



March 1, 2006

TO THE GOVERNOR AND MEMBERS OF THE GENERAL ASSEMBLY:

On behalf of Governor Blagojevich, the Department of Commerce and Economic Opportunity (DCEO) respectfully submits this calendar year 2005 report on the First Stop Business Information Center (FirstStop). DCEO's Entrepreneurship and Small Business Office oversees First Stop as a statewide resource for new and existing business owners who have questions or concerns about state and federal business requirements, business assistance and incentives, and the legislative and regulatory processes.

A major change occurred this year with the announcements of the Governor's launch of the Illinois Entrepreneurship Network (IEN) to help create jobs and high-growth businesses across Illinois. One of the first accomplishments of the network was the establishment of the new IEN Website, www.ienconnect.com, which features a business needs assessment tool and a referral within 24 hours for personalized assistance. The duties of administering the Website are now integrated into the activities of the Center. In addition, the Center is the point-of-contact for entrepreneurs and small business owners interested in the services provided by the Entrepreneurship Centers, the Small Business Development Centers (SBDCs), Procurement Technical Assistance Centers (PTACs), the International Trade Centers (ITC), NAFTA Opportunity Centers (NOC), the Small Business Environmental Assistance Program (SBEAP), Illinois Technology Enterprise Centers (ITEC) and the Illinois Manufacturing Extension Partnership of Illinois (MEP-I).

A second major effort of the Governor's initiative was the creation of a one-stop online Business Portal where businesses that interact with the state can get all the forms and information they need at one location. Businesses can now log on to www.business.illinois.gov to find information they need from state government all in one place. The Center plays a cooperative role with other state agencies in providing information and responding to constituent requests.

While this necessitated a change in the name of the First Stop Business Information Center to the Illinois Entrepreneurship Network Business Information Center (IENBIC), the previous existing objective of the Center continued to be implemented in full force – to be the foremost resource for information, compliance assistance and advocacy for businesses dealing with government red tape and bureaucracy. The IENBIC has proven effective and successful in working with small business owners and organizations that historically view government as an impediment to business growth.

This annual report reflects the 2005 achievements of the IENBIC, as a newly-augmented asset for improving business competitiveness through comprehensive assistance. Please contact my office if you have any question or need further information.

Sincerely,

Jack Lavin, Director
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IEN BUSINESS INFORMATION CENTER SERVICES

The cornerstone to the success of IEN Business Information Center is its personnel and their commitment to providing professional, comprehensive customer service. Listed below are Center's primary services.

- Business Specialists: The core of the Center's services is the professionals that handle the thousands of inquiries that come in via the toll-free business help line, e-mail, standard mail and walk-ins. When a business encounters difficulty with the state regulatory process, the Business Specialists serve as advocates for small businesses, working to find a solution that both the business and state agency find mutually acceptable. The Center staff provides expert guidance in linking pre-business ventures and existing business owners to federal, state and local government resources. The Specialists help dispel the common perception that government is inaccessible to small businesses.
- Toll-Free Call Intake Center: Calls into the Center via the toll-free number are received by highly trained customer service representatives. The call center handles the high percentage of requests for basic information as well as mail fulfillment regarding the business startup kits. A large number of these calls are referred to the Illinois Entrepreneurship Network (IEN) where clients can arrange an appointment to meet for professional one on one business counseling, assistance in developing business plans, exporting assistance and government contracting opportunities. Requests for in-depth assistance, advocacy and research are seamlessly forwarded to the Business Specialists who have the expertise to thoroughly assist the customer.
- Hispanic Outreach: As an outreach effort to educate prospective entrepreneurs in Illinois' growing Hispanic population, the Center has converted its most popular publications, such as the handbook *Starting a Business in Illinois*, to Spanish. Since 2000 the Center has had a bilingual customer service representative to serve its Spanish-speaking clients.
- Regulatory Flexibility Program: The "Reg Flex" staff examines proposed rules and regulations affecting the small business community and through impact analysis recommends ways of making the rules more flexible, cost effective or less restrictive for small business. The Regulatory Flexibility Program's 2005 activities are included in this report.

IEN BUSINESS INFORMATION CENTER PUBLICATIONS

The Business Information Center's publications are an integral part of the services provided to customers. The number and variety of publications has grown through the years reflecting customer demands for information.

- Starting a Business in Illinois handbook: This 42-page booklet is the core of the business startup kit First Stop sends out and is heralded by the business community as one of the most useful publications of its kind. It features answers to the basic questions and issues facing new business ventures, including a business feasibility checklist; a business plan outline; listings of essential state, federal and local agencies; and, much other useful information. It is the most downloaded document offered on IEN's web site (www.ienconnect.com) and more than 20,000 hard-copies are distributed annually. It is also available in Spanish.
- Directory of Business Profiles, Requirements and Assistance Programs: This comprehensive database of more than 450 profiles of state business permits, licenses, certifications and assistance programs have been enhanced to include profiles of the top 100 most popular business startups. It is available on IEN's website in an easy-to-search application, or by calling First Stop through its toll-free business help line.
- Financing Matrix: This comprehensive and popular document lists in an easy to understand format the variety of state and federal small business financing programs that are available. The Financing Matrix is available on DCEO's web site and in hardcopy.
- Illinois Child Care Resource Guide: As a part of the DCEO Entrepreneurship and Small Business Office's highly successful Day Care Initiative, the Center collaborated with other state and federal agencies, the Illinois State Treasurer's Office, the University of Illinois at Champaign-Urbana, and the Illinois Network on Child Care Resource and Referral Agencies to create this valuable resource guide and was completely updated in 2005. The guide is a four-part publication:
 - **A Guide for Family Providers** outlines the steps necessary for family providers to start a home child care program
 - **Developing Center-Based Programs** outlines the steps necessary for starting a center-based child program
 - **Options for Employers** outlines available options for companies assisting employees with child care
 - **Developing Community Programs** outlines the steps necessary for developing community child care programs
- Child Care Start-up Profile: This 29-page booklet, written and produced by the Center, is a straight-forward guide for starting a day care. It is separated into two sections, one geared toward those hoping to establish a home child care business and the other for those establishing a larger scale child care center. It is also available in Spanish

- Proposal Writing Guide: To meet the demand from individuals interested in starting a nonprofit organization but having no resources to turn to, the Center offers this 52-page booklet to help nonprofit community program developers and planners with the basic elements and concepts in planning and preparing winning proposals for project funding.
- eCommerce Business Start-up Profile: This booklet, a combined effort by Braddock Communications, Inc., the College of Business and Technology at Western Illinois University and the Center, gives prospective and existing business owners guidance when starting or expanding their business into the e-commerce arena.
- Restaurant Startup Profile: This 46-page booklet is a combined effort by the Illinois Institute for Rural Affairs at Western Illinois University and the Illinois Department of Commerce and Economic Opportunity. It is a resource to facilitate startup or help existing restaurant owners operate more profitably. This was made available in Spanish.
- Grocery / Convenience Store Profile: This 38-page booklet is a combined effort by the Illinois Institute for Rural Affairs at Western Illinois University and the Illinois Department of Commerce and Economic Opportunity. It is a resource to facilitate startup or help existing store owners operate more profitably.
- The Business Start-Up Expert: This business card sized compact disk is the Center's effort to create innovative, cost effective ways to make information readily available to its customers. This business card disk literally replaces hundreds of pages of small business information and links users to in-depth web resources. The Expert is a virtual business start-up library.
- Business Management Guides: Through a partnership with New Ground Publications, the Center and the Illinois Small Business Development Center have made 3 management guides available via DCEO's web site. These management guides are:
 - A Simple Guide to Your Company's Financial Statements
 - The Small Business Owner's Guide To Financial Control
 - Understanding Commercial Lending: The Question and Answer Guide
- Winery Profile: This 67-page booklet, released in 2002, is a combined effort by Southern Illinois University Small Business Development Center, Illinois Grape and Wine Resources Council and the IEN Business Information Center. This profile complements the State's current efforts to increase a growing industry in Illinois and to boost tourism.

IEN BUSINESS INFORMATION CENTER CLIENT ASSISTANCE PERFORMANCE

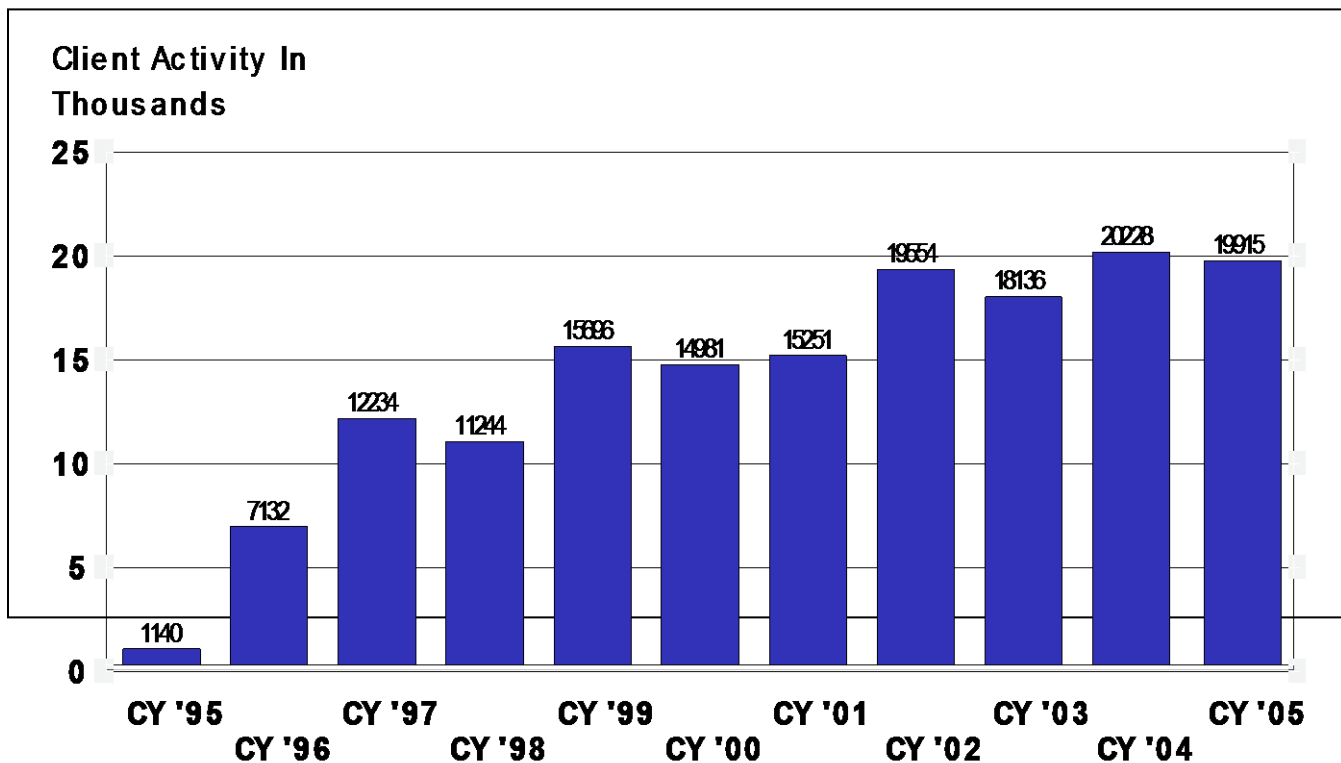
What has the IEN Business Information Center accomplished in 2005? Below are numerical as well as testimonial measures of the Center's performance.

Client Activity Measures	CY2005	CY2004	CY2003
• Total IENBIC Client Activity	19,915	20,228	18,136
• Business Startup Kits Issued	5,682	6,531	7,011
• Sources of Financing Cases	2,594	1,907	1,699
• Licensing and Registration Cases	8,628	8,837	7,192
• Market Research Cases	340	345	145
• Government Contracting Cases	261	141	134
• International Trade Cases	31	10	16
• General Business and Other Cases	1,464	1,596	1,698

Clients Referred to other IEN Partners:	CY2005	CY2004	CY2003
• Small Business Development Centers	3,387	3,550	2,946
• International Trade Centers / NAFTA Opportunity Centers	13	12	62
• Procurement Technical Assistance Centers	138	115	114

Annual Number of Clients Since Inception

August 1995 – December 2005



IEN BUSINESS INFORMATION CENTER CUSTOMER SERVICE

As in the private sector, the leading edge goes to the organizations that strive for and provide superior customer service. Instituted early in its beginning, the Center surveys its clients to determine their satisfaction on key areas including: professionalism, promptness, knowledge, courtesy, value, and saving time and money. Business specialists follow up with any respondent who is less than satisfied with the service they receive. Results for 2005 are consistent with past years.

- **Percent of customers surveyed indicating the IENBIC saved them time and/or money 94%**
(116 out of 123 total responses)
- **Percent of customers surveyed indicating a high degree of satisfaction with products and services 97%**
(959 out of 984 total responses)

Some of the Business Information Center's Customer Comments from 2005 Surveys (For privacy respondents full names are withheld)

"The person on the phone was great! Friendly, professional - answered phone quickly."
J.B., Crystal Lake, IL

"The information you sent to me is very useful. I will definitely refer your company to anyone who has their own business or is thinking of starting one." – M.S., Chicago, IL

"Thank you all very much for your help – it was very useful, thanks again." T.G., Petersburg, IL

"This information is a valuable and practical reference source. I feel confident in my ability to run my business in a more professional manner. Thank you!" J.R., Forresteron, IL

"Thank you for being so professional and very knowledgeable." B.R., Chicago, IL

"I called your on a Sunday afternoon. I liked being able to leave a message." - R.K., Belleville, IL

"I was very pleased with the person that I spoke to. Very informative and nice" - C.B., Chicago, IL

IEN BUSINESS INFORMATION CENTER REGULATORY RELIEF ACTIVITIES

In addition to clients assisted with various regulatory assistance requests, IENBIC also pro-actively reached out to small businesses through the Regulatory Flexibility Program. Better known as Reg Flex, this program calls for DCEO to serve as a regulatory watchdog for small businesses.

First Stop's Reg Flex staff reviews every state proposed rule, then publishes a weekly *Regulatory Alert* that summarizes the rules that will impact small businesses. More than 600 business/trade associations and individual businesses receive the "Reg Alert". Their comments are used when Reg Flex writes impact analyses which are submitted to the Joint Committee on Administrative Rules (JCAR), as well as the issuing state agency. Analyses often recommend ways to reduce or eliminate onerous aspects of the proposed rule.

Additionally, the Reg Flex staff research all proposed legislation and post those impacting small businesses to the DCEO web site. The following information is a summary of Regulatory Flexibility Program staff activities for calendar year 2005:

- **424** Proposed State Regulations were reviewed
- **100** Proposed Regulations that affect small businesses were summarized
- **52** issues of *Regulatory Alert*, were sent to over 400 small business owners, business and trade associations
- **87** Small Business Impact Analyses for consideration by JCAR were conducted
- Hearings were attended on various proposed rules in which agencies elicited public input regarding the impact rules will have on businesses
- Legislation from the 94th General Session that would impact small businesses was tracked from the time the bill was introduced through veto session; a log of the status of each bill was maintained on DCEO's Small Business web page.

STRATEGIC FUTURE

The Illinois Entrepreneurship Network Business Information Center (IENBIC) is committed to being the foremost resource for information, compliance assistance and advocacy for businesses dealing with government red tape and bureaucracy.

Its mission is to remove impediments to business growth by making the government regulatory process less burdensome and easier to negotiate. IENBIC continues to develop stronger advocacy ties to the State's regulating agencies in order to develop a comprehensive approach to decreasing negative enforcement action while increasing regulatory compliance.

The Center will continue to play a cooperative role with other state agencies in providing information and responding to constituent requests through the state of Illinois Business Portal.

To further address small businesses need for information, the Center will continue to use state of the market technology such as enhancing its website www.ienconnect.com to allow entrepreneurs and small businesses access to comprehensive permitting information, financing and technical assistance tools, as well as real time answer to their questions. In addition, the Center will continue to closely monitor legislation, working with trade groups on behalf of the small business community.

2006 will bring about positive changes leading to a more comprehensive and responsive team that is now comprised of not only the IENBIC and the entire Network, but components of the Governor's Office and other State agencies as well.

IENBIC's marketing strategy will intensify outreach to business groups to ensure that more small business owners become aware and take advantage of the services offered by the State of Illinois. For questions or comments regarding this report, contact Darryl Thomas, acting manager of the Center, at 217-785-6109.