



Witness: The Importance of Accurate Census Data to Small Business Formation and Growth

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Written Testimony

Jill Dietz is the Regional Center Director for the Oklahoma Small Business Development Center (OKSBDC) Statewide Services Center at the Langston University Tulsa Campus. She supervises business advisors in Woodward, Edmond, Oklahoma City and Tulsa and has been with the OKSBDC for six years. Jill Dietz's testimony, coupled with the testimony from other directors and business advisors who work for the OKSBDC, summarizes the impact that census data has on small business growth and development and the importance of access to accurate demographical data.

A large percentage of clients throughout the OKSBDC network use both demographic and psychographic data. Often, demographic data first helps to determine the best location for a business—minimizing competition while maximizing a business's growth and penetration potential. Specifically, census data allows the OKSBDC and businesses to create gap analysis (analyzing

geographic areas by demographic segmentation to determine the difference between actual customers and potential customers) which helps to demonstrate saturated and/or business starved areas in both metro and rural communities. The process of creating a gap analysis naturally supports the recruitment of businesses and franchises into communities that would otherwise be void of specific goods and services.

Marketing is another major business component that is reliant on accurate and timely demographic and psychographic data. Small businesses naturally need to focus their capital resources on projects that will offer impactful rewards per expenditure. Targeting the right customers who have the right propensity to utilize a business's services or buy their goods is only possible if marketing research relies on correct current data. The OKSBDC directors and advisors use census data to help clients determine target audiences, construct the best message and medium delivery tactics, and research regional, national and international growth opportunities.

Besides marketing, many expenditure decisions rely on accurate data to maximize gains and justify implementation. Fair market rents, insurance planning, asset acquisition, expansion, and payroll are just a few of the business considerations dictated by demographics. Providing sound advice and directional input to businesses is only possible because of data provided by the U.S. Census. Reliable and purposeful census information is crucial to the mission of the OKSBDC.

Clients in the process of creating a business plan rely on data and demographic analysis to justify and accurately explain their valuation, marketing plan and business viability. Consecutively, loan institutions and lenders approve loans based on the assumption that the data provided in business plans have reliable sources from which information is derived. Established businesses adjust their business plans as changing data dictates. Reliable and timely data updates are necessary for new and existing small business endeavors, both requiring and demanding extensive, accurate census data.

The OKSBDC, and by extension all SBDC entities operating throughout the United States, strive to meet the goals established by the Small Business Administration (SBA). Following similar operational practices, each SBDC does their best to help small businesses overcome obstacles and be successful. Data offered by the census is invaluable for operational practices, insuring advice and assistance is based on excellent demographic information.

As a specific instance to highlight the necessity for excellent demographic data, the OKSBDC often works with startup and established businesses that have developed innovative, technologically advanced products. The OKSBDC assists these businesses in expanding sales and diversifying clientele through events like Encountering Innovation, in which businesses are able to pitch ideas and products to the Department of Defense and other government departments in closed-door meetings with technology scouts. As these businesses navigate interest and feedback in their products from the government, they must simultaneously understand and establish a market use for their product outside of these

channels. As a result, market research is vital for a business to determine what target markets are available in the private sector, identify where potential customers are located, delineate consumer-purchasing habits, and assess if the market is large enough to be viable to enter. This data comes directly from the census.

One prime example involving the OKSBDC and census usage involves a client in northeastern Oklahoma. This month, June 2019, a client with an Army xTechSearch submission for solutions to Human Performance Technologies in the topic area of soldier lethality, was asked to provide information to the Army regarding their product's civilian market applications, dual usage, successes in the market, and potential applications. The business was able to respond with certainty because the OKSBDC had previously researched industries and demographics to determine multiple private sector target buyers. Dual use technologies (supported by market data) advance at a faster pace and that is a benefit to both businesses and the government due to rapid innovation. Often, the consumer or commercial version of a product becomes the base model for the military to test and build upon—creating a more rugged and purposeful product for their needs.

Given the extensive scope that census data plays in the day-to-day operations of the OKSBDC, the argument for accurate census data is easy to create. Census data is so ubiquitously present in practices, procedures and outcomes of the OKSBDC, that without the data, quality advisement and services would suffer or simply prove too time consuming. Small businesses and entities have become reliant (and in many cases completely dependent) on census data

for numerous operations--from business conceptualization all the way through growth and expansion.