

Impact vs Investment: Why Pebble Plan is a great use of community funds:

Using tax dollars to support and encourage small business growth and resiliency comes with a unique set of challenges related to justifying expenditures. Pebble Plan provides an affordable, transparent, and easy to implement solution that helps communities support their small businesses while also justifying the expense in multiple ways:

PEBBLE PLAN INCREASES ECONOMIC DEVELOPMENT STAFF EFFICIENCY:

Before an incentive or financing package is offered it is prudent to review an applicant's business plan, but traditional business planning and business-resiliency planning can be very time-consuming work. Paying staff members to hold an entrepreneur's hand through the planning process can be an open-ended draw on payroll hours and office efficiency. Pebble Plan allows ED staff monitor the plan creation process without having to engage unless they want to, while our built-in educational resources support the entrepreneur throughout the planning process. If a business owner gets stuck, Pebble Plan acts as a bridge to connect them to outside help at the SBDC, etc. so they can get the specific help they need at no additional charge, and without any further action needed by the ED staff.

As you review the chart below you will see that Pebble Plan is a more efficient use of funds than paying staff to help applicants complete their business plans, meet with applicants to check up on their progress, or guide them to outside help resources. When compared to the cost per plan to use Pebble Plan versus spending the same money on payroll hours, you can see that after just 5 hours of help spending payroll dollars becomes less cost effective than the Pebble Plan software. Most business plans or resiliency plans will take a minimum of 20 hours to complete when the applicant has everything together and is very prepared. For less prepared users it is common for plans to take 50+ hours to complete over the course of multiple months.

Pebble Plan			Payroll hours			
Pebble Plan tiers	Plans produced	Cost per plan	Staff wage per hour	Equivalent payroll hours to purchase Peb Plan	Equivalent payroll hours per plan	Cost per plan
\$1,000	10	\$100	\$20	50	5	\$100
\$2,000	25	\$80	\$20	100	4	\$80
\$3,000	40	\$75	\$20	150	3.75	\$75
\$4,000	60	\$67	\$20	200	3.33	\$67
\$5,000	100	\$50	\$20	250	2.5	\$50

If you are going to spend this money, would you rather spend it on your staff holding an applicants hand, or working on other projects while applicants create their own plan?

If you paid your staff to work one-on-one with applicants, is it likely you would get a business plan completed, or even make much progress, in this amount of time?

PEBBLE PLAN CONNECTS ENTREPRENEURS WITH HELP WHILE REDUCING TRAVEL & TIME COSTS:

If your clients / applicants travel your office, or to another location to get outside help, Pebble Plan can help reduce the amount they pay out of pocket to get help. You may be surprised at how much people pay to get help in terms of time & travel expenses. The reason these expenses are so high is because help is only provided when the SBDC, EDC or other providers are open. Most applicants asking for your help are at work Mon-Fri from 8-5, which is the same time help

providers are open; so even though consulting help is free, it isn't accessible unless you are willing to pay the price of missing work. Even if help is provided via video conference, your applicants cannot do that while they are at work, and consulting via email is an exercise in frustration that accomplishes very little because of miscommunications and the need to reset perspective and clarify what is needed each time a question is asked or answered.

Pebble Plan has the answer. We connect the user/client and the person providing help inside the software where both parties can work on the same business plan, either at the same time or at different times. We eliminate context questions & miscommunications because each screen contains it's own help portal where questions about the information presented on that can be asked & answered. Our notification system takes helpers directly to the screen that the user needs help on and they see the users help request in context on each screen. This can be done at the same time, or at different times, so users can ask questions at night & on weekends, while helpers answer questions the next day when they are in the office. This is the key to rapid progress, and this is a unique feature of Pebble Plan.

The charts below show the costs involved with getting help, and how Pebble Plan provides significant savings over the 'Free' help. As you will see we have used very conservative estimations, the actual savings are likely to be greater.

Travel & time costs to get business planning help

Fuel, parking, etc. per trip	hourly wage for help recipients	Avg. hours away from their job per trip?	Lost wages due to time away from work	Expenses for child care / other responsibilities
\$5-\$50 : Avg. = \$20	\$12 - \$25 : Avg. = \$18.50	4	\$74	\$20 - \$50 : Avg. = \$35

Tavell cost per trip	Time cost per trip	Total cost per trip	# of help trips per plan	Total cost per plan
\$20	\$81	\$101	1 - 5 : Avg. = 2	\$202

Fuel costs vary depending on vehicle & distance

Help appointments usually last 1 to 1.5 hours + travel time. Even very flexible employers typically wont let you leave work for a couple hours during the day; especially to go plan your business. Most people have to take a whole or half day off of work as a vacation or sick day. The value of a vacation day or sick pay is hard to calculate, and for most employees it goes beyond the wages paid or lost on that day, especially when you are sick or have sick kids at home.

About 20% of people need to make arrangements for child care or to have other responsibilities covered while they go to get help with their business plan or recovery plan. The total costs above reflect the 20% of people that need to make such arrangements

Pebble Plan tiers	Plans produced	Avg. travel & time cost per plan	Costs for the same # of plans without Peb. Plan	Savings for applicants by using Pebble Plan	% savings
\$1,000	10	\$202	\$2,020	\$1,020	102%
\$2,000	25	\$202	\$5,050	\$3,050	153%
\$3,000	40	\$202	\$8,080	\$5,080	169%
\$4,000	60	\$202	\$12,120	\$8,120	203%
\$5,000	100	\$202	\$20,200	\$15,200	304%

The more entrepreneurs have to spend traveling back & forth to get help, the less they have to grow or turn their business around.

Giving your entrepreneurs a way to get help without having to meet with someone at the same time (and take time off work) increases the likelihood that they finish their plan and start growing their business sooner

PEBBLE PLAN PAYS FOR ITSELF IN TAXES GENERATED:

Pebble Plan enables communities to get a positive return on their investment more quickly than nearly any other economic development investment available; and even though the total dollars may not be significant at first, the % ROI is great, and the returns will keep coming.

As you can see in the chart below, with only a 50% success rate of the businesses started or saved by using Pebble Plan, the level of taxable sales needed to offset the city's investment in the Pebble Plan software is very low. Many businesses will produce this level of taxable sales in their first year and will continue for years to come.

Pebble Plan tiers	Plans produced	Success rate	Businesses started or saved	City portion of sales tax	Taxable sales needed to offset Pebble Plan cost	Taxable sales needed per business
\$1,000	10	50%	5	2%	\$50,000	\$10,000
\$2,000	25	50%	12.5	2%	\$100,000	\$8,000
\$3,000	40	50%	20	2%	\$150,000	\$7,500
\$4,000	60	50%	30	2%	\$200,000	\$6,667
\$5,000	100	50%	50	2%	\$250,000	\$5,000

DON'T OVERLOOK THE IMPORTANCE OF PEBBLES IN LAYING A FOUNDATION:

The importance of educating small business owners and helping them produce good business plans that keep them on track as they start & grow stable local businesses can be easy to overlook because it doesn't win awards and will seldom be on the front page of the paper or city website. But, as those small businesses add up and stick around because your EDC helps them plan through the tough times, they will strengthen the core of your city's economy. Then, as larger companies start looking at your city, it may be those small businesses and the network of suppliers & service providers they represent that convinces a large company to relocate to your town.

As you put together the small business strategy for your community, we would be honored to be a part of it and help you strengthen the foundations of your economy.

TO SEE THE SOFTWARE IN ACTION CONTACT US TO SCHEDULE A DEMONSTRATION:

tracy@pebbleplan.com

806-340-7006

