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To: Michigan House Commerce and Tourism Committee

From: Small Business Association of Michigan

Date: 10/17/2019

RE: SUPPORT

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Our organization represents a wide array of Michigan job-providers all of whom are small businesses. Traditional business development tools are mostly focused on start-up businesses and targeted incentives for larger corporate expansions. Both are important and worthy segments of the Michigan economy. However, there are gaps in economic development services for those in the middle.

Second-stage companies are those that are beyond the start-up phase, but are still small. Typically they have between 10-99 employees and less than \$50 million in sales. By the numbers, these entrepreneurs have become Michigan's most prolific job creators. They deserve an economic development strategy tailored for them.

Michigan Celebrates Small Business has recognized the "50 Companies to Watch" each year since 2004. In those 15 years, 750 companies have been recognized with this honor. In total, those small businesses created 12,506 jobs in just the 4 years leading up to their award recognition. That is an Amazon-level of jobs being created right here in Michigan – only these jobs were spread across every sector and every county in Michigan. Now imagine what would be possible if we focused more on accelerating the growth of companies like those.

The Entrepreneurship Led Economic Development (ELED) legislative package will establish a new mission and focus on smaller, growth-oriented companies, as well as assist small businesses with navigation of state government. Small business owners shouldn't have to hire a consultant to understand how to comply with state level regulations or mandates, but too often, that is how our system works.

HB 4835 would expand the mission of the Strategic Fund to build out and support more

acceleration services for small businesses and establish a board to oversee that work.

HBs 4837 and 4838 would set up a one-stop-shop for small businesses by establishing a Small Business Director position within the Department of Labor and Economic Opportunity and liaison positions in the high-touch departments. Their mission would be to help navigate, investigate, and assist small businesses with their interactions with state government.

HB 4836 would require a "Turbo Tax" style program be established to easily guide business owners through regulatory requirements when they are starting, expanding or changing their businesses.

Our organization represents 27,000 businesses across every county and industry in our state and we are committed to providing growth services to small businesses as well as assisting their navigation through the noise that is state government. HB 4835 – 4838 will do just that. The passage of this bill package will convey to Michigan's small business community that they are a priority, and will support the companies that provide diversity and resiliency to our economy.

On behalf of Michigan's small business community, please support HB 4835 – 4838.