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## engaging small businesses in procurement activities



## Georgia Department of Economic Development

- **WHO WE ARE:** The Georgia Department of Economic Development (GDEcD) is the marketing and sales arm of the State of Georgia
- **WHAT WE DO:** Strategically deliver economic development throughout the state by:
  - Attracting new business investment
  - Supporting the expansion of existing industry and small businesses
  - Locating new markets for Georgia products
  - Attracting tourists from within and outside the state
  - Promoting Georgia as a desirable location for entertainment businesses and projects



## FY16 STATEWIDE IMPACT MAP



## INTEGRATED ECONOMIC DEVELOPMENT APPROACH

Our goal at the Georgia Department of Economic Development (GDEcD) is to create jobs and investment opportunities in every community across the state.

The FY16 impact map represents a few of the numerous ways that GDEcD divisions impact cities, towns and counties in every corner of Georgia.

### STATEWIDE IMPACT MAP LEGEND

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li><span style="color: green;">●</span> <b>CENTERS OF INNOVATION</b><br/>- Project assistance provided</li> <li><span style="color: blue;">●</span> <b>FILM</b><br/>- Camera ready community</li> <li><span style="color: purple;">●</span> <b>GEORGIA COUNCIL FOR THE ARTS</b><br/>- Grant received<br/>- Capacity building or professional development consultations<br/>- Arts or literary learning programs</li> <li><span style="color: orange;">●</span> <b>GLOBAL COMMERCE</b><br/>- Licensed projects<br/>- Georgia Small Business Rock Star</li> </ul> | <ul style="list-style-type: none"> <li><span style="color: yellow;">●</span> <b>INTERNATIONAL RELATIONS</b><br/>- Consular Corps programs<br/>- International presentations</li> <li><span style="color: pink;">●</span> <b>INTERNATIONAL TRADE</b><br/>- Active trade clients<br/>- Export success</li> <li><span style="color: lightgreen;">●</span> <b>TOURISM</b><br/>- Project assistance provided<br/>- Site visit<br/>- Grant received</li> <li><span style="color: brown;">●</span> <b>WORKFORCE</b><br/>- WIOA (Workforce Innovation and Opportunity Act) Program assistance to job seekers</li> </ul> |
|---|---|

## WE SPEAK BUSINESS AROUND THE GLOBE

Georgia has international representatives in 11 strategic world markets based on substantial investment, trade and tourism opportunities. To build and strengthen existing relationships, GDEcD staff and state officials traveled to these critically important international markets and more during FY16.





## Georgia ranks . . .

- #1 in US for best state for business-4<sup>th</sup> Consecutive Year (Site Selection Magazine)
- Georgia scores an “A” for Small Businesses Friendliness (Thumbtack.com)
- Georgia ranks #9 for Most Entrepreneurial State; #1 Average of SBA Loans; #5 in Highest Growth in Number of SBA Loans (*Nerdwallet*)
- Top Five for best environment for small business and entrepreneurs (Thumbtack.com)
- Georgia ranks #4 in US for best environment for small business and entrepreneurs and earned an A- grade for overall friendliness to small business (*Thumbtack.com*)
- #2 for fastest growth in number of women-owned firms and #2 for highest number of black-owned firms (*American Express OPEN*)
- Georgia ranks #5 in US for top state for business and #2 in workforce (*CNBC*)
- Georgia ranks #1 in US as a top exporting state (*Trade & Economic Analysis*)
- GDEcD ranks #1 'best in class' state-level economic development agency in US (*IEDC*)



## What is a small business?

- There are more than 660,000 entities registered in Georgia (Georgia Secretary of State's Office)
- The Department of Labor has employment (this data is from companies who pay unemployment insurance – totally different benchmarks than SOS) information on approximately 298,000 businesses
- 99.8% have less than 500 employees
  - SBA's definition of a "small business"
- 97.6% have less than 100 employees
- 94.6% have less than 50 employees
- 77.7% have less than 10 employees



# gig e·con·o·my

*noun*

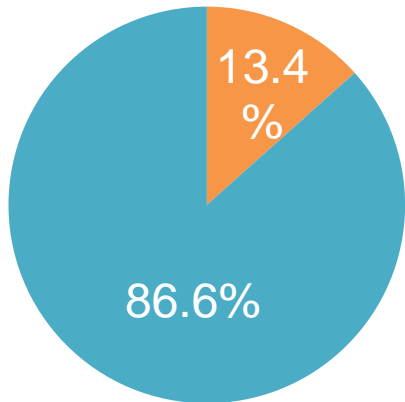
a labor market characterized by the prevalence of short-term contracts or freelance work as opposed to permanent jobs.

"working in the gig economy means constantly being subjected to last-minute scheduling"

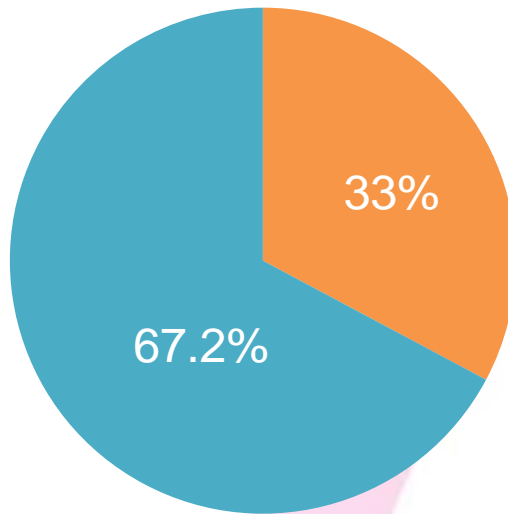


# From W-2 to Freelance

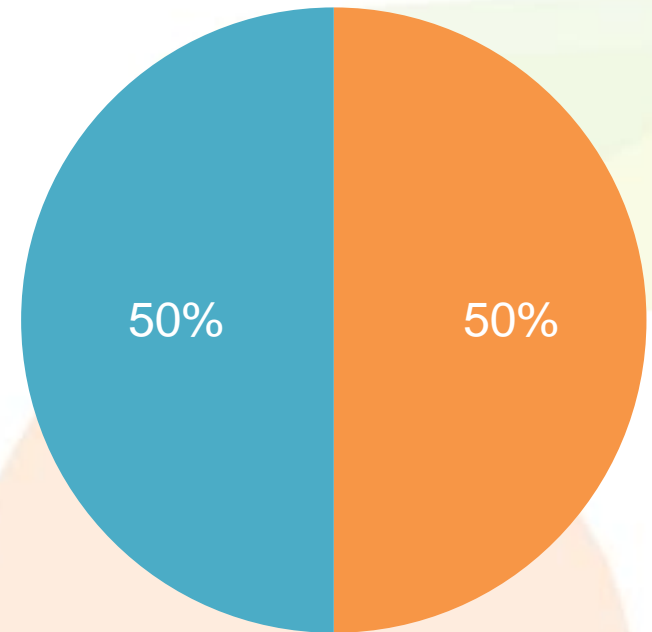
**2010**



**2015**

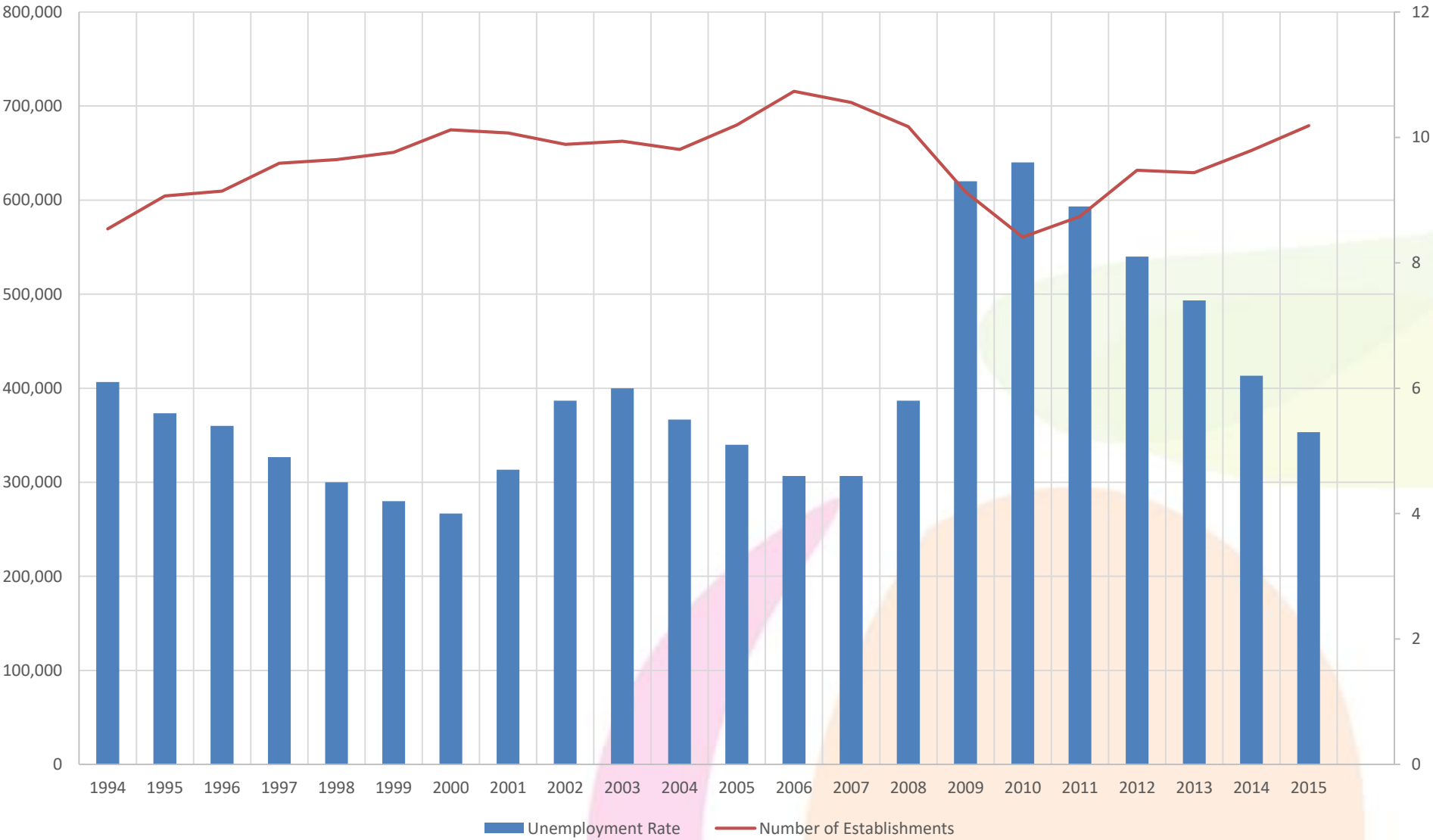


**2020**



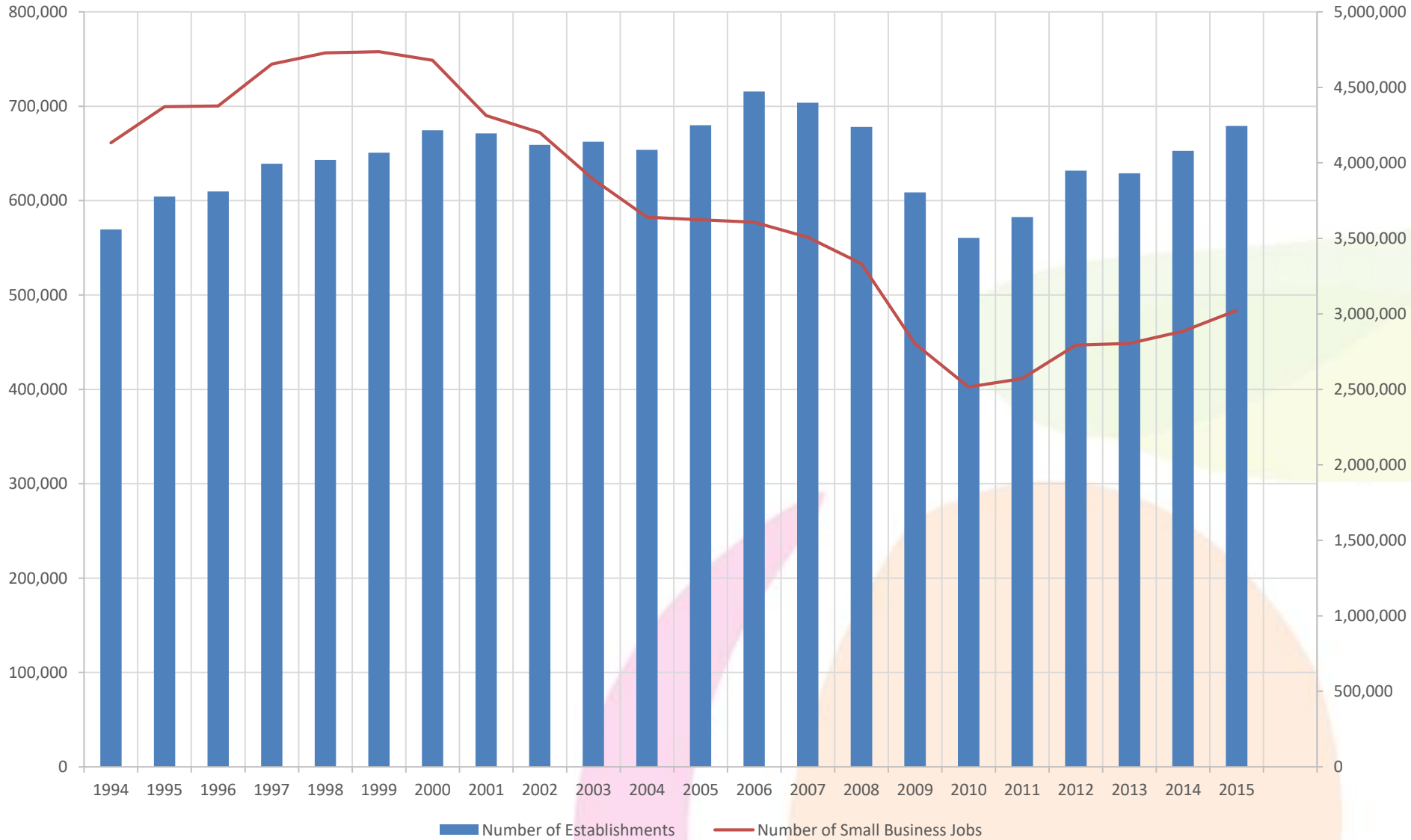
■ Freelance ■ W-2

# Unemployment Rate and Number of Small Business Firms

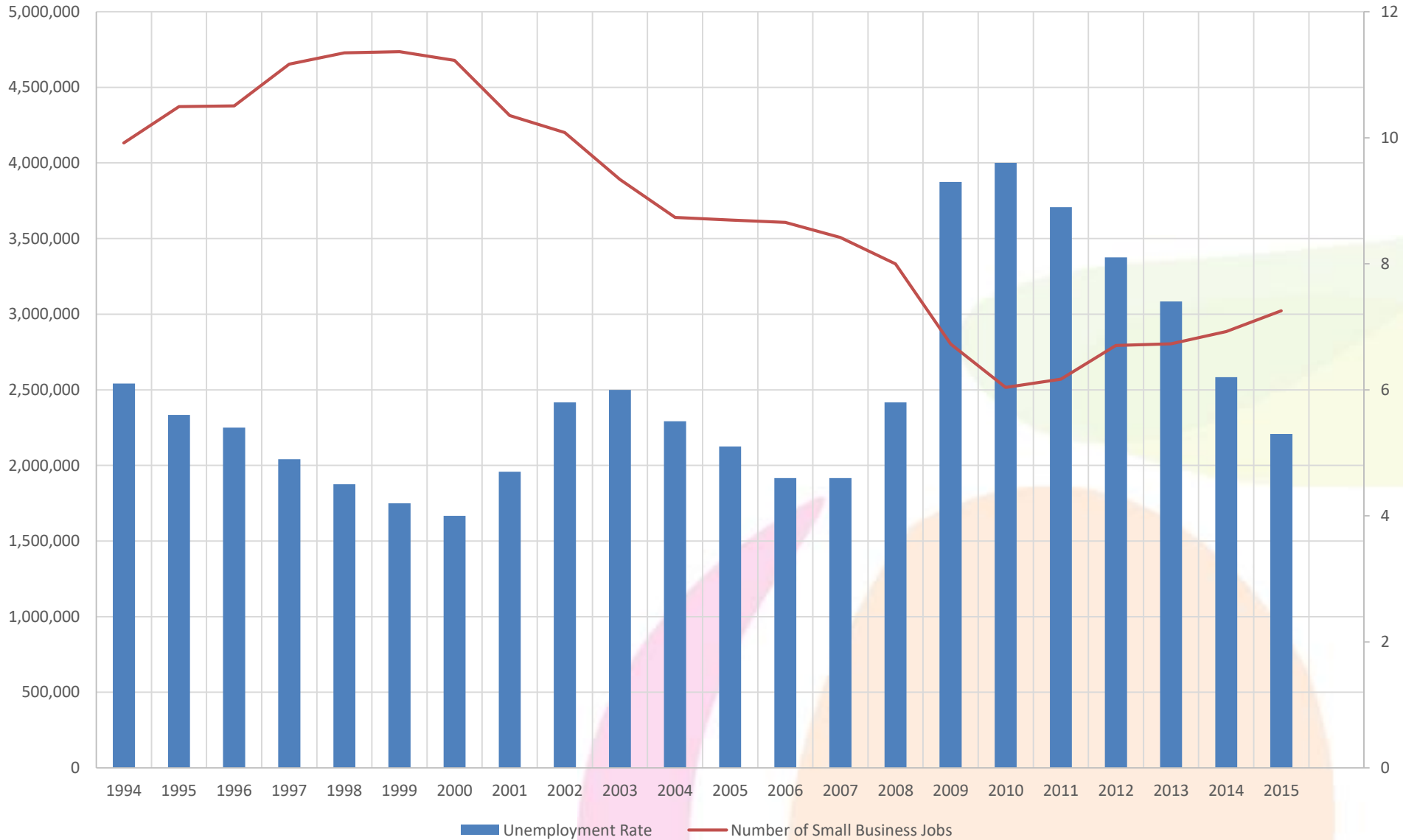




# Establishments and Jobs



# Unemployment and Small Business Jobs





## Why is important to support small businesses?

- According to the *3/50 Project*, for every \$100 worth of goods and services your agency buys:
  - If you spend that with an independently-owned small business, \$68 stay within the local community;
  - If you spend that same \$100 with a national chain retail outlet, only \$43 stay within the community; and
  - If you click the “Buy Now” button, \$0 stay within the community (except for sales tax).



## Resources to assist small businesses

- University of Georgia Small Business Development Center
- Georgia Tech Procurement Services
- Small Business Administration/SCORE
- Georgia Department of Economic Development, Entrepreneur and Small Business Office





## Direct services to small companies

- One-On-One Contact
- Tax credits, resources, connections
- Tourism, Arts, Film, Music
- Export assistance
- Centers of Innovation





## Certifications to assist small businesses

- Disadvantaged Businesses Enterprise
- Minority Business Enterprise
- Woman Business Enterprise



**Break through**



**the barriers!**



## The questions we should ask ourselves are:

- What do small business owners do on a daily basis;
- How easy is it for small businesses to engage us;
- Are we acting as gatekeepers or facilitators for contract opportunities for small businesses?



## What is it like to be a small business owner?

- Entrepreneurs fill many roles in their business:
  - Manufacturing/Distribution/Logistics
  - Maintenance/Repair
  - Marketing/Sales
  - Human Resources
  - Accounting
  - Counselor
  - Advocate



# How easy is it for small businesses to engage us?

- More prominent links to DOAS Procurement Opportunities on websites
  - *One Click, That's All* link to Procurement Opportunities
  - “Do Business with...”
- Increased partnerships with local partners, such as Chamber of Commerce, Development Authorities, Cities/Counties and other local/regional entities that utilize DOAS for procurement services
- Listing of upcoming DOAS Supplier Webinars and Events on [www.georgia.org/small-business](http://www.georgia.org/small-business) and social media channels



## Solutions for the future

- Team Georgia Marketplace
  - Continue to promote and educate known providers about Team Georgia marketplace
  - Encourage and assist known providers with registering with the Team Georgia Marketplace
- Amazon is a known provider
  - Search by company name for required purchases
  - Remember the 3/50 Project, and shop small and at home when you can
- One final thought...

A man with curly brown hair and glasses, wearing a white button-down shirt, is leaning towards a white horse. The horse is wearing a black harness with silver buckles. The background is dark and blurry, suggesting an outdoor setting at night.

**Are you the Gatekeeper?**



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