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
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

- **CENTERS OF INNOVATION**
  - Project assistance provided

- **FILM**
  - Camera Ready community

- **GEORGIA COUNCIL FOR THE ARTS**
  - Grant received
  - Capacity building or professional development consultations
  - Arts or literary learning programs

- **GLOBAL COMMERCE**
  - Global projects
  - Georgia Small Business Rock Star

- **INTERNATIONAL RELATIONS**
  - Corporate Corps programs
  - International presentations

- **INTERNATIONAL TRADE**
  - Active trade clients
  - Export sauces

- **TOURISM**
  - Project assistance provided
  - Site visit
  - Grant received

- **WORKFORCE**
  - WIOA (Workforce Innovation and Opportunity Act) Program assistance to job seekers

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-4th 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
- W-2: 86.6%
- Freelance: 13.4%

2015
- W-2: 67.2%
- Freelance: 33%

2020
- W-2: 50%
- Freelance: 50%
Unemployment and Small Business Jobs

- **Unemployment Rate**
- **Number of Small Business Jobs**

The chart shows the trend of unemployment rate and the number of small business jobs from 1994 to 2015. The unemployment rate peaks in 1996 and 2009, while the number of small business jobs shows a significant increase in 2009 and 2010.
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
What do entrepreneurs want to know?
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 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…
Are you the Gatekeeper?
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GEORGIA
NO. 1
STATE IN U.S.
FOR BUSINESS CLIMATE

NO. 1
MOST COMPETITIVE STATE