

Putting together
the **right tools**
to help finance
small **business growth**,
job creation and
stronger communities.

Annual Report 2018



CEO Report

Dr. Neil Gershenfeld, Director of the MIT Center for Bits and Atoms, is a bright guy. In 2014 the Chicago Museum of Science and Industry named him as one of the 40 modern-day Leonardos. He is a researcher, scientist, inventor and innovator. He's probably said a lot of smart things, but perhaps none more relevant to what we are doing at WBD than this;

"Give ordinary people the right tools, and they will design and build the most extraordinary things."

In the past year, our efforts to further enhance our ability to be "Your Business Finance Resource" has really been about giving people the tools they need. From retooling the way some of our internal processes work to developing new tools to help our lending partners and the small businesses we serve, 2018 was a busy year.

The SBA 504 loan is our primary tool helping advance our mission, to help businesses grow, create jobs and build communities, however we know supporting small business is not a one size fits all proposition. In recognition of this we have been hard at work building relationships and expanding our services with an eye toward helping build a toolbox stocked with the right tools to help small businesses grow, no matter the size or stage of their business.

I am also excited about the new offering of services and training that we have developed to better serve the needs of the lending community. Our efforts here give our lending partners the tools to better serve the small businesses in their communities. We look forward to building on these efforts in the year ahead, especially given the great reception our work here has received so far.

Our success in the 504 program has also allowed us to provide support for a range of other organizations and programs that share our mission. By strengthening these relationships and sharing resources we are working to provide a full spectrum of tools to assist small business. From the online efforts of Kiva, to the creation of a new CRA Network, WBD is helping grow resources available to encourage and grow small businesses throughout our service area.

At each step our goal is to help give people the tools they need to build and grow businesses.

And as Dr. Gershenfeld predicted, the results are inspiring.

Sincerely,



Dan Schneider
President/CEO – WBD, Inc.



Helping Build a Well-Stocked Toolbox to Build Small Businesses

Creating a financial support system for small business takes a variety of approaches, so we have been building strategic relationships with exceptional partners who share our mission. And when we identify unmet needs in the market, we are leaders in finding and being a part of the solution. . . .

\$500
to

\$5.5 Million

Helping Make Madison a Kiva City (\$500 – \$10,000) – Kiva Cities are a partnership of local government, community groups, microfinance organizations, and Kiva Zip Trustees working together to connect Kiva lenders to entrepreneurs that they know and trust in their communities. In Wisconsin, Milwaukee is a Kiva City and with WBD's help and support, Madison will become a Kiva city soon.

Supporting WWBIC (\$5,000 – \$150,000) – WBD has developed a partnership with the Wisconsin Women's Business Initiative Corporation (WWBIC), providing substantial loan funds to support their efforts to lend and provide technical assistance to early stage small businesses.

Providing Support to Nontraditional Lenders – WBD helps minority chambers of commerce underwrite loans and to offers training and assistance to Community Development Financial Institutions (CDFI) to enable them to access the SBA Community Advantage Program to better serve their communities.

CRA Network (varies) – WBD provided the funding to launch this project run by the Wisconsin Economic Development Association (WEDA) that aims to connect economic development projects with lending institutions who can provide the funding to make them happen.

SBA 7(a) Loans (\$50,000 – \$5,000,000) – WBD provides direct assistance and training to financial institutions enabling them to provide these loans to their customers when they lack the expertise required.

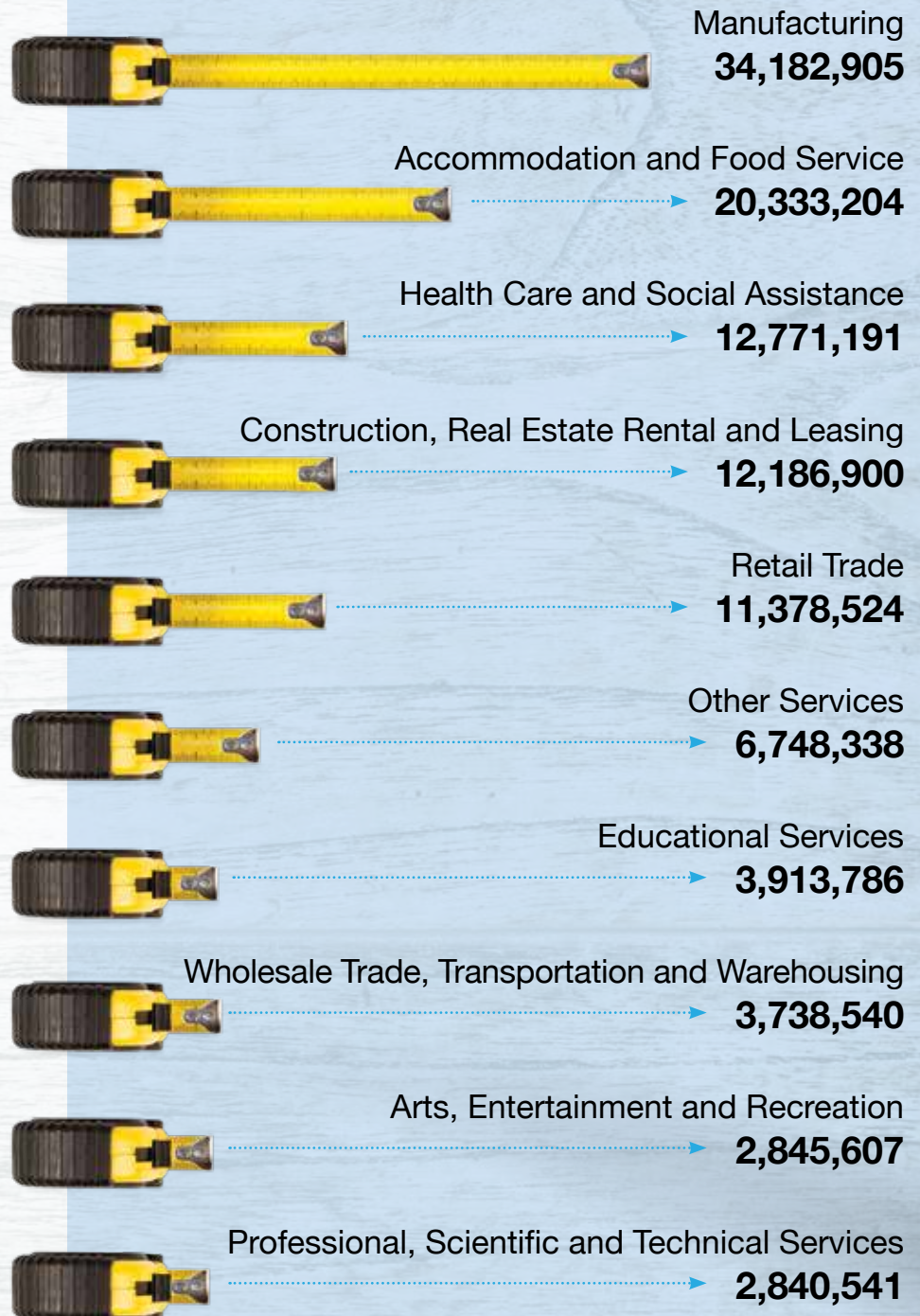
SBA 504 Loans (\$100,000 - \$5,500,000) – The primary focus of WBD – partnering with local lenders to provide low, fixed rate, long term financing to help businesses grow, create jobs and build communities.



Using Our Tools To Grow Business

In the right hands a single tool can do many things. The WBD team is one of the most successful and experienced in the U.S., allowing us to help small businesses from a wide range of industries get access to the affordable long term fixed-rate financing they need to grow. We know how to use the 504 loan as a tool for helping all sorts of businesses from breweries and manufacturers to restaurants and vet clinics.

Top Industries for 504 Approvals in FY 18



WBD Portfolio Balance

(as of 9/30/18)

\$688,229,678

Number of Loans in Portfolio

1,339

Top 10 Industries in the Portfolio

(as of 9/30/18)

Manufacturing
\$146,967,369

Retail Trade
\$103,223,766

Health Care and Social Assistance
\$75,869,499

Food Services
\$67,977,599

Accommodations
\$61,059,947

Agriculture, Forestry, Fishing and Hunting
\$41,023,877

Arts, Entertainment and Recreation
\$31,947,744

Transportation and Warehousing
\$26,374,081

Wholesale Trade
\$26,021,761

Professional, Scientific and Technical Services
\$23,344,329



Success Story

Oral and Maxillofacial Surgery Associates

"Using WBD to help fund our new oral surgery office in Mukwonago allowed us to expand the areas we service at a debt service payment that we could afford over the long term. WBD was easy to work with and very responsive to our needs during the entire construction process, from design to occupancy to closing."

– Kevin J. Conner, DDS, MD

FUNDED: April 2018

JOBS: Created 4 Jobs

Ninth 9
most businesses helped
with 504 loans in the U.S.
(of 217 CDC's)

10 Tenth
most 504 dollars
approved for small
businesses in U.S.
(of 217 CDC's)

When it Comes to Creating Jobs

We Are Nailing It!

In Wisconsin, Minnesota and Michigan, Small Businesses make up nearly 1/2 of the private workforce. New jobs created by companies with less than 20 employees accounted for more than half of the new jobs created. WBD is proud of its nearly 40 year history of helping create jobs!



825

jobs created
in 2016



1,210


jobs created
in 2017



1,149

jobs created
in 2018

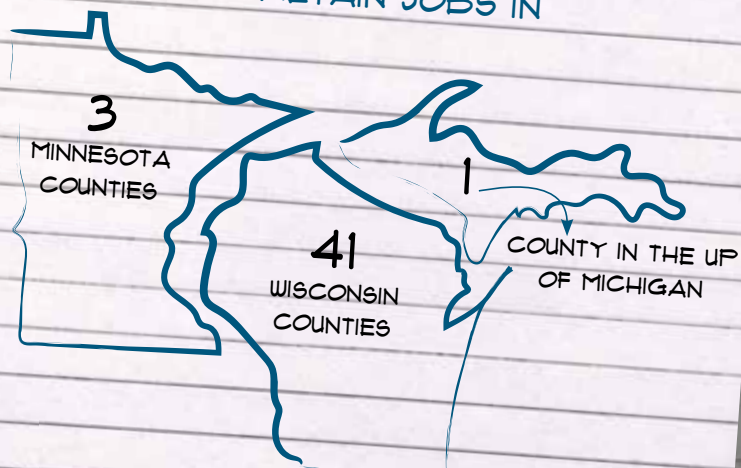




Since 1981, our efforts
have helped create

66,434
Jobs

IN 2018 OUR EFFORTS HELPED
CREATE AND RETAIN JOBS IN



Success Story

Brunson's Pub

"Starting a business is scary. Getting a loan for a business can be even scarier. But working with WBD made it not scary. They made it simple and painless. They know what they are doing and are awesome to work with! They helped us navigate through hard decisions, and we are so grateful for everything they've done to help us. Follow your entrepreneurial dreams, and let WBD help!"

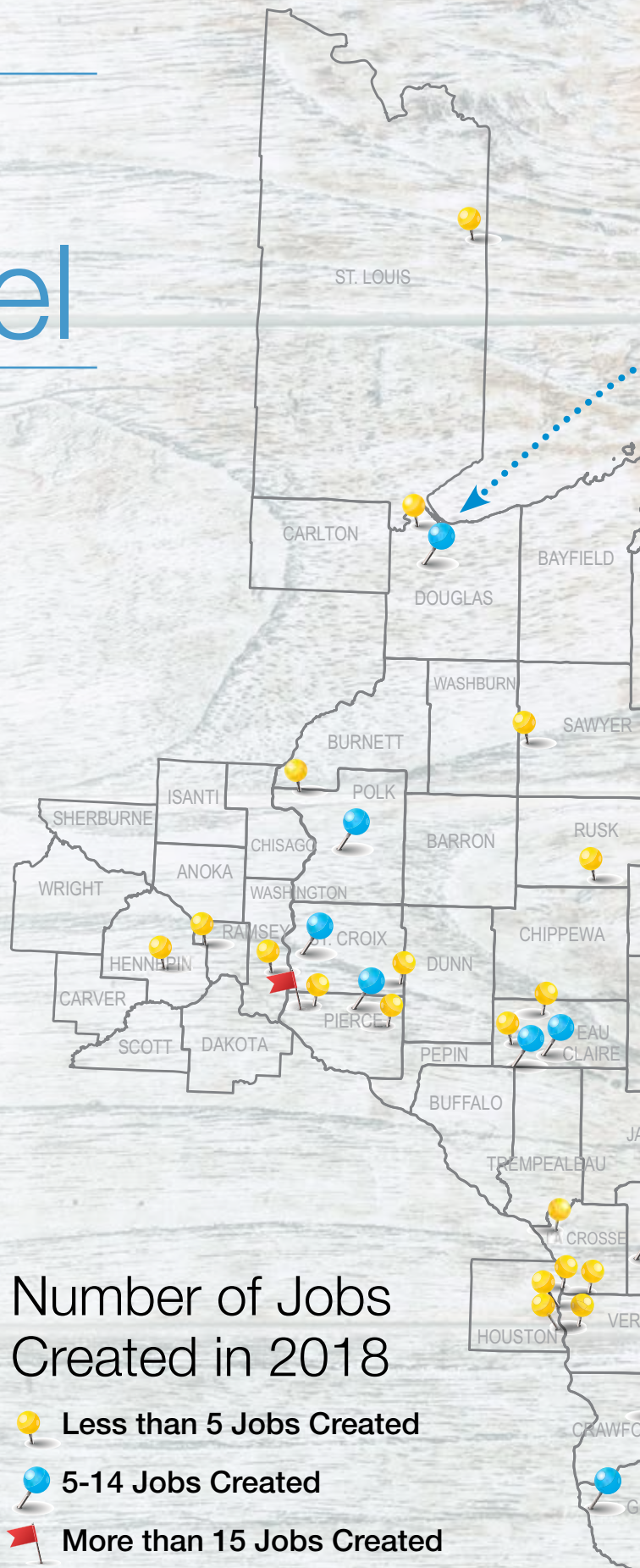
– Molly & Thomas LaFleche, Owners

FUNDED: April 2018

JOBS: Created 39 Jobs

Have Tools, Will Travel

Small business is the backbone of every community. The smaller the community, the bigger the impact of the business. With WBD offices, loan officers and staff spread across our service area, we are putting our tools to work in your community.





Success Story

Earth Rider Brewery

"April Nelson and the team at WBD did an outstanding job helping us navigate SBA program requirements. The development of Earth Rider Brewery included many public and private partnerships, which added a layer of complexity. Their efforts were thorough and timely, and we appreciate their help to bring the first packaging brewery to Superior, WI in 50 years."

– Tim Nelson, Founder

FUNDED: March 2018

JOBS: Created 9 Jobs

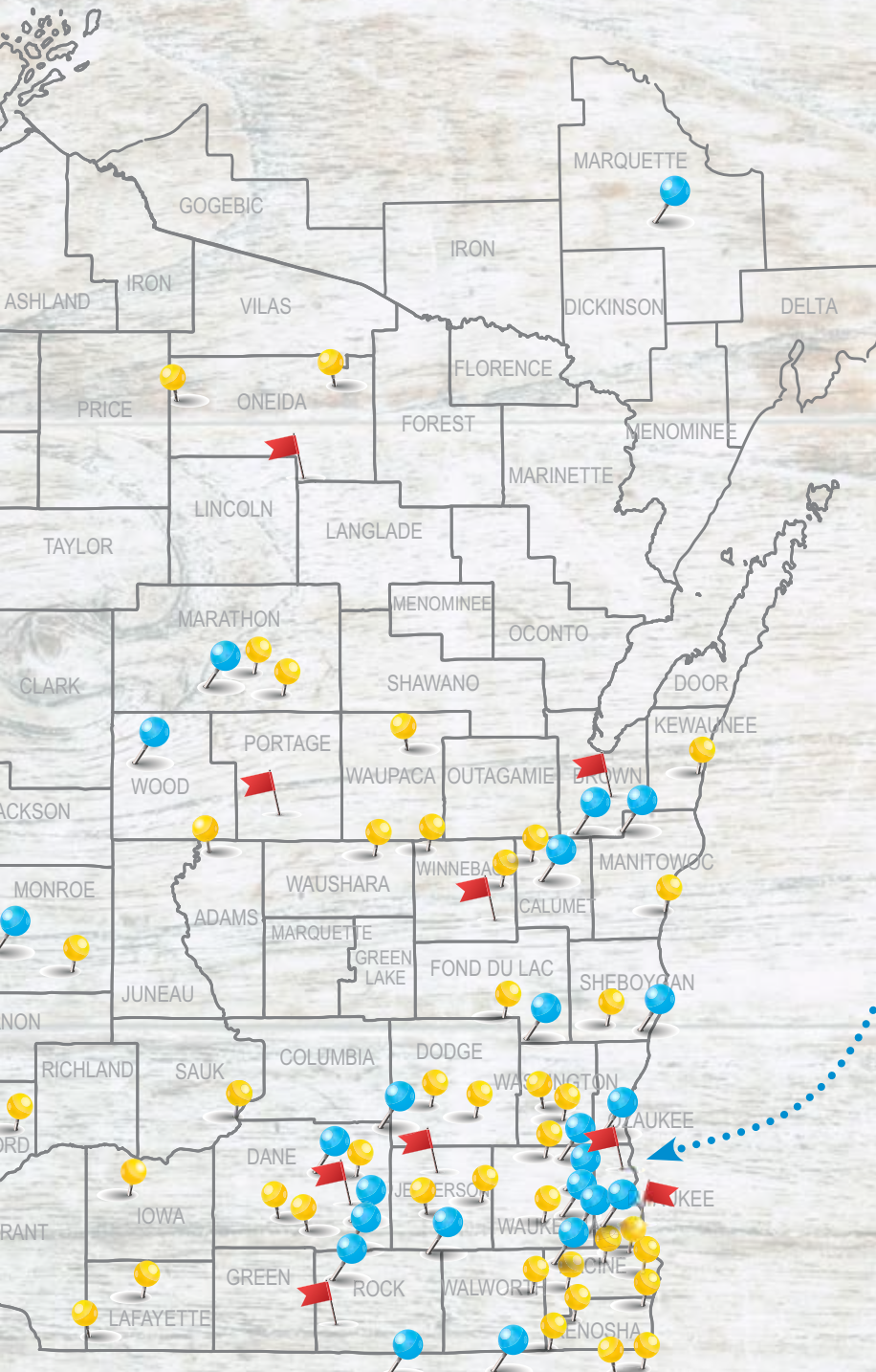


Success Story

Therm-Tech

Since 2001, WBD has assisted Therm-Tech with 504 financing 7 times. Beginning with the purchase of a new vacuum furnace in 2001 and continuing the partnership through additional facility and equipment purchases.

They now employ 150 people and their latest project, approved in 2018, will allow them to add another 6 people to their team, which has grown to become a national leader in the industry.



We listened and are building something great!

We heard our lending partners say that it is tough to keep up with the SBA's rules and, because we speak SBA, we get it. So our Lender Services Affiliate assembled some of the most experienced SBA talent in the Midwest and is building a whole new set of training tools and expanding our ability to provide direct SBA 7(a) packaging and related services for lending institutions. We even welcomed our first WBD Premier Members that pay a retainer for ongoing priority access to WBD staff and tools.



What attendees are saying:

"This class was very helpful. Detailed enough to be able to build confidence in closing SBA loans but broad enough that we were not stuck on a particular point for long periods of time. Great use of time."

"Useful, practical material and references were provided. Fantastic facilitator that knew SBA and this industry well! Highly recommend WBD training!"

Introducing WBD Training Institute

Banks and Credit Unions are more likely to use SBA tools to help businesses if they understand them. With few local, affordable training options available WBD has stepped in and in FY 2018 began offering a new series of training options.

We began the year by previewing our first course to a focus group and continued to develop and host trainings throughout the year. We will continue to build on these efforts in 2019 with the introduction of the WBD Training Institute.



In the past year:

- ✓ 6 Training Events
- ✓ 4 Cities
- ✓ 1 online webinar
- ✓ 126 People Attended



Our Tools Work on 7(a) Too!

Institutions that want to utilize the SBA 7(a) program to help businesses, but lack the capacity or expertise to do so are turning to WBD for assistance in packaging, closing and servicing these loans. With over 60 years of SBA experience, our Lender Services team can be counted on to provide steady guidance.

FY 2018 Lender Services Snapshot

- **108 Institutions** have Lender Services Agreements with WBD
- **41** Different Banks and Credit Unions turned to WBD for 7(a) assistance
- WBD packaged **28** - 7(a) loans that were authorized for **\$23,565,500**
- These loans helped create **74 new jobs**
- Completed **5 SBA purchase packages** for banks
- **3** of the 7(a) loans were **companions for 504 loans**
 - Utilizing both programs together to finance multiple parts of a project.

Cementing Our Relationships

The Class of 2018 ushers in one new Elite Lender:



John Schmitz
Citizens Bank

Top Lending Partner Institutions

(# of 504 loans in FY 18)

- 12 – Commerce State Bank
- 7 – Nicolet National Bank
- 6 – Royal Credit Union
- 6 – Westbury Bank
- 5 – BLC Community Bank
- 5 – Citizens Bank

Top Third Party Lenders

(# of 504 loans in FY 18)

- 5 – Adam Lange
BLC Community Bank
- 4 – Luke Hagel
Commerce State Bank
- 3 – Joe Fischer
Royal Credit Union
- 3 – Jim Gannon
Nicolet National Bank
- 3 – Jerald Yapp
Westbury Bank

Elite Lenders Club

These are WBD's top lending partners. Each have done at least ten 504 loans.

Connie Suemnicht
Bank of Wisconsin Dells

Glenn Michaelsen
Spring Bank

Bill Kadrach
Marine Bank

Tim Schneider
Investors Community Bank

Steve Faulhaber
Peoples State Bank

Kevin Blinsmon
Hiawatha State Bank

Edward Kinney
Settlers Bank

Dennis Haefer
State Bank of Cross Plains

Andrew Boario
WaterStone Bank

Matthew Wilcox (now with WBD)
BLC Community Bank

Chadd Frank
Waukesha State Bank

Luke Hagel
Commerce State Bank

Denise Hegland
JP Morgan Chase Bank

Mark Maurer
Investors Community Bank

David Mills
Fortifi Bank

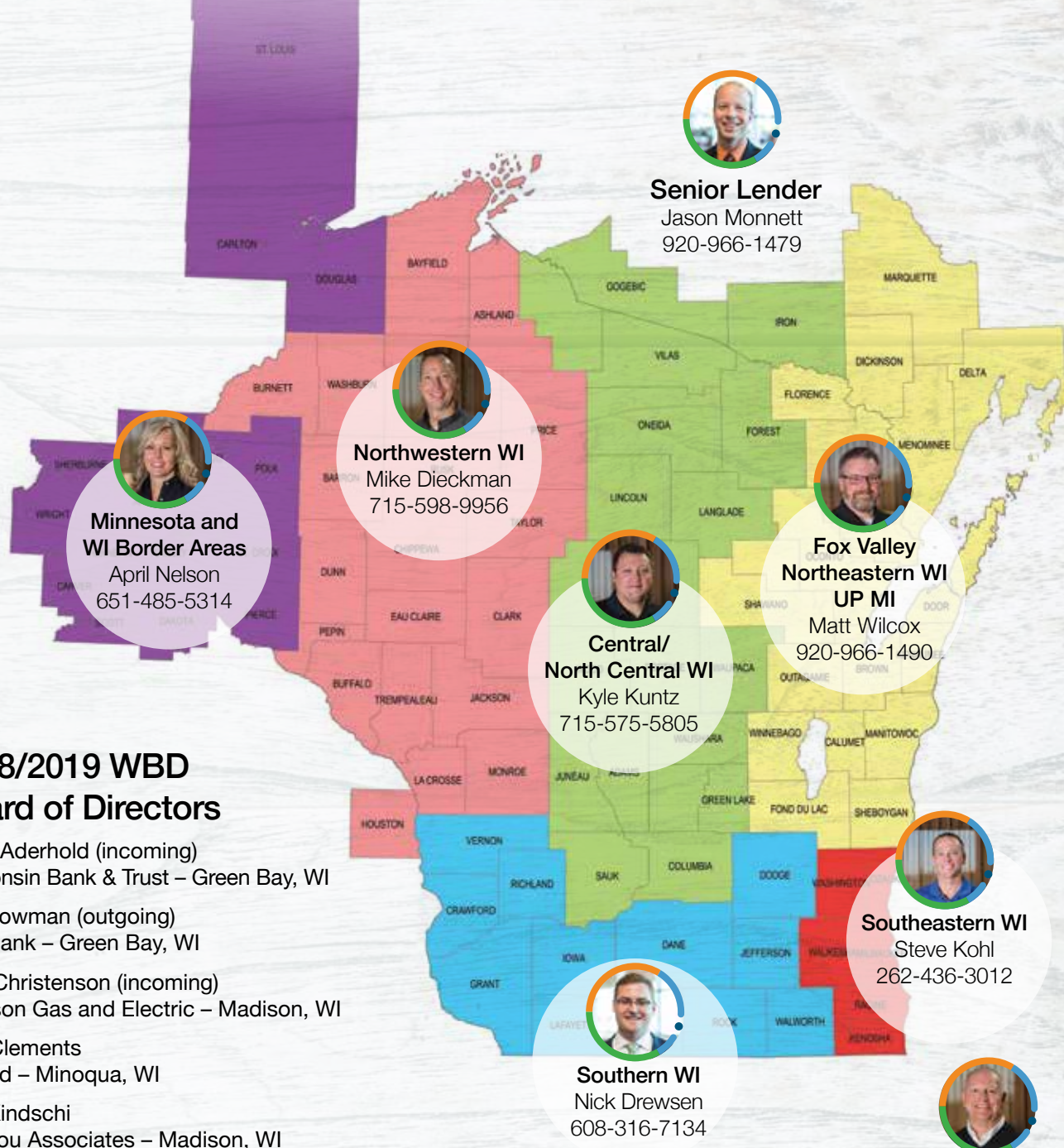
Lon Rupnow (Retired)
American National Bank Fox Cities

Marvin Schmit
BMO Harris Bank

Sarah Napgezok
River Valley Bank

Mike Collins
River Valley Bank

Paul Schaller
Bank of Wisconsin Dells



2018/2019 WBD Board of Directors

Craig Aderhold (incoming)
Wisconsin Bank & Trust – Green Bay, WI

Jeff Bowman (outgoing)
Bay Bank – Green Bay, WI

Pam Christenson (incoming)
Madison Gas and Electric – Madison, WI

Deb Clements
Retired – Minoqua, WI

Kim Kindschi
Manitou Associates – Madison, WI

Tom Mews
First National Community Bank – New Richmond, WI

Bill Mitchell
Michael, Best & Friedrich – Milwaukee, WI

Steven Peterson
Choice Bank – Eagan, MN

Dave Provancher
WaterStone Bank – Waukesha, WI

Patrick Schloss
City of West Allis – West Allis, WI

Dan Schneider
WBD – Oshkosh, WI

Tim Schneider (Board Chair)
Investors Community Bank – Manitowoc, WI

Steve Shellman (outgoing)
Schenck Business Solutions – Sheboygan, WI



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