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ABSTRACT

Established as a pilot project in 1991, Preparing for Profit (PREP) was a four-session entrepreneurial training seminar offered by LaGuardia Community College/City University of New York, the New York Metropolitan Transportation Authority, and Coopers & Lybrand. PREP was designed to enhance opportunities for minority- and women-owned businesses to obtain certification by public agencies and, ultimately, to win contracts. In order to evaluate program outcomes, a survey was conducted of all 146 participants completing PREP in 1991. Highlighted findings, based on a 39% response rate, included the following: (1) over one-third of the respondents had been certified as a minority- or woman-owned business since taking part in PREP; (2) over one and a half times more respondents had received a government contract after PREP participation; (3) 65% of the respondents currently used brochures as a marketing strategy after the training versus 39% prior to participating in PREP; (4) almost 50% more reported using business slogans after the training; (5) 40% more prepared income statements, 34% more prepared financial statements, and 25% more prepared balance sheets after PREP participation; (6) 58% reported receiving additional benefits from PREP, such as networking (53%), receiving business from other participants (21%), purchasing products or services from participants (18%), participating in joint ventures with other participants (9%), or applying for contracts with other participants (7%); and (7) of those who had purchased equipment, 50% indicated that information provided in PREP helped them choose the right system. Appendixes include the survey questionnaire and comments from participants. (JSP)

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Follow-Up Survey of Participants in Preparing for Profit (PREP)

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Table of Contents

Executive Summary	i
Background	1
Method	1
Subjects	1
Instruments	2
Procedure	2
Results	5
General Business Information	5
Government Agency Minority Certification and Contracting	6
Participation in Contracting Activities	6
Marketing	9
Finances	9
Other Business Benefits	12
Computer Equipment	12
Other Course Participation	12
Other Results	13
Summary and Conclusions	13
Implications for the Future	13
References	14
Appendix 1	
Survey of PREP Participants	15
Appendix 2	
List of Expository Responses	20

Executive Summary

Established as a pilot project in 1991, Preparing for Profit (PREP) is a four session entrepreneurial training seminar offered by LaGuardia Community College/CUNY, the New York Metropolitan Transportation Authority and Coopers & Lybrand. Funding support for PREP is provided by the New York State Urban Development Corporation, the New York State Department of Economic Development and the New York State Education Department. The seminar was designed to enhance opportunities for minority and women-owned businesses to become certified as such by public agencies and, ultimately, to win contracts.

An integral part of this pilot project was to provide a formal evaluation of program outcomes. This report summarizes the results of a survey sent to all 146 participants who completed PREP in 1991.

Fifty seven responses were received from the 146 participants who completed one of three sessions of the course offered in May, June and September, 1991. This represents a response rate of 39%. Data which support the tangible benefits reaped by participants include:

- Over a third of respondents reported that they have already been certified as a minority or woman-owned business since taking part in PREP.
- Over one and a half times more respondents received a government contract after PREP participation
- Over 50% more respondents attended a pre-bid conference
- Almost 50% more respondents wrote a proposal to receive a government contract
- Almost 40% more respondents made a bid on a contract
- Almost 20% more respondents made a presentation to a government agency as a prelude to a contract award.

- A large change in marketing strategy was observed with respect to the use of brochures. While only 39% of respondents reported using a brochure for business marketing before program participation, 65% currently use brochures.
- Almost 50% more respondents reported that they currently use business slogans.
- Twenty six percent more respondents currently use a logo in marketing their businesses.
- Forty percent more respondents prepare income statements.
- Thirty four percent more respondents prepare financial statements.
- Twenty five percent more respondents prepare balance sheets.
- Fifty eight percent of respondents reported that they have received additional benefits from program participation including networking (53%), receiving business from PREP participants (21%), purchasing products or services from PREP participants (18%), participating in joint ventures with other PREP participants (9%), applying for contracts with other participants (7%) or subcontracting to other PREP participants (7%).
- Of those who reported buying equipment, 50% reported that information learned in PREP was beneficial in helping them choose the right system for their needs.

From the data presented above, it is clear that PREP provided participants with information and materials which enabled them to apply for and receive certification from public agencies, participate in contracting activities, develop marketing plans, manage the finances of their businesses and evaluate computer systems.

Background

Entrepreneurship is seen by many in government and industry as playing an intricate role in the new economic order of the United States (Solomon and Fernald, 1991). As a result, the last twenty years have seen a dramatic increase in the number of American colleges and universities offering educational programs in entrepreneurial training and small business management (Robinson and Haynes, 1991). Garner (1992) reported that 417 universities around the country are offering such programs.

Established as a pilot project in 1991, Preparing for Profit (PREP) is a four session entrepreneurial training seminar offered by LaGuardia Community College/CUNY, the New York Metropolitan Transportation Authority and Coopers & Lybrand. Funding support for PREP is provided by the New York State Urban Development Corporation, the New York State Department of Economic Development and the New York State Education Department. The seminar was designed to enhance opportunities for minority and women-owned businesses to become certified as such by public agencies and, ultimately, to win contracts.

An integral part of this pilot project was to provide a formal evaluation of program outcomes. This report summarizes the results of a survey sent to all 146 participants who completed PREP in 1991.

Method

Subjects

Fifty seven responses were received from the 146 participants who completed one of three sessions of the course offered in May, June and September, 1991. This represents a response rate of 39%, which is higher than that usually found with mail surveys (Dillman,

1978). The design of the current study utilized suggestions offered by several researchers (Dillman, 1978; Ayidiya and McClendon, 1990; Yammarino, Skinner, and Childers, 1991) to increase the response rate. These techniques included having a personal letter individually signed by the PREP Program Director, including a return envelope, sending out a reminder notice for non-responders and offering to send results to participants.

The demographics of the sample is presented in Figure 1. The demographics of the total population of PREP participants appears in Figure 2. A comparison of these two figures indicates that a greater proportion of White women and lesser percentages of Asian and Hispanic men responded to the survey than actually took the course.

Instruments

The Survey of PREP Participants was developed in collaboration with LaGuardia Community College and the Metropolitan Transportation Authority. The content of the survey was directly related to the objectives of the course as presented by the program sponsors. The questionnaire was divided into seven general areas which included government agency minority certification and contracting, marketing, finances, other business benefits, other course participation, computer equipment and general business information. A copy of the instrument is contained in Appendix 1.

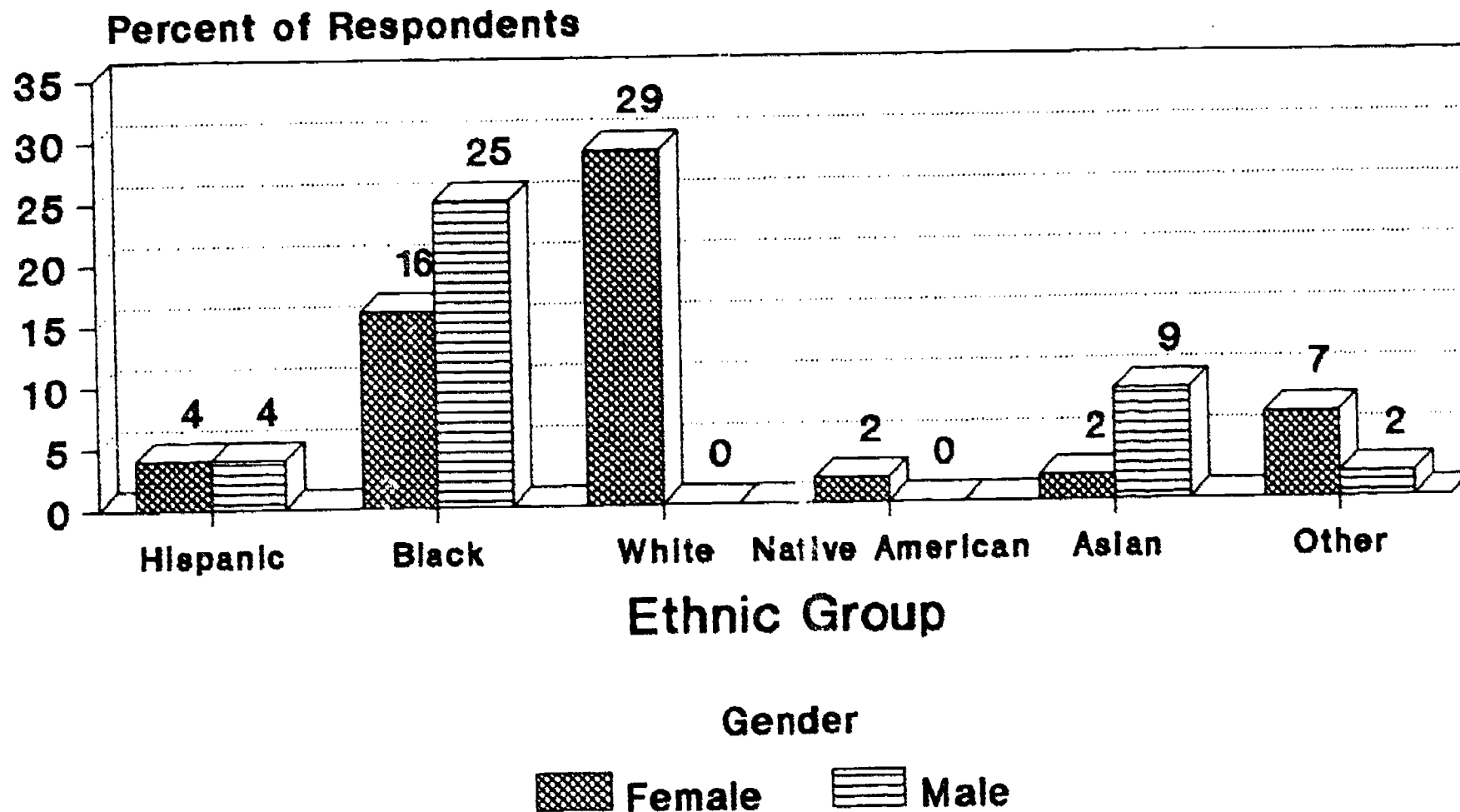
Procedure

Questionnaires were mailed in April 1992 to all 146 participants who completed the program. A cover letter signed by the PREP program director which explained the purpose of the survey was included with the survey. In addition, a postage-paid envelope was included in order to increase the response rate.

Thirty two responses were received within two weeks of the first mailing.

Figure 1

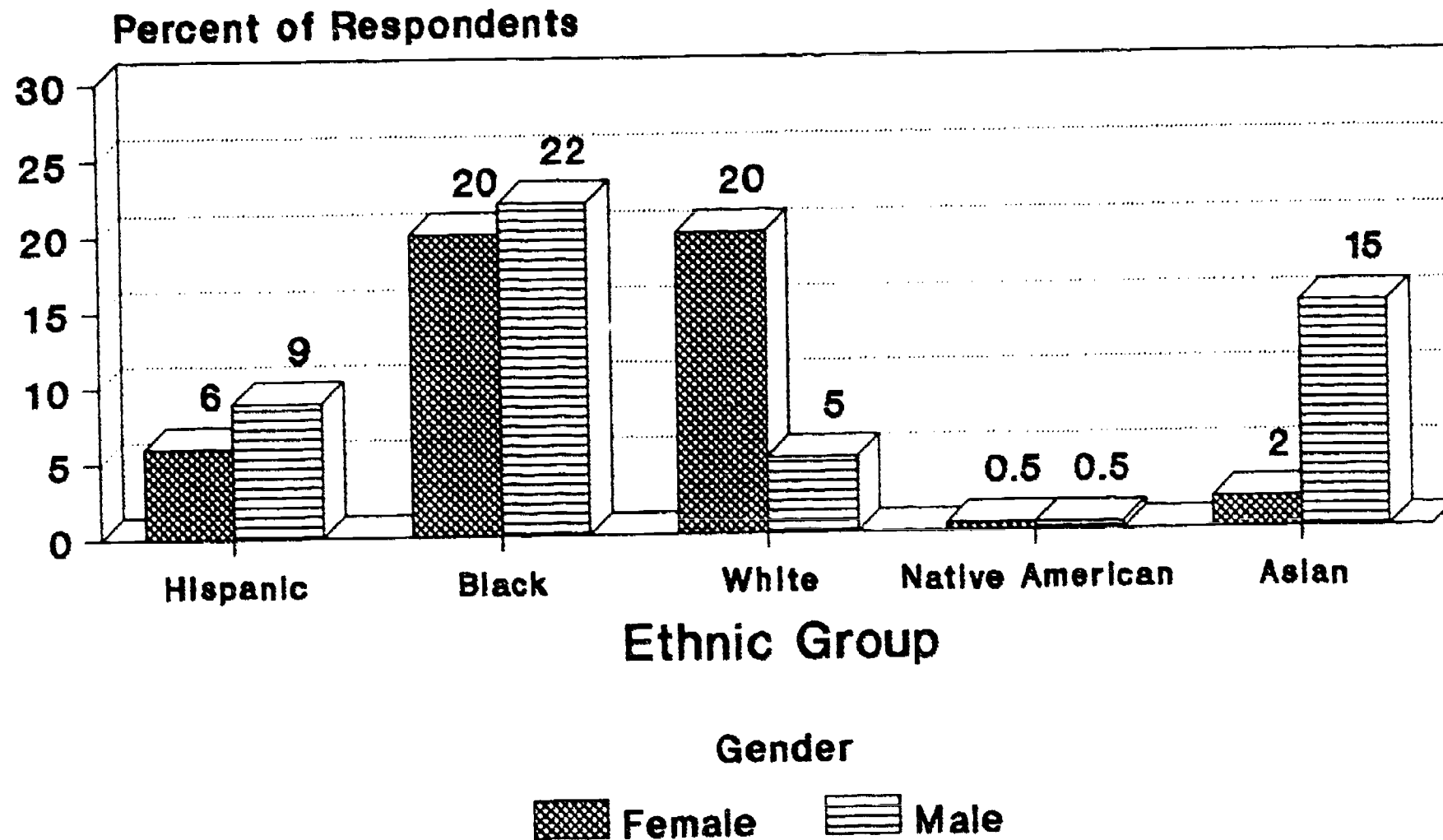
Sample of PREP Participants By Demographic Group



Number of Respondents=55
Number of non-respondents=2

Figure 2

Population of PREP Participants By Demographic Group



Number of Participants=146

Subsequently, reminder notices, along with a survey and return envelope were sent to the non-responders. Twenty five additional responses were received.

Results

General Business Information

Before PREP participation, 34 respondents operated a business full-time (60%), fifteen operated a business part-time (26%), and eight respondents (14%) did not operate a business. In the months since PREP participation, this distribution has shifted somewhat. For example, of the fifteen participants who operated businesses part-time, seven (47%) currently work full-time on their businesses. Of the eight respondents who did not operate a business at the start of the course, three currently operate a business full-time (38%). Six part-time owners remain part-time owners. Only one full-time business owner (3%) and two part-time business owners (13%) have relinquished their businesses.

Of the 49 respondents who reported owning a business at the start of the program, the overwhelming majority own service businesses (67%). Sales, equipment, import/export and construction are other types of businesses owned by respondents.

The median number of full-time employees of represented businesses was two, while the median number of part-time employees was one. This indicates that on the average, the businesses represented in the sample are more than just mom and pop operations. On the average they have three people on the payroll.

Of the 30 business owners (53%) who reported that they had any full-time employees, eight have increased the number of full-time employees since course participation (27%), while two have decreased their full-time workforces (7%).

Of the 19 businesses who employ part-timers (33%), six have increased their

workforces (32%), while two have decreased their workforces (5%).

Government Agency Minority Certification and Contracting

Over a third of respondents reported that they have already been certified as a minority or woman-owned business since taking part in PREP. Figure 3 lists the frequency of application and receipt of certification by contracting agency. The agencies from which the largest proportion of respondents have received certification are the New York City Department of Business Services Division of Economic and Financial Opportunity, the Metropolitan Transportation Authority, and the New York State Department of Economic Development Division of Minority and Women's Business Development.

Of those who did not apply for certification with a government agency, 50% reported that they were not ready to apply. Reasons for the delay in applications include that respondents have many demands placed upon them in starting up and operating their businesses. Three respondents reported that they learned during PREP that they were not eligible for certification. An additional four learned during PREP that it did not make business sense to apply for certification. Other reasons given for not applying were that the business is still in the planning stage.

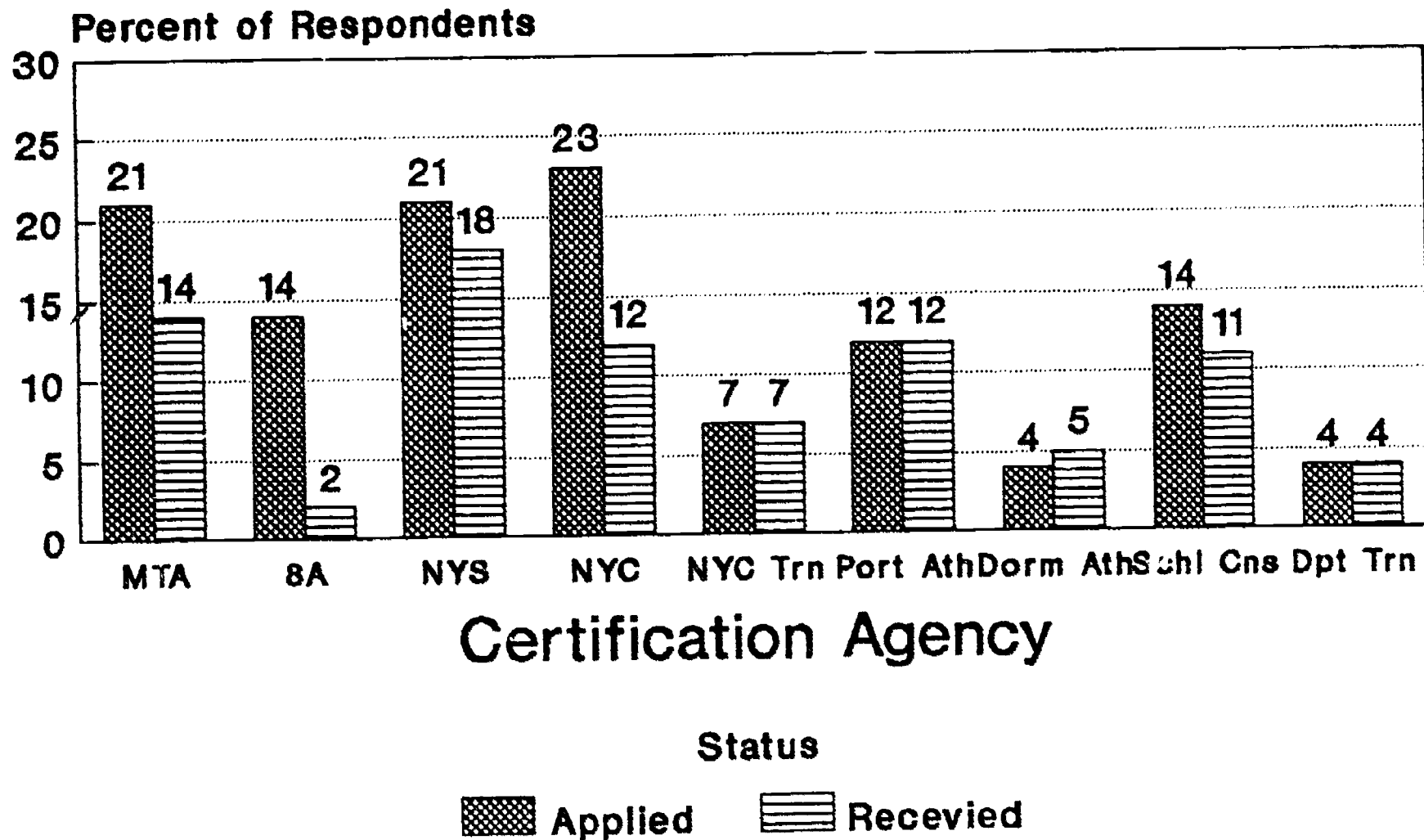
Participation in Contracting Activities

Participants were asked to indicate the number of times they had engaged in each of five contracting activities both before and after PREP participation. The five activities were attending pre-bid conferences, writing proposals, bidding on contracts, making presentations, and receiving contracts. Figure 4 presents these results.

A dramatic increase was observed when comparing respondents' participation in

Figure 3

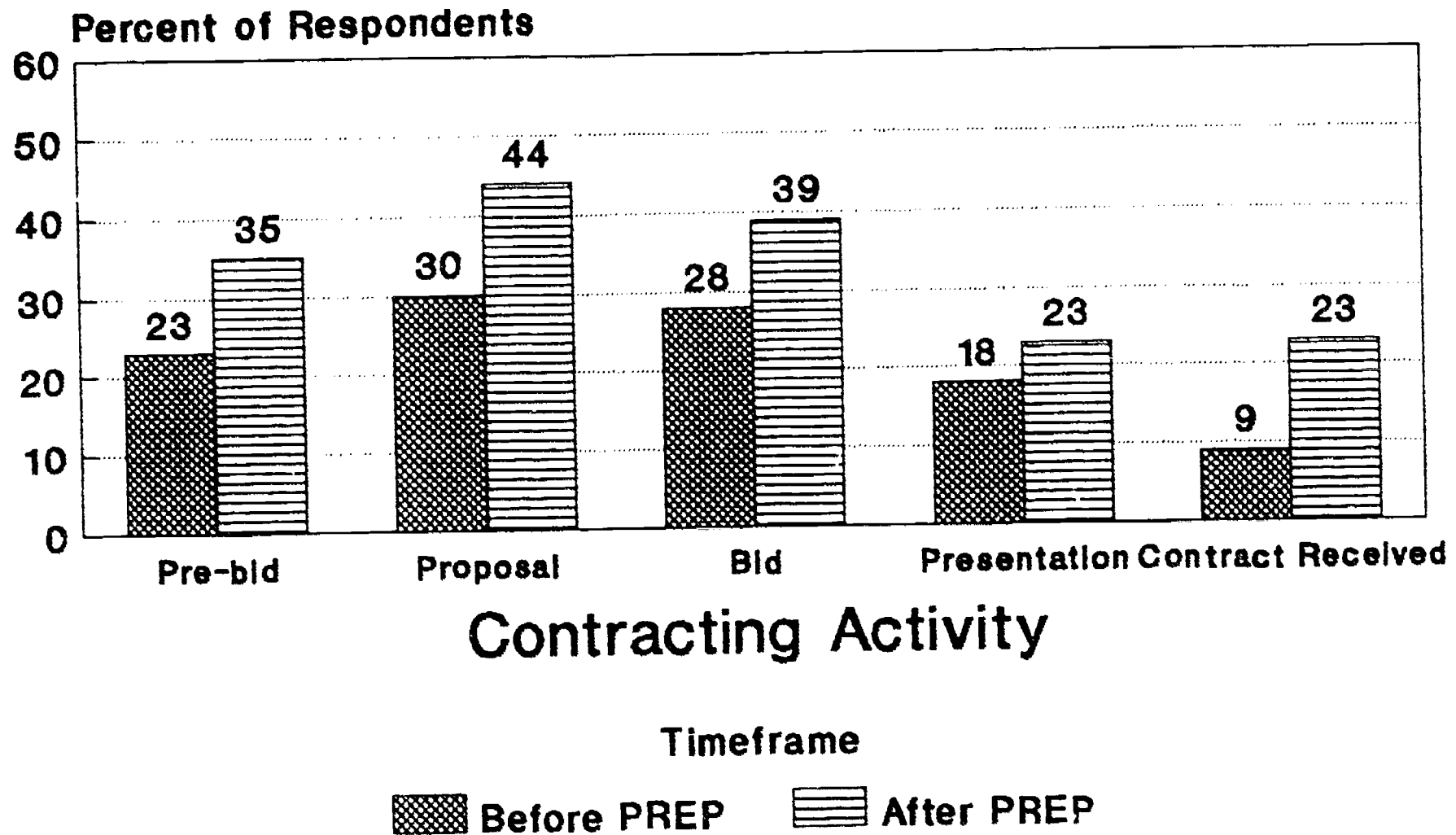
Survey of PREP Participants By Certification Status



Number of Respondents=67

Figure 4

Survey of PREP Participants' Participation in Contracting Activities



Number of Respondents=57

contracting activities before and after taking part in PREP. For example:

- Over one and a half times more respondents received a government contract after PREP participation
- Over 50% more respondents attended a pre-bid conference
- Almost 50% more respondents wrote a proposal to receive a government contract
- Almost 40% more respondents made a bid on a contract
- Almost 20% more respondents made a presentation to a government agency as a prelude to a contract award.

Marketing

Respondents were asked to indicate whether they used each of the following four types of marketing tools for their businesses both before and after taking part in PREP: business cards, logos, brochures and slogans. Figure 5 presents the findings with respect to these four marketing techniques. Marked increases in the use of these four marketing tools were observed.

- The largest change in marketing strategy was observed with respect to the use of brochures. While only 39% of respondents reported using a brochure for business marketing before program participation, 65% currently use brochures.
- Almost 50% more respondents reported that they currently use business slogans.
- Twenty six percent more respondents currently use a logo in marketing their businesses.
- Over half of PREP participants reported that they have changed their marketing strategies as a result of information learned in PREP.

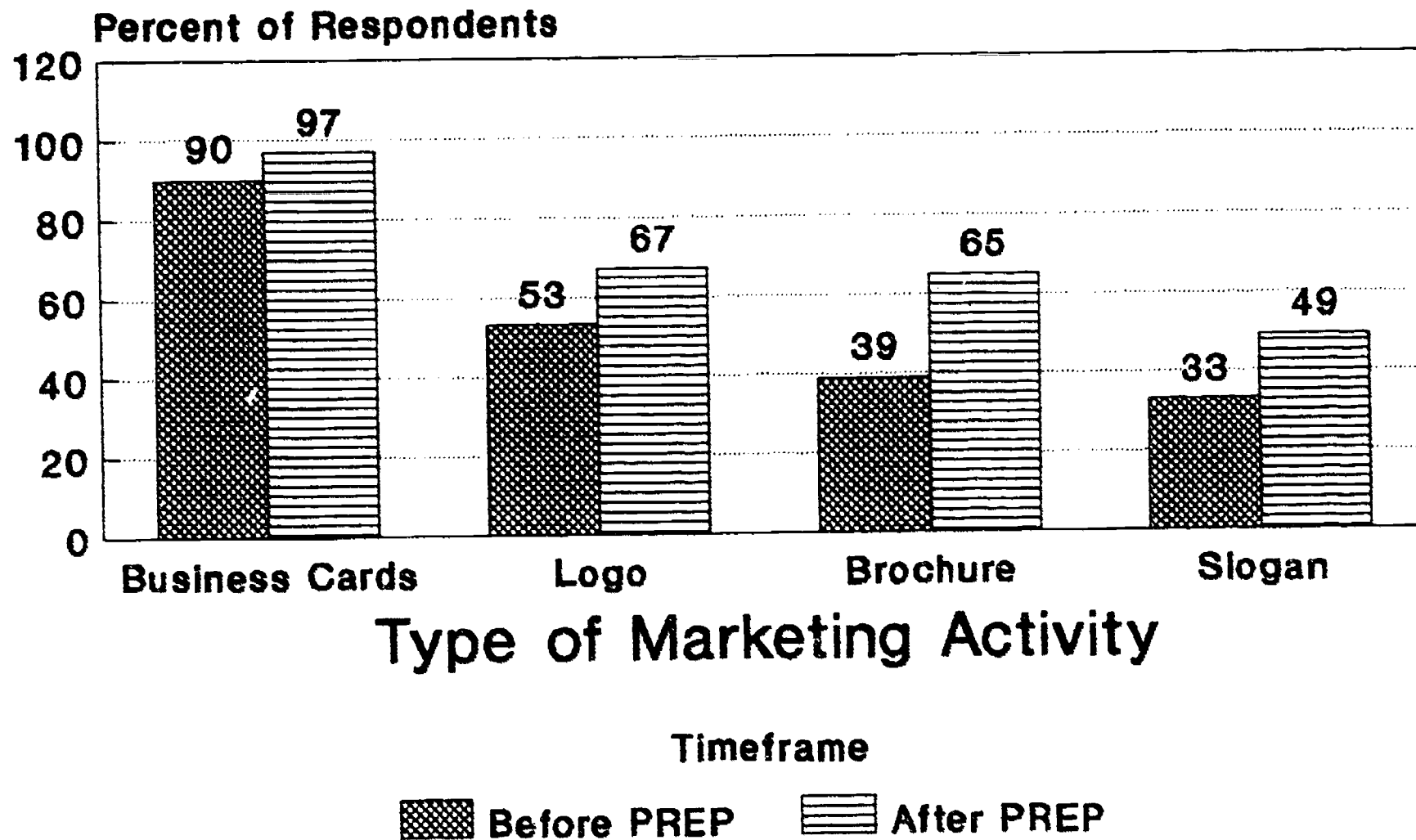
Finances

Figure 6 presents the results of questions pertaining to financial activities performed by respondents. Although there seems to be little change in the receipt of loans,

- Forty percent more respondents prepare income statements.

Figure 5

Survey of PREP Participants By Marketing Techniques Utilized

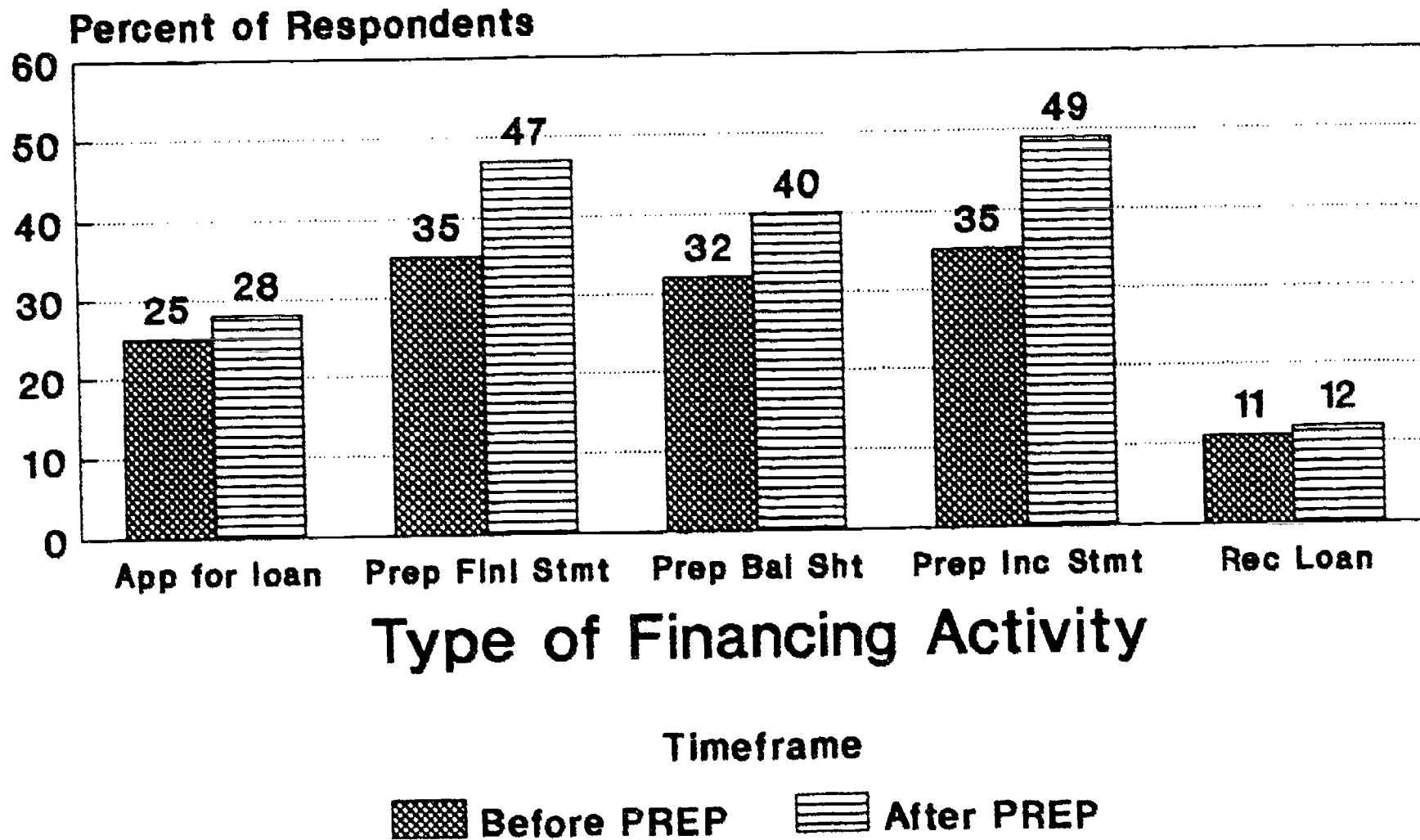


Number of Respondents=57

20

Figure 6

Survey of PREP Participants By Financial Activity



Number of Respondents=57

- Thirty four percent more respondents prepare financial statements.
- Twenty five percent more respondents prepare balance sheets.

Survey results indicate that they are using the financial information learned in PREP in the every day operations of their businesses.

Other Business Benefits

Fifty eight percent of respondents reported that they have received additional benefits from program participation including networking (53%), receiving business from PREP participants (21%), purchasing products or services from PREP participants (18%), participating in joint ventures with other PREP participants (9%), applying for contracts with other participants (7%) or subcontracting to other PREP participants (7%).

Computer Equipment

Twenty one percent of respondents (n=12) reported that they purchased computer equipment since taking part in PREP. Seven of those purchased personal computers, while five purchased printers. Three reported also buying software. Of those who reported buying equipment, 50% reported that information learned in PREP was beneficial in helping them choose the right system for their needs.

Other Course Participation

Almost 25% of respondents reported taking part in another training course either before or since PREP. Half participated before taking PREP, while the other half took part in the other program since PREP. Of these, half reported that PREP was better, while the other half reported that the other course they took was better. It should be noted that many of those reporting that another course was more helpful than PREP attended a course specifically designed for their type of business (i.e. estimating, specific aspects of

construction). Another course which lasted sixteen weeks (Workshop in Business Opportunities) was also noted by some respondents to be more helpful than PREP. However, it is four times as long.

Other Results

Appendix 2 contains the expository replies of respondents. These responses are overwhelmingly positive, especially with respect to marketing and presentations.

Summary and Conclusions

The data reported herein suggest that the PREP course provided participants with information and materials which enabled them to apply for and receive certification from public agencies, participate in contracting activities, develop marketing plans, manage the finances of their businesses, and evaluate computer systems.

The success of the program as reflected in the replies of respondents is based on the fifty seven responses received. It is worth noting that a greater percentage of White women and lower percentages of Hispanic and Asian men responded to the survey than actually took the course.

Implications for the Future

Even though the response rate achieved in this study is comparable to others of this type, the future use of a telephone survey would act to increase response rates further. In addition, a longer time period between program completion and survey follow-up may be appropriate since more time would allow more participants to enter the certification and contracting processes, to develop marketing plans, apply for loans, purchase computer equipment, and so on.

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Appendix 1
Survey of PREP Participants

SURVEY OF PREP PARTICIPANTS

Your responses to the following questionnaire will be held in the strictest of confidence. Statistical summaries will be reported for the entire group of respondents rather than for individuals. Your name and address which appears on the last page of this booklet will be used for possible follow-up information only.

GOVERNMENT CONTRACTING

Have you applied for or received certification as a minority or woman-owned business from any agency since your participation in the PREP program?

No Yes

If YES, please indicate each of the agencies from which you have either applied for or received certification by placing a check in the appropriate box. Please mark a response for each agency you have contacted.

	Applied For	Received
Metropolitan Transit Authority		
U.S. SBA 8(a) Program		
New York State Governor's Office of Minority and Women's Business Development		
NYC Department of Business Services Division of Economic and Financial Opportunity		
NYC Transit Authority		
Port Authority of New York and New Jersey		
Dormitory Authority of the State of New York		
NYC School Construction Authority		
New York State Department of Transportation		
Other (please specify)		

If you have not applied for any government certification, is it due to any of the following factors: (Check all that apply)

- Learned during PREP that I was not eligible for certification.
- Decided as a result of PREP that it did not make business sense for me to apply.
- Not ready to apply
- Other (please specify) _____

GOVERNMENT CONTRACTING

Please indicate the number of times you have engaged in each of the activities listed below by placing a number in each box. If you did not participate in a particular activity please specify zero in the appropriate box.

	Before PREP	After PREP
Attended a pre-bid conference		
Wrote a proposal		
Bid on a government contract		
Made a presentation		
Received a government contract through a bid		

OTHER BUSINESS BENEFITS

Has your business benefitted from any of the following as a result of the PREP program? (Check all that apply)

- Networked with other PREP participants
- Gotten business from PREP participants
- Involved in a joint venture with other PREP participant
- Applied for contracts with another PREP participant(s)
- Sub-contracted to a PREP participant
- Purchased products or services from a PREP participant

Please use this space to elaborate on any benefits which you have checked above.

MARKETING

Please indicate whether your company utilizes any of the following types of marketing techniques by placing a check in the box corresponding to the marketing methods used by your business before and after your participation in PREP.

	Before PREP	After PREP
a) Business Cards		
b) A Company Logo		
c) A Marketing Brochure		
d) A Company Slogan		

Has your marketing approach to your potential customers changed as a result of the PREP program?

No Yes

If yes, in what way(s)

FINANCES

For each of the financial activities listed below, please indicate whether you have engaged in any of them before and after your participation in the PREP program. Rather than placing a check, please indicate the number of times you engaged in each activity.

	Before PREP	After PREP
Applied for a loan		
Prepared a financial statement		
Prepared a balance sheet		
Prepared an income statement		
Received a business loan		

If you have received any loans after your participation in the PREP program, please indicate from whom you have received the loans and the amount of the loans.

Did your participation in PREP contribute to your getting the business loans?

No Yes

If yes, please explain _____

COMPUTER EQUIPMENT

Have you purchased computer equipment since your participation in PREP?

No Yes

If yes, what equipment did you buy?

If yes, was the information you learned from PREP beneficial in helping you choose the appropriate system? No Yes

OTHER COURSE PARTICIPATION

Have you participated in other comprehensive courses offered by other educational institutions or public agencies before or since PREP? (Check all that apply)

No

Yes, before PREP (Please specify) _____

Yes, after PREP (Please specify) _____

How did these other programs compare to PREP? _____

GENERAL BUSINESS

At the time that you participated in the PREP program did you operate a business?

No Yes, Full-time Yes, Part-time (Please specify hours per week _____)

If yes, what type of business? _____

If yes, how many employees did you have? Full-time Part-time

If yes, how large was your office? (in square feet) _____

Currently, do you operate a business?

No Yes, Full-time Yes, Part-time (Please specify hours per week _____)

If yes, what type of business? _____

If yes, how many employees do you have? Full-time Part-time

If yes, how large is your office? (in square feet) _____

Before concluding, please answer the following:

Gender: (Check One) Female Male

Age _____

Which of the following ethnic categories describes you? (Check One)

- Hispanic
- Black
- White
- Native American
- Asian or Pacific Islander
- Other (Please specify) _____

Would you be willing to be interviewed to provide additional information for this study? No Yes

If yes, please provide your telephone number and the best times to reach you.

The following is your name and address as it appears in our records. If your address and/or name has changed, please correct this information in the space provided.

(PLACE LABEL HERE)

Correction:

Name _____

Title _____

Name of Firm _____

Address _____

Thank you for your cooperation. Now place the completed questionnaire in the return envelope and mail (no postage necessary) by March 16th.

Appendix 2

Expository Comments from Survey Participants

List of Expository Comments from PREP Participants

Government Contracting

The course was most helpful. The MTA officials were remarkable.

Still going through the literature due to busy schedule.

I did not apply due to lack of money and credit

Didn't apply because of a problem, I need in-house consultation to discuss the matter.
Wants more intensive help in business.

Didn't apply because so much information is always returned for additional information. It is very hard to turn a business and give the information needed.

No, lack of time on my part

We don't have information to apply

I wanted to finish an estimating course before I applied. I have just completed it.

I became disabled last fall and had to close down my business

Business concept is murky.

Doing business in another state

Working on starting up a business.

Just about to start.

Wanted to file my 1991 tax returns first.

Other Business Benefits

My brochure was designed by a PREP participant. (2x)

My computer was purchased from a participant

I have kept in contact with a few other PREP participants about organizing a networking group. I am also doing business with another PREP participant.

I was inspired to convert my "freelance business" into an actual consulting business. Got a business certificate, bank account, created a brochure and company bio.

No material or tangible benefits received.

I did come close to selling some insurance to some of my fellow participants. I did a lot of networking and I will probably personally use the products/services of some.

The seminar was very informative in instructing on how to approach various aspects of forming and promoting a business.

I felt that the PREP course was excellent. I learned first hand how to prepare a government contract, and how the system works.

Networking with other participants.

They would be or can be potential clients or customers.

Great information. Should have follow-up classes.

I have filed all business cards by type of service so that I can contact participants when I have the need

I have done business with three participants

Purchased from one participant

Marketing

I have much more confidence in my service. I am very active in marketing to new prospects. I make cold calls and actually receive an ongoing training contract with two of them.

Started advertising in local papers

Marketing and proposals.

Old marketing approach used where I sent out letters, now more networking.

I've changed my marketing approach. I learned to target my market and tailor my presentation.

It hasn't changed but it helped verify that what I was doing was a good way to market.

More involvement and analysis in market research.

In the preparation of proposals and brochures.

We now have a brochure. We have some initial marketing plans and strategy, which we did not have before PREP.

I make calls to them directly and frequently.

I try to follow-up on contacts and get in to make presentations

I go with more confidence and determination

Helped me to be more aware of my potential customers. My proposals are better than before.

I have concentrated much more on trying to get work with government agencies with MBE programs.

The course helped us run our marketing plan more quickly and effectively.

We're doing our homework before bidding on projects.

My approach to presentations has expanded dramatically.

Began to revise brochure.

Better presentations

More confident, more persistent, more focussed

I am more confident in my marketing effort because PREP provided some good techniques and I also confirmed what I was doing right. Currently revising slogan and logo.

I realized the importance of a brochure to really convey that I'm more than an individual. I'm a business.

Much broader view in designing my brochure. I'm also able to approach my customers and direct and better negotiate contracts.

I have identified which marketing techniques I need to use.

Spurred us to move more quickly in brochure.

More networking, created a standard business brochure.

Finances

We didn't want to go into debt. We are self-funded.

WCMA account with Merrill Lynch

Revolving line of credit from our banker

I will be better prepared to obtain a loan.

Computer equipment

Upgrade to existing system to expand capabilities.

Other course participation

Workshop in Business Opportunities was more thorough but lasted 16 weeks. Took a construction course through the Port Authority. Prep was much better.

Participated in SCORE one day seminars which were not as comprehensive and therefore, valuable.

IBM of equal value.

**WBOP was better than PREP
Prep was more thorough**

PREP had more detail on doing business with government agencies.

The estimating course enables me to do my own estimating. Without this course I would not be able to take advantage of the information I have received from PREP.

**Other course was not as useful
Other programs were just as informative, NYC GSA and NYC HPD**

QOEPC's course was a comprehensive one. It is aimed at providing small business assistance and advice in all areas.

PREP was the best- Superb. The benefits were subtle, not captured by those questions, although questions are reasonable. I realized my accountant was not good for me and got an excellent one through a PREP contact. I have more of a sense of direction

Other courses geared to more specific aspects of construction and contracting. PREP is unique in that it covers a lot of standard business subjects in a short time so that you can go on through the training that relates specifically to one's business or industry.

Other course was less interesting

PREP itself was excellent

PREP was more detailed, extensive, and allowed for more discussion and input. PREP had the advantage of an all day session which I found to be very productive. Saturdays one felt less pressured to rush back to the office. It was excellent. I will recommend it. I have already