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Ms. Penny K. Pickett  
 Associate Administrator for Entrepreneurial Development  
 U.S. Small Business Administration ~ Headquarters Office  
 409 3<sup>rd</sup> Street, SW  
 Washington, DC, 20412

Sent via e-mail and surface mail

RE: Your October 14 presentation ~ Federal Reserve Bank

Dear Ms. Pickett:

You know this: Publicly funded Small Business Development Centers compete with private sector small business consultants.

The SBDCs also know this, yet **actively** solicit/service clients who can well afford to pay private sector fees and do this solely to inflate their economic development statistics to justify continued public funding.

My business started in 1977 with a direct SBA loan and a SCORE counselor. "To return to the community," I served on one of the White House Conference On Small Business committees in 1986 and contributed to the SBDC guidelines, which were adopted by congress and specifically addressed the issue for services to be provided and to whom: ". . . **only** those who could not afford to pay a professional . . ." and ". . . **only** in suburban and rural areas where professionals and SCORE chapters were unavailable . . ."

I suggest that the following statement be required for all future rendering of SBDC services: "*Undersigned has sought the assistance of three private sector consultants and is unable to pay the fees stated by same and herein requests consulting services to be provided at no fee under a tax subsidized program administered by the Small Business Development Center of:*

\_\_\_\_\_ SBDC name.

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_  
 Acknowledged by: \_\_\_\_\_ SBDC counselor"

Further, SBDCs in metropolitan areas are providing: #1) computer and software training; #2) workshops/seminars/presentations on popular business themes/subjects; #3) meeting/conference room rentals. All these are, likewise, provided by private sector and the SBDCs also know this. I suggest these activities be ceased by metropolitan SBDCs, immediately.

On another matter, continued funding of Women's Business Centers and small business incubator centers also compete with private sector and **is factually suppressing private sector from creating centers to have both these needs met by tax-paying businesses**. I suggest that: #1) funding be available **only** to new centers in suburban/rural locations; #2) only for a **fixed** number of years per center; #3) clients of these centers accumulate costs for assistance as debt to be **repaid** when the business is successful.

Two points in conclusion:

- #1) There exists within some people an inherent quality - an "entrepreneurial exponent." With it, the likelihood of business success is dramatically increased. Without it, all the government funded development resources in the nation won't yield a successful business. Therefore, make client entry screening a **requirement** for all funded centers.
- #2) You can't teach what you can't do. Therefore, make all future support personnel in funded centers either past or current business **owners**.

Successful regards,

C. Dean Kring  
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cc: House Small Business Committee & Senate Committee on Small Business and Entrepreneurship  
 cc: Karen G. Mills, Administrator ~ U.S. Small Business Administration ~ Headquarters Office  
 cc: Vice President Joe Biden, President Barack Obama  
 cc: Texas Congressional Senators and Representatives