



SBTDC's Role in Small Business Disaster Recovery

Established in 1984, the Small Business and Technology Development Center (SBTDC) provides business advisory services to help small and mid-sized businesses start, grow and succeed, offering management, counseling, education and access to resources.

During disasters, the SBTDC plays an important role in recovery efforts by helping affected businesses get back on their feet. With 16 offices across the state, we work closely with state, federal and community partners to help businesses navigate recovery options and make informed decisions. We are a key member of the Business Recovery Collaborative identified in the NC Disaster Recovery Framework and have actively collaborated with state recovery partners since Hurricane Floyd in 1999.

Core Disaster Counseling Services

During disaster recovery, the SBTDC provides **business counseling and technical assistance** to small and mid-sized businesses including six essential services:

1. **Financial Impact Assessment** – We help business owners assess physical and economic losses, understand insurance policies, and explore recovery funding options.
2. **Financial Records Reconstruction** – We assist businesses in rebuilding essential financial documentation, which is critical for insurance claims, loan applications, tax relief, and strategic recovery planning.
3. **Forward-Looking Recovery Planning** – Our team helps assess financial health, set recovery goals, create strategic rebuilding roadmaps, and provide guidance on grants, loans, risk management, cash flow, and operational adjustments.
4. **Creditor and Vendor Negotiations** – We assist in assessing obligations, prioritizing payments, and negotiating terms to protect cash flow while maintaining essential business relationships.

5. **Disaster Loan Application Support** – SBTDC counselors guide businesses through documentation requirements and application completion for SBA and other disaster loan programs.
6. **Education on Available Recovery Resources** – We provide clear information about eligibility, loan terms, covered losses, deadlines, and application processes for various funding sources.

Government Contracting Services

Additionally, during disaster recovery our Government Contracting Assistance Program (GCAP) provides targeted support to small businesses that want to engage in federal, state, and local disaster recovery contracting:

- **One-on-One Counseling** – We assist businesses in disaster-related industry sectors such as construction, debris removal, logistics, and emergency lodging.
- **Contracting Support** – We guide businesses through registration on SAM.gov, NC eVP, HUB certification, and NCDOT prequalification.
- **Training & Outreach** – We host webinars on disaster contracting best practices, FEMA and NCDOT processes.

Hurricane Helene Response Highlights

SBTDC counselors provided custom counseling services to over 170 businesses, delivering an average of 4 hours of assistance per client. The businesses served consisted of 47% small businesses (1-9 employees), 43% midsize businesses (10+ employees), and 10% startups. We served businesses **across all 27 impacted counties** with the largest percentages in Buncombe, Henderson, Watauga, Jackson, Madison, Cherokee, Transylvania, Macon, Burke, Catawba, Caldwell and Mitchell counties. Businesses spanned over 17 industries, with the majority in hospitality, retail, arts, professional services, agriculture and forestry.

SBTDC staff met with over 250 businesses while stationed at Business Recovery Centers (BRCs), helping owners complete SBA loan applications. Additionally, we conducted **outreach to over 600 business owners** by phone or email, providing information on available services and programs.

SBTDC counselors conduct outreach and information sessions - participating in over 29 in-person and community events in partnership with local chambers, economic development and community college partners reaching over 250 business owners. SBTDC has maintained ongoing presence at the SBA's Boone and Asheville Business Recovery Centers (BRC's).

SBTDC also develops training material for business counseling staff in the SBTDC as well as the Community College's Small Business Center Network. These materials guide counselors working with disaster-impacted businesses on how to prepare federal and state-based disaster loans.

SBTDC maintains the Hurricane Helene webpage on behalf of the Business Recovery Collaborative. The webpage provides centralized resources and guidance for North Carolina small businesses impacted by the storm. It connects business owners to recovery funding, tax relief, workforce support, and essential tools to aid in recovery.

Disaster Recovery Counseling Activities

SBTDC counselors are providing strategic assistance to meet evolving needs of WNC's small business owners in five key areas.

1. Financial Recovery and Planning - SBTDC counselors have helped businesses with assessing cash flow and current debt load, and projecting long-term cash flow. Supported owners with budgeting and planning for 2025. Researched alternative ways to recoup losses when insurance is not viable. Guided businesses in making informed financial decision before taking on more debt. Helped determine future business viability.

2. Disaster Resource Navigation - SBTDC advisors have shared information on recovery resources from SBA, WNC Strong, and other specialty programs. Clarified details of grants and loans, including eligibility requirements. Assisted with loan application and support during the approval process, and in some cases reaching out to loan officers on behalf of the client.

3. Business Model Adjustment and New Markets – Helped clients adjust operations, including shifting from tourism-dependent models to alternate revenue streams, building out online sales, relocating or downsizing. Helped owners explore new markets while their existing markets are still recovering. *Examples: we encouraged restaurants to offer early morning breakfast and coffee service to tap into the volunteer forces in the area. And we helped a family-run electronics store successfully expand into commercial laundry services.*

4. Transition and Exit Strategies – For owners choosing to close or sell, we provided guidance on the decision to sell, including valuations and maximizing sales price. Provided moral support during challenging decisions.

5. Community Connections and Innovation – Connected businesses with other small businesses for mutual benefit in meeting challenges. *Example: we introduced restaurants needing support to other restaurants who were capable of providing aid until they could fully recover.*

Helene Government Contracting Services

The SBTDC's GCAP team has provided targeted support to help small businesses to engage in federal, state, and local disaster recovery contracting:

1. **One-on-One Counseling:** Assisted businesses in disaster-related industry sectors such as construction, debris removal, logistics, and emergency lodging.
2. **Contracting Support:** Guided businesses through registration on SAM.gov, NC eVP, HUB certification, and NCDOT prequalification for infrastructure and debris removal projects.
3. **Training & Outreach:** Hosted webinars reaching hundreds of businesses on disaster contracting best practices, FEMA and NCDOT processes, and avoiding common pitfalls.
4. **Client Successes:** Many GCAP-assisted businesses are now prequalified and actively pursuing disaster recovery contracts.

One unexpected area of service that emerged unique to Hurricane Helene was the need for land for FEMA for **Emergency Lodging Assistance**. GCAP counselors worked with farmers and landowners, often meeting in their living rooms or at their dining room tables, to guide them through contract registration. This resulted in support for over \$3 million in contracts and placement of nearly 300 units. Its estimated GCAP counselors supported 70-80% of WNC's emergency lodging coordination.

Client Successes

Lake Hickory Pub and Marina was the only marina on Lake Hickory to sustain catastrophic damage from Helene. While their insurance provided \$310,500 in payouts, the rebuilding estimates ran \$600,000 - \$800,000, leaving a large gap in funding. The owners faced other major challenges. They needed help figuring out loan options, insurance claims, and whether

deferment on existing debt was possible. With the marina shut down, the pub and other services had to carry the business, requiring a major overhaul of their menu and pricing strategy. They had a \$1.285 million balloon payment due in eight years, and without a plan in place, it posed a serious financial risk.

The SBTDC worked closely with the owners to tackle both their short-term recovery and long-term financial stability. The SBTDC helped them assess rebuilding costs, explore loan options, and restructure their debt. A menu engineering analysis helped them adjust pricing, simplify offerings, and reorganize the layout to highlight high-margin items. With the marina shut down, they explored new ways to generate revenue, including expanding boat rentals, considering renting out commissary kitchen space, and deciding whether to keep mini-golf or convert the space for additional dining capacity. Through this process, the owners gained valuable financial insights and operational strategies to help them move forward.

Asheville Emporium, a gift and souvenir shop with two locations was severely impacted when Hurricane Helene forced the closure of the original Wall Street store. With the SBTDC's assistance, owner Heidi Swann successfully navigated the financial recovery landscape and secured a WNC Strong Business Recovery bridge loan. This timely funding, featuring favorable terms including 1% interest for the first year and disbursement within weeks rather than months, provided essential capital to cover immediate expenses like salaries, utilities, and rent while awaiting longer-term SBA assistance.

SBTDC business counselors worked closely with Swann throughout the process, helping her reconstruct financial statements damaged by flooding and connecting her with additional resources. Asheville Emporium is an example of how comprehensive support like that provided by the SBTDC helps businesses not just survive disaster impacts but position themselves for long-term stability and success in the post-hurricane recovery period.

SBTDC Counselor Observations

With their boots on the ground perspective, SBTDC business counselors offer observation based on their day-to-day work with small businesses in their communities.

Business Closure Concerns

- We are observing closures accelerate as owners exhaust savings and struggle with continued revenue decline.
- Early projections of a 40% business closure rate appear increasingly accurate.

Changing Business Dynamics

- Ownership Transitions: Rather than new business creation, we're seeing accelerated ownership transfers of established businesses, particularly those with older owners affected by the hurricane
- Employee Acquisitions: Existing employees are acquiring damaged businesses or leveraging industry experience to launch similar ventures

Financial Assistance Impact and Gaps

- Grants and disaster recovery loans have proven critical for our clients. Many owners have utilized these resources to rebuild, maintain payroll, and cover expenses while working to restore revenue.
- For some small businesses, a \$20,000 grant has been the deciding factor between closure and survival.
- Financial Service Gaps: However, mid-sized business with revenues over \$2.5 million don't qualify for certain grants. These businesses still need significant help and are important economic drivers.

Debt Aversion

- Many businesses were already managing pre-Helene debt (Covid EIDL, mortgages, equipment loans), making additional borrowing financially overwhelming.
- With a long recovery road ahead, owners fear acquiring debt without confidence in their ability to generate enough revenue for repayment.

Tourism Recovery Timeline and Ripple Effect

- Tourism revenue has not rebounded and is not expected to recover until 2026 at the earliest.

- The cascading effect has damaged businesses dependent on the tourism economy. Non-tourism businesses (construction, HVAC, retail, landscaping) are experiencing substantial revenue declines due to the domino effect.

Impact of Economic Policy on Recovery

- We're already seeing business express concern over the impact of tariffs on the WNC recovery particularly those needing to replace inventory previously sourced from China.
- Construction and rebuilding costs will likely increase and we expect supply chain disruption.
- Business owners will need help diversifying suppliers, negotiating with existing suppliers and exploring domestic sourcing.

Recovery Timeline Unique to Helene vs. Coastal Disasters

- Many rural businesses only began reaching out for assistance in January-February 2025.
- Business owners needed to stabilize personal situations before addressing business recovery.
- Activity has increased significantly in recent months, with multiple assistance events now scheduled in more rural areas

Ongoing and Future Recovery Support

As emergency responders and initial recovery programs gradually depart, the SBTDC will remain an ongoing service provider throughout WNC. Our business counselors live and work in these communities - shopping in the same stores and walking the same streets as the business owners they help. We combine our local knowledge with access to statewide resources, allowing us to provide customized one-on-one guidance. As Western North Carolina faces a recovery timeline measured in years rather than months, the SBTDC remains fully committed to supporting small businesses throughout the recovery process, adapting our approach to meet evolving needs and collaborating closely with all of our partners.