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An Action Plan for Growth

To take their ventures to new heights, entrepreneurs head back to class in the SBA's Emerging 200 program

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There was a point where Kelly Sargent seriously considered quitting the [Small Business Administration's Emerging 200](#) program. Is she ever happy she stuck with it.

"I'm not used to feeling like the struggling student," says Sargent, a former teacher who admittedly hadn't spent much time in a classroom since launching Brainstorm Marketing Inc., a Des Moines, Iowa, advertising and marketing firm, in 1989. "I thought about dropping out because I was a little intimidated. But I'm glad I hung in there. [The program] way surpassed my expectations, and I think it's going to really benefit my [business](#)."

Sargent is among 200 inner-city small-business owners and executives who comprise the pilot program's initial graduating class. Entrepreneurs from 10 cities, including Albuquerque, N.M.; Atlanta; Baltimore; Boston; Chicago; Des Moines; Memphis, Tenn.; Milwaukee; New Orleans; and Philadelphia, are the first to complete the unique--and apparently, highly successful--13-session E200 course. E200 is designed to give participants the multidisciplinary tools to analyze their [businesses](#) and, from there, to develop concrete, multitiered growth strategies. The course, which includes up to 80 hours of advanced training via a condensed, MBA-like applied curriculum developed by Massachusetts-based InnerCity Entrepreneurs, culminated in December with each participant presenting a three-year growth action plan for his or her business.

The aspects of the program that nearly drove Sargent to drop out are also what, in the end, made the experience so rewarding. A creative type at heart, Sargent says E200 took her out of her comfort zone, forcing her to look closely at facets of her five-person firm that she tended to overlook.

The E200 curriculum includes five modules, among them core strategic planning, financial literacy, marketing and resource management. Not only did Sargent's work in those areas provide a fresh perspective on what her [business needs](#) to grow, it also gave her the courage to tackle important ownership tasks she once avoided and to take calculated risks she might not otherwise have taken. That includes steps outlined in her action plan, such as hiring a rainmaker to bring in new business and paying down her firm's debt.

"The financial end of the course made my head spin, but in the end it made me less afraid of managing that part of my business," Sargent says. "Instead of being afraid of the numbers, I see them as a valuable tool in understanding what I need to do to be more successful."

Like Sargent, Atlanta E200 participant Sonya Jones credits the program with motivating her to break free of a "business as usual" mind-set. "I felt my business had stagnated," says Jones, owner of the Sweet Auburn Bread Co., a small downtown bakery she opened in 1997. "I had been wondering how to take my business to the next level. What I learned is, even though we're one store with all of 405 square feet, we can grow as a business without growing physically."

SBA created E200 to help inner-city companies with growth potential overcome inertia and other barriers "so they can take the next step," explains Jeff Andrade, associate administrator for the SBA Office of Entrepreneurial Development. Another aim of the program, he adds, is to foster new entrepreneurial vitality and economic growth in cities with high levels of unemployment and poverty.

Coordinated through SBA district offices in participating cities, the first E200 term attracted entrepreneurs from high-tech to trucking, import-export to manufacturing, Andrade says. While many business initiatives focus on startups, E200 targets an often-overlooked segment of the community: established businesses struggling to scale up. To participate, companies must have at least \$400,000 in annual revenue and an operational track record of at least three years.

In Memphis, the E200 mix included firms with revenue right at the \$400,000 threshold and companies with revenue of \$1.5 million and higher. Steve Pitcairn, a business coach who served as the program's Memphis facilitator, says entrepreneurs from companies on the lower end of the revenue range benefited most from E200.

"The do-it-all type of owners, who until now haven't had time to slow down and focus on some aspects of their businesses, were the ones who seemed to get the most out of the classes," he says. Besides creating a fully fleshed out three-year strategic plan, E200 participants pointed to the relationships they forged with fellow businesspeople in their communities as perhaps the most valuable byproduct of the program. Not only did they become strategic sounding boards and advisors for one another, they also began doing business together.

"I feel like I have 19 new role models and 19 new advisors, plus maybe a few new clients," Sargent says. "So definitely, we plan to keep meeting. From a personal and a business level, the relationships are just too valuable to let go of."

From the SBA home office to program facilitators and participants, the consensus is that the first E200 term was a resounding success. "I have no doubt," Pitcairn says, "that the vast majority of participants will see significant growth in their businesses because they took part in this program."

More entrepreneurs around the country will get a chance to experience E200 for themselves in 2009, as SBA has expanded the initiative to five additional cities, including Detroit; Dallas; Denver; Jacksonville, Fla.; and Portland, Ore.