



March 1, 2007

TO THE GOVERNOR AND MEMBERS OF THE GENERAL ASSEMBLY:

In accordance with the provisions of the Public Act 88-0404, the Business Assistance and Regulatory Reform Act (Act), the Illinois Department of Commerce and Economic Opportunity (DCEO) respectfully submits this calendar year 2006 annual report on the Illinois Entrepreneurship Network Business Information Center (Center). As directed by the Act, DCEO's Entrepreneurship and Small Business Bureau oversees the Center, a statewide resource for new and existing business owners who have questions or concerns about state and federal business requirements, assistance programs and the regulatory process.

The Center is an essential part of the Illinois Entrepreneurship Network that provides entrepreneurs a seamless link to small business services. Through the IEN Website, www.ienconnect.com, entrepreneurs and small businesses have access to critical information designed to enhance their competitiveness. 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 Illinois 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).

The Center has proven to be effective and successful in working with entrepreneurs, small business owners and organizations that historically view government as an impediment to business growth. It is a fact that small businesses create the majority of the net new jobs. This being so, it is imperative that government continue to responsibly remove the impediments, lessen the regulatory burdens and encourage the formation and growth of small businesses in Illinois.

This annual report reflects the 2006 achievements of the Center, one of Illinois' finest assets for improving business competitiveness through comprehensive assistance. Please contact my office if you have any questions or need further information.

Sincerely,

Jack Lavin, Director
Illinois Department of Commerce and Economic
Opportunity

Internet Address <http://www.commerce.state.il.us>

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 the 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 analyses recommends ways of making the rules more flexible, cost effective or less restrictive for small business. The Regulatory Flexibility Program's 2006 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 the IEN 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, which 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.

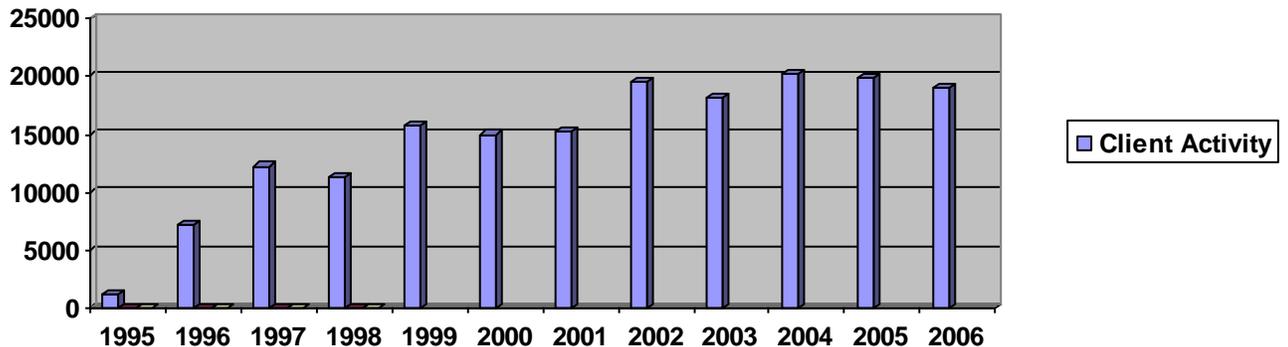
IEN BUSINESS INFORMATION CENTER CLIENT ASSISTANCE PERFORMANCE

What has the IEN Business Information Center accomplished in 2006? Below are numerical as well as testimonial measures of the Center's performance.

Client Activity Measures	CY2006	CY2005	CY2004
• Total IENBIC Client Activity	18,977	19,915	20,228
• Business Startup Kits Issued	3,734	5,682	6,531
• Sources of Financing Cases	4,703	2,594	1,907
• Licensing and Registration Cases	6,108	8,628	8,837
• Market Research Cases	428	340	345
• Government Contracting Cases	312	261	141
• International Trade Cases	52	31	10
• General Business and Other Cases	3,734	1,464	1,596

Clients Referred to other IEN Partners:	CY2006	CY2005	CY2004
• Small Business Development Centers	2,741	3,387	3,550
• International Trade Centers / NAFTA Opportunity Centers	19	13	12
• Procurement Technical Assistance Centers	26	138	115

Annual number of client activity since the Center's inception.
August 1995 – December 2006



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 2006 are consistent with past years.

- **Percent of customers surveyed indicating the IENBIC saved them time and/or money** **88%**
(84 out of 98 total responses)
- **Percent of customers surveyed indicating a high degree of satisfaction with products and services** **92%**
(816 out of 888 total responses)

Here are some of the Center's customer comments from 2006 surveys (For privacy respondents names are withheld)

"It helps very, very much to call somewhere and you get someone that is above courteous, knowledgeable and professional. This person encouraged me just by being polite to me! Thanks." - Markham, IL

"I am really happy that we have such programs available to help the small business owner." - Rolling Meadow, IL

"The staff was person was very polite and helpful." - Fairview Heights, IL

"Staff member was very helpful. He was persistent, prompt and professional about returning my calls." - Beach Park, Illinois

"The quick response by email was great. Received packet in just a couple of days" - Hindsboro, IL

"The best service I ever used. The staff was so sweet! The biggest thing - they had a sense of humor!" - Pekin, IL

"Your institution is great, very quick, and helpful. Thank You!" - Jacksonville, IL

"...I was really impressed receiving the information (*by mail*) in 2 days." - Chicago, Illinois

"I was 100% satisfied. Thank you so much!" - Maple Park, 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.

The Center'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 2006

- Approximately **400** Proposed State Regulations were reviewed.
- Approximately **100** Proposed Regulations that affect small businesses were summarized and sent to the business community for comment and feedback.
- **52** issues of *Regulatory Alert*, were sent to over 400 small business owners, business and trade associations.
- **100** 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 is committed to being the foremost resource for information, compliance assistance and advocacy for businesses dealing with government red tape and bureaucracy.

The mission of the IEN Business Information Center is to focus on the removal of impediments to business growth by making the government regulatory process less burdensome and easier to negotiate. The Center 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.

2007 will bring about positive changes leading the Center to become more responsive to small businesses' need for information. The Center will procure a Knowledgebase System using state of the market technology to enhance its website www.ienconnect.com, which will allow entrepreneurs and small businesses access to comprehensive permitting information, financing and technical assistance tools, as well as real time answer to their questions on a self-serve basis.

In addition, the Center will continue to closely monitor legislation, working with trade groups on behalf of the small business community. The Office of Regulatory Flexibility will be taking a more "pro-active" approach to the rulemaking process, by meeting with agencies during the earliest stages of a rulemaking process and allowing for more industry input.

The Center'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 or the Center's programs and services, contact Darryl Thomas, acting manager at 217/785-6190.