sense of the following:

1. What is permitted
2. What steps are required to get all the necessary permits
3. How long will those steps take
4. What the process will cost

The uncertainty created by the lack of this essential information greatly increases the risks facing small business operators.

Scales makes 18 recommendations to streamline and simplify the system including:

- Map the overall authorizing system and support businesses in navigating it
- Offer a single point of contact for businesses that need help
- Screen early for business owners likely to face many hurdles and provide extra help
- Monitor the timelines of businesses moving through the system

- Design an online business wizard that generates an overview of all permits and licenses that a business will require
- Consider more effective customer feedback methods
- Establish a process/system improvement task force to undertake a high-level streamlining initiative

### III. Key Lessons from other cities

Most large cities offer some form of small business assistance but the specific services offered vary significantly from one community to another. Many cities manage small business financing programs or provide funding to nonprofits which offer in-depth business counseling and training programs. Some city governments have organized programs or even departments designed to bring these small business support programs together in one place. These larger scale efforts, however, are not all alike in form or even purpose. They fall into several distinct categories described below. Some city programs combine more than one of these categories.

#### *One Stop Centers*

A number of cities have developed so called “one stop centers” for small businesses. While the name grows from a recognition that businesses are negatively impacted by having to visit many different agencies and department to get permits and assistance, even the most successful one stop centers do not quite live up to the name. Each of these centers involve co-location of several key small business resources under one roof but, interestingly, the centers each combine different sets of resources.

For example, **Oakland’s** ‘One Stop Capital Shop’ combined city small business loan programs with private small business financing agencies and nonprofits offering training and loan packaging services to small businesses. The **City of Sunnyvale** operates a “One Stop Permit Center” which, instead, focuses on centralizing and streamlining services related to the issuance of building permits.

#### *Small Business Resource Centers*

Several cities operate resource centers which offer small business technical assistance and training services and support services for would-be entrepreneurs. The **Baltimore County** Small Business Resource Center, in partnership with the Baltimore County Chamber of Commerce, assists new and existing businesses with feasibility and demographic studies, strategic planning, certification, and market analysis as well as loan package assistance. The center conducts daily educational sessions such as The First Steps of Starting Your Own Business and Legal Question Day. Experts from the field, these Small Business Managers and volunteer counselors offer planning support, assistance in securing SBA, public and private sector financing, and business referral services.

**Washington D.C.** offers a resource center called the Enhanced Business Information Center (e-BIC), which provides resources and programs—including training, workshops,

consulting, and cutting edge computer software—to support small business development. The e-BIC was developed as a partnership between the District of Columbia Public Library, the Office of the Deputy Mayor for Planning and Economic Development, and the US Small Business Administration (SBA). On site, small businesses have access to a business library, meeting rooms for networking, and business counselors who provide access to information about loan packages, site analysis, and business marketing.

### ***Business Ombudsmen***

**San Jose's** Small Business Ambassador Program provides a single point of contact within the City to assist small business owners to prepare for and navigate the developmental review and permitting process. The ambassador assists with site review, develops customized checklists of required permits and licenses, and expedites the permitting process. Two years after the program's launch in 2005, the city continues to map its planning and permitting review workflows so that small business need not navigate through the labyrinth of bureaucracies.

In **Philadelphia**, the Mayor's Business Action Team (MBAT) provides support to small businesses in dealing with the City's various departments and programs. The MBAT staff consists of a director, and seven team members whose mission is to provide businesses with a source of reliable and comprehensive business assistance. MBAT provides business-related information such as start-up requirements, licensing and permit issues. While the MBAT does not expedite the small business start-up process, the team does provide a contact person in the various departments so the small business owners have someone live to talk to.

**Seattle's** Business Advocate answers general small business inquiries. The Advocate's services are limited since there is only one designated small business assistant for all small businesses.

The city contracts for technical assistance resources from a local nonprofit providing help with creating a business plan, applying for permits and loans, and business training programs. The City's Business Advocate does not have the means to support all business needs, but does try hard to advocate for legislative and agency changes to streamline the process.

### ***Online Resource Tools/Virtual One Stop Centers***

Several cities have begun offering a service similar in purpose to the business one stop center in the form of a web-based tool.

**Washington, DC's** Business Resource Center (BRC) is an online clearinghouse for the District's business community. Common tasks associated with doing business—such as paying taxes, obtaining business license information, and registering a business trade name—can be performed from this web site.

**New York City's** Business Express is an online wizard specifically designed to help entrepreneurs open restaurants. The online wizard asks a series of 17 questions about the

type of restaurant and the proposed location and then generates a customized list of City, State, and Federal permit, license, tax, and incentive programs relevant to the specific proposed business including contact information, office hours and other basic information related to each requirement. For example, asked about a restaurant serving beer and wine, the wizard generates a list of 28 permits or other requirements to open the business, four key regulations that would be relevant, four taxes that the business would need to pay, and 8 incentive programs that the business might be eligible for. In addition the system offers additional information about obtaining insurance, joining the New York State Restaurant Association and several other programs. Users can click on any of the items in the custom list and read a 1-3 paragraph synopsis of the requirement or incentive program, and when available, links to online application forms or more detailed guidelines.

**Chicago** takes this idea one step further. Chicago's online resource wizard provides any business user with a customized package, a "resource list", complete with a checklist of necessary license applications, permits, as well as guides and helpful resources to tax assistance and zoning restrictions. As New York's online wizard, the Chicago website asks questions of the user's business goals and immediate needs, but Chicago's wizard has the capacity to branch to other relevant questions. For example, if asked whether the user would like assistance with start-up capital, an affirmative reply would lead the user to answer additional questions about loan packages.

As the survey progresses, the wizard accumulates your answers and finishes with a complete checklist of answers, instructions, contact information, web site links, and documents.

For users who want only answers to a particular business resource, there are short-cut wizards cut from the comprehensive "Starting a Business" wizard. The 11 available short-cut categories include

- 1) Financial assistance and loan packages including a breakdown of enterprise and empowerment zone incentives,
- 2) License and taxes,
- 3) Inspections with compliance timelines,
- 4) Site assistance that includes a link to the Planning Department,
- 5) Requirements for permits,
- 6) Zoning,
- 7) Workforce including employee regulations and training,
- 8) The City's procurement process,
- 9) City programs available for the business (graffiti abatement, energy efficiency recommendations),
- 10) A list of community associations, and
- 11) Resources to help resolve utilities problems.

In 2004, Chicago created a new department to consolidate the licensing functions of three city agencies into one. The new agency became the Department of Business Affairs and

Licensing. The department streamlined the application process and provided a single point of accountability for licensing.

## **IV. Recommendations**

### **A Key Roles**

Proposition I identifies a very wide range of potential roles for the Office of Small Business (OSB) and Small Business Assistance Center (SBAC). Given the Office's limited resources, it is essential to prioritize among these potential roles and to set realistic expectations for the scope of the office's services.

Most of the stakeholders interviewed for this report felt that all of the functions identified in Proposition I are needed by San Francisco's small businesses. However, nearly every person interviewed agreed that a top priority for the SBAC should be helping small businesses to more easily and predictably navigate the City's process for permits and approvals, and to access City programs and incentives, including contracting opportunities. Most stakeholders seemed to feel that focusing the center's efforts on this priority would not prevent the center from serving as a clearinghouse for information about the needs of San Francisco's small businesses and providing referrals to the full range of resources offered outside of the City.

#### ***A.1 Support businesses in complying with city regulations and obtaining permits and licenses.***

A key goal for the Small Business Assistance Center should be to simplify and clarify the permitting and approval process for start-up and expanding small businesses. This process can involve as many as 12 different city departments (the "authorizing departments") and the time and expenses related to navigating these independent systems creates unnecessary stress and confusion for many small businesses. In addition, the Center should offer support to existing businesses that face difficulty understanding and complying with city regulations and requirements.

##### **A.1.1 Offer one-on-one counseling and case management to small businesses that are seeking city permits and approvals**

Currently small businesses may call the Small Business Commission for assistance navigating the city's complex processes. The Commission's limited staff is generally able to help these businesses to identify the permits and approvals that they will require, provide referral to the appropriate city departments, and work closely with those businesses that run into problems in this process. However, the Commission is unable to promote the availability of this service due to the extremely limited staff time available

for providing this support. Providing additional staffing - business counselors - and expanded outreach for this type of customized “case management” would greatly improve the City’s customer service to small business and reduce some of the resulting frustration.

### **A.1.2 Cross train other departments to identify businesses in need of support**

Some businesses will seek out support from the SBAC (see outreach below) but many other businesses that could benefit from assistance may not be aware of the program. Front line staff at each of the authorizing agencies should be trained to identify small businesses in need of support and make referrals to the SBAC when appropriate. This training could take the form of special workshops for departmental staff or could be offered by SBAC staff as a component of department specific trainings or staff meetings.

### **A.1.3 Offer customized “road maps” of city requirements**

In order to better assist these start up and expanding businesses, SBAC staff need to understand the rules, requirements and procedures of each of the 12 authorizing departments. The Small Business Commission has published a general purpose booklet “Starting a Small Business” which describes the many permits and approvals that businesses must receive. While this book is useful as a starting point, businesses must still invest significant time and resources into determining exactly which approvals are required for their specific business in their specific location. Businesses should be able to visit the SBAC and receive a “road map” with detailed and reliable information about the requirements of the City’s many departments and a list of which permits and approvals are likely to be required for their specific business. If SBAC staff cannot provide the kind of detailed advice which would ultimately save a business client a trip to the individual departments, then the SBAC simply becomes an extra step in the process.

Based on an initial interview, SBAC Business Counselors should produce a checklist of requirements that is highly customized to the circumstances of each business. The list should summarize the requirements of each necessary permit or authorization and provide contact information, office hours, web resources, and information about the language capacities at each department. These checklists should also include time and cost estimates for each required permit, though that level of information may not be available at this time for all of the permit and approval processes. Where feasible, these checklists should be accompanied by copies of the forms necessary to initiate the permit processes.

### **A.1.4 Create a master flow chart of the business authorizing system**

The current business authorizing systems are so complex that it is likely beyond the capacity of any one individual to fully understand them all. In order to provide this kind of customized overview of city requirements, the SBAC should invest in the creation of a comprehensive flow chart/decision tree that maps the requirements of each of the authorizing departments and the steps that different types of businesses must go through to receive all the required permits and approvals. This is an extremely complex task

because the rules and procedures related to each separate permit are quite different and the flow chart needs to incorporate all of the information necessary to determine whether a given business needs to pursue a given permit. Licensing and inspection requirements are quite different for different types of businesses and zoning requirements vary from one neighborhood to another.

SPUR has coordinated a team of volunteers in a year-long process to create such a flow chart for just one industry: restaurants. The final product of this project is not complete but the latest draft includes a 4-page flow chart diagram with an additional 4 pages of notes focused just on the planning and health department issues related to opening a new restaurant.

SBAC staff will need to spend a significant amount of time initially to create a comprehensive flow chart. Staff will need active participation and review from staff within each of the authorizing departments as well as outside stakeholders including Mayor's Office of Community Development-funded Neighborhood Economic Development Organizations (NEDOs), business trade associations, small business advocates and others.

While this information may be useful in producing general handouts describing the processes at a high level or focused on specific common business types, the primary value in compiling this data will be to support the process of producing customized checklists for businesses that are working with business counselors.

It is likely that there are computer applications that would facilitate the structuring of this information. Additional research is required to determine the best application. Ultimately SBAC staff needs to be able to input information about the detailed requirements of the City's departments and use that information to generate an interview protocol that would lead business counselors through the creation of customized checklists.

### **A.1.5 Build a web-based resource center that allows users to generate customized "road maps"**

There are many businesses that might benefit from customized checklists of city requirements that will, nonetheless, not seek assistance from the SBAC. Some of these businesses could be well served by an online 'wizard' like those offered by Chicago and New York (see Other Cities above). It should be a goal of the SBAC to create a comprehensive web tool of this kind.

As staff work with individual businesses, they are likely to require significant modifications to both the computer application and the underlying flow chart of requirements. Eventually, exporting this system onto a web-based application should be far easier than creating such a system from scratch. An online tool, in addition to being useful to individual businesses, would allow NEDOs and others to provide more

extensive support to individual businesses without requiring those businesses to navigate the web or visit the SBAC.

## **A.2 General Resource and Referral**

The SBAC can be the central clearinghouse for information about resources and services of use to San Francisco's small businesses. The center should coordinate very broad multi-lingual outreach to small businesses and should offer in-person, telephone and internet-based resource and referral services. Center staff should have sufficient broad understanding of small business challenges to be able to effectively identify needs beyond a client's immediate request. For example, businesses calling for referral to loan programs may also benefit from referral to marketing or leasing services.

### **A.2.1 Build a comprehensive resource database**

SBAC staff should immediately develop a more formal database of small business resources. The Center should develop or purchase a resource and referral data base system and assign staff to building out the data including the following:

- Small Business Assistance Programs
  - NEDOs
  - Other agencies (SBA, SCORE, etc)
- Training programs
  - Nonprofit agencies
  - Government agencies
  - Colleges and universities
- Site/Space search services
  - Online resources (i.e., SF Prospector)
  - Nonprofit agencies able to assist
- Financial Assistance
  - Grant/below market financing programs
  - Small Business Lenders
- Business support organizations
  - Trade associations
  - Merchants associations
  - Community Benefits Districts
  - Neighborhood Market Place Initiative programs
- Green building/energy efficiency resources
- Others

There may also be a need for referrals to other business services including payroll, graphic design, legal, architecture and real estate. The Center should attempt to identify independent services that provide these referrals and track business satisfaction with

these vendors rather than independently tracking thousands of private vendors. For example, the American Institute of Architects operates a service to help find architects and similar services exist in other fields as well. In addition to the difficulty of identifying individual firms to recommend, there are political and legal challenges that would be raised by a City program making recommendations to individual private businesses.

### **A.2.2 Update the information regularly**

In order for a resource and referral system to be effective and widely utilized the data must be updated on a regular basis. The SBAC should allocate staffing to regularly contact each of the organizations in the database to learn more about current capacity and resources and to update listings in the database.

### **A.2.3 Make the system available to others who work with small businesses**

While the primary users of the resource database should be the SBAC business counselors, the information should be made available in some form to others who work closely with San Francisco's small businesses, including key staff in other City departments, and staff of community-based NEDOs, Neighborhood Marketplace Initiative and Community Benefit District commercial district programs. For example, staff at the Entertainment Commission or Health Department inspectors may encounter businesses who could benefit from referrals to small business lenders. While they could refer these businesses to the SBAC for help, if this is their only need, the business would be better served if these staff could directly access the SBAC's resource database. The SBAC might also consider publishing some portion of this data in hard copy or online though it is likely to be significantly less useful in those formats.

### **A.2.4 Manage a small business calendar and e-mail list**

SBAC staff should maintain an ongoing, web accessible, calendar of events of interest to San Francisco small businesses including all relevant training workshops offered by NEDOs, other support organizations, lending institutions and city departments such as the Human Resources Commission, Department of the Environment, etc.

The SBAC should manage an e-mail list-serve service intended to inform the wide community of individuals and organizations that work with small businesses about new resources. The calendar could be distributed through such a list as well as notices about new financing sources, technical assistance resources, advocacy efforts. The goal of the list should be to increase the awareness of available resources by those who come in regular contact with small businesses. An effort should be made to include on such a list merchant associations, small business trade associations, and small business advocates.

## ***A.3 Accessing City Programs, Incentives and Contracts***

### **A.3.1 Promote City programs, incentives and contracting opportunities**

SBAC staff should actively promote the many city-administered and city-funded programs designed to assist small businesses, the business incentive programs that the City offers, and opportunities for small businesses to contract with the City. Staff should work with other city departments to create, translate and distribute easy to read flyers about each of these programs.

### **A.3.2 Emphasize the most valuable incentives**

SBAC should identify a short list of the city programs and incentives that offer the greatest value or are most significantly underutilized by small businesses and focus promotion efforts on these items. Programs to support local small businesses in contracting with the City should be included in this short list. SBAC should track utilization of this short list of programs and include this information in its regular reports, including the number of local small businesses successfully securing contracts with the City. The SBAC's promotion efforts should measurably increase utilization of these programs over a relatively short period of time. Promoting a handful of programs should increase utilization of other programs as well.

### **A.3.3 Offer case management support for incentive programs and contracting opportunities**

While in most cases simply pointing businesses in the direction of incentives that they are likely to qualify for will be sufficient, the SBAC business counselors should be available as needed to provide one-on-one assistance to small businesses in accessing city programs and contracting with the City. The SBAC should help organize additional workshops to help businesses access contracting opportunities with the City and take advantage of existing contracting programs. In addition, the Center should consider whether small group workshops focused on specific incentives such as workforce incentives, etc. would be effective.

### **A.3.4 Incorporate incentive programs into permit and approval flow chart/custom checklists**

The business counselor interview protocol should incorporate questions to determine likely eligibility for many city incentive programs, and information about these programs should be included in custom checklists generated for businesses requesting assistance. Incentives and financing programs offered by state and federal agencies could also be incorporated into this system.

## **A.4 Advocacy/Streamlining**

A key goal for the Office of Small Business shared by all stakeholders interviewed was that the Office would facilitate changes to the City's cumbersome permit and approvals system and encourage simplification of the many regulations with which small businesses must comply.

### **A.4.1 Streamlining**

Proposition I calls on the Office of Small Business to issue a report within its first four months which "analyzes the existing laws, regulations, roles, procedures and responsibilities of all city departments that impact small businesses and makes recommendations regarding the streamlining and consolidation of such departmental functions under the Office of Small Business." While streamlining and consolidation should be seen as key priorities for the Office of Small Business, the four-month requirement for this task may underestimate the challenge. While it might be possible to deliver such a report in four months, meaningful change to such an important and widely distributed system will take far longer. The Small Business Commission's streamlining report recommended creating a task force to coordinate a streamlining initiative but acknowledged that this process would likely require a year or longer.

As part of this effort, the office should focus first on mapping the existing business authorization system; tracking the time and expenses associated with the current system; and identifying bottlenecks, conflicts and potentially unnecessary steps in the current system. Building this kind of "system of systems" will make it possible for staff, small business advocates, members of the Small Business Commission and the Board of Supervisors and others to understand the magnitude of the problem and gauge the rate of any improvements.

### **A.4.2 Include advocacy as an ongoing responsibility**

Office of Small Business staff should immediately create a flowchart/roadmap of the existing small business authorizing system and should report on the status and some of the challenges of the current system within the first four months. From there forward, streamlining should be seen as an ongoing process and a regular function for the Office of Small Business. Staff should use data from the Office's tracking system to identify bottlenecks, problems and opportunities for streamlining the business authorization system including potential changes within departments and improved coordination between departments, and should report on these issues to the Small Business Commission, Board of Supervisors and other stakeholders on a regular basis. This ongoing tracking itself should create significant pressure for change.

### **A.4.3 Plan for a more intensive streamlining process**

The Office of Small Business should develop plans for a more comprehensive streamlining process once basic data systems are in place. A multi-agency task force is likely necessary to seriously consider significant proposals for streamlining and consolidation. Part of the planning for this process should be consideration of whether a

coordinated streamlining process involving multiple departments at a high level would require additional staffing, consultants and budget resources.

## **B Intake and Tracking**

The SBAC should develop a uniform and consistently implemented system for tracking businesses that seek assistance from the center to facilitate reporting on the number of clients served, the types of businesses that they operate and the frequency of each different type of request for assistance. When referrals are made to outside resource agencies, the SBAC should track the referral that was made in a way that allows consistent follow-up for quality control purposes. For businesses that seek assistance with city permits and approvals or city incentives, the SBAC should track their success in accessing these services as well as any problems that they experience.

### ***B.1 Intake Logs***

Tracking of requests for assistance will be essential to both evaluating the effectiveness of the center and understanding the needs of San Francisco's small businesses. The center should develop a simple and easy to use system for logging calls/office visits and tracking their number and type over time. The system must be very low-impact so that tracking does not slow the Business Counselor's response to inquiries. The system should capture at least the following data:

- Name of Business
- Name of Caller
- Type of Business (from a predefined list)
- Method of inquiry (Call, Visit, E-mail, Web)
- Date of Call/Visit
- Question/Request
- Referrals (who were they referred to, may include more than one resource)
- Status/Resolution

Ideally this data would be captured into a computer data system at the point that assistance is provided, but a system of paper based logs should be produced and available whenever direct entry into the computer would be challenging. If staff determines that the computer interface is interfering with client service, then paper logs should be used and entered into the computer at a later date.

In some cases businesses, that are referred to outside agencies or other city departments for services will call the Center again with follow up questions. The system should allow the business counselors to quickly find records of all previous service to the same business. In some cases the clients will be calling back because either the client was referred to the wrong resource or the resource agency was not able to adequately assist the client. In either case, business counselors should be able to indicate this problem in the tracking system along with any subsequent referral.

### **B.1.1 Proactively follow up with selected businesses**

Clients for all services should be encouraged to call back and speak to their assigned business counselor in the event that they experience delays or problems with any of their required permits or approvals, need additional referrals or have other questions. At the time of the initial consultation, business counselors should identify clients that are likely to benefit from follow-up support and call these clients back at a predetermined interval. In most cases, clients requesting assistance in navigating the city permit and approval process should be flagged for proactive follow-up. In addition, business counselors should make follow-up calls to a randomly selected subset of other clients to determine whether they need further assistance.

### **B.1.2 Follow-up survey**

The Center should systematically seek feedback from businesses that receive assistance from the Center. Staff should develop and administer simple follow-up surveys that can be mailed/mailed to each client one month after each consultation. Results of these surveys should be used to track client satisfaction with the Center or any outside resources utilized, and to collect information about small business experiences with the City's permit and approval systems. Data pertaining to outcomes with outside resource agencies needs to be integrated with the referral database so that business counselors can see records of previous problems (or successes) when they are making new referrals. Some portion of these follow-up surveys may be able to be collected through a web-based survey tool in order to reduce administrative burdens, however many business operators are likely to prefer paper surveys.

The intake system should automatically generate survey forms with business name, type of business, date of call, and any referrals made. Clients should be asked to provide feedback on the quality of service from the SBAC, the appropriateness of any referrals made, their satisfaction with the service provided by the organization that they were referred to. They should also be asked whether the problem that motivated their call to the SBAC was ultimately resolved and whether they identified other resources that should be included in the SBAC database.

Along with this simple follow-up survey, the SBAC should develop and administer a follow-up survey (or additional component added to the basic survey) specifically for businesses that requested assistance with permitting and approvals. The survey should seek feedback on the overall permit and approval process, satisfaction with the other departments that the client worked with, and information about the time and cost of receiving required permits and approvals. The survey should ask about problems that clients experienced anywhere in the process. If data on the time required to receive each permit can be collected consistently over a significant period of time, the Center will be in a better position to advise businesses as they plan for the approval process. This same information will obviously be useful in advocating for streamlining the City's procedures.

It may be difficult to collect feedback data from businesses after the fact and if response rates for the follow-up surveys are low, the business counselors should contact a random selection of businesses and administer the surveys by telephone. The follow-up feedback system should also allow SBAC business counselors to enter feedback about problems with the permitting and approvals system or specific outside resource agencies whenever they encounter them in the course of their work with small businesses.

### **B.1.3 Conduct surveys on a rolling basis rather than annually**

Proposition I calls on the Office of Small Business, in coordination with the Controller's Office, to "create and administer an annual survey of small businesses that use the Small Business Assistance Center to evaluate the Center's performance in serving small businesses." While this survey could be administered annually, it may be more effective to administer the surveys on an ongoing basis at a predefined interval after each business receives service.

## **C Data Systems**

Much of the success of the SBAC will rest on the effectiveness of the Center's data management systems. The City invested in the development of the SF Biz Info system, which included a data tracking system. Staff of the Small Business Commission receive calls from the SF Biz Info 800 number and they are successfully resolving these questions, but they are not currently using the data system. As a result there is no comprehensive tracking of what types of businesses are calling most frequently or what problems they are calling about.

One of the Office of Small Business's very first actions should be to identify a data systems consultant who can work closely with staff to select appropriate Customer Relationship Management (CRM) and Business Process Management (BPM) software and then to customize those systems to support the Center's staff and track small business outcomes. The consultant should be engaged on an ongoing basis to design the systems and to modify them based on the experience of staff in implementing the systems over an initial period of 18 months or longer. The City's Department of Telecommunications and Information Services (DTIS) may be able to offer this type of consulting support on a fee for service basis.

The SBAC has three separate but related data system needs:

1. A database of outside resources that support small businesses
2. A system for tracking intake and follow-up with businesses that request assistance
3. A "rules engine" system for identifying the key steps, requirements and timeline for required permits and approvals, as well as city programs and incentives available to small businesses.

While there may be strong benefits to integrating all three needs into a single system, such integration could greatly increase overall complexity and significantly slow

implementation. However, integrating systems 1 and 2 may be more immediately feasible and will have the immediate impact of facilitating a feedback loop between customer satisfaction with each outside resource and future referrals. While the information related to navigating the permit and licensing process is different in some respects from information about accessing programs and incentives, both require a very similar underlying structure. Both city permits and city incentives have complex requirements and require detailed questionnaires to determine whether they apply to any given business. The City is currently using the Lagan FrontLink CRM system for the 311 customer service center. This application could be quickly and easily adapted to meet the SBAC's needs for intake, tracking and referral. Lagan also sells a "rules engine" which might meet the SBAC's needs, but several other vendors should be evaluated as well to select the one will be most quickly and easily adapted to the SBAC's specific needs.

### ***C.1 Resource and Referral System***

SBAC staff need access to a comprehensive database of small business resources for the purpose of resource and referral. For each resource, the database needs to track at least:

- Name of Resource
- Type of Resource
- Description
- Contact person(s)
- Eligibility (i.e., what businesses will be able to access this resource)
- Date record was updated
- Outcomes from previous referrals

### ***C.2 Client Intake and Evaluation System***

SBAC staff need a flexible yet easy to use system for tracking businesses that request assistance, the nature of assistance offered, any referrals made and feedback received from businesses after the fact. (See B above for more information)

### ***C.3 Permitting, Approvals, Programs and Incentives Workflow***

Based on complex workflow information from various departments, the Office of Small Business should develop an interview protocol that generates a check list of required permits and approvals and also a recommended list of programs or incentives customized to the circumstances of each small business client. These two needs can best be met by a single application that would, for example, use information about the location of the business to determine zoning requirements as well as eligibility for geographically-targeted incentive programs. There are a number of software systems (known as "rules engines") which allow users to enter information about detailed rules and then compare those rules to the specific circumstances of a given client to determine which rules apply. While the task of selectively entering the rules of the many city permits, licenses, programs and incentives will be challenging, adapting an existing software system for this purpose should be relatively simple.

Eventually this system could be offered online for direct use by small businesses. In addition, NEDOs and other city staff could be cross-trained in the system so that these key people could assist businesses in generating custom checklists lists.

## **D Coordination with Other Agencies**

### ***D.1 Coordinate with business “authorizing agencies”***

The Small Business Assistance Center will need to work closely with city departments that issue permits or authorizations, or offer incentives to small businesses including, but not limited to, the following:

- Treasurer/Tax Collector
- Assessor/Recorder
- County Clerk
- Department of Building Inspection
- Department of Public Works
- Fire Department
- Police Department
- Entertainment Commission
- Arts Commission
- Department of Parking and Traffic
- Planning Department
- Department of Public Health

The Center will need to coordinate with these departments to ensure that Center staff are providing accurate and timely information and to ensure that small businesses are able to access programs and receive approvals without unnecessary delays or complications.

#### **D.1.1 Don’t attempt a “one stop center”**

One of the key questions in the development of the SBAC is: To what extent can the SBAC streamline the permit and approvals process in order to reduce the number of steps that a business must take to receive the necessary authorizations? Ideally the SBAC would not only provide information about the permitting process, but would actually make that process easier for small businesses.

However, SBAC staff, no matter how well trained and supported, will not be able to issue building permits, business licenses, health permits or any of the many other approvals that small businesses must seek. While the SBAC staff can help businesses understand the many departmental requirements, the departments must retain sole responsibility for determining whether businesses have actually met those requirements. The various city departments charged with approving these permits each have specialized skills and procedures for this purpose.

Some cities have attempted to address these challenges by co-locating key line staff from the key departments serving small businesses under one roof in order to make applying for various permits possible in one trip without removing essential departments from the authorization process. Limited versions of this model have also been suggested for San Francisco. While there may be real benefits to this approach, any staff assigned to a small business assistance center would necessarily be taken away from their home department's on-site customer service capacity, unless additional staffing resources were created for these departments. Furthermore, unless the representatives from planning, DBI or the health department were available at the time that the business came in for their initial consultation with the SBAC staff, a return trip at a later date might not be easier than simply visiting the appropriate departments directly.

### **D.1.2 Strengthen and support “liaison” relationships**

While co-location of staff may not be feasible, it is essential that SBAC staff develop personal relationships with key staff in each of the authorizing departments in order to be effective in supporting small businesses that experience difficulties with those departments. Each of the departments identified a liaison for the purpose of SF Biz Info, and the staff of the Small Business Commission frequently call on these liaisons to resolve problems that small businesses experience. This is the right approach and this system should be strengthened and expanded to support the Small Business Assistance Center.

The Mayor should ask each department to review these liaison assignments to ensure that the appropriate staff have been identified. These staff should be available to resolve non-routine problems experienced by SBAC clients. Each department should also ensure that staff are supported and allowed time to perform this important responsibility, and that the role is formally acknowledged in job descriptions and employee review processes.

### **D.1.3 Identify and support language-skilled liaisons**

Language barriers are a key source of difficulty for small businesses seeking permits and approvals from the City. Many small business operators have limited English proficiency. While the SBAC can offer some support to clients with limited English, ultimately many of these businesses will need to directly communicate with other city departments. Because San Francisco is a diverse community, many key city staff are multi-lingual. City staff and NEDOs report that they are often able to informally refer small business operators with limited English to staff in other departments who they happen to know possess the appropriate language skills. This approach could be formalized if departments identified liaisons with specific language/cultural backgrounds and made these staff available to the SBAC to troubleshoot for limited English-proficiency clients experiencing problems with their department. The SBAC should track utilization of this system to ensure that departments were not overburdened and to plan for future demand.

#### **D.1.4 Coordinate face-to-face interactions with authorizing departments**

The SBAC should build close relationships with these liaisons and coordinate face-to-face interaction with these liaisons when possible. The SBC's streamlining report recommended organizing regular brownbag lunches to bring these key staff people together in person. Staff from NEDOs, business and trade associations and others who regularly work with small businesses should be included in these events as well. One option would be to focus the discussion on the needs and challenges of a specific business type for each meeting. Thus the meeting might bring together all of the agencies that approve or support health care businesses one month and restaurants another month. In addition to building the personal relationships that are essential to successful problem resolution, these sessions could help SBAC staff to better understand the reasons that businesses run into problems and identify opportunities to streamline the system in the future. Additional interaction with department staff and others will also increase the number of referrals to the SBAC.

#### ***D.2 Coordinate with DTIS and 311***

San Francisco's Department of Telecommunications and Information Services (DTIS) manages information systems for the City's new 311 customer service center. DTIS manages a Customer Relationship Management (CRM) system for 311 based on the Lagan Front Link application. The CRM system allows 311 operators to log calls from the general public and track the status of requests for service. DTIS is in the process of integrating city departments into the 311 system to improve the ability of 311 operators to provide direct services to citizens. The infrastructure (both human and technical) behind 311 can be leveraged to support the new Small Business Assistance Center. 311 operators can and should continue to field many small business questions and complaints. The Office of Small Business should assist DTIS in building out additional resource "screens" to enable 311 operators to resolve common small business complaints. As part of this process the OSB staff should help develop a set of questions that 311 operators could ask to screen for businesses who could benefit from more personal assistance. The current 311 systems should be expanded to allow 311 operators to schedule individual appointments with SBAC Business Counselors (or refer callers to Counselors for follow up). In addition the 311 system should be modified to allow operators to track and report on whether callers are small business operators and collect basic information such as type of business.

The SBAC's intake and referral system (See C1 and C2 above) will require a technical infrastructure similar to the current 311 system. While it may be possible to extend the current system to meet the SBAC's needs, it is likely that a separate database will be necessary. It would be possible for DTIS to create an independent application using their existing 'FrontLink' software which appears to be capable of doing everything that the SBAC would need. The city currently owns licenses for this system and DTIS staff are proficient at customizing the system. The Office of Small Business could contract with DTIS to plan and build the client intake and referral system described above.

### ***D.3 Refer to and support the NEDOs***

The Mayor's Office of Community Development provides funding to 12 Neighborhood Economic Development Organizations (NEDOs). These organizations currently provide in-depth technical assistance to small businesses that are considered likely to provide job opportunities to lower-income residents of San Francisco. There is no need for the SBAC to replicate the services of these organizations. While the SBAC is intended to serve a much broader segment of businesses (those with up to 100 employees) most of the businesses in need of in-depth business planning or financial assistance are likely to be those who would qualify for NEDO services, and the SBAC should expect to routinely refer these businesses to the appropriate NEDOs for service. The center should also actively promote training and other resources offered by the NEDOs.

To the extent that the SBAC is effective in its outreach efforts, the existence of the Center may result in additional caseloads for the NEDOs. The SBAC should work closely with MOCD to ensure that the NEDOs have sufficient resources to meet this demand. In addition, several of the NEDOs are currently spending scarce staff time helping their small business clients to navigate the city permitting and approval process. The SBAC should prioritize providing support to the NEDOs and their clients in this area, in order to reduce the burden of this function on the NEDOs.

NEDOs should be able to rely on SBAC staff with appropriate language and cultural skills to assist NEDO clients with any permitting, approvals, and accessing of city programs and incentives. This service should be offered directly to NEDO clients or indirectly through the NEDO business counselors if they prefer to call on the client's behalf. SBAC staff should be charged with facilitating regular communication with NEDO staff and soliciting their feedback.

### ***D.4 Coordinate with MOCD and SFRA to Track NEDO Services***

The services of the NEDOs vary quite a bit from one agency to another, and each agency has a uniquely defined set of criteria for prioritizing recipients of assistance. The system of NEDOs provides in-depth assistance for certain types of businesses (example childcare businesses, woman-owned microenterprises, etc.); some programs are focused on geographic or cultural groups while other are focused on specific industries. These specific targets seem to result more from the capacity and objectives of the NEDOs than from any strategic priorities of the City. Each NEDO has its own mission and, in most cases, funding from the City is only a small factor in the program budgets. The resulting priorities may well be exactly what the City would choose, and there would probably be little value in creating a perfectly "rational" system where, for example, every neighborhood had a geographically-focused organization.

However, by creating a system for tracking the types of business that request assistance and following up to track outcomes for those businesses, the SBAC will inevitably identify gaps in the current system of business support - both business types that are not well served, types of assistance that are not currently available, or geographic areas that could benefit from on-the-ground services. The SBAC should be expected to work

closely with the economic development staff of MOCD and the San Francisco Redevelopment Agency to clarify the specific services offered by each NEDO, track referrals to those services and client satisfaction with the services offered, and to ultimately improve the capacity of the overall NEDO system.

### ***D.5 Coordinate with NMI and CBD Programs***

The Mayor's Office of Economic and Workforce Development provides funding and technical support to Neighborhood Marketplace Initiatives (NMI) commercial revitalization programs targeting underserved neighborhoods throughout the City. MOEWD also supports Community Benefits Districts (CBD), which are funded through special assessments and provide services to strengthen neighborhood commercial districts where they are in place. The district managers who staff these NMI and CBD programs are regularly called upon to support the businesses in their districts. These managers should be asked to help the SBAC target outreach efforts to businesses located on their corridors. The SBAC should prioritize assistance to these businesses and should be available to support the district managers as they work directly with local businesses. In some cases NMI/CBD staff may refer businesses to the SBAC for assistance but other times they may prefer to call the SBAC on behalf of local businesses that are experiencing problems with permits or other city services.

## **E Outreach**

### ***E.1 Manage an Ongoing Outreach Campaign***

Many businesses currently contact the Small Business Commission or call SF Biz Info for assistance even though there is currently very little coordinated outreach promoting this resource. Once additional customer service capabilities are in place, the City needs to do a better job of letting businesses know that help is available. The SBAC should cast a very wide net to identify businesses that could benefit from additional services and support. In addition to marketing city programs and incentives and the availability of SBAC business counselors to assist with permitting and approvals and contracting with the City, the Center should advertise its most common assistance requests.

However, the SBAC should be careful to time its outreach efforts to coincide with its growing capacity to provide services.

**Phase 1:** As soon as business counselors are hired, the SBAC should undertake an outreach effort to ensure that city departments, NEDOs, NMI and CBD staff, and other key small business stakeholders are aware of the Center and its services.

One key source of outreach for the center should be the 12 city departments that issue permits or approvals for small businesses. Line staff at each of these departments should be trained in the services that the SBAC provides and expected to identify potential clients to refer to the SBAC.

**Phase 2:** The Center should plan and conduct a significant publicity campaign targeting small business operators and would-be small business operators in multiple languages as soon as the Center's data systems are fully operational and all business counselors have been hired and trained. It is important not to promote the Center too extensively before the staff and systems are in place to provide excellent service. Much of the success of the center will ultimately rely on positive word of mouth, and if the initial clients are not well served, negative perceptions will be very difficult to overcome later.

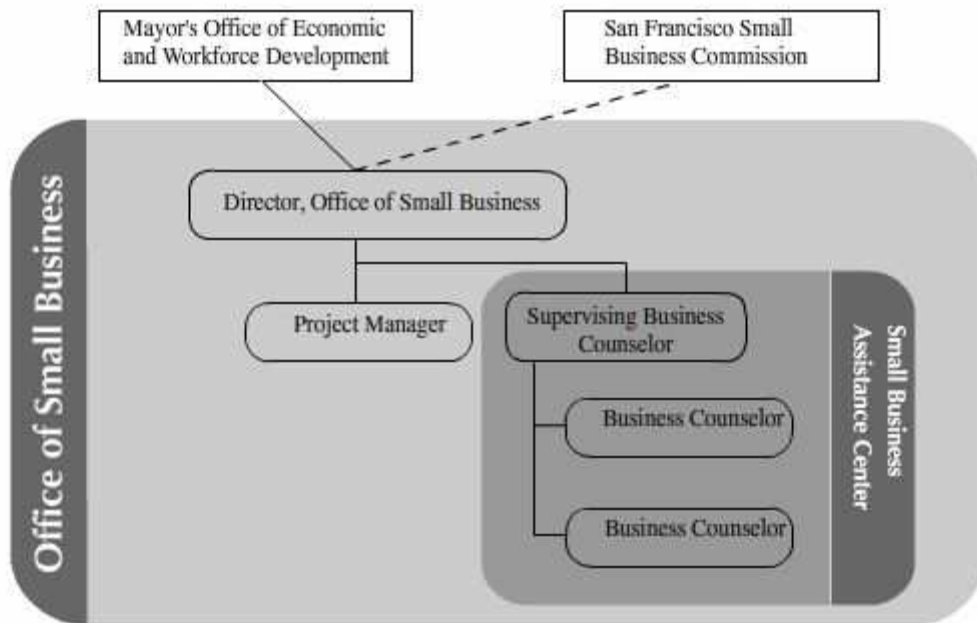
## ***E.2 Location of SBAC***

The Small Business Assistance Center should be located inside the Treasurer's Office on the first floor of City Hall. While there is no perfect location, this option offers the greatest visibility and convenience for small business clients. Many thousands of small business operators visit this office each year. The SBAC should have a visible "counter" within the Treasurer's Office as well as signage and accessible literature explaining the services offered by the Center in multiple languages.

## **F Staffing**

The Office of Small Business has two very distinct types of staffing needs.

The Director of the Office of Small Business should be supported by a staff of five full-time employees. Three of these positions should be the business counselors assigned to the Small Business Assistance Center providing day-to-day client case management directly to small businesses. Two additional project managers should coordinate the development of systems and resources to support the business counselors, oversee tracking and reporting, and provide policy analysis and support to the Director and the Small Business Commission. See the following diagram.



## **F.1 Business Counselors**

The Small Business Assistance Center should be staffed by three full time business counselors. One of these positions should be a “Supervising Business Counselor” who, in addition to providing direct client case management, oversees the work of the other counselors. All of the business counselors should be responsible for:

- Providing one-on-one counseling (by phone and in person) to San Francisco small businesses, including:
  - Providing referrals to appropriate outside resources based on each client’s specific needs and circumstances
  - Assisting businesses in understanding city regulations and requirements and generating customized checklists of applicable permits, approvals, requirements and potential incentives for clients
- Tracking requests for assistance
- Following up with businesses that seek assistance to ensure that their problems are resolved
- Coordinating with other city agencies whenever necessary to facilitate the issuance of permits and approvals for clients
- Ensuring that clients are informed about incentive and support programs and opportunities for contracting with the City

- Identifying and reporting barriers that small businesses are facing in receiving permits and approvals or accessing city programs, incentives or contracts
- Participating in the design and development of information systems to improve service to small businesses
- Participating in efforts to streamline and improve San Francisco's permitting and approvals systems
- Participating in outreach efforts to promote the SBAC

The Supervising Business Counselor would also be responsible for:

- Participating in the hiring and evaluation of business counselors
- Monitoring the quality of counseling provided by the business counselors
- Identifying resources necessary to support and improve the work of the business counselors
- Ensuring that business counselors are tracking client services as they are provided

## ***F.2 Project Managers***

Two project managers will support the Office of Small Business's program and policy analysis functions including:

### **Development and Management of Information Systems**

- Coordinate the work of consultants and information systems vendors to create the information systems necessary for the effective operations of the Small Business Assistance Center.
- Ensure that the business counselors are using the intake and tracking system and that data generated by the system addresses appropriate policy goals.

### **Resource Development**

- Collect information from outside agencies and organizations that provide services to small businesses and compile this information into a resource database for referrals by business counselors.
- Work with a consultant to develop a complex flow chart identifying the key requirements of all city permitting and approval agencies and selected city incentive programs.
- Refine and expand both the resource database and the permitting, approvals and incentives flow chart on an ongoing basis.

### **Reporting**

- Monitor the SBAC intake and tracking system and provide regular reports to the Director, Small Business Commission and other stakeholders on the number and type of business assistance requests that the Center is responding to and the satisfaction of clients with the services provided.
- Assist the Director with the preparation of a report on the overall system of laws, regulations and permits impacting small businesses with recommendations for future efforts to streamline and consolidate these systems within four months of the hiring of the Director of the Office of Small Business.
- Assist the Director with the preparation of semi-annual reports to the Small Business Commission and Board of Supervisors

### **Policy Development**

- Based on data collected by formal systems and informal feedback from business counselors and other stakeholders, maintain a list of the key barriers and challenges that small businesses face in accessing city permits, approvals, incentives or contracts.
- Identify strategies for removing these barriers, and/or streamlining existing systems to improve customer service to small businesses and simplify the City's policies and procedures
- Support efforts of the Director and the Small Business Commission to advocate for these changes

### **Supporting the Small Business Commission**

- Coordinate development of notices, agendas, supporting materials and minutes for Commission Meetings
- Monitor Board of Supervisors and Commission agendas and minutes for issues of concern to the Small Business Commission
- Coordinate existing initiatives of the Commission including Small Business Week and the Shop Local campaign

### **Outreach**

- Coordinate a comprehensive outreach campaign to make San Francisco small businesses aware of the services offered by the SBAC
- Coordinate regular meetings with authorizing departments, NEDOs and other small business stakeholders

### ***F.3 Director***

The Director will oversee the day-to-day operations of the Small Business Commission and the Small Business Assistance Center. Specifically, the Director will:

- Oversee implementation of programmatic initiatives and projects that serve to enhance the climate for small businesses in San Francisco
- Establish and maintain effective relationships with other City agencies, elected officials and other business organizations to help achieve the Office of Small Business' mission
- Represent the Office of Small Business' programs and point of view to public agencies, business support organizations, the media, and the business community
- Communicate regularly with the Small Business Commission, the Director of the Economic and Workforce Development department, the Mayor, and the Board of Supervisors
- Ensure Small Business Commission's staffing needs are met
- Identify advocacy opportunities for the Commission and coordinate participation of commission members in the legislative process
- Develop and manage the annual budget for the Small Business Commission and the Small Business Assistance Center
- Work with City staff, the Small Business Commission and other stakeholders to develop work plan and measurable objectives for Small Business Assistance Center
- Coordinate the development of on-line and other communications systems through which the Small Business Assistance Center will interface with the business community and City departments
- Advocate for policies that affect small businesses in San Francisco and work to increase services available to them
- Hire, train, and supervise staff
- Develop and maintain office systems
- Coordinate the physical establishment of the office

### ***F.4 Language/Cultural Literacy***

#### F.4.1 Hire multi-lingual staff

To the greatest degree possible, the business counselors and other staff of the Office of Small Business should be multi-lingual. At a minimum, Center staff should speak Spanish and Cantonese and be familiar with the cultural norms of these communities.

#### F.4.2 Work with City's office of language services to assist other limited English-proficient business operators

While many limited English-proficient clients will bring along a trusted translator when they visit the SBAC, the Center's ability to reach out to these businesses depends on its ability to communicate with them when they arrive. The Center should contract with the Office of Language Services for on-call translation services as needed. In addition, staff may also refer many limited English-proficient clients to the culturally appropriate NEDO for additional assistance, and in some cases this assistance might include helping the business access the services of the SBAC.

#### F.5 Locations of Staff

As discussed above, the Small Business Assistance Center should be located within the Treasurer's Office on the ground floor of City Hall. The business counselors should be assigned to desks in this location. The Director and two Project Managers should be located together adjacent to other MOEWD staff on the fourth floor of City Hall.

### G Budget

	FY 07-08	FY 08-09	FY 09-10
Director (0932)	53,647	131,327	135,267
Supervising Bus Counselor (1823)	37,765	92,449	95,222
Business Counselor (1844)	19,299	78,738	81,100
Business Counselor (1844)	19,299	78,738	81,100
Project Mgr (1844)	6,433	78,738	81,100
Project Mgr (1823)	-	67,977	95,222
Fringe Benefits	34,110	131,992	142,253
<b>Personnel Subtotal</b>	<b>170,552</b>	<b>659,958</b>	<b>711,264</b>
Equipment/Computers	25,000	5,000	5,000
City Hall Build Out	70,000	-	-
Professional Svces/Consultants	250,000	50,000	50,000
Materials/Supplies	10,000	10,000	10,000
City Atty	25,000	15,000	15,000
DTIS/Reprographics	55,000	7,500	7,500
<b>Total Budget</b>	<b>605,552</b>	<b>747,458</b>	<b>798,764</b>

## **H Preliminary Workplan**

[See next page]

FY 07-08	FY 08-09	FY 09-10
<p><b><u>Hiring and Administration</u></b>  Hire Director  Hire Supervising Business Counselor and Business Counselors  Hire one Project Manager  Contract for development of information systems</p> <p><b><u>SBAC Operations</u></b>  Begin offering business counseling services</p> <p><b><u>Resource Development</u></b>  Create comprehensive flow chart of permitting and approvals process  Build database of small business resources  Identify short list of high value incentive programs</p> <p><b><u>Data Systems and Reporting</u></b>  Launch intake and tracking system  Develop follow-up survey instruments  Produce four- month report</p> <p><b><u>Policy/Streamlining</u></b>  Begin tracking barriers and opportunities for streamlining and consolidation</p>	<p>Hire second Project Manager</p> <p>Grow number of businesses counseled</p> <p>Develop web expanded web resources</p> <p>Produce bi-annual reports (March and Sept)  Refine intake and follow up system  Produce bi-annual reports (March and Sept)</p> <p>Advocate for specific systems improvements</p> <p>Plan for coordinated streamlining project</p>	<p>Maintain staffing</p> <p>Grow number of businesses counseled</p> <p>Create online permits and licensing ‘wizard’</p> <p>Produce bi-annual reports (March and Sept)</p> <p>Manage Streamlining project</p>

**Outreach**

Open SBAC in Treasurer's Office  
Targeted outreach to stakeholders and small  
business serving organizations  
Plan broader outreach campaign

Launch coordinated outreach campaign  
Produce promotional materials  
Coordinate ongoing outreach and promotion efforts

Coordinate ongoing outreach  
and promotion efforts

## Appendix I: Text of Legislation

Section 1. The San Francisco Administrative Code is hereby amended by adding Section 2A.241, to read as follows:

**SEC. 2A.241. OFFICE OF SMALL BUSINESS.**

(a) **Duties and Functions.** *The Office of Small Business, which shall be a City department under the direction of the Small Business Commission, shall perform the following functions to assist small businesses located in San Francisco with a total workforce of 100 or fewer fulltime employees:*

1. *Centralize and coordinate the information and advice services to small businesses managed by other City departments.*
2. *Operate a Small Business Assistance Center, which shall support the full diversity of San Francisco's small businesses with information concerning:*
  - (A) *business structure and formation, obtaining necessary licenses, accessing financial resources, and finding appropriate real estate;*
  - (B) *obtaining City permits;*
  - (C) *bidding on government contracts and participating in the City purchasing process;*
  - (D) *complying with government laws and regulations; and*
  - (E) *adopting "green" and sustainable business practices.*
3. *Perform such other duties and functions to benefit small businesses as directed by the Small Business Commission or as assigned by the Mayor under Charter section 4.132; and*
4. *Report by March 1 and September 1 of each year to the Mayor and Board of Supervisors on the numbers of small businesses served by case managers and the Office of Small Business, types of services provided, numbers of small businesses obtaining City contracts and their dollar amount and on other performance measures as determined by the Small Business Commission.*

(b) **Assistance and Support from Other Departments.** *The following City departments shall provide information and staff assistance to the Office of Small Business regarding compliance with the laws and regulations administered by their departments that impact small businesses: Assessor, Building Inspection, Environment, Fire, Human Rights Commission, Mayor's Office of Community Development, Office of Labor Standards Enforcement, Parking and Traffic, Planning, Police, Public Health, Public Works, Purchasing, Treasurer/Tax Collector, and such other departments as directed by the Mayor. Within four months of the initial hiring of any new staff, the Office of Small Business shall issue a report that analyzes the existing laws, regulations, roles, procedures and responsibilities of all city departments that impact small businesses and makes recommendations regarding the streamlining and consolidation of such departmental functions under the Office of Small Business.*

(c) **Annual Survey.** *The Office of Small Business, in coordination with the Controller's Office, shall create and administer an annual survey of small businesses that use the Small Business Assistance Center to evaluate the Center's performance in serving small businesses.*

Section 2. **Uncodified Provisions for FY 2007-08.** The following uncodified provisions are also adopted as part of this initiative ordinance:

(a) **Staffing for FY 2007-08.** During fiscal year 2007-2008, the Office of Small Business shall be staffed, at a minimum, with the following personnel: a Director (0961 Department Head I), a Deputy Director/Community Outreach Manager (1824 Principal Administrative Analyst), and three Case Managers (1823 Senior Administrative Analyst) who shall act as liaisons between city departments and small businesses, in addition to existing personnel assigned to the Small Business Commission.

(b) **Funding for FY 2007-08.** The City and County hereby appropriates \$750,000 to fund the first year of operations of the Office of Small Business and the Small Business Assistance Center. The Controller is hereby authorized and directed to reflect the budgetary impact by transferring amounts from any legally available funds.

## Appendix II: Interviews Conducted

Small Business Commission Director	Agnes Briones Ubalde
Small Business Commission Secretary	Martha P. Yanez
Small Business Commissioner	David Chiu
Small Business Commissioner	Michael O'Connor
Small Business Commissioner	Jordanna Thigpen
Small Business Commissioner	Florence Alberts
Small Business Commissioner	Gus Murad
Small Business Commissioner	Dr. Raye Richardsom
Small Business Commissioner	Richard Ventura
San Francisco Small Business Advocate Member	Bruce Bonacher
San Francisco Small Business Advocate Executive Director	Pat Christensen
Director of Chamber of Commerce	Rob Black
Small Business Owner – Brownie's Hardware, San Francisco Council of District Merchants Association	Stephen Cornell
Small Business Advocate, Small Business Owner of Pet Camp	Mark Klaiman
National Small Business Association Vice Chair for Advocacy, President of Cal Insurance and Associates, Founder of Small Business California, San Francisco Small Business Advocate Member	Scott Hauge
Board of Directors of the Chamber of Commerce, and co-Chair of the Small Business Advisory Council of the Chamber	Clifford Waldeck
Mayor's Office of Community Development, Capital and Economic Development Program Director	Christina Garcia
Mayor's Office of Community Development, Senior Community Development Specialist	Astrid Zometa
Mayor's Office of Community Development, Senior Community Development Specialist	Trina Villanueva
Mayor's Office of Community Development, Community Development Specialist	Patricia Medina
Former Mayor's Office of Community Development Staff, currently Deputy Director of Real Estate at Port of San Francisco	Susan Reynolds
Mayor's Office of Economic and Workforce Development, Project Manager of Community Benefit Districts	Lisa Pagan

Mayor's Office of Economic and Workforce Development, Project Manager of Business Affairs	Todd Rufo
Department of Planning, Planning Officer	Jonas P. Ionin
Department of Public Health, Senior Health Inspector	Edward Walsh
Aide to Supervisor Ross Mirkarimi	Regina Dick-Endrizzi
Treasurer/Tax Collector, Manager - Taxpayer Assistance & Passport Services	DJ Dull-Mackenzie
Treasurer/Tax Collector, Chief Assistant Treasurer	Pauline Marx
Department of Telecommunications and Information Systems Staff	Richard Isen
Department of Telecommunications and Information Systems, Manager Customer Relations Management for 311	Jay Nath
Department of Telecommunications and Information Systems, Senior Business Analyst	Alissa Black
311 Deputy Director	Nancy Alfaro
San Francisco Planning and Urban Research (SPUR)	Egon Terplan
Small Business Administration	Mark Quinn
Small Business Owner – Straight Forward Boxing Gym	Ben Baustista
Small Business Owner – Morty's Deli	Doug Sonn
Small Business Owner – Produce on Polk	Harry Lee
Small Business Owner – Café Abir, Tsunami Sushi and Sake, NIHON Whisky Bar	Musa Dajani
Small Business Owner – Hong Kong Hair and Nail	Pak Kwong
Seattle Small Business Center Advocate	Kris Effertz
Manager of Planning and Policy, Philadelphia Department of Commerce	Sara Merriman
Visitacion Valley Business Outreach & Opportunities for Merchants, Neighborhood Marketplace Initiative	Crezia Tano
Ocean Avenue Revitalization Collaborative, Portola Neighborhood Steering Committee, Neighborhood Marketplace Initiative	Ling Liang
Excelsior Action Group, Neighborhood Marketplace Initiative	Cristy Johnson
Third Street Commercial Corridor Program, Neighborhood Marketplace Initiative	Antoinette Mobley
Divisadero Street Commercial Corridor Program, Neighborhood Marketplace Initiative	Lisa Zahner
Polk Street Commercial Corridor Program, Neighborhood Marketplace Initiative	Holly Lung
Tenderloin Economic Development Project, Neighborhood Marketplace Initiative	Julian Davis
Renaissance Center, CEO	Sharon Miller
Children's Council Center, Child Development Specialist	Kendall Jones
Children's Council Center	Vilma Molina

Small Business Development Center (SBDC), Director	Al Dixon
Southeast Asian Community Center (SEACC), Director of Business Development	Richard Wada
Northeast Community Federal Credit Union (NCFCU), Financial Analyst	Perry Zhang
Women's Initiative/Self Employ (WISE), Marketing Communications Manager	Justina Cross
Urban Solutions, Small Business Services Director	Helen Branham
San Francisco LGBT Community Center, Business Assistance Specialist	Tracey Williams
Filipino American Development Foundation, Community Development Strategist, and former executive director of Pilipino Bayanihan Resource Center	MC Canlas