**Small Business Needs Assessment 2019: Resource Providers**

This series of fact sheets focuses on results of the Small Business Needs Assessment, completed by the Center for Rural Affairs in 2019. Small businesses and small business providers in Nebraska are surveyed every two years.

**93 RESPONSES**

Respondents came from 44 counties in Nebraska.

The resource provider age representation is comparable to the business owners they serve.

**Category that best describes businesses worked with** (Multiple responses allowed):

- Retail: 66.7%
- Food service: 57.0%
- Manufacturing: 49.5%
- Agriculture: 48.4%
- Construction: 46.2%

As to be expected with those who work with a variety of business owners, service providers work with more types of businesses than the number of types owned by business owner respondents.

However, like business owner respondents, the type of businesses more commonly serviced were agriculture and retail businesses (with food service businesses also a common response).

**Stage of majority of businesses worked with** (Multiple responses allowed):

- Pre-venture/start-up: 41.3%
- 1 year: 38.0%
- 1 to 5 years: 52.2%
- 5 to 10 years: 57.6%
- Transitioning (within 10 years of exiting): 29.4%

Aligning with the stage of business owner respondents, service providers worked primarily with those businesses 1 to 10 years in existence.

**Most effective method for delivering training and/or assistance** (Multiple responses allowed):

- One-on-one assistance: 81.7%
- Workshop (one-time): 59.1%
- Workshop series (multiple sessions): 51.6%
- Online class: 49.4%
- Online resource (handbook, podcast): 49.4%

There are significant disagreements between service providers and business owners on how best to deliver training and assistance.

By far, service providers think one-on-one assistance is the most effective delivery method. Business owners thought it was the least effective method. This is to be expected since service providers offer one-on-one assistance.

Online methods were the preferred delivery method of business owners. Again, this makes sense, since these methods are available at convenient times for busy business owners.
Perceived difficulties small business owners face when starting the business
(Multiple responses allowed):

Service providers perceived three major differences in starting a business compared to small business owners: business finance knowledge, lacking a written business plan, and obtaining financing from a traditional lender.

The first two differences are not surprising. Resource providers are likely to have business finance knowledge and, in many cases, are called upon to impart that knowledge to their business owner clients, many of which are new to business. Resource providers also likely require or want to see a written business plan when they first meet with business owner clients. They notice and are troubled when a written business plan is lacking.

Only 28 percent of business owners respond that obtaining financing from a traditional lender was a difficulty (compared to 50 percent of service providers). Both groups responded the top difficulty of starting a business was the lack of start-up cash.

<table>
<thead>
<tr>
<th>Lack of start-up cash</th>
<th>Lack of business finance knowledge</th>
<th>Lack of written business plan</th>
<th>Obtaining financing from a traditional lender</th>
<th>Marketing</th>
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<tbody>
<tr>
<td>77.2%</td>
<td>68.5%</td>
<td>65.2%</td>
<td>50.0%</td>
<td>45.7%</td>
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Perceived difficulties small business owners face when managing the business
(Multiple responses allowed):

The difficulties in managing a business differed significantly between business owners and service providers.

At the top of service provider perceptions of such difficulties were business finance knowledge, lack of a written business plan, and business succession knowledge. Those were low on business owners’ difficulties.

Among the top difficulties of business owners were a lack of advertising and online marketing—practical items that would concern a business in today’s world. Those were perceived difficulties to service providers, but considerably lower than other perceived difficulties.

Service providers agree with business owners in putting issues related to employees at the top of difficulties in growing a business. This again points to a major issue in rural Nebraska—the lack of employees in general, and the lack of quality employees.

1. Quality of employees 62.4%
2. Cost of hiring employees 61.3%
3. Quantity of employees 58.1%
4. Bookkeeping/managing resources 50.5%
5. Lack of strategic planning 48.4%

Types of training or assistance needed for business owners
(Multiple responses allowed):

Service providers and business owners disagree on the need for certain types of training or assistance. The primary types disagreed on are business planning development, succession planning, and customer service. Service providers place those at the top of their list and business owners place them near the bottom.