AMERICA'S SBDC TEXAS SOUTH-WEST

SBDC Frequently Asked Questions (FAQs)



Whether you are already in business or just starting out, your Small Business Development Center is ready to provide assistance.

Here are some commonly asked questions...*and answers!*

WHAT SERVICES DOES THE SBDC PROVIDE?

Professional business advising and group training workshops are available for existing business owners and aspiring entrepreneurs. SBDC offices are located on college and university campuses. Our team also travels to some rural communities. Meetings can take place in person and/or virtually.

WHAT FEES DOES THE SBDC CHARGE?

There is never a charge for our confidential, individualized advising. Training workshop fees range from no-cost to low-cost, depending on the topic.

I'M ALREADY IN BUSINESS, CAN THE SBDC HELP ME?

Yes! SBDC provides many services that help existing businesses address the growing pains and opportunities that can arise. Confidential advising sessions and training workshops are available on topics such as: identifying new customers/markets, using financial statements to make business decisions, managing employees, complying with government regulations, developing a practical social media plan, leadership, exporting, and more.

ARE SBDC AND SBA THE SAME THING?

No. SBDC receives a portion of its funding from the U.S. Small Business Administration (SBA). We work closely with SBA which, among other resources, has a guaranteed loan program (which works in tandem with commercial loans) and minority contracting programs. SBDC also receives funding from the State of Texas to support our mission of fostering small business success.

WHAT ARE SOME DIFFERENT FUNDING SOURCES?

Sources of money for your business might include one or more of the sources listed below. As a client of the SBDC, your Business Advisor can help explain the pros and cons of financial alternatives.

Common Sources
- Traditional Bank/Credit Union Loans
- SBA 7(a) Guaranteed & 504 Loans
- Investors
- Microlenders (LiftFund, PeopleFund)
- Financial or Strategic Partners
- Lines of Credit
- Trade Credit

Other Sources
- Personal Savings
- Retirement Accounts
- Crowdfunding
- Family and Friends
- Economic development corporation funds
- Factoring
- Credit Cards

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WHAT'S THE DIFFERENCE BETWEEN A FEASIBILITY STUDY, A BUSINESS PLAN, AND A FINANCIAL PROPOSAL?

A **Feasibility Study** tests your business idea to evaluate whether or not the product, service, or company is something that you can reasonably bring to the marketplace. A **Business Plan** helps define the operational, strategic, financial, management, and other details of your new or expanding business. Lenders often use the business plan as a foundation for a **Financial Proposal**, which further details how much money is being requested, what the money will be used for, and how it can be paid back with the future cash flow of the business. SBDC can help guide you with these strategies and more.

I HAVE A NON-PROFIT BUSINESS. CAN SBDC HELP ME?

Unfortunately, no. Because SBDC is an economic development progam, our funding relies on tax-supported appropriations. Therefore, we are mandated to only work with for-profit entrepreneurs.

ARE THERE GRANTS AVAILABLE TO HELP ME START OR GROW MY BUSINESS?

Grant programs are relatively rare for small business owners. In fact, most government grants are awarded to non-profit organizations or local governments, not to private companies.

For more information visit: www.sba.gov/funding-programs/grants

WILL THE SBDC DO ALL OF THE WORK FOR ME?

No. SBDCs are located within universities and colleges for a reason; it is our role to educate and guide business owners to make good, fact-based decisions such as providing instruction/insight on using the firm's financial statements to make wise decisions. When you roll up your sleeves to tackle a project with the SBDC, there are tools and strategies your SBDC Business Advisor can provide, but you've also got to follow through on the actions needed to accomplish your goal.

HOW DO I GET STARTED?

If you are still trying to decide on the right business to start, then a training workshop or SBDC orientation session is often the most productive first step. This can arm you with facts and generate questions that can be addressed later in an individual advising session. No-cost, online classes are also available.

If you have a specific business problem to tackle or an opportunity to explore, you can start by making an appointment to meet with one of our professional SBDC Business Advisors.

Ready to get started? So are we – contact your local SBDC today!

AMERICA'S SBDC
TEXAS SOUTH - WEST

TXSBDC.org

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