



# Repositioning Your Business, Outlook for Small Business—Think B Corps

Utah Supplier Development Council, Annual Board Meeting,  
March 20, 2014



Presenter: Shawn J. Beus, SLC Economic Development Manager

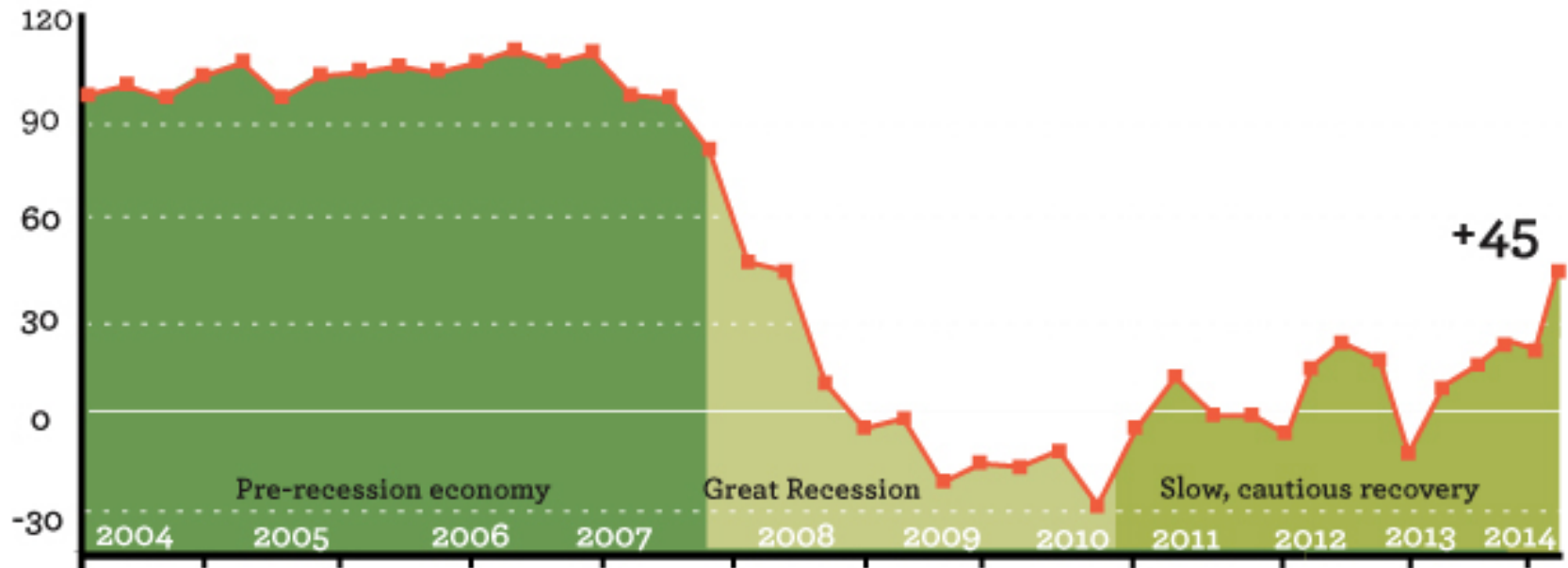
# Small Business Outlook



## Wells Fargo/Gallup Small Business Index Q1 2014

The Small Business Index is a combined measurement of business owners' ratings of their current business situation and future expectations over the next 12 months.

### Index Reading



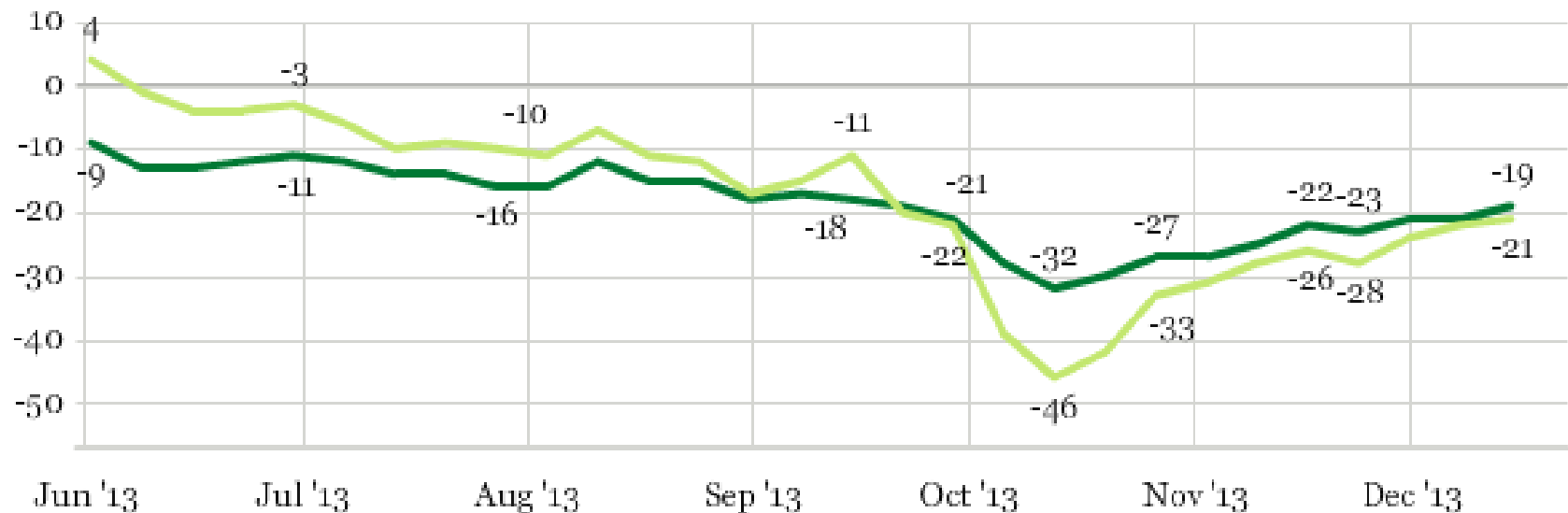


# Small Business Outlook

## Gallup Economic Confidence Index -- Current Conditions and Outlook Components

Weekly averages for weeks ending June 2, 2013, through Dec. 15, 2013

■ Current conditions    ■ Economic outlook



Gallup Daily tracking

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# Small Business Outlook

## *Wells Fargo/Gallup Small Business Index -- Most Important Challenge*

What do you think is the most important challenge facing you as a small-business owner today? (Open-ended)

	<b>Total</b>
	%
<b>EXTERNAL FACTORS/GOVERNMENT</b>	
The economy	12
Healthcare/Obamacare	11
Government (in general)	11
Government regulation	7
Taxes	7
<b>BUSINESS-SPECIFIC FACTORS</b>	
Attracting customers/Targeting business opportunities/ Finding work/new business	13
Financial stability/Cash flow	9
Costs/Fees of running the business/Having enough money for capital investment	7
Hiring qualified/good staff and retaining them	7
Competition/Larger corporations/Internet	5
Credit availability	4
Other	1
None/Don't know	6

# Small Business Outlook



## *Wells Fargo/Gallup Small Business Index -- Operating Environment in 2014*

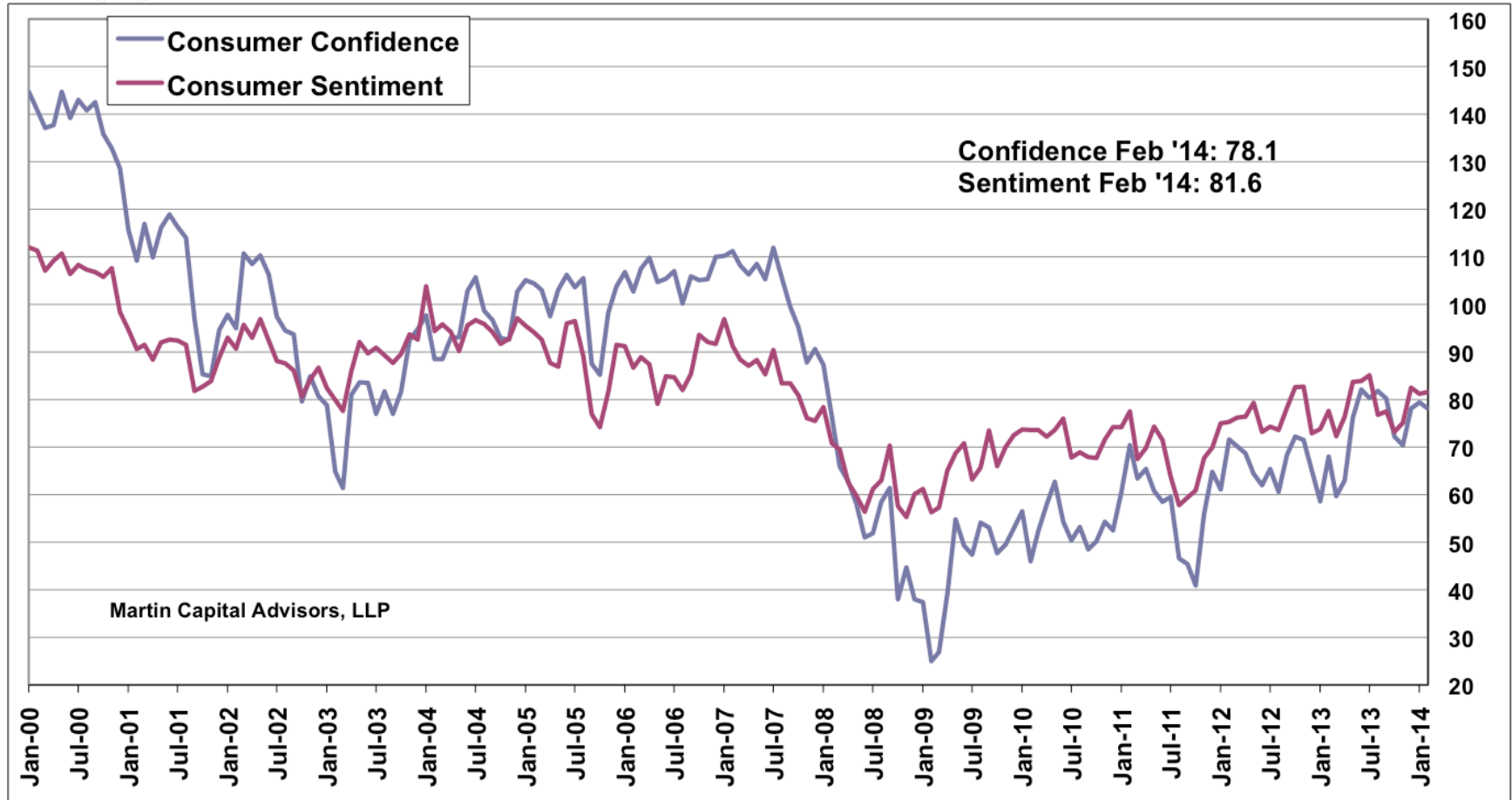
All in all, do you think the operating environment for your business in 2014 will be better, worse, or about the same as 2013?

	<b>Better</b>	<b>About the same</b>	<b>Worse</b>	<b>Don't know/Refused</b>
	%	%	%	%
Quarter 4 2013	23	51	25	1
Quarter 4 2011*	17	55	27	1

\*Asked about 2012

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# Small Business Outlook

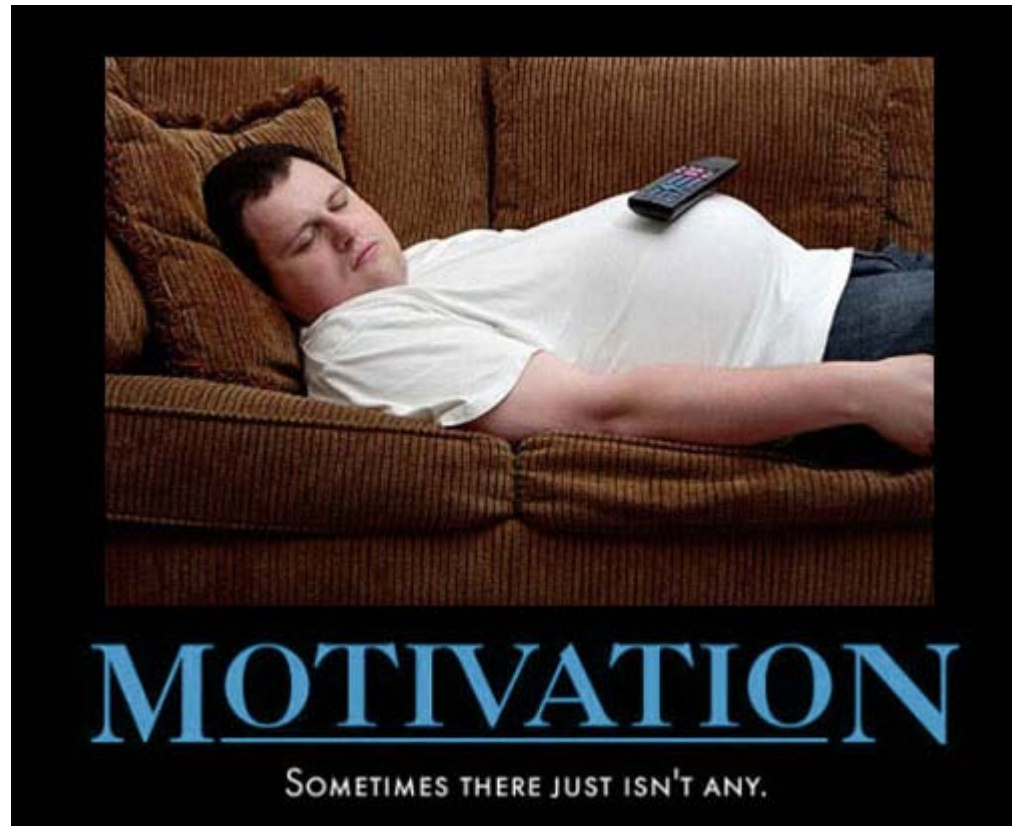


# Small Business Outlook



"As you can see, we seem to be benefitting from consumers purchasing our products."

# *Repositioning Business—What it Takes*





# *Repositioning Business—What it Takes*



## **5 Characteristics of Good Business Owners:**

1. Fire in your belly
2. Know money/numbers
3. Live the lifestyle
4. Passion/knowledge about your business
5. Crazy vs. Genius
  - a. Yes

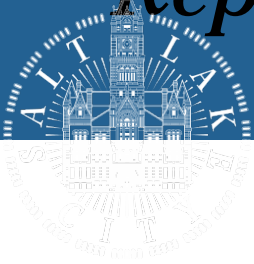
# *Repositioning Business—What it Takes*



## **Goals of Salt Lake City**

- 1. Environment**
- 2. Education**
- 3. Equitable Business friendly**
- 4. Neighborhood connectivity/ trails**
- 5. Mass transit use**
- 6. Cultural core**

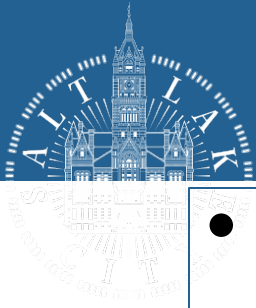
# *Repositioning Business—What it Takes*



## **Plan of Salt Lake City Econ Development**

1. Business Recruitment Retention Expansion (BRRE)
2. Small to Medium Enterprise (SME) support
3. Econ Dev Finance

# DBE in SLC



- Disadvantaged business enterprises (DBE) through DOT
- SLC Economic Development Finance policy considerations for DBE and...
  - Econ. Dev. Loan Fund
  - Veterans
  - Disabled
- Section 3 low-moderate income owners, HUD
- Section 8a, through SBA
- SLC Airport
  - 34% of contracts were awarded to DBE

# Video



<https://>

[https://www.youtube.com/watch?v=AUCTL\\_uVOGI](https://www.youtube.com/watch?v=AUCTL_uVOGI)



# News Articles about B Corp

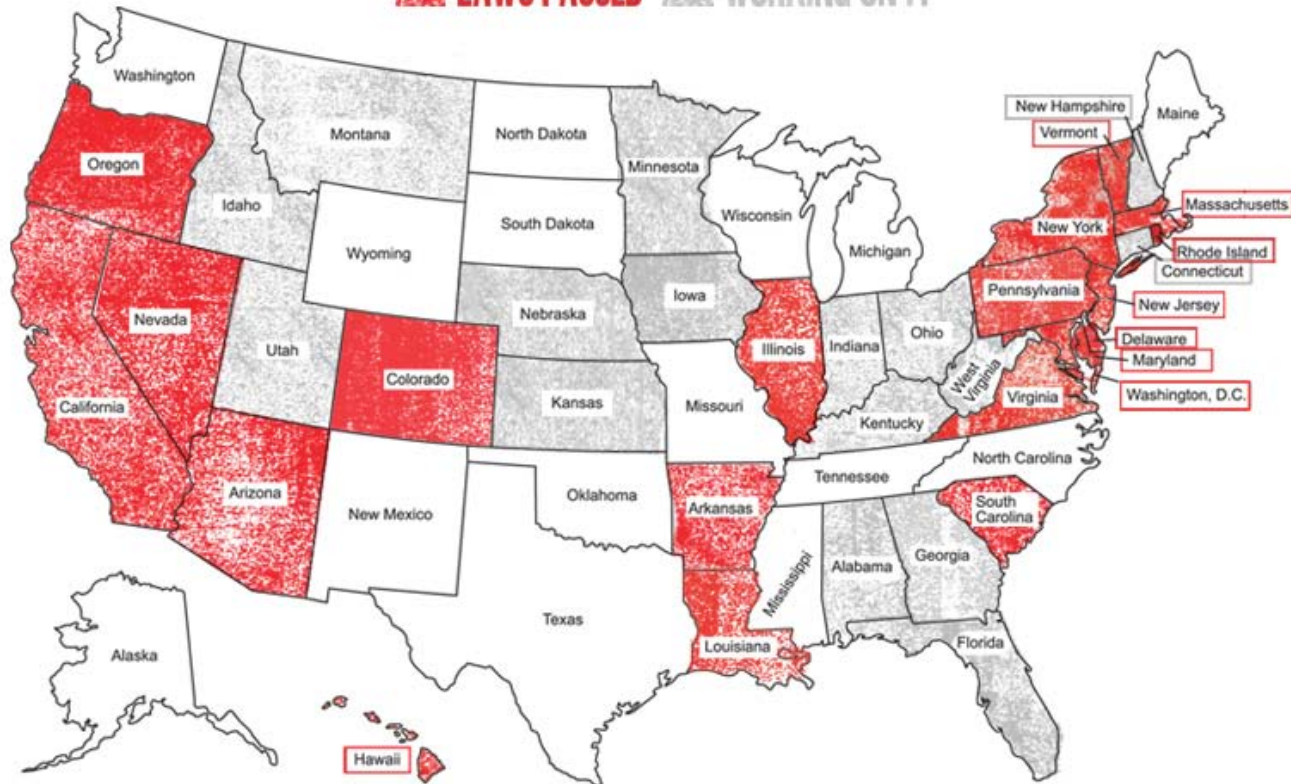
- Wall Street Journal, November 12, 2013, “Social Seal of Approval Lures Talent”
- Entrepreneur,
  - March 19, 2014 , “...Building a New Code for Corporate America”
  - July 1, 2013, “Make it Good Officially”
- The New York Times, July 17, 2013 “Capitalism, But With a Little Heart”
- The Washington Post, September 20, 2013, “Creating a class of ‘Do Good’ Companies”
- Inc. 5000, August 21, 2013, “27 B Corps on Inc. 5000” of fastest growing companies.
- Forbes, June 28, 2013, “How to Create the Corporate of Tomorrow”



# Reposition Your Business— Think B Corp

Utah Legislature 2014 Passed SB 133 (S. Valentine) Unanimously  
Creating a New Kind of Corporation for a New Economy

**20 LAWS PASSED** 16 WORKING ON IT





# Reposition Your Business— Think B Corp

## Why Become B Corp

1. Differentiate from competition
2. Attract talent
3. Generate press
4. Benchmark Performance
5. Protect mission





# Reposition Your Business— Think B Corp

Purpose of B Corp in the Articles of Incorporation/By-laws:  
"Specific public benefit" include:

- (a) providing low-income or underserved individuals or communities with beneficial products or services;*
- (b) promoting economic opportunity for individuals or communities beyond the creation of jobs in the normal course of business;*
- (c) protecting or restoring the environment;*
- (d) improving human health;*
- (e) promoting the arts, sciences, or advancement of knowledge;*
- (f) increasing the flow of capital to entities with a purpose to benefit society or the environment; and*
- (g) conferring any other particular benefit on society or the environment.*



# Reposition Your Business— Think B Corp

Historically, corporations protect the interests of the shareholders:

Directors of the B Corp must consider the following when making decisions:

1. Shareholders
2. Employees
3. Customers
4. Community and societal factors
5. Local and global environment



# Reposition Your Business— Think B Corp

Starting May 13, 2014

Requirements to become a B Corp:

1. File annual benefit report
  - a) Post online and with the State
  - b) Pay a Fee, TBD (likely around cost of state registration fee)
  - c) Use Third party and GAAP standards
  - d) Circumstances around that have hindered the benefits purpose
  - e) Environmental performance
  - f) May withhold proprietary or benefit reports from public
  
2. Amend articles of incorporation to include the purpose and “benefits” of the corporation.



# Economic Development Tool

THE  
**TRIPLE BOTTOM LINE**  
TOOL



“The Triple Bottom Line Tool helps optimize and communicate investment alignment with economic, environmental, and social performance– what’s referred to as the triple bottom line or TBL. Investors, economic development professionals, and decision-makers can use the TBL Tool to:

- Configure** development investments for maximum returns
- Consider** and prioritize alternatives
- Communicate** investment alignment with TBL goals

The TRIPLE BOTTOM LINE TOOL, is designed to help optimize and communicate the impact of economic development investment on economic vitality, natural resource stewardship, and community well-being.

Development of the TBL Tool [beta through 2013] ...supported with funding from the U.S. Economic Development Administration..., was led by Dr. Janet Hammer from Portland State University, in collaboration with Maggie McCullough from PolicyMap, Dr. Gary Pivo from the University of Arizona, and Dr. Ira Goldstein from The Reinvestment Fund.”

[www.tbltool.org](http://www.tbltool.org)



# Salt Lake City Economic Development

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