



# Massachusetts Small Business Development Center Network

*Your Success is Our Business!*

Profiles in Business

## Mission

The Massachusetts Small Business Development Center Network provides high-quality, in-depth business advising, training and capital access which contributes to the entrepreneurial growth of small businesses throughout Massachusetts. Our services are delivered through a network of skilled professional staff supported by a federal, state, and higher education consortium as well as several partnerships.

## Acknowledgment

We gratefully acknowledges support from the following partners. Our success is a result of their commitment to the Massachusetts small business community.

**U.S. Small Business Administration**  
**Massachusetts Department of Business Development**

*MSBDC Consortium:*

**Clark University**

**Salem State College**

**University of Massachusetts Amherst  
Isenberg School of Management**

**University of Massachusetts Boston**

**University of Massachusetts Dartmouth**

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*Message from the State Director of the  
Massachusetts Small Business Development Center Network*

The Massachusetts Small Business Development Center Network has had a year of striking achievements as well as numerous recognitions both at the federal and state level, individually and collectively. Our very talented staff continues to be recognized for making the network a premier service delivery system for small business needs within the Commonwealth of Massachusetts.

Studies consistently show that Massachusetts citizens receive a strong return on their investment by utilizing the MSBDC Network's three integrated product lines: business advisory services, government contracting, and international trade services.

Our program's success is directly related to our highly-skilled professional staff and to strong partnerships with the U.S. Small Business Administration, the Massachusetts Department of Business Development, and the U.S. Department of Defense. Our partnerships also include college and university sponsors, led by the University of Massachusetts Amherst Isenberg School of Management, and including Clark University, Salem State College, the University of Massachusetts Boston, and the University of Massachusetts Dartmouth. We also have a wide range of supporters in the business community. This enables our program to deliver statewide services at 38 outreach sites, show a return of over \$22.64 in state tax revenue for each state dollar expended on the program, create and retain jobs for Massachusetts citizens, and help small business owners realize their dreams.

During Fiscal Year 2008, our statewide network's staff helped clients secure over \$46.9 million dollars in financing, \$170 million in export sales, while creating and retaining over 1,500 jobs. Almost 25,000 hours of one-to-one business assistance was provided to 3,649 individuals during the year. In addition, our Procurement Technical Assistance Center helped Massachusetts businesses realize over \$160 million in government contracts.

The year ahead will be challenging as we expect even greater demand for our services. With strong support from our partners, we are committed to meeting the challenges ahead. The client success stories in this report detail how a variety of MSBDC services assisted Massachusetts small business owners.

Georgianna Parkin  
State Director



*Message from the Dean of the Isenberg School of Management at the University of Massachusetts Amherst*

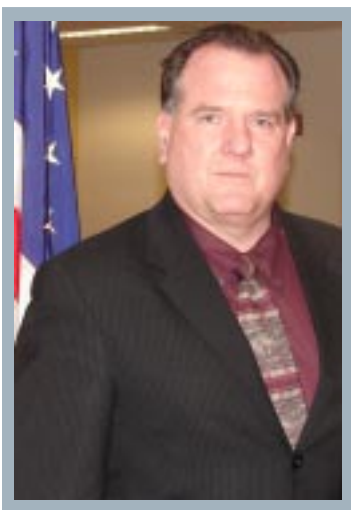
---“For 27 years, we’ve been headquarters for the MSBDC’s statewide network. It’s been a major asset both to UMass Amherst and to its Isenberg School of Management,” observes the school’s dean, D. Anthony Butterfield. “Having the network’s headquarters at the Isenberg School connects us to the state’s small business community. It continually reminds us where our roots are.” Those roots, Butterfield continues, are increasingly important to the school’s educational mission and to career prospects for its students.

“At the Isenberg School, we offer our students a balanced curriculum that embraces entrepreneurship as well as the corporate world,” emphasizes Butterfield. A valuable ingredient on the entrepreneurship side, he notes, is an annual course offered by the school that deploys consulting teams of Isenberg students to MSBDC client firms in Western Massachusetts. “The course is taught by Western Regional Office business advisors Lyne Kendall and Allen Kronick. It’s a fantastic learning experience for our students and a great way for them to get immersed in the challenges of small businesses,” says Butterfield.

Small business recruiters, the dean continues, are increasingly on the radar screen at the Isenberg School’s Chase Career Center. In recent months, as big companies have laid off more employees, Isenberg School seniors have expanded their job search to include more small and medium-size firms. “The Big 4 accounting firms have traditionally been prime employers of our students. One of our most successful recruitment initiatives, however, has been a fair for regional accounting firms outside the Big 4,” Butterfield observes.

“Last year, under Georgianna Parkin’s strong leadership, the MSBDC sailed through its accreditation process, distinguishing itself nationally as one of three exemplary SBDC networks,” notes Butterfield. “In April, our MSBDC’s Massachusetts Export Center was honored with the U.S. Small Business Administration’s first annual Small Business Development Center Service Excellence and Innovation Award. Those accolades reflect the MSBDC Network’s strong impact on the state’s business community. In truth, the network has been just as valuable to the Isenberg School itself.”

Dean Anthony Butterfield  
Isenberg School of Management



*Message from the Massachusetts District Director of the  
U.S. Small Business Administration*

The U.S. Small Business Administration and the Massachusetts Small Business Development Center Network have partnered since 1980 to deliver products and services to support the small business community. While many aspects of the business environment have changed over the past three decades, the basic needs of small companies, such as access to capital, business training and government contracts have remained constant.

This collaboration is especially important to the SBA because we depend on this kind of partnership to deliver services to our mutual customers. SBA enables small business success in a number of ways; when we promote entrepreneurial development through counseling and technical assistance, MSBDC business advisors and our other resource partners are the ones in the field counseling small business owners.

The Massachusetts Small Business Development Center Network has consistently delivered outstanding one-on-one counseling, seminars, workshops and conferences for both aspiring and existing businesses since the inception of our partnership. The last accreditation review of the network by the Association of Small Business Development Centers supports this and noted the MSBDC specifically as being the “gold standard” of service providers in the state.

Another example of the MSBDC’s commitment to excellence is that its Massachusetts Export Center was the national winner of the SBA’s Small Business Development Center Service Center Excellence and Innovation Award in 2008. This award, which honors small business development centers for their innovation and excellence in assisting entrepreneurs and small business owners achieve their business goals, was presented at SBA’s National Small Business Week celebration in Washington, D.C. last year. This center’s selection is quite an accomplishment when you consider that there are over 1,000 SBDCs throughout the United States.

As SBA’s Massachusetts District Director, I am pleased to be a part of the small business story in Massachusetts and delighted to partner with the Massachusetts Small Business Development Center Network to assist entrepreneurs and small business owners launch or grow their businesses.

Robert Nelson  
Massachusetts District Director

# Massachusetts Export Center Receives Awards



*The staff from the Massachusetts Export Center (left to right): Julia Dvorko, Marie Hladikova, Paula Murphy, BreAnne Yothers, Ann Pieroway*

The **Massachusetts Export Center** received two prestigious national awards in 2008. In May, the Export Center received the **Presidential E Award** for excellence in exporting. The Export Center also received the U.S. Small Business Administration's **Small Business Development Center (SBDC) Service Center Excellence and Innovation Award**. Both awards were presented in Washington, D.C.

The E Award is the highest honor the federal government can give to American people, firms or organizations that have made significant contributions to the increase of American exports. The Massachusetts Export Center was presented this award by President George W. Bush and U.S. Secretary of Commerce Carlos M. Gutierrez.

"The Massachusetts Export Center has demonstrated a sustained commitment to export expansion and is helping to keep America competitive in the global marketplace. I commend them for contributing to last year's record in goods and services exports," said Gutierrez.

The SBDC Service Center Excellence and Innovation Award honors Small Business Development Centers for their innovation and excellence in assisting entrepreneurs and small business owners achieve their business goals. Nominated by Associated Industries of Massachusetts, the Massachusetts Export Center was the nationwide winner of this award, which was presented by Steven Preston, administrator of U.S. Small Business Administration.

Senator John Kerry, chairman of the U.S. Senate Committee on Small Business & Entrepreneurship, also met with the Massachusetts Export Center as part of the award ceremony. "In these tough economic times, exports are driving our economy and that's why the Massachusetts Export Center's work is so important," said Senator Kerry. "I'm proud that the folks at the Export Center are doing such an exemplary job helping Massachusetts small businesses sell their goods overseas. We'll be working in Washington to make sure that all small businesses have access to the kind of excellent assistance that the Massachusetts Export Center provides for our small firms."

"We're proud of the recognition that the Massachusetts Export Center has earned nationally for its hard work to help small businesses export their goods all over the world," said Secretary Daniel O'Connell, Governor Patrick's chief housing and economic development advisor. "The Export Center has proven to be a key resource for small businesses as well as trade and professional associations."

The Massachusetts Export Center has offices in Boston, Holyoke, New Bedford, and Worcester, and serves more than 1,000 businesses per year.

# Business Services Unlimited

Danvers, Massachusetts

“When I met MSBDC’s Northeast Regional Director **Margaret Somer** a year ago at a local business event, my revenues and reputation had been growing fast, but my margins were slim,” recalls **Renee Jacavanco**.

Jacavanco’s firm, **Business Services Unlimited (BSU)** of Danvers, has given its small and medium-size business clients bookkeeping and accounting support and business advice since 1990.

Over the years, Jacavanco, a public accountant, has added administrative services and business problem solving to her arsenal of services. She has extended her client support further through alliances with financial advisors, human resource specialists, and other specialists. A year ago, Jacavanco realized the irony: BSU, which had advised so many business clients, now needed an outside perspective.

Since that first meeting, Somer, whom Jacavanco calls her “business alter ego,” has helped the small business owner address challenges from multiple angles. “Margaret helped me write a proposal that allowed BSU to secure an SBA-backed \$75,000 credit line from a bank, Salem Five,” she notes. “That relieved a great deal of anxiety.” So did the advice to hire a skillful office manager, which freed Jacavanco (she also employs four bookkeepers) to devote more of her time to clients and sales. The new office manager, she continues, also handles sales, operations, and a special need identified by Somer: collections. When Somer made her initial assessment, she discovered \$40,000 in overdue receivables from clients. That has since disappeared thanks to the office manager’s subsequent training in collections, better tracking of client accounts, and new collections protocols.

To build a more lucrative client base, Somer convinced Jacavanco to advertise, network, and add a specialty niche focusing on construction contractors. For the first time in two decades, BSU did mailings, which in turn yielded new, high-quality customers. “Our emphasis on QuickBooks has been especially valuable to



*Renee Jacavanco*

contractors. It allows them to cost out overhead, which they can easily incorporate when charging out hours. So far I haven’t lost any of my clients in that industry to the recession. One developer is still building high-end homes.”

Encouraged by Somer, Jacavanco has explored a new-found passion for networking. She attends small business, construction, and other industry gatherings to make new contacts. She also attends a local monthly gathering of the Massachusetts Association of Public Accountants to talk shop and network.

Above all, Jacavanco credits Somer and the MSBDC for helping BSU to plan for controlled growth. That entails setting realistic quarterly and annual sales goals—and tracking costs, revenues, and cash flows. “By seeing this bigger picture, we’ve achieved growth within our means and increased our client base,” Jacavanco observes. BSU now operates more efficiently and profitably.

“Working with Margaret and the MSBDC has helped us to develop our own best practices and to disseminate better practices to our clients,” Jacavanco continues. “If I think that a client can benefit from the services, I recommend Margaret and the MSBDC. I know first hand what a difference those services have made for Business Services Unlimited.”

# FloDesign

Wilbraham, Massachusetts



*Dr. Walter Presz, Jr. (left) and Stanley Kowalski III*

“The MSBDC’s **Dianne Fuller Doherty** not only offered us sound business advice; she embraced our dream and urged us to think big,” emphasizes **Stanley Kowalski III**, who is CEO of the Wilbraham-based engineering and design companies, **FloDesign** and its recent spinoff, **FloDesign Wind Turbine Corporation**.

Founded in 1990 by its current chief technology officer **Dr. Walter Presz, Jr.**, FloDesign focuses on innovations in air and fluid dynamics and process engineering. Its dozens of patents have yielded product innovations for military aircraft that generate reduced heat signatures, a nonlethal cannon that fires bursts of air instead of bullets, more efficient, quieter jet engines and leaf blowers, and now a wind turbine that Kowalski believes will prove to be a game changer in the renewable energy market. Says Kowalski: “It’s what Harvard business professor Clayton Christiansen calls a “disruptive technology”—a revolutionary innovation that topples a market’s technology status quo.”

A radical improvement over traditional horizontal axis wind turbines, FloDesign's mixer/ejector alternative generates 50% more power at a cost of 25% to 30% less. "Dianne realized that we had a potential winner in a green technology market poised for enormous growth," notes Kowalski, who joined the firm as its CEO in 2007. (Although Kowalski spent nine years as a new product development engineer with a photo finishing firm in Palmer, his involvement with FloDesign dates to the early 1990s when he was Presz's engineering student at Western New England College.)

"Dianne was persistent in encouraging us and in helping us to sharpen our presentation to potential funding sources," he continues. "She pulled together a team of entrepreneurs and financiers who listened to our presentation and gave us precise, strategic feedback."

"Stanley is a serial entrepreneur and he's also an engineer in love with his technology," remarks Doherty, who is regional director of the MSBDC's Western Regional Office in Springfield. "During his presentations, we kept stressing—ease up on the technology; focus on your business and marketing plans." To that end, Kowalski honed an airtight business plan in support of a well-researched message that the market for wind turbines would likely exceed \$20 billion and that his company could capture \$3 billion of that potential market. With critiques from Doherty and her cohorts under his belt, Kowalski was ready for the real thing.

In April 2008, FloDesign Wind Turbine Corporation secured a \$500,000 loan from the Massachusetts Technology Collaborative, the state's development agency for renewable energy and technology innovation. Kowalski is using the loan, which requires a company match,

to build his first prototype. A month later, the company won the \$200,000 grand prize in the MIT Clean Energy Competition. In that contest, Kowalski received valuable support in preparing and presenting his financials from William Noto, a UMass Amherst MBA student. The UMass Amherst campus' Isenberg School of Management frequently collaborates with Doherty's center and is headquarters for the statewide MSBDC Network.

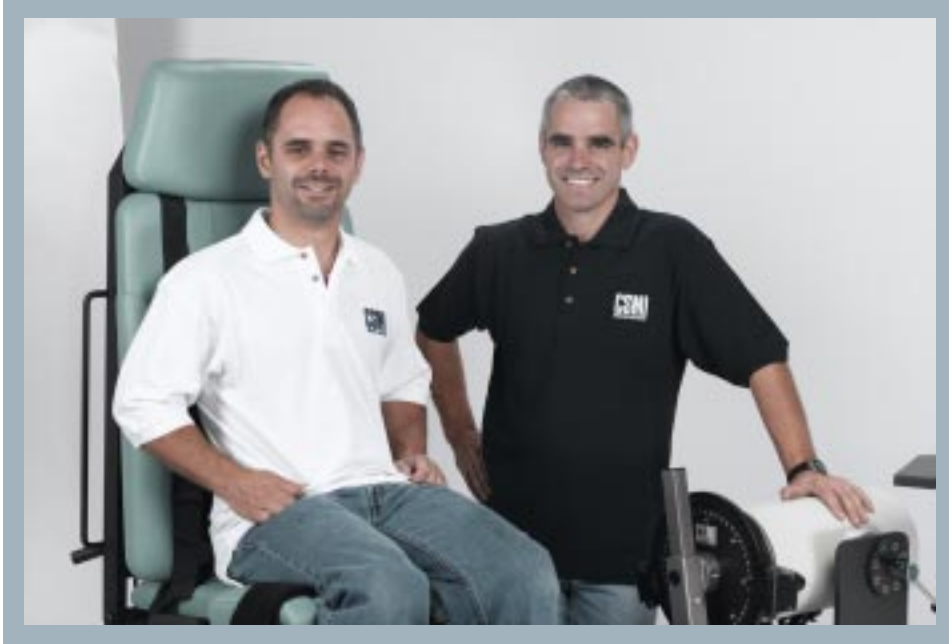
Even more momentous was the outcome of Kowalski's presentation earlier in the spring to the eminent venture capital firm, Kleiner Perkins Caulfield and Byers. The firm, which includes AI Gore, Colin Powell, Bill Joy, and V.C. icon John Doerr among its partners, was duly impressed. It has earmarked several million dollars in first-stage financing for Kowalski and his project.

**“Dianne was persistent in encouraging us and in helping us to sharpen our presentation to potential funding sources.”**

With its new-found resources, Kowalski is moving full speed ahead to bring FloDesign's revolutionary wind turbine to market. That includes developing its prototype, searching for a more spacious facility, and readying to hire the company's first wave of core employees. If all goes according to plan, Kowalski foresees his product's market entry by as early as 2010. "Dianne helped us to set our sights high," affirms Kowalski. "Now we must execute against the clock to maintain our competitive advantage."

# Computer Sports Medicine Inc.

Stoughton, Massachusetts



*Rich Potash (left) and Rob Potash*

“The MSBDC’s Massachusetts Export Center helps us by doing research that we can’t do,” observes **Rob Potash**, marketing director of Stoughton-based **CSMi**, a leading designer and manufacturer of human performance testing, rehabilitation, and documentation equipment.

CSMi serves the physical therapy, sports medicine, industrial rehabilitation, and exercise science markets. Founded in 1982 by Potash and his brother, **Rich Potash**, the company for its first 21 years designed and sold a software product (HUMAC) to owners of the CYBEX Extremity System, which is used in the testing and rehabilitation of human joints. “Owners of the CYBEX System would buy our software, which replaced the system’s chart recorder, to improve their machine’s performance. With our product, they wouldn’t need to buy a new machine,” explains Potash.

In December of 2003, CSMi purchased the rights to the CYBEX Extremity System product line. “That not only changed us overnight from a software developer to an equipment manufacturer, but to a substantial exporter,” notes Potash. “Before we bought the CYBEX line, exports accounted for 10% of our sales. After that, we realized that at least 50% of our sales would come from exports,” he recalls. That’s when, Potash and his firm first contacted the Massachusetts Export Center in Boston.

“Within a few weeks, the Export Center delivered a report with the names of prospective customers and distributors—typically five to ten per country—for us to consider,” Potash continues. “The depth and accuracy of the Export Center’s marketing reports were truly impressive. For example, they not

only listed distributors in our market, but included the products that those distributors were selling. That allowed us to pinpoint our interviews to distributors with like products (i.e., capital goods for physical therapy in exercise science), learn where our distributors were selling those products, and provide our distributors with prospects for our products.”

The Export Center offered CSMi a wealth of additional services, including research and advice on tariffs and other taxes, guidance with unfamiliar product registration regulations, and news about international trade show opportunities. Says Potash: “The Massachusetts Export Center is a great resource to help answer what may be commonly known questions that are not so obvious to the new international marketer. Those questions might involve subjects like proper export documentation, what agencies and people to contact for export licenses, and recommendation on common export practices in different countries.”

**“The depth and accuracy of the Export Center’s marketing reports were truly impressive. For example, they not only listed distributors in our market, but included the products that those distributors were selling.”**

The Export Center’s director, **Paula Murphy**, has an unrivaled grasp of exporting and its nuances, emphasizes Potash. The Export Center’s **BreAnne Yothers** not only helped CSMi find new distributors in Australia, but helped those distributors to identify new prospects, including hospitals and sports medicine clinics. To acquire a special export license to do business in Iran, CSMi drew on Murphy’s expertise in navigating through a labyrinth of U.S. agencies including the Commerce, Treasury, and State Departments. In the end, CSMi gained a narrow exemption to sell its CYBEX system in Iran as a medical device.

“Four years after our first contact with the Massachusetts Export Center, I’ve learned a great deal about the basics of exporting, but I continue to communicate monthly on an ad hoc basis with Paula and the center,” observes Potash. With the center’s encouragement and assistance, CSMi today exports to over 30 countries. Exports account for 60% of its revenues and the company’s overall sales exceed \$4 million. Before buying CYBEX and moving decisively into overseas markets, CSMi was a four-person business. Today, it employs fourteen. Potash travels overseas about twelve times a year to participate in trade shows and to do business with customers and distributors. What’s next on the horizon for CSMi: “With the Export Center’s help, we expect in the near future to establish distribution in Russia and Poland,” notes Potash.

## Complying with U.S. Export Regulations

For Massachusetts businesses seeking assistance with export compliance issues, the Massachusetts Export Center provides specialized assistance in this area. With awareness, education and vigilance, any company can sell globally while remaining fully compliant with the law.

Fines, revocation of exporting privileges, and other harsh penalties have caught the attention of exporting firms. U.S. export regulations are complex and dynamic; enforcement of the regulations has redoubled in the years following the 2001 terrorist attacks.

All exporting firms, regardless of size or product, are under the jurisdiction of U.S. export control laws. The key to compliance is to understand which elements of the regulations affect the exporter and the shipment, and institute appropriate checks and balances as the shipment is processed.

**Denied Parties.** The U.S. government maintains lists of companies and individuals throughout the world to whom U.S. exporters either cannot ship altogether or cannot ship without a license.

**Embargoed Countries.** Countries such as Cuba, Iran, North Korea, Sudan and Syria are generally off-limits for U.S. exporters. Exporters should also keep an eye out for possible illegal diversion of shipments to prohibited destinations.

**Product Controls and Licenses.** Some products are subject to specific controls and may require licenses to be exported, usually depending on the receiving country or end user. Controlled commercial or dual-use products can be found on the Commerce Control List, and controlled military-related goods can be found on the U.S. Munitions List.

**Anti-Boycott Compliance.** U.S. firms are prohibited from complying with foreign government boycotts in which the U.S. does not participate; for example the Arab boycott of Israel. Exporters should keep an eye out for boycott-related language in letters of credit, requests for quotation and other correspondence from overseas buyers.

**Deemed Exports.** The government also views the release of technical data and know-how to foreign nationals as an export transaction. Depending on whether the product is controlled, the nature of the disclosed technical information, and the home country of the foreign national, a company may need an export license.

# Berkshire Nurse Practitioners, LLC

Pittsfield, Massachusetts



Left to right: Leslie Washburn, FNP-C, and Robyn Korte, ACNP-C

“Recent studies show that primary medical care in Western Massachusetts is in crisis,” observes **Robyn Korte**, who with fellow nurse practitioner **Leslie Washburn** owns **Berkshire Nurse Practitioners, LLC**, a full-service primary care office in Pittsfield.

For years, the demand for primary care in Western Massachusetts has exceeded the supply of medical practitioners, and recent mandatory health insurance coverage for all Massachusetts residents has intensified the challenge. To prepare for Berkshire Nurse Practitioners’ June 2006 entry into that undersupplied market, Washburn and Korte made a smart business decision—they turned to MSBDC business advisor **Susan Mongue** for help with their business and marketing plans.



“Before Berkshire Nurse Practitioners, I had never written a business plan or worked with spread sheets,” confesses Korte. “Susan helped us with both. That included identifying when we would need capital infusions both to launch and grow our business. She also helped us to identify potential office space, and to research business practices in firms like ours in eastern Massachusetts.”

“In their initial business plan, we arrived at a specific dollar amount that the business would need to maintain a positive cash flow which included a term loan and line of credit,” recalls Mongue. Because the business was a startup and therefore a higher risk, their bank, TD Banknorth Massachusetts, originally granted a reduced credit line. Six months later Robyn and Leslie, concerned about their cash flow reserve, returned to Mongue for guidance. After reviewing their financial reports, she advised them to talk with the lender and request an adjustment to their line of credit. Since they were able to demonstrate a strong six-month history with revenues that were right on target with their original projections, the bank had no trouble accommodating their request.

Mongue also reviewed Washburn and Korte’s marketing plan. “Our business represented a new concept for the community and needed some selling to get people on board,” Korte explains. Mongue applauded the plan for its thoroughness and necessary aggressiveness. “The MSBDC retrieved data for us on population trends that helped us to understand our potential market. It not only included Pittsfield but Berkshire hill towns and parts of eastern New York State as well,” Korte recalls. The partners also secured a technical assistance grant from the city of Pittsfield that they plowed back into advertising. Their marketing initiative included sophisticated newspaper and

radio advertisements and even billboards depicting the partners sporting lab coats and stethoscopes beside their company’s logo.

“Berkshire Nurse Practitioners has been a unique business to work with,” Mongue remarks. It is the first private practice owned and operated by nurse practitioners in Western Massachusetts. “All such organizations in the Bay State,” she adds, “must work with a collaborating physician.” For Berkshire Nurse Practitioners that physician has been Dr. Mark Snowsie. “Mark reviews EKGs; he reviews charts on site every three months. He’s our employee and our colleague,” notes Korte.

**“The MSBDC retrieved data for us on population trends that helped us to understand our potential market.”**

Washburn and Korte decided to be their own bosses after years of frustration with the prevailing cultures at their previous health care employers. “It was too much about meeting patient quotas, about being on a clock every 15 minutes. It seemed to us like an assembly line,” Korte recalled. “We wanted to take the time with patients to be better listeners; to offer more holistic treatment that incorporated guidance on lifestyle, diet, and prevention. To us it seemed kind of simple. Health care is in part a business but you need to keep that in perspective. By helping us with the business side, Susan has given us the flexibility to fulfill our roles as nurses. Berkshire Nurse Practitioners, we like to say, is where the art of nursing meets the science of medicine.”

# Emitech, Inc.

Fall River, Massachusetts



Left to right: Marina Katayeva, Igor Levitsky, Daniel Lilly, Melinda Ailes

“I wish I had met Melinda and Dan when we just started our company” observes **Emitech** president, **Marina Katayeva**. “It would have made the learning curve of developing our own business much easier.”

Founded in 2002 by Marina and her husband, **Igor Levitsky**, an experienced physicist and materials scientist, the Fall River firm excels in the development of innovative nanotechnologies and optoelectronic materials. Emitech’s main efforts aim at transferring the latest scientific breakthroughs to state-of-the-art technologies followed by device prototyping and commercialization. Their R&D activities are mostly focused on the development of new electronic and optoelectronic devices, such as optochemical sensors, nanocomposite electrical- and photo-actuators, IR detectors and solar cells.

“For the last six years we had Small Business Innovation Research (SBIR) funding for nine projects—seven with Phase I funding and two with Phase II funding,” notes Katayeva. The Federal SBIR program channels funding to high-technology ventures through three progressive phases: Phase I entails a six-month feasibility study; Phase II involves its further development for two years; and Phase III focuses on commercialization of the idea through private sector or non-

SBIR government funding. In Emitech's case, that includes support from the U.S. Army, Air Force, Navy, and the National Science Foundation.

The MSBDC's services to Emitech have been comprehensive. "Meeting **Melinda Ailes** and **Daniel Lilly** was almost by accident," recalls Katayeva, who first visited the MSBDC's Southeast Regional Office in Fall River at the beginning of 2007. "We needed to open a line of credit for our business. The banks—even my own—wouldn't cooperate. Melinda helped us to make the right moves in the right directions, which brought us to a successful result. She was very knowledgeable and friendly at the same time. That encouraged us to use her advice again. Melinda introduced us to Dan Lilly, the regional MSBDC government procurement specialist. It was of great benefit for Emitech to find somebody with his kind of expertise."

Lilly and other procurement experts affiliated with MSBDC offices around the state identify government contract opportunities and guide clients through the maze of application and contract paperwork and regulations. Clients visit Lilly because they know he can help them increase their success rate with government funding, but Lilly views his role in broader strategic terms. "I help Marina and other clients with basic contract activities. But I also encourage them to see the bigger picture. That includes protecting their research and thinking proactively about expanding its applications."

"Through the MSBDC, I receive an online database service that gives us regular updates and links to government opportunities in our areas of expertise," explains Katayeva. "But I value Dan and Melinda above all for their advice on which funding opportunities fit best into our business plan and how we should pursue them. That includes advice on patents, lawyers, marketing, networking, and subcontractors."

"Dan and I always meet together as a team with Marina and her husband," emphasizes Ailes, who is the director of MSBDC's Southeast Regional Office. "Our approach is to offer Emitech services that

integrate a broad range of activities: their business and marketing plans, financing, technology and development decisions, patent licensing, and obtaining and pursuing government contracts," observes Ailes. "Our aim is to help Emitech develop a full-blown strategy that incorporates all facets of its business development. We want Marina to ask strategic questions about her business."

To date, Emitech's most commercially advanced project is an explosive detector based on organic-inorganic nanocomposite materials. (The firm is also developing gas-detecting technologies for nonmilitary uses, such as breath analysis.) That venture is on the threshold of Phase III SBIR commercialization. "The first prototype of the explosive detector was successfully tested at Army facilities in April of 2008. We have a commercial partner, a company that will manufacture our second more developed prototype for the field test followed by product commercialization," notes Katayeva, who is investigating manufacturing arrangements for the device. "Dan and Melinda have urged us at this stage to ask: "Do we get involved with the product's manufacture or do we license the technology?"

"They both have a keen sense of timing," Katayeva continues. "They know when you're ready to move to the next level of development. They make sure you don't hesitate, because if you do, someone else may beat you to the market. The best part of Melinda and Dan's assistance is that they know and enjoy what they are doing. That makes the whole process of our collaboration very productive."

"We're currently a team of five: two scientists, an electrical engineer, a bookkeeper, and me. I run the business and do all the marketing by myself because our budget and our time are limited. When I don't sleep, I work," emphasizes Marina, who had just returned from a conference in California, entitled *Beyond Phase II*. "But I wouldn't have it any other way. It's a privilege to own my own company."

# Cambrooke Foods

## Framingham, Massachusetts



Lynn Paoella

**Cambrooke Foods** in Framingham, founded by **Lynn and David Paoella** in 2000, originally grew out of their impulse as parents to secure nutritious, palatable meals for their two children.

Both Paoella children were born with Phenylketonuria (PKU), a disorder that prohibits their bodies from metabolizing the amino acid phenylalanine. Those with the deficiency (David Paoella notes that 10,000 Americans have PKU and 17,000 have either PKU or other metabolic disorders) must adopt special low-protein diets for life. Before Cambrooke, anyone with PKU faced a dietary future of unappetizing, unimaginative retail options.

Lynn Paoella's response in the mid 1990s was to create more palatable, more varied dishes for her children. By the year 2000, she was determined to share that cuisine with the entire PKU community. "That's when we decided to transform our cottage business to a more serious enterprise," recalls David Paoella, who joined Lynn full time that year as Cambrooke's chief financial officer.

To gain a stronger business foundation, Lynn visited **Paula Camara** at the MSBDC office in Worcester, who found the Paoellas' story compelling. Soon afterward, she introduced the couple to her MSBDC colleague, **John Rainey**. "The two operated as a team—Paula was its heart and soul and John its number cruncher," recalls David Paoella. "To help us secure a bank loan, they asked us to think more clearly about our initial business plan and to complete the necessary pro formas. John introduced us to a template that allowed us to build out our financial forecasting. The model, which we continue to use, allows us to view our resources and expenses alongside different financial assumptions. Above all, it helps us to manage cash flow. For a small business like ours, cash flow is king. You need it to pay employees and bills, to invest, and to leverage your investments. If things get away from you and you lose liquidity, you're out of business."

Camara introduced the couple to Middlesex Bank, which responded with a loan and line of credit. Since then, Cambrooke has grown gradually but steadily, relying periodically on the MSBDC's financial and strategic advice. It's been controlled growth, emphasizes David Paoella, who adds that couple worked for a few years without income. "David and Lynn would come back to visit us year to year to adjust their business plan," notes



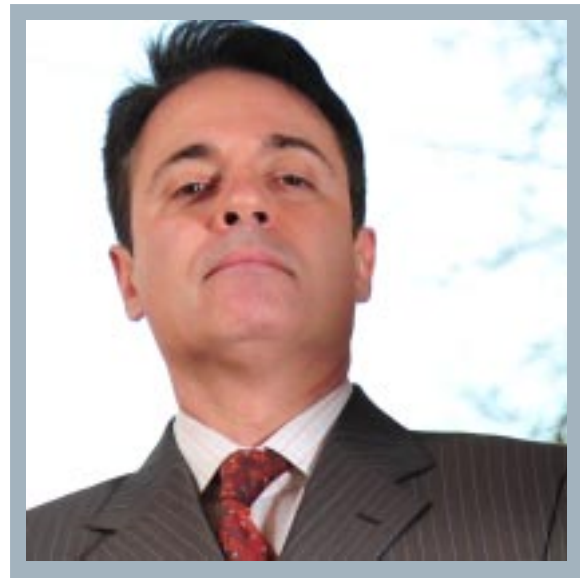
Camara, who also offered advice about their web site and relocation of their operations. Initial financing allowed them to move inventory from their home to rented warehouse space. Not long afterward, they moved their warehouse and accounting operations to the same building (their headquarters) in Framingham. In 2002, they purchased a house in Sudbury, where they coordinate customer service. And in 2006, when they began doing their own manufacturing (they had previously contracted their recipes out to food manufacturers), they began making their growing line of products in a facility in Randolph, which has earned ISO 90001:2000 certification and houses Cambrooke's lab.

In May of 2006, with assistance from MassDevelopment—the state's finance and development authority—Cambrooke purchased a three-acre land parcel in Devens. The company plans to consolidate its operations there in a planned 45,000 square-foot facility scheduled to open in 2009. Expanded research and manufacturing space will allow Cambrooke to diversify its products to serve customers with metabolic deficiencies beyond PKU.

"In eight years, Cambrooke's progress has been impressive," remarks Camara. "It now has 26 employees, up from a few family members in 2000. Its low-protein food line includes over 70 products, ranging from a line of specialty breads, ready meals, meat alternatives, cheeses, pastas, baking mixes, snack foods, and chocolates." Earlier this year the company launched Camino pro™, a companion line of metabolic formula products that allow patients to receive their daily amino acids, she continues. And the firm has developed patent-pending sports drinks,

individual serve sauces, frozen desserts, a snack bar that blend amino acids into shelf-stable formulations. For those and other innovative products and its competitive success, Cambrooke Foods was honored with the 2008 New England Innovation Award from the Smaller Business Association of New England (SBANE).

"Lynn and David's business acumen and their commitment to their customers has been extraordinary," observes Camara. "I have every reason to believe that they will bring Cambrooke Foods to the next level. I have never been prouder to work with a client."

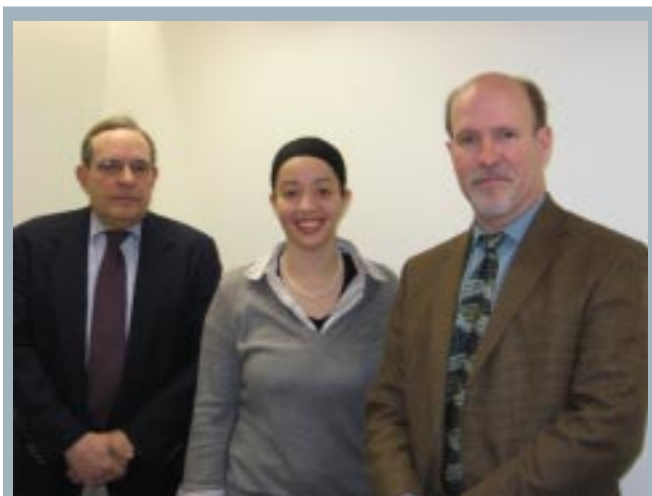


David Paolella

# Boston Regional Office & Minority Business Center

“Our dual mission makes us unique among the MSBDC regional centers,” observes **Mark Allio**, regional director of the **Boston Regional Office & Minority Business Center**.

That mission includes services to two principal constituencies—minority and “urban” entrepreneurs based in inner city Boston, and a broad spectrum of entrepreneurs and business owners found throughout the Greater Boston region and surrounding communities. “Our client base reflects incredible diversity, ranging from Latino grocery store owners to MIT physicists,” notes Allio.



*Pictured left to right: Staff from the Boston Regional Office: Michael Dimino, Katiria Adorno-Vasquez, Mark Allio*

Because the center serves densely populated urban areas and a large minority population (43% of its clients have minority backgrounds, double the statewide center average), its client base skews toward pre-venture clients (61% versus the typical 50% statewide center average). “We operate in an arena with more than 70 public, quasi-public, and nonprofit business assistance providers,” continues

Allio. “That gives us tremendous opportunities to partner with others on behalf of our clients. It’s also helped us to sharpen our own service niche.”

That niche, notes Allio, increasingly involves personalized one-on-one education of potential new and established small business owners. “Our advisors all have distinctly entrepreneurial backgrounds,” he emphasizes. “We typically start off our many pre-startup clients with a lot of situational analysis. We orient them and coach them, but we don’t put them on the business plan train until we are convinced that they have demonstrated the feasibility of their ventures. Our honest, practical approach brings similar value to established businesses. Over the past year, we’ve achieved as many “saves” as “starts” and we continue to implement our strategy, which includes expanding the number of outreach sites.”

In helping its clients secure financing, 80% of the center’s successes—which included creation of 41 new jobs—took place during the first half of Fiscal Year 2008, before the credit markets tightened up. “Our inner city clients face particularly steep hurdles because many of them lack collateral, access to capital, and basic business education,” remarks Allio. “But even with scarce financing, we can prepare clients for future opportunities by helping them to realistically assess their situation and take specific educational and pragmatic steps.”

Allio views the center as a torchbearer for the MSBDC Network. “Our presence in the Commonwealth’s capitol provides great opportunity to partner with many organizations in helping both traditional entrepreneurs as well as those facing the additional challenges present in typical urban environments. It’s a wonderful mandate, and we look forward to furthering the MSBDC statewide mission in generating positive impact even during these difficult economic times.”

# Impact Survey Results

**Studies consistently show that Massachusetts citizens receive a strong return on their investment by utilizing the Massachusetts Small Business Development Center Network.**

The program's success is directly related to the quality of our professional staff and partnerships between the U.S. Small Business Administration, the Massachusetts Department of Business Development, college and university sponsors, and a wide range of supporters in the business community.

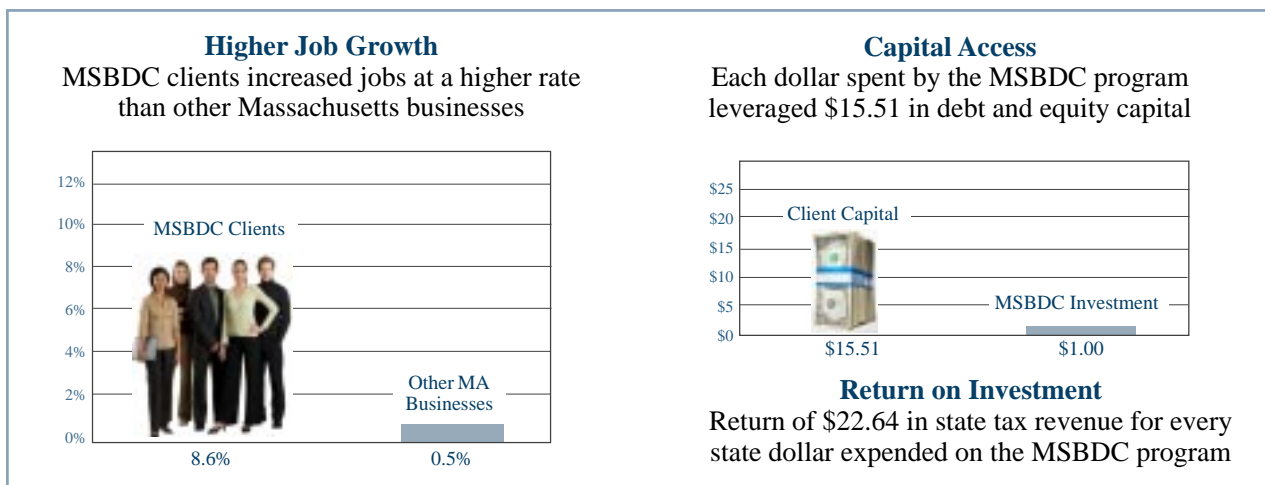
## **Economic Impact Study**

The following results were obtained from a 2008 impact study\* which tracked MSBDC client activity in the calendar year of 2006. The clients received five or more hours of business assistance.

- A majority of clients (98%) would recommend MSBDC services to others; 94% of clients felt services were beneficial.
- Business advisory services generated \$7.69 in tax revenue for each dollar expended on the program from state, federal and local funding sources.
- Following MSBDC business assistance services, \$54.9 million in capital was secured.
- Each dollar spent by the MSBDC program leveraged \$15.51 in debt and equity capital.

## **MSBDC Clients...**

- Outperformed average sales growth for all Massachusetts companies: 29.4% versus 5%.
- Created higher job growth: 8.6% versus Massachusetts average of 0.5% for established firms.
- Generated \$485.6 million in total new sales revenue and \$27.2 million in total tax revenue (\$7.1 million federal tax revenue; \$20.1 million state tax revenue).
- Produced 2,066 new jobs with the average cost of generating a new job at \$1,711 and preserved 2,335 jobs.



\* Findings are from a report by Dr. James Chrisman, Mississippi State University, who sampled 923 clients receiving five or more hours of assistance from the MSBDC Network. The study had a 17.9% response rate.

# Advisory Council

The MSBDC Advisory Council provides general guidance and policy recommendations to the MSBDC state director and dean of the Isenberg School of Management with respect to the following:

- The direction, priorities and implementation of the strategic plan which the MSBDC should pursue in order to achieve its stated objectives;
- Ways of attaining a higher level of coordination between the MSBDC and other technical assistance providers;
- The effectiveness of the MSBDC's activities and possible modifications which would enhance the quality of service rendered to clients.

The Advisory Council is structured to provide an ongoing avenue of input for the MSBDC's most important constituencies. It consists of a minimum of eight people appointed by the dean of the Isenberg School, and includes at least four small business people, a representative from the U.S. Small Business Administration, a representative from the Massachusetts Department of Business Development, and the state director of the MSBDC Network. The dean appoints a member to serve as chairperson.

## **Joseph Bevilacqua**

President  
Merrimack Valley Chamber of Commerce  
264 Essex Street  
Lawrence, MA 01840

## **Jeff Brancato**

Associate VP for Economic Development  
University of Massachusetts  
Office of the President  
225 Franklin Street, 12th Floor  
Boston, MA 02110

## **Derek Brooks**

President/CEO  
Inside Cable, Inc.  
10 State Street, Suite 41  
Woburn, MA 01801

## **Leslie Lawrence**

VP Commercial Lending  
MassDevelopment  
1441 Main Street  
Springfield, MA 01103

## **Meghan Leahy**

Policy Advisor  
Senator John Kerry's Office  
One Bowdoin Square, 10th Floor  
Boston, MA 02114

## **Laurance Morrison**

President  
Laurance S. Morrison Company Inc.  
54 Main Street  
Sturbridge, MA 01566

## **Robert Nelson**

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10 Causeway Street, Room 265  
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## **Georgianna Parkin**

State Director  
MA Small Business Development Center  
227 Isenberg School of Management  
University of Massachusetts  
Amherst, MA 01003

## **Andre Porter**

Executive Director  
Office of Small Business and Entrepreneurship  
Department of Business Development  
1 Ashburton Place  
Boston, MA 02108

## **Cheryl Rumley**

Founder/Owner  
Apex Healthcare Services, Inc.  
1985 Main Street, Suite 202  
Springfield, MA 01103



“Opening a small business is a daunting challenge,” observes **Andre Porter**, the newest member of MSBDC’s Advisory Council and executive director of the **Commonwealth’s Office of Small Business and Entrepreneurship (OSBE)** since May of 2008. “Every startup is unique and the degree of a small business owner’s commitment is crucial,” he continues. “But with public resources like the MSBDC, there’s no reason to go it alone.”

“Many entrepreneurs first contact the MSBDC after their first ten mistakes. They ask, Can you save me? My message for business owners of start-ups is—Don’t wait. Touch base with your regional MSBDC center from the beginning,” urges Porter, who as OSBE director is responsible for planning, managing, and monitoring the state’s small and micro-business development efforts. (He also develops and monitors legislation that improves Massachusetts small business competitiveness.)

“This state’s economy is driven by small businesses. Eighty-five percent of our businesses employ fewer than 19 people,” Porter emphasizes. “Small businesses

**“Touch base with your regional MSBDC center from the beginning.”**

contribute significantly to our economic diversity. In Massachusetts, that diversity assumes regional strengths—financial services and high technologies in Metro Boston, manufacturing in Central Massachusetts, and tourism in Western Massachusetts.”

Through March of 2009, Porter plans to tour Massachusetts and its regions to learn firsthand from the state’s small businesses about their resources and needs, especially in light of the recession. In his travels he will rely on MSBDC offices as touchstones to the small business community.

“One resource that I think will serve small businesses well in the coming months is community banks. Businesses will look to them as a continuing source of capital. Community banks are still in the market for good loan prospects,” observed Porter, who himself spent 14 years in the banking industry.

# Outreach Sites

To better serve the Massachusetts small business community, in addition to office hours at the regional centers, the MSBDC provides services at offsite business locations in conjunction with chambers of commerce and economic development entities. For most small business owners this means that MSBDC services are no further than 30 minutes away.

## **Berkshire Regional Office**

Great Barrington    Berkshire Bank  
North Adams        Mass MoCA

## **Boston Regional Office & Minority Business Center**

Arlington            Arlington Chamber of Commerce  
Norwood            Neponset Valley Chamber of Commerce  
Quincy              Quincy 2000 & South Shore Chamber of Commerce  
Waltham            Waltham West Suburban Chamber of Commerce

## **Central Regional Office**

Acton                Middlesex West Chamber of Commerce  
Clinton              Wachusett Chamber of Commerce  
Devens              Nashoba Valley Chamber of Commerce  
Fitchburg            North Central Massachusetts Chamber of Commerce  
Framingham        Metro West Chamber of Commerce  
Franklin             United Chamber of Commerce  
Gardner             Greater Gardner Chamber of Commerce  
Marlborough        Marlborough Regional Chamber of Commerce  
Milford              Milford Area Chamber of Commerce  
Westborough        Corridor Nine Chamber of Commerce  
Whitinsville        Blackstone Valley Chamber of Commerce  
Worcester           Worcester Regional Chamber of Commerce

## **Northeast Regional Office**

Amesbury            Alliance for Amesbury  
Danvers\*            North Shore Chamber of Commerce  
Gloucester          Cape Ann Chamber of Commerce  
Lawrence            Merrimack Valley Chamber of Commerce  
Malden              Malden Chamber of Commerce  
Melrose              Melrose Chamber of Commerce  
Salem\*               Salem Chamber of Commerce  
Stoneham            Stoneham Chamber of Commerce  
Woburn              North Suburban Chamber of Commerce

## **Southeast Regional Office**

Attleboro            Attleboro Area Chamber of Commerce  
Barnstable          Cape Cod Chamber of Commerce & Cape Cod Community College  
Buzzards Bay        Cape Cod Canal Region Chamber of Commerce  
Fall River            Fall River Area Chamber of Commerce & Industry, Inc.  
Falmouth            Falmouth Chamber of Commerce  
Mansfield            Tri-Town Chamber of Commerce  
New Bedford        Quest Center @ New Bedford Economic Development Council  
Norwood             Neponset Valley Chamber of Commerce  
Plainville            North Attleboro & Plainville Area Chamber of Commerce  
Plymouth            Plymouth Area Chamber of Commerce  
Taunton              SEED Corporation

## **Western Regional Office**

Amherst             Amherst Area Chamber of Commerce  
Greenfield          Franklin County Chamber of Commerce  
Northampton        Greater Northampton Chamber of Commerce

\* Provide referrals to SBDC; no office hours at site



### **State Office**

Georgianna Parkin, State Director  
University of Massachusetts Amherst  
227 Isenberg School of Management  
121 Presidents Drive  
Amherst, MA 01003  
413-545-6301

### **Berkshire Regional Office**

Keith Girouard, Senior Business Advisor  
75 North Street, Suite 360  
Pittsfield, MA 01201  
413-499-0933

### **Boston Regional Office & Minority Business Center**

Mark Allio, Regional Director  
University of Massachusetts Boston  
College of Management  
McCormick Building, 5th Floor, Room 403  
100 Morrissey Boulevard  
Boston, MA 02125  
617-287-7750

### **Central Regional Office**

Laurence Marsh, Regional Director  
Clark University  
950 Main Street  
Worcester, MA 01610  
508-793-7615

### **Massachusetts Export Center**

Paula Murphy, Director  
State Transportation Building  
10 Park Plaza, Suite 4510  
Boston, MA 02116  
617-973-8664

### **Northeast Regional Office**

Margaret Somer, Regional Director  
Salem State College  
Enterprise Center  
121 Loring Avenue, Suite 310  
Salem, MA 01970  
978-542-6343

### **Procurement Technical Assistance Center**

Peter Cokotis, Program Manager  
University of Massachusetts Amherst  
227 Isenberg School of Management  
121 Presidents Drive  
Amherst, MA 01003  
413-545-6303

### **Southeast Regional Office**

Melinda Ailes, Regional Director  
200 Pocasset Street  
Fall River, MA 02721  
508-673-9783

### **Western Regional Office**

Dianne Fuller Doherty, Regional Director  
Scibelli Enterprise Center  
1 Federal Street  
Springfield, MA 01105  
413-737-6712

*Special thanks to the chambers and agencies that provide office facilities for the MSBDC staff, including Holyoke Community College, New Bedford Area Chamber of Commerce, and Worcester State College.*

