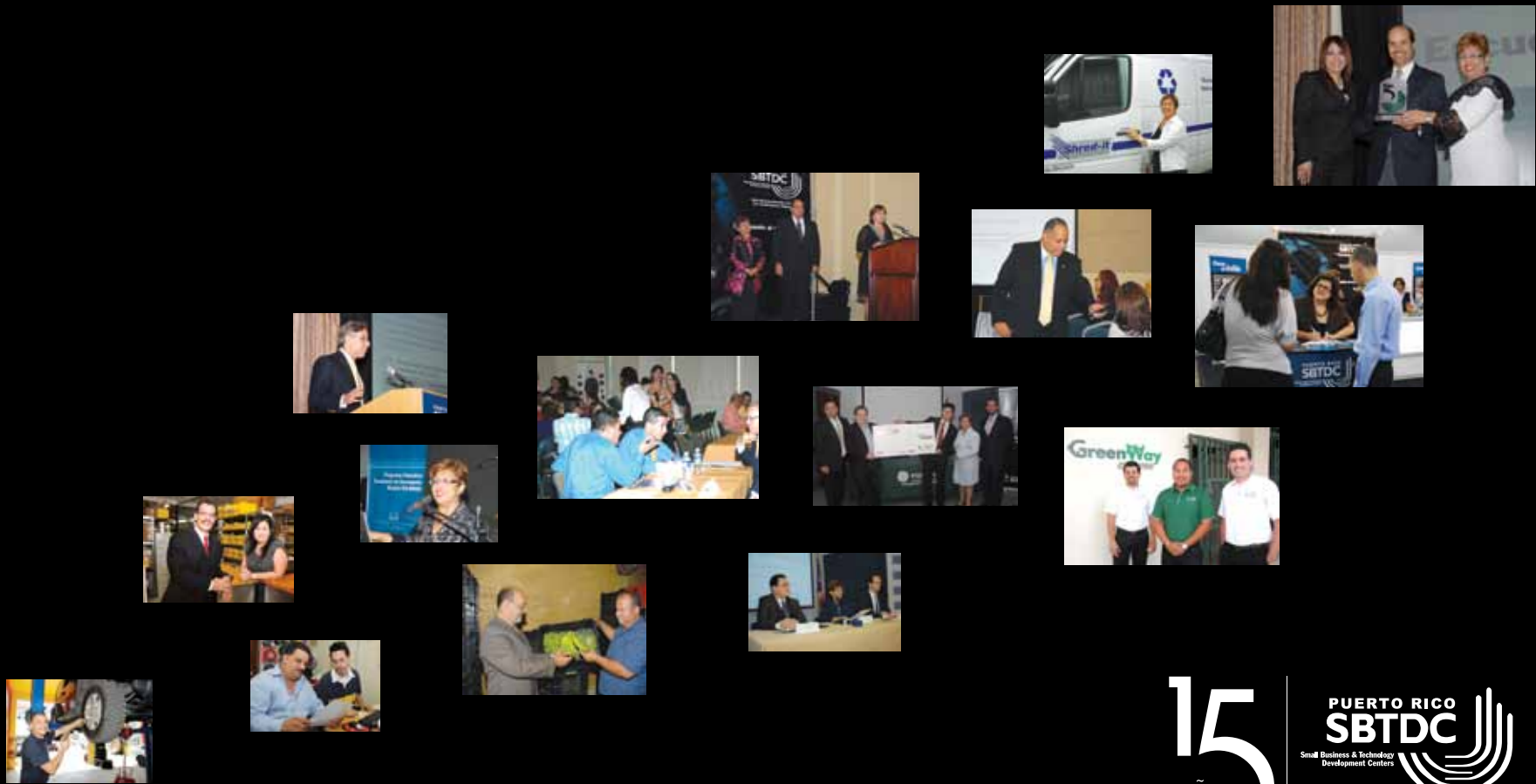


ANNUAL REPORT 2011 - 2012

15 Years of Commitment with the Entrepreneurial Community



15
AÑOS

PUERTO RICO
SBTDC
Small Business & Technology
Development Centers

Inter American University of Puerto Rico
U.S. Small Business Administration

1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011



OUR VISION

To transform Puerto Rico into an entrepreneur focused economy

OUR MISSION

To provide best business solutions and integrated and multidisciplinary management services to small businesses within an innovative, technological and global environment

OUR VALUES

Founded on the principles of achieving the utmost with Commitment, Respect, Integrity, Innovation and Excellence



The positive results of
Puerto Rico SBTDC Network
were based to a committed and
engaged team that executes
a well designed Strategic Plan



Message from the Executive Director

This year marks the 15th anniversary of Puerto Rico Small Business and Technology Development Center's (Puerto Rico SBTDC's) commitment with the entrepreneurial community. The 2011 was more than a year that celebrated past accomplishments, instead our collaborators focused on raising the bar of excellence in business solutions. The support of our key partners, the Puerto Rico SBTDC and its host institution, the Inter American University of Puerto Rico (IAUPR), and the cooperative agreement with the Small Business Administration (SBA), improved results with enablers, such as the Puerto Rico Industrial Company (PRIDCO), Caguas Municipality, the Puerto Rico Science, Technology and Research Trust and the Department of Agriculture of Puerto Rico.

This year 2011, a total of 1,578 distinct clients received technical and management counseling services. The training services included 216 events with 3,869 attendees for a total number of clients served through counseling and training programs amounting to 5,446 clients with satisfaction levels of over 90%.

The economic impact attributed to these services includes a total number of 156 financing applications and research and development proposals submitted, representing a total dollar amount of \$29,980,822. The total capital infusion including loans approved and obtained, owner investment, and others amounted

to \$32,128,311. In addition, assistance to nascent clients resulted in 99 new businesses and a total of 1,877 jobs created and 4,112 jobs retained for a total job impact of 5,989 jobs. Clients reported increased sales in the amount of \$61,377,214 for the period.

The Puerto Rico SBTDC continues to advance its strategic plan through its Balanced Scorecard Framework and web based software Executive Strategy Manager. Its aim is to achieve short and long term objectives and targets through major strategies. Its commitment towards a more comprehensive educational and training programs including the Baldrige Performance Excellence, Next Level, Fast Trac and Profit Mastery among other resources for global competitiveness, have resulted in effective solutions to our clients for long term sustainability. The data collection process, using the Center IC aligned to ESM, provides a systematic method for monitoring and analyzing results for decision making and innovations. The Puerto Rico SBTDC has positioned itself to meet the challenges and opportunities of such a world by providing small businesses with greater agility and efficiency, looking forward to many future successes.

Sincerely,

Carmen Martí
Carmen Martí

Key Partners of Success

Puerto Rico SBTDC Strategic Partnerships improve our community development projects responding to market forces and local economy.



"We at the Inter American University of P.R. are proud to be the hosts of Puerto Rico SBTDC since 1997. Congratulations on this fifteenth anniversary and on another successful year".

Manuel Fernós, President
Inter American University of Puerto Rico



"The Department of Agriculture along with the Puerto Rico SBTDC Network, has engaged itself into developing agro-entrepreneurs that will lead agricultural productivity in Puerto Rico to new heights".

Hon. Javier Rivera Aquino
Secretary of Agriculture of Puerto Rico



"We are proud to count with a resource partner like the Puerto Rico SBTDC, whose outstanding efforts for the past 15 years have resulted in hundreds of successful small businesses that have helped our economy move forward."

Jorge Silva-Puras, Regional Administrator
U.S. Small Business Administration



"The partnership between the Puerto Rico SBTDC and the Municipality of Caguas is a key component of our strategy to promote a culture of entrepreneurs".

Hon. William Miranda Torres
Major Municipality of Caguas



"The partnership between PRIDCO and SBTDC has provided local enterprises with the right tools to enhance its performance and profitability through the Malcom Baldrige Program and other outreach initiatives to spur economic growth".

Hon. José Pérez Riera
Secretary of Economic Development Department of P.R.



"The Puerto Rico SBTDC is a valued partner and strategic ally of PRIDCO in our efforts to enhance the competitiveness of small businesses in the Island. I would like to thank the SBTDC team for its continued support and look forward to future collaborations".

Víctor Rivera Castro, Chief Business Development Officer
Puerto Rico Industrial Development Company (PRIDCO)



"We maintain a good working relationship with the Puerto Rico SBTDC. They have assisted us in furthering the Trust's mission to accelerate the innovation and technology commercialization process in Puerto Rico".

Eric Cornavaca, Administrator
Puerto Rico Science, Technology and Research Trust

Performance. Efficiency. Impact

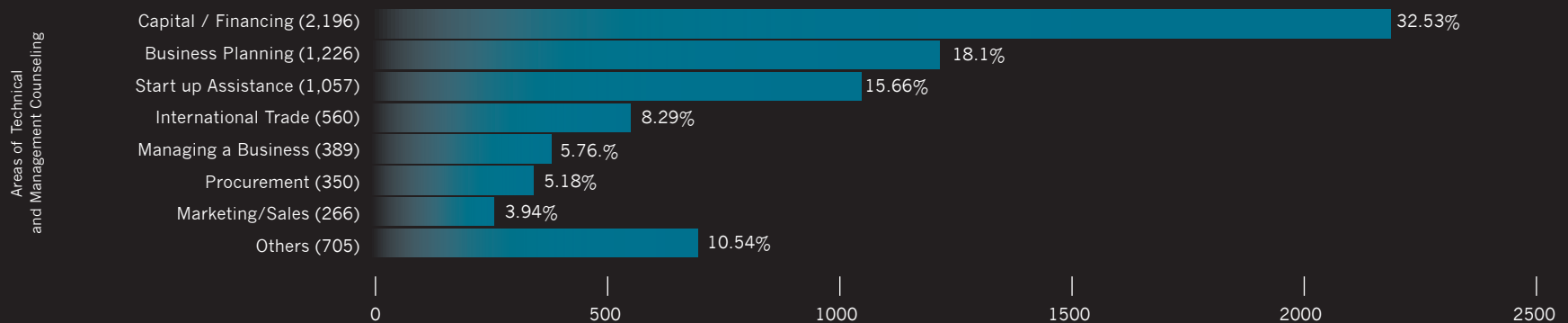
The Puerto Rico SBTDC provides one-on-one management counseling and education services designed to help businesses achieve their goals and leverage its competitive advantage. Since 1997, a total amount of 30,802 individuals and entrepreneurs has received individualized counseling services. Training services registered 3,732 events with over 80,808 participants.

Individualized Counselings: 30,802

Training Events: 3,732

Participants on Trainings: 80,808

The following chart shows the key major areas of counseling:



Economic Impact

The economic impact attributed to services rendered by the Puerto Rico SBTDC since 1997 includes jobs created and retained, sales increase and access to capital.

Accumulated numbers since 1997

Jobs Created & Retained	27,271 Jobs
Sales Increase	\$447 Millions
Access To Capital	\$423 Millions

Highlights

- * Each job created generates an average of \$25,516 increase in business sales.
- * The investment for each job created or retained in businesses is about \$2,500 a year. (Cost per job generated or retained)
- * An average time of 23 hours of individualized counseling are dedicated to entrepreneurs.
- * A 93% of clients rated as excellent the level of satisfaction with services received.
- * Nineteen (19) entrepreneurs has been recognized nationally by the U.S. Small Business Administration and by other associations.



Efforts to Foster Entrepreneurship

Special Initiatives

1998, 1999, 2000

ServiPymes, Guía and Agenda Empresarial, Vamos a tí - Projects in alliance with Banco Santander, Puerto Rico Economic Development Bank and Rural Development Agency.

2001, 2002, 2003

Net.gocios - Initiative to guide businesses towards technology in alliance with Microsoft. **Tecnoferia Empresarial** - Events based on technology issues in alliance with Caguas Municipality. **ExpoCaguas** - To promote exports from Central Region. **Por tu cuenta** - Financial Planning Program in alliance with American Express.

2004, 2005, 2006

Evoluciona - Program with SAP to offer training and technological tools. **InterEmpresa** - Initiative to foster entrepreneurship among students.

2007, 2008, 2009

Movimiento Empresarial - Events for training businesses around the Island in joint venture with Economic Development Bank, FirstBank and the Woman Business Institute. **WIRED** - Regional Initiative for incubator tenants of Caguas and Central Municipalities. **NxLevel** - Trainings for Farmers in joint venture with Department of Agriculture. **Mi Negocio** - Portable Assistance Program for Government displaced workers. **Vieques & Culebra** - Initiative for entrepreneurial

Celebrating 15 Years of Success
Puerto Rico SBTDC Annual Report 2011-2012



trainings in alliance with Economic Development Bank and Tourism Department of Puerto Rico.

2010, 2011, 2012

Fast Seed Funding, Competitividad Global, Baldrige Performance Excellence Program, Small Business TurnAround, InnoVenture, and the **First Entrepreneurial Financial Forum**, among others.



An “Agenda” and the “Guía Empresarial” with information about “How to establish or develop a Business” were launched in 1998 & 2004 respectively with Banco Santander.

Several trainings were offered to encourage entrepreneurship to the residents of the Municipalities of Vieques and Culebra, adjacent islands to Puerto Rico, with the Puerto Rico Department of Economic Development and Commerce.

To support the Initiative of Banco Popular Puerto Rico “Finanzas en tus Manos”, Puerto Rico SBTDC offered conferences at events throughout the Island, with the topic “How to prepare a business plan or structure a business”.

To foster entrepreneurship as key component towards Puerto Rico’s economic development, the Puerto Rico SBTDC was one of the founders of initiative “Movimiento Empresarial”, with FirstBank, the Woman Business Institute and the Puerto Rico Economic Development Bank.



Since 1997, Puerto Rico SBTDC celebrates Annual Educational Events like Businesses Matchmaking, Small Business Weeks, Federal and State Incentives Road Shows, and Exporters, Innovators and Financial Forums promoting Networking. Trainings are specifically tailored to meet the needs of the local business community and are provided at no cost or a nominal fee.

Active participation of Puerto Rico SBTDC in Small Business Weeks encourages thousands to consider entrepreneurship to start, develop or grow their businesses, were held throughout the Island.

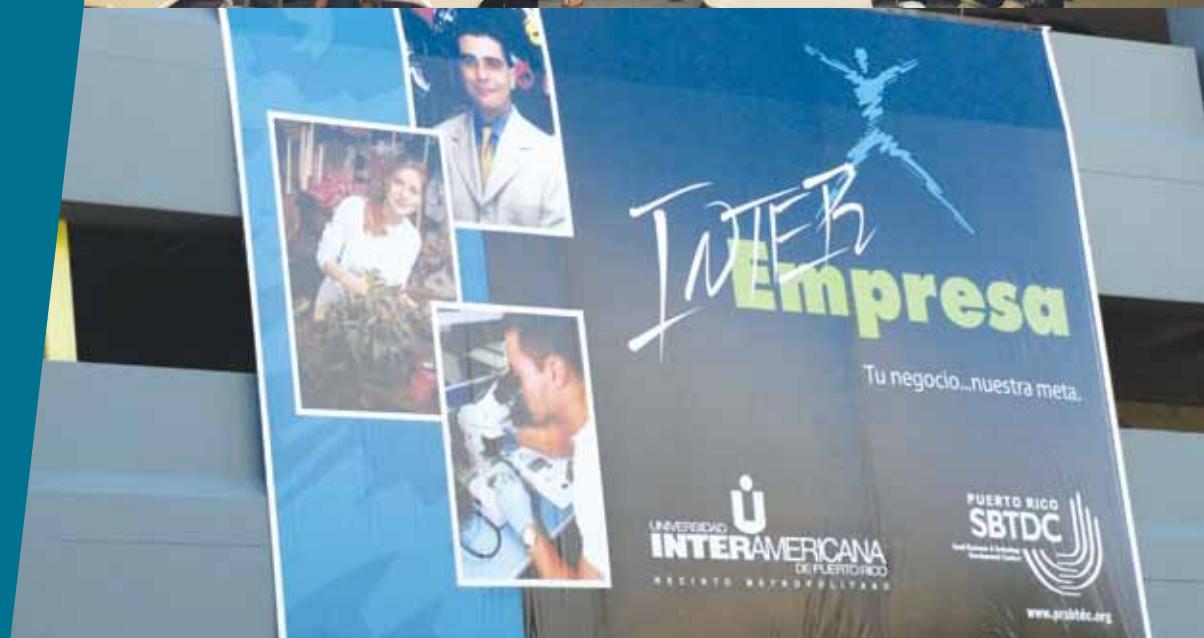




Inter Empresa Program

Encouraging entrepreneurship among students

The InterEmpresa Program is geared to provide students with an experiential journey with the small business community. Since 1997, more than 2,000 students has participated in SBTDC's entrepreneurship trainings and business counseling sessions and hands-on experience through internships at regional centers. Their experience ranged from market studies, financial analysis to strategy brainstorming to benefit local business served.





Entrepreneurs succeed in agriculture



The Puerto Rico SBTDC established an agreement with the Department of Agriculture to provide an entrepreneurship educational Nxlevel program to farmers. The courses were offered at municipalities throughout the Island based on the crops.

The program has been refocused to include coffee crops, livestock (pigs, cattle and poultry) and vegetable roots. International Trade and Strategic Marketing trainings were also included in the Educational Program.

Small Business TurnAround Program

In 2010, President of the United States, Barack Obama, signed the Small Business Jobs Act to encourage job creation through small businesses. According to this goal, the Puerto Rico SBTDC developed the Small Business Turnaround Program in order to create jobs and help business in a difficult financial situation to Turn Around analyzing opportunities in Finance, Procurement and Exports.



Matchmaking of Businesses with Local and Federal Agencies

To foster opportunities of local entrepreneurs to increase their possibilities of making business contracts with federal and state agencies, the SBA and the Puerto Rico SBTDC coordinated the Third Annual Matchmaking Event at the Inter American University of San Germán. The SBTDC staff assisted one hundred fifty six (156) entrepreneurs who participated at one-on-one business sessions with twenty seven (27) federal agencies such as the NAVY, Homeland Security, US Customs Service and TSA, among others.





Reaching Global Competitiveness through the Baldrige Performance Excellence Program

Puerto Rico SBTDC established an agreement with the Puerto Rico Industrial Development Company (PRIDCO) to offer an educational program for high growth businesses.



ALIANZA
**COMPETITIVIDAD
GLOBAL**

HACIA LA TRANSFORMACIÓN EMPRESARIAL DE PUERTO RICO

Global Competitiveness Program

The Global Competitiveness Program has the objective to strengthen the business model potential of entrepreneurs. This effort was leveraged with experienced Baldrige examiners and national Baldrige recipients awardees.

Baldrige criteria includes discussions on Leadership, Strategic Planning, Customer Focus, Measurements, Workforce Focus, Operational Focus and Results. The Educational Program comprised of an eight month one day session with workshop trainings including each criteria of the Baldrige Performance Excellence Program has helped businesses improved strategic and operational areas to achieve sustainability of businesses within a competitive marketplace.



International Trade Center

During 2011 this Center participated on a Trade Mission to Colombia. Also participated with Puerto Rico Manufacturers Association's monthly events for International Networking opportunities to Eastern Caribbean, Curacao, Netherland Antilles, Chile and Perú. During the past fifteen years, the International Trade Center (ITC) has offered training seminars, and thousands received counseling services. Other outreach activities over the past years also include Latin American conferences on International Trade, ExpoCaguas Trade Fair, International Networking Opportunities, Interphex Annual Events and Trade Missions to Trinidad and Tobago, Panamá, México, Costa Rica and Dominican Republic, among other countries.



Supporting Exports

The International Trade Center (ITC) offered counseling and training services supporting entrepreneurs to Export. The ITC offer an International Trade Certificate which consists of a comprehensive course on diverse aspects of the export process. Since 1997, the International Trade Center's joint venture with the U.S. Department of Commerce and the Export Import Bank has been very active participating at initiatives with the Chamber of Commerce, the Puerto Rico Manufacturers Association and the Puerto Rico United Retailers Association.

Innovation and Commercialization

Center for Innovation and Technology

In year 2011, the staff of the Center for Innovation & Technology (CIT), helped a total of 84 clients. The total amount of financing processed was \$11,410 million, with 18 financing packages submitted for SBIR/ STTR application funds, other R&D, PRIDCO matching funds and private equity. These R&D projects cover a wide range of science fields including life sciences, medical devices, agricultural, and information technology. Training Seminars were offered on topics for technology commercialization and R&D funding strategies and opportunities.

Technology and Innovation Projects

- Photoelectrochemical reactor to convert CO₂ and methanol to syngas and formic acid. (Department of Energy)
- Software for identifying unique digital watermarks. (National Science Foundation)
- Production of energy through electrical cogenerators. (PR Venture Forum)
- Use of robotics as educational tools. (Puerto Rico Science, Technology and Research Trust)





Small Business Innovation Program

To improve and strengthen the technological competitiveness of small businesses, the Puerto Rico SBTDC entered into a partnership with the Puerto Rico Science, Technology and Research Trust. This collaboration was made possible through the Federal and State Technology (FAST) Partnership Program under the Puerto Rico FAST Seed-Funding Initiative. Since its launching, the Center for Innovation and Technology (CiT), has been making efforts to increase the number of proposals submitted for Phase Zero (0) with the intention of mentoring the proposal process to later apply for Phase One (1) projects. This program promotes the science-based industries and provides a much needed support. The goal of the Phase 0 program is to help Puerto Rico's new and existing investigators to increase their participation and compete more effectively in the federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs.





Advisory Board Meetings

The Puerto Rico Advisory Board Meetings includes small business owners, and representatives of different institutions such as SBA, the Inter American University, Trade Associations, Government, Regional Initiatives of Municipalities and the Banking sector, among others.

Transforming Businesses

"The Baldrige criteria and tools are guiding us to Performance Excellence in alignment with our Vision, Mission and Values, developing an organization's culture based on quality"

Pedro Meléndez, Esq., Executive Director of Menonita Health System, Cayey

"With the Baldrige Program we are focusing on identifying those strategies that improve our workforce's communication at all levels to engage future leaders"

Fernando Rodríguez, President and CEO of Prime Janitorial Service Corp., Ponce

"After the Baldrige Program our company began implementing a system to analyze measures and began to observe improvements in the operational and production processes results"

Pedro Collado, General Manager of Valcor Samcor, Gurabo

"The Baldrige Program provided us with methods and tools to significantly improve our workforce communication systems"

Glorimar Sánchez, Sales Manager, San Mar Manufacturing, Cataño

"We have implemented a project that has reduced in 60% the billing cycle. Also, we are analyzing our performance measures to improve decision making and innovations"

Joel Rivera, President of Ultimate Solutions, Caguas

Recognizing Success



Puerto Rico SBTD has received various awards such as: PRO-COMP'S Organizational Leadership and Social Responsibility Award of the Puerto Rico Manufacturers Association (2000), the Economic Development Award of the National Association of Management and Technical Assistance Centers, Virginia (2000), Zenit Award of the Puerto Rico Chamber of Commerce (2004) and the Supporter of Entrepreneurship of Ernst & Young Award (2005).

In 2012

San Juan Regional Center of the Puerto Rico SBTD was recognized as the Small Business Center of the Year by SBA.



In previous years other businesses received recognitions from SBA such as:

- Advanced Instruments, Carolina (1999)
- Best Car Mats, Caguas (2000)
- Ponciana Bakery, Ponce (2002)
- B&B Manufacturing, Bayamón (2004)
- Prime Janitorial, Ponce (2005)
- Toledo & Co. Toa Baja (2006)
- Softek, Inc., San Juan, (2007)
- San Mar Manufacturing, Cataño (2008)
- KCS, San Juan (2009)
- Ferretería Metro, Carolina (2010)
- Lanco Paints, San Juan (2010)
- Novaterra, Arecibo (2011)

During 2012 SBA recognized the following entrepreneurs

- **Small Business Person of the Year** - Oscar Quiles, Pentaq Manufacturing, Sabana Grande
- **Small Business Exporter of the Year** - Carlos Purcell, Carlos Báez and Richard Cuebas, Integra Design Group, San Juan
- **Jeffrey Butland Family Owned Business of the Year** - Gary Santos and Lymaris Pacheco, Septix, Ponce
- **Entrepreneurial Success of the Year** - Edward Feliciano and José de León, KCS, San Juan

Regional Centers

Arecibo Regional Office

Inter American University
PO Box 4050
Arecibo, PR 00614-4050
Tel. 787-878-5269

Caguas Regional Center

Economic Development Bank
Caguas Municipality
PR 00725
Tel. 787-744-8833 ext. 2909

Fajardo Regional Office

Inter American University
PO Box 7003
Fajardo, PR 00738
Tel. 787-863-2390 ext. 2360

San Germán Regional Office

Inter American University
PO Box 5100
San Germán, PR 00683-5100
Tel. 787-264-1912 ext. 7717

San Juan Regional Office

Union Plaza Building, Suite 1001
416 Ponce de León Avenue
Hato Rey, PR 00918
Tel. 787-763-5108

Ponce Regional Office

Inter American University
Carr. #1 km.123.2 interior
Mercedita, PR 00715
Tel. 787-842-0841

Specialized Centers

International Trade Center

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416 Ponce de León Avenue
Hato Rey, PR 00918
Tel. 787-763-2665

Center for Innovation and Technology

Union Plaza Building, Suite 1001
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