

Building the Texas *Economy* ONE Business at a Time



▶ 2018 ANNUAL REPORT



South-West Texas Border
**Small Business
Development Center Network**

The University of Texas at San Antonio

BUILDING THE TEXAS ECONOMY

One Business at a Time



Albert Salgado
Executive Director
South-West Texas Border
SBDC Network

The South-West Texas Border SBDC Network continues to perform at the top of our SBDC peer group nationally and this year earned full accreditation by America's SBDC. As an element of the Baldrige-based quality review, I am proud to report that we received a special "T" designation for successful integration of our SBDC Technology Commercialization program into our network business model. The feature article on page six of this report describes some of the exciting new market access points the program facilitated for these innovative, STEM-based clients.

The resourcefulness and dedication of our leadership, advising, training, and administrative team members resulted in not only meeting, but exceeding the expectations of our funding partners. Our clients have provided written attribution to support the impressive impact we are proud to report, and some of these "faces of success" are illustrated with photos and stories of their entrepreneurial journeys.

It is our hope that you, as an important stakeholder in the entrepreneurial ecosystem, continue your support of our SBDC efforts to "Build the Economy One Business at a Time".



STAR BUSINESS ADVISOR BRINGS NATIONAL AWARD TO EAGLE PASS



Cynthia Y. Gomez
2018 State Star

“The State Star award symbolizes all of our Center's accomplishments and hard work. I am honored to have the opportunity to help people accomplish their dreams to start and be successful in their own businesses.

Sr. Business Advisor Cynthia Yadira Gomez has worked for the Sul Ross State University-Rio Grande College SBDC for 12 years. She has extensive experience in finance, business planning, management, human resource management, QuickBooks-finance and payroll, marketing, and more. She obtained a BBA in Finance and an MBA in International Business from Texas A&M International University. She has also taught undergraduate business classes at SRSU-RGC and serves as a mentor to her teammates.

1,315 ADVISING HOURS

203 JOBS CREATED
& RETAINED

53 BUSINESS STARTS
& EXPANSIONS



Texas Rural Challenge: Texas Strong fast-pitch competition winner, Victoria Cappadona and staff member of Cappadona Ranch along with South-West Texas Border SBDC Executive Director, Al Salgado, SBDCNet Director Matthew Jackson, the DayTripper Chet Garner, UTRGV SBDC Business Advisor Aaron Gonzalez, and from the Office of the Governor, Bryan Daniel.

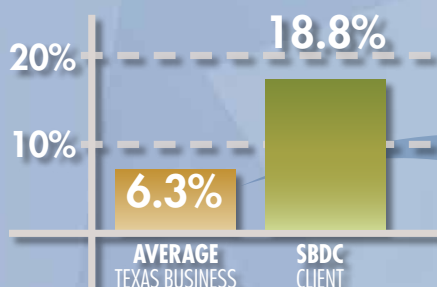
America's Small Business Development Center Network recognizes 'Stars' who significantly contribute to their regional or state SBDC program.

SBDC Client vs. Average Texas Business

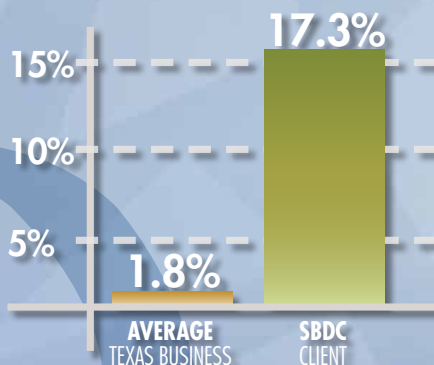
Return on Investment Equals Increased Jobs, Sales, Financing, and Tax Revenues

INDEPENDENT STUDY RESULTS: SOUTH-WEST TEXAS BORDER SBDC LONG-TERM CLIENTS*

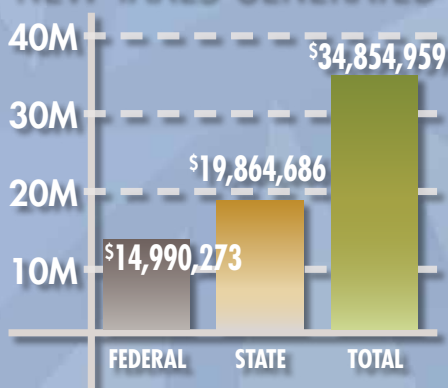
SALES GROWTH



EMPLOYMENT GROWTH



NEW TAXES GENERATED



COST PER JOB
\$917.00



SBDC long-term advising assistance is highly valuable from a public policy perspective because it returns tax revenues to state and federal governments, as well as value and capital to its clients, that are greater than the direct cost of providing the service. For every \$1.00 invested in the South-West Texas Border SBDC, a return of \$6.58 is generated.

*2018 FINDINGS FROM A NATIONAL INDEPENDENT STUDY BY JAMES J. CHRISMAN, PH.D.

SERVICE RESULTS

2018

Total Businesses Served	29,914
Trainings/Seminars/Courses	1,034
Training Participants	23,234
Consulting Cases	6,680

IMPACT RESULTS

2018

Jobs Created	5,830
Jobs Retained	9,074
New Financing/Investments	\$230,904,453
New Sales/Contracts/Exports	\$702,565,271
New Business Starts	561
Business Expansions	517
New Tax Revenue Generated	\$34,854,959

To download our 2018 annual report, visit:

www.txsbdc.org

Twenty Years Later

National Research Center Offers Innovative Cyber Resources

America's Small Business Development Center (ASBDC) Network boasted 20 years of service in superior market research through its official research arm located in San Antonio, Texas. The SBDC National Information Clearinghouse (SBDCNet) provides service to more than 1,000 ASBDC members across the United States. With 62 SBDC networks representing each state, SBDCNet marked its 20th Anniversary with the completion of its 90,000th research project.



Under the leadership of Director Matthew Jackson, SBDCNet produces a broad range of financial, market, and demographic research reports. But beyond its core services, SBDCNet most recently collaborated with the UTSA Center for Infrastructure Assurance Security (CIAS) and the UTSA Procurement Technical Assistance Center (PTAC) to develop a Cybersecurity Academy, as well as cybersecurity trainings and resources for small business owners. These resources were developed based on the National Institute for Standards and Technology (NIST) framework and include guidance on the Defense Federal Acquisition Regulation Supplement (DFARS).

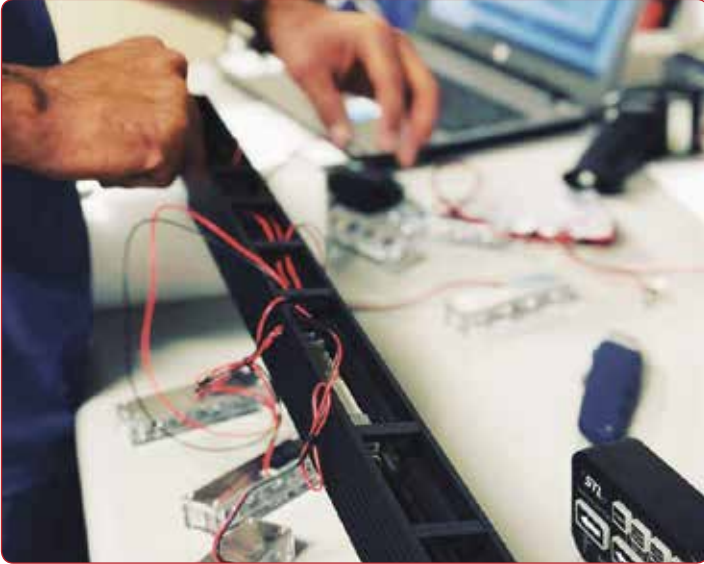
The four-week cybersecurity program targeted small businesses conducting work for the U.S. Department of Defense. DFARS requires that contractors provide adequate security, report cyber incidents, submit any malicious software discovered, and submit media to support damage assessment.

Jackson took things a step further and developed the Cybersecurity Academy materials into an online training toolkit that launched in Summer 2018. While the toolkit is primarily meant to educate SBDC business advisors on the subject matter so that they can effectively assist their clients, the online resource is publicly available and offers the following modules: Cybersecurity Basics, Cyber Attacks and Defenses, Cybersecurity Plans and Implementation, Cybersecurity and Government Contracting, and General Cybersecurity Resources.

During its two-decade run, SBDCNet has also provided over 100 college students with unique student experiential learning opportunities. Students contribute heavily to ASBDC's overall impact as market researchers who produce the majority of SBDCNet's research reports, all while building stronger resumes that complement their academic and career goals.



SPEEDTECH LIGHTS UP MULTIPLE EXPORT CHANNELS



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Anything that takes the world and puts it in the palm of your hands is a resource well worth using. That's how we view the SBDC International Trade Center.

—Ferdous Deyaf, Vice President

SpeedTech Lights is a Texas-based manufacturer of emergency vehicle lighting and sound signaling equipment. The company produces a full range of emergency signaling equipment and recently moved into a larger headquarters and production facility, reflecting the company's rapid growth and anticipated future growth.

Founded in 2004, the company began exporting to Central America in 2007. The company approached the UTSA SBDC International Trade Center in 2016 to further extend its global reach. SBDC ITC Associate Director Doug Smith focused on identifying potential distributors in Central America, South America, and the Caribbean. Today, SpeedTech Lights views exporting as a key factor in company growth, and its products can be found in over 40 countries. The company plans to expand its products to all countries where U.S. regulations permit emergency vehicle light and sound signaling equipment to be shipped.



U.S. SBDC Model Continues to Expand Internationally

The Small Business Network of the Americas (SBNA) was launched during the 2012 Summit of the Americas with the goal of strengthening the micro, small and medium-sized enterprise (MSME) sector and to encourage greater trade throughout the Americas.

The U.S. Department of State along with Foreign Affairs Ministries of participating countries and their Ministries of Economy, have led an extensive policy and promotion dialogue to achieve 22 Western Hemisphere nations' commitments to becoming part of the SBNA.

Spearheaded by the UTSA SBDC International Trade Center through its SBDCGlobal program, over 254 SBDCs have been launched throughout Latin America and the Caribbean to date, servicing over 230,000 entrepreneurs. In 2018, the amount of domestic resources committed to implementation in their own SBNA networks was an estimated \$79M—a strong tribute to the efficacy of the SBDC model, its adaptability, and stakeholder support.

In 2017, the SBDC International Trade Center received \$1.42M in grant funding from the U.S. Department of State's Bureau of Western Hemisphere Affairs. With this support, UTSA continues to serve as a strong leader of this initiative and has a firm and growing presence abroad.

▶▶▶ Science and Technology in the World of Entrepreneurship

With a mission to promote science and technology-based innovation, the UTSA SBDC Technology Commercialization Center (TCC) guided 88 clients through the commercialization pathway in 2018, moving each client closer to taking their innovation to market.



Innovation challenges, business competitions and pitches are critical components of the commercialization process. These experiences provide early opportunities to gain market exposure, research and development contracts, strategic partner investments, and cash awards necessary for advancing market driven product development. Of the 88 clients advised, 28 clients were selected to pitch and compete.

The **U.S. Department of Defense (DoD) Encountering Innovations** event connects innovators with DoD technology scouts. In 2018, the SBDC TCC assisted over 20 Texas

companies—representing Austin, Dallas, Houston and San Antonio—with their commercialization plan, application and preparation process. Fifteen of the 20 were then selected to pitch at the event.

MassChallenge Texas attracted hundreds of applicants from five continents in 2018, of which only 84 advanced to the inaugural cohort. Five of those companies, Novothelium, Revolution Computing, Bezoar Labs, Halo Life Science, and Devali, Inc. were advised by the SBDC TCC. Four companies landed among the top 16 including Novothelium, which earned a Platinum award and \$75,000.

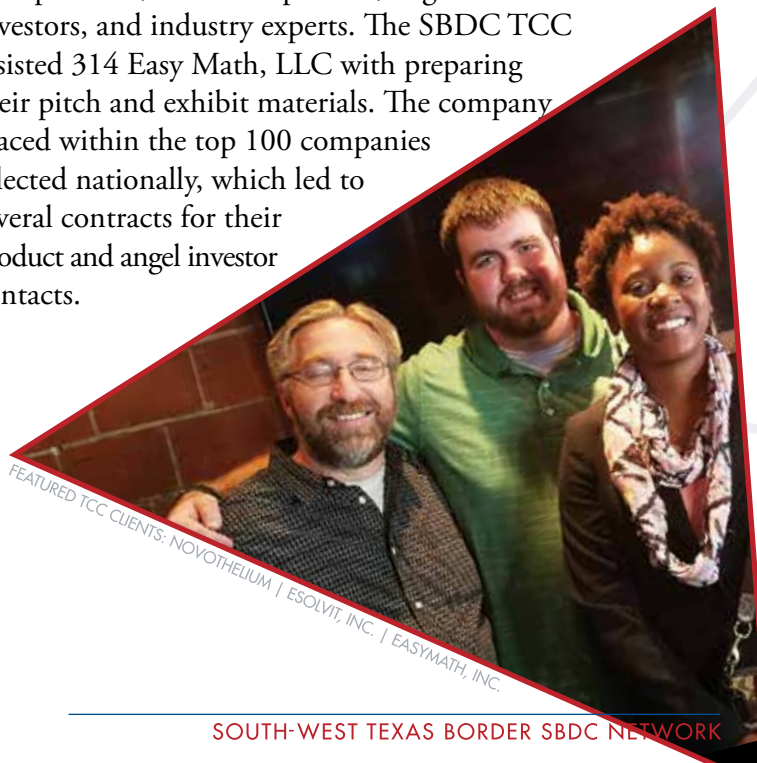


WHAT CLIENTS GAIN

- Entrepreneurial Educational Curriculum
- Intellectual Property (IP) Guidance
- Access to Technology Mentors
- Professional Referral Network
- Business Model Development
- Assistance with Investor Pitch Deck Development
- Technology Valuation
- Technology Readiness Level (TRL) Assessments
- Product Market Assessments
- Assistance with Federal R&D Grants

NASA iTech is a program within NASA's Space Tech Mission and in collaboration with the National Institute of Aerospace. Finalists pitch to chief technologists from various NASA centers and other federal agencies. The Center assisted New Dominion Enterprises and Devali, Inc, which landed among the top 10 finalists and advanced to the final competition in Hartford, CT.

The **FUND Conference** connects people of all levels in the startup landscape including: entrepreneurs, venture capitalists, angel investors, and industry experts. The SBDC TCC assisted 314 Easy Math, LLC with preparing their pitch and exhibit materials. The company placed within the top 100 companies selected nationally, which led to several contracts for their product and angel investor contacts.



FEATURED TCC CLIENTS: NOVOTHELIUM | ESOLVIT, INC. | EASYMATH, INC.



COURTESY IMAGES

THE EVOLUTION OF WOOM

“ The SBDC has been an outstanding partner and resource. We couldn’t have achieved our growth goals without the support and expertise from the SBDC.

— Mathias Ihlenfeld, Owner



In Vienna, Austria, Christian Bezdeka and Marcus Ihlenfeld spent six years crafting the ideal children’s bike—the balance, the movement, the geometry, the structure. Finally, in 2010, the Woom Bike was born. Its six models evolve with the growth of a child, focusing on: balance and coordination, the movement process, riding skills, gear shifting, adult riding dynamics, and lightweight alternatives for young teenagers.

In 2014, Marcus’ brother, Mathias Ihlenfeld, launched Woom Bikes USA in Austin, Texas. The company experienced rapid growth and required better cash flow to order inventory from overseas. After Mathias contacted the Texas State University SBDC, Sr. Business Advisor Rex Steele facilitated meetings with a bank that consolidated their loans into one SBA 7(a) Loan. The two also developed a solid business plan and identified a larger warehouse for operations and storage of inventory.

In 2015, Amazon invited the company to become a vendor, and Woom Bikes now receives 30% of their orders from Amazon. Additionally, Amazon Canada is exporting bikes across the northern border. To keep up with demand, Steele assisted Woom Bikes USA in securing additional capital to increase purchases.

Today, Woom Bikes USA operates independently in North America. The company received a \$2M SBA Loan from Green Bank and a \$750K Line of Credit. Through Amazon channels, Woom Bikes USA is distributing to 49 Centers in the U.S. and Canada. As part of its expansion, the company hired five new employees and retained eight. Mathias Ihlenfeld is also a graduate of the SBA Emerging Leaders program in Austin.



▶ ROCK FITNESS CENTER



With her fitness center on the rise, owner Bernadette Galvan approached the Texas A&M International University SBDC for assistance in developing a business plan and accessing capital. Initially a partnership, Galvan bought out her business partner and became the sole owner of Rock Fitness Center. Through her work with Sr. Business Advisor Norma

Rodriguez, Galvan created a business plan, established cash flow projections, and obtained market research through the SBDC National Information Clearinghouse (SBDCNet). She then received an SBA 504 Loan for \$4,691,969 and expanded the business to a second location in South Laredo after collaborating with the Ruiz Companies, a commercial real

estate company. Galvan also made extensive improvements to both facilities. Rock Fitness Center created 12 new jobs and retained 50 jobs. Today, Galvan also sells merchandise to support her own brand, BGalvanized.

▶ D AND L WELL SERVICE



Glynn Dunn, Gene Dunn, and Dayle Lancaster established D & L Well Service, Inc. as a partnership in July 1980. Glynn's son, Harold, learned every aspect of the business' operations and became an integral part of the company. After his parents passed, Harold's sister Jamie Dunn became sole owner following a buyout of

Lancaster. After 20 years, Jamie placed the company for sale and Harold purchased it. During this process, Harold approached the Sul Ross State University SBDC and started working with Sr. Business Advisor Loretta Garcia. The two collaborated on a successful loan application for \$450,000 and received funding from Pecos County State Bank.

The Dunns also received a Fort Stockton EDC matching grant in the amount of \$17,500. As a result of the funding, D & L Well Service created 10 jobs and retained 14 jobs.

▶ RAM SECURITY SERVICES, LLC



Brothers Oscar and Jose Ramos spent years employed as security guards and saw potential in opening their own company. In 2013, they contacted the SRSU Rio Grande College SBDC and began working with Sr. Business Advisor Cynthia Gomez. The team laid the groundwork to establish RAM Security Services, LLC, which provides security and

traffic control services. Gomez guided the brothers through legal structures, business permits, record-keeping, human resources, and QuickBooks. RAM Security Services also received assistance from the SBDC Employer Services Program where they worked with Project Manager, Deirdre Pattillo. She assisted with developing an employee manual and other human resource needs.

In 2016, Gomez also helped the company obtain HUB certification and register with the state Centralized Master Bidders List (CMBL) program. With over \$100,000 in owner investment and five years in operation, RAM Security Services has become a premier security service company and employs 30 staff members.

DREI BRUDERS RASBERRY'S FRESH PORK SAUSAGE, LLC ◀

Since 2014, the Angelo State University SBDC has provided business assistance to Drei Bruders Rasberry's Fresh Pork Sausage, LLC. In 2017, Business Manager Brian Rasberry returned to discuss business expansion. Sr. Business Advisor James Leavelle met with Rasberry to review the components of placing their German sausage product in

a major Texas retail store. Brian Rasberry met with a representative of H-E-B who liked the company's product. Leavelle provided Rasberry with guidance on U.S.D.A. and State inspections, patents, barcodes, and profit and margin management. After several meetings and an onsite inspection, H-E-B welcomed Drei Bruders Rasberry's Fresh

Pork Sausage into eight stores as a Direct Store Delivery (DSD) vendor. This partnership allowed the company to deliver its product directly and bypass H-E-B's retail distribution center. Since expanding to H-E-B, Drei Bruders Rasberry's Fresh Pork Sausage, LLC created five jobs, retained one, and reported \$50,000 in increased sales.



HABIBI GOURMET, LLC ◀

Habibi Gourmet, LLC is a dip manufacturing company based in Mission, Texas. Owned by Pilar Gonzalez, the company offers a wide selection of 100 percent natural, yogurt-based dips. Gonzalez contacted the University of Texas Rio Grande Valley SBDC for assistance with business planning six years ago. Over the years, she

has received guidance from Sr. Business Advisor Aaron Gonzalez on business planning, financial projections, and market research, which led her to acquire funding and expand her company multiple times over. Pilar is a two-time winner of the Mission Economic Development Corporation's "Ruby Red Ventures" grant contest and an H-E-B second-grand-prize

winner of the "Quest for Texas Best Primo Picks" contest. Her product selection "Dip It by Pilar" is in over 200 H-E-B grocery stores. Recently, Gonzalez created a new product line with three new dip flavors. Habibi Gourmet, LLC also developed a new brand, which can be found at Spec's Wines, Spirits, & Finer Foods.



COWBOY CONTAINMENTS ◀

Cowboy Containments manufactures a containment unit used in the oil and construction industries. The material keeps fluids and chemicals that could kill vegetation or contaminate water contained, while offering a safer non-slip surface material for better visibility. The company contacted the University of Houston-Victoria SBDC and began working with Sr. Business

Advisor Mark Martinez who worked with the business owners to provide accounting assistance for QuickBooks. Additionally, the owners found their company dealing with cybersecurity issues, so Martinez connected the company with resources that moved their server in-house. Today, the company can protect their files while allowing multiple access points for employees. Cowboy

Containments has grown to serve Texas and Louisiana and reported \$2M+ in sales. The company created five jobs, retained 10 jobs, received \$235K+ in loans, and its portfolio includes Swiftwater Energy and Valero. The company also placed as a finalist in the statewide 2017 Texas Rural Challenge – Texas Strong Business Pitch Competition.



DESIGN SALES TO EXPAND WORLDWIDE



After years spent working in Corporate America, MIT graduate Pablo Rodriguez had a desire to start a company that supported unique manufacturing operations. According to the engineering professional, industrial automation was the perfect fit. Rodriguez challenged himself to learn various engineering fields and incorporate them into an operation that would service different industries.

PROD Design & Analysis, Inc. began as a one-person operation providing machine design services to *maquiladoras* [assembly plants] in Juarez, Mexico. The tremendous growth in cross-border trade and opportunities in China led Rodriguez to seek advising on capital access, in order to build a larger facility. In 2017, Rodriguez met with El Paso Community College SBDC Sr. Business Advisor Art Anchondo. Together, they worked on financial projections and critical assumptions needed for an SBA 504 Loan. As a result, Rodriguez obtained a \$3.4M loan to build a 38,000 square-foot facility. The expansion also allowed PROD to create 20 jobs.

PROD continues to design and manufacturer high-volume production equipment, which is used in Mexico, Latin America, Europe, and Asia. PROD is on a trajectory to becoming a worldwide supplier of equipment.



Comet Plans Growth with Strategic Marketing



Nearly 60 years ago, Arthur S. Sitterle founded Comet Neon Advertising Company in San Antonio and later merged the company with Reynolds Signs to form Comet Signs, LLC in 2013. Comet Signs specializes in sign design, engineering, manufacturing, maintenance, and installation.

A client of the UTSA Small Business Development Center (SBDC) since 2013, the sign manufacturing company produces various products including: channel letters, cabinet signs, pylon signs, monument signs, multi-tenant signs, digital display signs, and neon signs. Senior Business Advisor Crystal Darby has advised the company for years. Her assistance primarily focused on marketing and sales plan development with an emphasis on online marketing. Additionally, Darby provided guidance on setup and management of social media sites, targeted market development, content development, and strategic marketing planning. The

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UTSA SBDC's knowledge and experience with social media and online marketing has been a contributing factor to our increasing organic sales growth.

— Arthur Sitterle, Owner

company also worked with the UTSA Procurement Technical Assistance Center for direction on government contracting and human resource needs.

Today, the company has hired and retained 302 employees. Through a commercial loan from Texas Capital Bank and an additional financial investment from the owner, the company has expanded to Austin, Dallas/Fort Worth, Houston, and Tyler. Comet's portfolio also includes Dairy Queen, the Fort Worth Texas Motor Speedway, H-E-B, and Valero.

Unwavering Spirit in the Wake of Disaster

More than a year after Hurricane Harvey made landfall as a Category 4 storm along the Texas Gulf Coast in August 2017, area residents and business owners continue navigating the road to recovery. While Harvey ravaged coastal cities, it did not wreck the entrepreneurial spirit of Jillian Crow.

An Ingleside resident, Crow owned a massage therapy spa that did not reopen following Harvey. Instead, Crow took her business on the road and provided in-home massage therapy for six months.

Crow received a \$23K commercial loan for expansion through the PeopleFund Disaster Assistance Program. In February 2018, she found a location in Rockport which became home to Drift Away Day Spa. Del Mar College SBDC Sr. Business Advisor Theresa Moffitt worked with Crow on her loan application.

By expanding her business, Crow was able to offer professionals who had been displaced from their previous places of employment with an opportunity to work again. Drift Away Day Spa created two jobs, retained one, and experienced an increase in sales of \$86,720. Crow also arranged with local artists to display and sell their art in her shop, post Harvey.



STRENGTHENING RURAL TEXAS FOR TEN YEARS

Since 2010, the Texas Rural Challenge (TRC) conference has highlighted trending themes among today's rural communities, including: technology, trade, regionalism, healthcare, housing, broadband, and more. TRC connects the game changers—the residents, community leaders, and agency representatives who collaborate to create opportunities for growth.

Texas Strong, a featured competition of the conference, tests how effectively entrepreneurs are able to fast-pitch their businesses while providing a service or product benefiting rural communities. Over the years, Texas Strong has awarded the top finalists with over \$25,000 in cash awards to support their business endeavors. Since inception, Texas Strong has given the stage to over 25 small business owners to delivered their pitches to a panel of judges.

2018 TEXAS STRONG WINNER
CAPPADONA RANCH
SWTXB SBDC NETWORK CLIENT



TEXAS RURAL CHALLENGE
JUNE 17-18, 2019
NEW BRAUNFELS, TX

texasruralchallenge.org



SBDC-AFFILIATED FIELD SERVICE CENTERS

El Paso Community College SBDC
915.831.7743
elpasosbdc.net

Sul Ross State University SBDC
432.837.8694
sbdc.sulross.edu/alpine

Angelo State University SBDC
325.942.2098
sbdc.angelo.edu

SRSU - Rio Grande College SBDC
830.758.5022
sbdc.sulross.edu/rgc

Texas State SBDC
512.716.4800
sbdc.mccoy.txstate.edu

University of Houston-Victoria SBDC
361.485.4485
uhv.edu/small-business

University of Texas at San Antonio SBDC
210.458.2460
sabsdc.org

Del Mar College SBDC
361.698.1021
delmar.edu/sbdc

Texas A&M International University SBDC
956.326.2827
sbdc.tamui.edu

University of Texas Rio Grande Valley SBDC
956.665.7535
utrgv.edu/sbdc

The University of Texas at San Antonio's South-West Texas Border SBDC Network would like to acknowledge and thank the many partners that make small business assistance available.



South-West Texas Border
**Small Business
Development Center Network**

The University of Texas at San Antonio

The South-West Texas Border SBDC Network stretches for 79 counties across south, central, west and Gulf Coast Texas. This vast and diverse territory encompasses 108,000 square miles including our state's capital.

To meet the challenge of providing services to aspiring and experienced entrepreneurs, we operate 13 professionally staffed SBDC centers. Each center matches clients and expertise, ultimately helping to create jobs and grow the economy. The SBDC is funded in partnership with the U.S. Small Business Administration (SBA), The University of Texas at San Antonio, as well as colleges and universities throughout our territory. Our confidential business advising services are offered at no cost to SBDC clients.

The **29,914** advising and training clients served in 2018 represent almost 20 percent of the **148,784** employer businesses in the service area. Our SBDC clients continue to outperform the average Texas business in sales and employment. Those clients, who represent our long-term impact, also generated more than **\$46M** in state tax revenues for Texas.

www.txsbdc.org



Institute for **Economic** Development
The University of Texas at San Antonio

SOUTH-WEST TEXAS BORDER SMALL BUSINESS DEVELOPMENT CENTER NETWORK
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Proud members of the South-West Texas Border SBDC Network

