



10,000 SMALL BUSINESSES

New York City Metropolitan Area Fact Sheet

Overview

Goldman Sachs *10,000 Small Businesses* is a five-year initiative to unlock the growth and job creation potential of 10,000 small businesses across the United States through greater access to business education, financial capital, and business support services. The initiative is currently active in New York City, the greater Los Angeles area, the greater New Orleans area, and Houston, and will expand to communities across the country.

- **Business and Management Education:** Small business owners will receive a practical, 80-100 hour business and management education delivered at LaGuardia Community College, in partnership with Babson College. The curriculum, co-developed with leading business schools, focuses on building practical skills (including finance, leadership and sales) required to grow a business.
- **Access to Capital:** Goldman Sachs will commit \$20 million through a combination of lending and philanthropic support to Seedco Financial Services, a national Community Development Financial Institution (CDFI). The investment will increase the amount of growth capital available to small businesses in underserved communities throughout New York City and expand the capacity of Seedco Financial Services to assist small businesses.
- **Business Support Services:** Business advice, technical assistance such as legal clinics, and networking will be offered to participating small business owners through partnerships with national and local business organizations, as well as the people of Goldman Sachs.

Objectives

10,000 Small Businesses is designed to help firms grow and create jobs. Small businesses play a vital role in creating jobs and growth in America's economy and during the past 40 years, small businesses have created two-thirds of the net new jobs in the country. According to the National Federation of Independent Business (NFIB) and other research, these businesses are essential assets for the communities in which they operate.

Location

The New York metropolitan area is an ideal location for *10,000 Small Businesses* with 195,400 small businesses (fewer than 50 employees) compared to the national average for metro areas of 78,289, according to the US Census Bureau. Across the five boroughs, the city has a population of 8,391,881 residents, according to the U.S. Census Bureau.

- New York City has a diverse economic base with the leading industry employers including manufacturing, media, publishing, trade, and finance and services.
- According to the New York State Department of Labor, New York City's unemployment rate in was 8.6 percent (May 2011), compared to 8.7 percent nationally in the same time period, as reported by the US Department of Labor.

Eligible Small Businesses

The program is designed for underserved small businesses which have the potential to grow. Broad characteristics of qualifying business owners include, but are not limited to: business revenues between \$150,000 to \$4 million in the most recent fiscal year; in operation for at least two years; at least four full-time employees; operations in economically disadvantaged areas; and a business model that can scale to create more jobs



10,000 SMALL BUSINESSES

New York City Metropolitan Area Fact Sheet

Partner Institutions

Through *10,000 Small Businesses*, Goldman Sachs partners with a national network of public and private organizations, including community colleges, business schools, and Community Development Financial Institutions. Each local market also benefits from the guidance of the *10,000 Small Businesses* National Advisory Council, which is co-chaired by Warren Buffett and Dr. Michael Porter.

New York City area partners include:

- **LaGuardia Community College:** Located in Queens, LaGuardia Community College provides access to higher education and serves New Yorkers of all backgrounds, ages and means. The college is committed to offering career, as well as liberal arts and science curricula, developmental education and transfer preparation, cooperative education internships, continuing education classes, and training programs serving individuals, businesses and public agencies.
- **Seedco Financial Services:** Seedco Financial Services is a national not-for-profit CDFI which is a wholly-owned subsidiary of Structured Employment Economic Development Corporation (SEEDCO). Seedco Financial Services provides affordable financing and business assistance to small businesses, nonprofit organizations, and commercial and real estate projects in low-to-moderate income (LMI) and disadvantaged communities. It has approximately \$200 million in assets under management with lending operations in New York, Alabama, and Louisiana. Seedco Financial Services works closely with community partners to link its financing and business assistance activities with neighborhood revitalization strategies.

Free resources aplenty for small firms

BY PHYLLIS FURMAN
DAILY NEWS BUSINESS WRITER

For several years after the unexpected death of their father, Ramiro Catana, Laura Catana and her sister Jessie struggled to keep their family business afloat. But by last year things were looking grim at City Gardens of NY, the Long Island City-based landscape design company founded by Romanian-born Ramiro in 1986.

"We lost more than 50% of our revenues," recalled Laura, 26, who now runs the company solo. "I came home and cried every single day."

Several months ago, she enrolled in 10,000 Small Businesses, an entrepreneurship program sponsored by Goldman Sachs, which combines business classes and mentoring in a rigorous eleven session business boot camp.

Laura credits a course

in operations for helping her understand the need to delegate responsibilities she had been shouldering on her own. Networking with a fellow landscaper in the program led to landing more accounts.

The payoff: Since entering 10,000 Small Businesses, she has added \$100,000 in revenues and hired three more employees.

"This helped me understand what needs to be done and how to do it," Laura said. "I don't

think I would still have the business without it."

New York City is known as the home of world-class restaurants, entertainment and fashion. But for business owners

at any stage, it's also the place to find a wealth of assistance, often free of charge.

"New York City has an enormous amount of resources for small businesses, on the government, educational and community level," said Jane Schulman,

vice president of the division of adult and continuing education at LaGuardia Community College, Goldman Sachs' education partner.

Like Goldman Sachs, New York City's Department of Small Business Services offers two courses in entrepreneurship at no cost: FastTrac NewVenture and FastTrac GrowthVenture. The first is for start-ups and the other is for existing businesses.

New York City small business owners can likewise learn about everything from e-commerce to exporting goods and services at Small Business Development Centers across the city — including one housed at LaGuardia — which are funded by New York State and the SBA.

Some of these programs, including 10,000 Small Businesses, have specific requirements for their participants and are selective. But many others are open to all.

Often, the entrepreneurs who



Laura Catana benefited from Goldman Sachs' free program.

make the best use of the free assistance are aggressive and eager to network.

To date, two groups totaling 53 New York business owners have graduated from 10,000 Small Businesses, adding a total of 140 employees. The average revenue growth for the first

group of grads has been 28%.

"Each of the graduates learns practical business skills like contract negotiation and human resources management," said Dina Habib Powell, president of the Goldman Sachs Foundation.

"When they graduate they have their own customized growth plan that will help them increase revenue and add jobs."

The program, which also provides funding to select business owners, has so far doled out \$11 million in loans to New York City businesses. Recently, Goldman Sachs committed an additional \$10 million to help fuel the growth of local food manufacturers.

Laura Catana said she was initially skeptical. But her attitude changed as City Gardens of NY came back to life.

"A year ago, if you would ask me what I did, I was like 'I have this business.' Today I am the CEO of a full service landscape design company," she said.

"I say yes to everything now. Last year I would have said no."

pfurman@nydailynews.com

Legal snafus will cost ya — here's how to steer clear

BY PHYLLIS FURMAN
DAILY NEWS BUSINESS WRITER

It's natural to want to save money.

But many small business owners cut corners when it comes to legal matters — and suffer the consequences.

"A good lawyer at the beginning can save you thousands of dollars and hours of aggravation down the line," said Jessica Freidman, an intellectual property and publishing lawyer in midtown Manhattan.

Freidman, a panelist at the Your Money Multicultural Small Business Conference, provided us with a list of five of the most common legal mistakes made by small business owners.

Avoid them at all costs.

Starting to use a company name, a domain name or a product name without first making sure that it doesn't infringe on someone else's trademark. Once you've finally managed to build up some brand recognition, the last thing you need is a trademark infringement suit.

Unless you're prepared to litigate, you may have to pull all of your old advertising and branded products, come up with a new name and build up

goodwill from scratch.

Contrary to popular perception, doing an Internet search or checking the U.S. Trademark Office online database for the exact mark is not enough to make sure your mark doesn't infringe someone else's.

Forming a company without taking the right legal steps. If a company issues equity without certain protections in place and there is a disagreement among the founders of a company or one founder decides to move on to another venture, the remaining founders may have to pay through the nose to buy him or her out — and that's not counting the legal fees that will be involved.

If a company brings in investors without complying with the securities laws, and the deal goes bad, the disgruntled party may sue or call in federal or state securities regulators who will make the company's life miserable.

Hiring freelancers to create content without the necessary agreements. You might pay tens of thousands of dollars for a new website only to find that you actually don't own the code you paid for and risk not getting that code unless you meet certain demands.

Doing marketing that violates federal or state laws.

Sending e-blasts that don't comply with the federal CAN-SPAM Act can land you in hot water with a state attorney general or the Federal Trade Commission.

Sending faxes that don't comply with the federal and state laws can result in your being sued in a class action for hundreds of thousands of dollars or in dozens of smaller claims.

Writing your own contracts.

If you write your own contract without a lawyer's help, your company may end up unwittingly failing to fulfill an obligation it didn't realize it was undertaking and breaching the agreement as a result.

No matter who writes an agreement, it must clearly explain what's going on, who has to do what and on what schedule, who gets what and when and how one party pays the other party. A contract that can't be understood by anyone except the person who wrote it is going to be useless if a dispute arises — and that will cost you in legal fees if the dispute goes to court.

pfurman@nydailynews.com

Be 'social' to grow your biz

With social media sites luring crowds of users, small business owners ignore them at their own peril.

"Every small or midmarket business needs to be in the social space," said Paul Burgess, manager of online marketing & media for Time Warner Cable Business Class, and a panelist at the News' Multicultural Small Business Conference. "If you continue to market exclusively in the traditional way you are missing your customers."

Here are a few tips for getting social media marketing right:

Join, converse and help. Don't sell. Don't market.

"The social space is a community. Engage people. Help solve their problems," Burgess said. "If you talk about how great you are, people will ignore you."

Link to great content: photos, videos, blogs. "Make people want to come back to your page. You can easily create a blog using Tumblr or Wordpress. Shoot a video right from your computer and post it. Most of these social tools are free."

Post exclusive offers and deals — the right way. "Tailor your offers to the social media space," Burgess said. "Listen to and monitor your community and create deals that satisfy their needs."

— Phyllis Furman

NYC is at your service

New York City's Department of Small Business Services provides free help to New York City entrepreneurs. Here's what you need to know about:

NYC Business Solutions Centers. With offices located in every borough, these one-stops offer free guidance to business owners of any size and at any stage.

Services include business courses, financing assistance, legal assistance, recruitment services and help in attaining minority/women-owned business enterprise certification.

New Business Acceleration Team. Restaurants, bars and bakeries have their own special needs. This new program helps get them up and running in a speedy fashion.

NYC Business Express. An online source, NYC.gov/BusinessExpress, takes the edge off of obtaining licenses, permits and certifications. At this continually updated website, entrepreneurs can find step-by-step instructions for meeting all of those pesky government requirements. — Phyllis Furman



LaGuardia Community College

31-10 Thomson Avenue • Long Island City, New York 11101 • Voice: (718) 482-7200

For more information, please contact:

LaGuardia Community College:

Randy Fader-Smith at (718) 482-5985

Susan Lyddon at (718) 482-5061

Goldman Sachs:

Joseph Snodgrass at (212) 902-5400

Randyfs@lagcc.cuny.edu

Slyddon@lagcc.cuny.edu

Joseph.snodgrass@gs.com

LaGuardia Community College, Mayor Bloomberg Celebrate Graduation of Goldman Sachs 10,000 Small Businesses Class

Mayor Bloomberg, Goldman Sachs CEO Lloyd Blankfein Cite New York Small Businesses as Engines of Growth, Job Creation

Long Island City, NY—May 25, 2011 – LaGuardia Community College today hosted the graduation of 30 New York entrepreneurs from the Goldman Sachs 10,000 Small Businesses program. LaGuardia Community College was the first community college in the country selected for the program, which has now expanded beyond New York to Los Angeles, Long Beach, New Orleans and Houston.

For the last 20 weeks, graduates studied accounting, human resources, negotiation and marketing. The program also included one-on-one mentoring, accounting workshops and pro bono legal advice from Goldman Sachs professionals. These graduates come from all five boroughs and represent industries ranging from technology to manufacturing to services. The graduation was hosted by LaGuardia Community College President Gail Mellow, who was joined by New York City Mayor Michael Bloomberg and Goldman Sachs CEO Lloyd Blankfein.

“New York’s vibrant small business community is a major reason why New York has weathered the national recession better than the rest of the country,” said **Mayor R. Bloomberg**. “Programs like Goldman Sachs’ 10,000 Small Businesses help provide our small businesses across all five boroughs with the resources they need to create jobs and lead our recovery.”

“LaGuardia Community College has served the New York City small business community for decades,” said **LaGuardia Community College President Gail Mellow**. “Goldman Sachs’ 10,000 Small Businesses program has given us the opportunity to do that on an entirely new scale, reaching businesses from across the city with a practical, world-class business curriculum that can’t be found anywhere else in the region.”

“Today’s graduates embody the ambition, diversity and sense of community that is the American dream,” said **Goldman Sachs CEO Lloyd Blankfein**. “Through 10,000 Small Businesses we aim to provide the skills, capital and mentoring small businesses need to grow, create jobs and build more prosperous neighborhoods.”

The inaugural class of 10,000 Small Businesses graduated from LaGuardia in September of 2010. Of those graduates, more than 50% report double-digit year-over-year revenue growth, and more than 75% report having hired new staff.

Graduates will remain engaged in the program in a number of ways. Some have elected to apply for capital through the 10,000 Small Businesses partnership with Seedco Financial



Services, a national nonprofit organization that provides affordable financing and comprehensive technical assistance to nonprofit and for-profit organizations situated in economically-distressed and traditionally underserved communities. All will continue to receive mentoring and access to networking opportunities. And their revenue and employment growth will continue to be tracked to measure the impact of the program.

To date, more than 300 business owners have participated in *10,000 Small Businesses* through partnerships with community colleges, Community Development Financial Institutions (CDFIs) and community organizations in New York, Los Angeles, Long Beach, New Orleans and Houston.

LaGuardia Community College has long been a leader in the local small business community. It is home to a Small Business Development Center that has for nine years provided entrepreneurs with free, one-on-one professional counseling for existing and start-up businesses in English, Spanish, Korean and three dialects of Chinese.

LaGuardia Community College located in Long Island City, Queens, was founded in 1971 as a bold experiment in opening the doors of higher education to all, and we proudly carry forward that legacy today. LaGuardia educates students through over 50 degree, certificate and continuing education programs, providing an inspiring place for students to achieve their dreams. Upon graduation, LaGuardia students' lives are transformed as family income increases 17%, and students transfer to four-year colleges at twice the national average. Part of the City University of New York (CUNY), LaGuardia is a nationally recognized leader among community colleges for boundary-breaking success educating underserved students. At LaGuardia we imagine new ideas, create new curriculum and pioneer programs to make our community and our country stronger. Visit www.laguardia.edu to learn more.

###