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From Federal Policy to Pedagogical Innovation: The Evolution of the Small Business Institute (SBI), 1972–Present

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Abstract

The Small Business Institute (SBI) is among the longest-standing and most extensively documented experiential entrepreneurship education programs in the United States. Its development reflects shifts in federal policy, pedagogical innovation, and the growing recognition that student consulting engagements can enhance both educational outcomes and small-firm performance. This paper reviews the historical origins, institutional evolution, pedagogical contributions, and documented economic and societal benefits of the SBI program, drawing on the scholarly literature that has examined the program since its inception in 1972.

Introduction

The history of the Small Business Institute (SBI)[1] presented on the program's website offers a useful overview but omits many of the policy developments, programmatic innovations, and documented benefits that characterize the evolution of student-led small business consulting since its inception in 1972. Over the last five decades, the SBI program continued to evolve through sustained engagement with the resources, training, and best practices provided by the Small Business Institute Directors' Association (SBIDA), the national organization supporting SBI programs. In order to reconstruct a more comprehensive and analytically grounded history of the SBI—and to capture developments that occurred across the last five decades of student small business consulting—this study employed a structured research strategy that included the use of ChatGPT 5.1 as an exploratory tool for identifying historical claims, policy origins, and programmatic milestones. Consistent with recommendations for the critical use of AI-assisted research in academic inquiry (Smith, et al., 2024), all findings were subjected to dual-level verification: first, by comparing the claims with established institutional knowledge of SBI practices (see Appendix A), and second, by reviewing each referenced document directly to confirm its existence and the accuracy of the information attributed to it. This process not only improved the reliability of the historical reconstruction but also resulted in the development of a comprehensive archive of secondary documents pertaining to the SBI program's origins, evolution, and national impact.

[1]https://www.smallbusinessinstitute.biz/History/

Federal Origins and Policy Framework

The origins of the SBI trace back to the authority granted to the U.S. Small Business Administration (SBA) under Section 8(b)(1) of the Small Business Act, which authorized the SBA to provide management and technical assistance to small businesses through cooperative agreements with institutions of higher education (Small Business Act, 1953/1972). This statutory provision explicitly enabled the creation of university-based small business institutes, operated through student teams working under faculty supervision. In 1972, the SBA established the first pilot Small Business Institute at Texas Tech University, marking the formal beginning of the national student consulting model (Matthews, 1998).

Following the successful pilot year, the SBA expanded the program in 1973 to approximately 20 colleges and universities. Solomon and Weaver's (1983) national pilot evaluation demonstrated that small firms receiving SBI consulting assistance experienced substantially greater gains in employment and financial performance than comparable small businesses that did not receive assistance. As shown in the study's results, SBI-assisted companies reported a 16.3% increase in full-time employment and a 45.5% increase in part-time employment, as well as higher-than-average improvements in sales (16.28%), net profits (43.51%), net worth (11.65%), and owner compensation (14.27%). The authors conclude that these outcomes are directly related to the implementation of student consulting recommendations, with firms adopting approximately two-thirds of the advised changes.

National Expansion and Institutionalization (1970s–1990s)[1]

During the mid-1970s, the SBI grew rapidly. The program's early conferences—first in partnership with the Association for Information and Decision Sciences (1974–1975) and later as standalone SBI national meetings (1976–1977)—formalized a national community of practice among SBI directors and faculty members (Matthews, 1998). In this period, the Small Business Institute Directors' Association (SBIDA) emerged as the coordinating body responsible for program continuity, training, and quality assurance. SBIDA later became the institutional home for two scholarly journals: the *Journal of Small Business Strategy* and the *Small Business Institute Journal*.

Throughout the 1980s and early 1990s, the SBI program reached national scale. At its peak, more than 500 colleges and universities participated (Matthews, 1998). By 1995, over 407,000 students and 163,000 small firms had participated in SBI projects. During this period, the SBA increased per-case payments from approximately $150 in the 1970s to $400 by the early 1990s, reflecting strong federal support for the program as a mechanism for delivering no-cost assistance to small firms.

Scholarly Evaluation of SBI's Client-Level Impact

Early scholarly attention to the Small Business Institute (SBI) focused not merely on describing the program, but on assessing its tangible value to the small firms it served. A first wave of academic inquiry sought to determine whether student-led consulting could produce measurable economic benefits, address persistent managerial weaknesses, and deliver diagnostic support

unavailable through traditional business assistance interventions. Together, these studies laid the foundation for evaluating SBI as both a pedagogical model and a form of community-based economic development, highlighting its capacity to enhance managerial decision-making, improve business performance, and address recurring operational needs of small enterprises.

One of the earliest perspectives on SBI's potential came from Longenecker (1977), who argued that traditional small-business assistance efforts had failed to improve managerial capabilities significantly and that student consulting offered a timely, practical alternative. He emphasized SBI's capacity to strengthen decision-making among struggling firms by pairing them with faculty-supervised student teams who conducted diagnostic analysis and presented actionable recommendations. This view positioned SBI as an innovative intervention capable of addressing the long-standing deficiencies common among U.S. small businesses.

As the program matured, studies began documenting the specific operational challenges small firms faced and how SBI teams addressed them. Kennedy, Loutzenheiser, and Cheney (1979) reviewed 950 consulting case reports and found recurring deficiencies in financial management, marketing execution, and organizational planning—areas where SBI teams were beneficial. These findings underscored SBI's dual function: providing experiential learning for students while delivering practical managerial support to firms facing persistent operational weaknesses.

Building on this emerging research agenda, Judd (1977) argued that the rapid growth of SBI programs and variation in their implementation required the development of standardized evaluation practices to ensure quality and credibility. His framework proposed systematic assessment criteria that emphasized three objectives: measuring student learning, improving the effectiveness of consulting assistance delivered to small firms, and strengthening the legitimacy of SBI within universities, local business communities, and the SBA. These guidelines became an early foundation for measuring outcomes in field-based consulting education, linking pedagogical value directly to client-level impact.

A major milestone in the literature was Solomon and Weaver’s (1983) economic impact evaluation, which synthesized SBA-sponsored surveys and concluded that SBI client firms often experienced measurable increases in sales, employment, and profitability. Ward’s (1990) subsequent work provided a more systematic model for assessing the economic impact of SBI casework, including revenue effects, cost savings, and job creation. These early studies positioned the SBI as not merely instructional but also a legitimate economic development tool. The most comprehensive system-level analysis was the SBIDA Economic Impact Study (1990–1993), summarized by Matthews (1998). This study, based on approximately 500 client surveys from institutions across the United States, documented substantial aggregate benefits, including estimated job creation, increased wages, and positive tax revenue effects. Matthews (1998) concluded that SBI casework often resulted in stronger growth trajectories for participating firms compared with national averages.

Educational Impact on Students and Faculty

In parallel with client-level evaluations, an extensive literature documents the educational benefits of SBI participation. Research consistently shows that SBI's applied consulting projects

improve students' problem-solving, communication, analytical reasoning, and entrepreneurial self-efficacy. Beyond classroom experiential learning, SBI offers a distinctive scaffold for scholarship and professional identity formation, functioning as a developmental pathway for both students and faculty.

For example, Borstadt and Byron (1993), Brennan (1995), and Hedberg and Brennan (1996) found that SBI participation significantly enhances integrative business skills and professional readiness. Heriot et al. (2008) and Heriot et al. (2007) emphasize that SBI-style projects represent a "high-engagement" pedagogy, requiring students to produce work judged not only by faculty but also by real clients. Harris et al. (2013) demonstrated statistically significant gains in entrepreneurial attitudes and self-efficacy among students participating in SBI projects across multiple universities. In a more recent study, Bechtold et al. (2022) demonstrate that SBI participation equips students with transformative professional capabilities that extend into entrepreneurial careers.

Complementing this student-centered perspective, Welsh and Griffin (2022) highlight SBI's influence on faculty development and academic identity formation. Their study underscores SBI's dual role: advancing student skills while creating career-shaping opportunities for faculty through recognition, publication pipelines, and leadership pathways within the organization.

Post-1995 Evolution and Emergence of Self-Sustaining SBI Models

In 1995–1996, the SBA discontinued federal funding for SBI casework. Brennan, Hoffman, and Vishwanathan (1996, 1997) surveyed SBI directors during this period, documenting widespread concern about program viability. Yet many institutions—especially those with strong regional or pedagogical commitments to experiential learning—sustained their SBI programs through university support, local grants, nominal client fees, and philanthropic contributions.
In the decades following the loss of federal funding, the SBI model persisted and even expanded in some regions. Heriot and Campbell (2002, 2004) examined the establishment of new SBI programs during this period, concluding that the model remained viable and pedagogically valuable even without federal subsidies. Today, many institutions report that SBI-style consulting has become the anchor of their experiential entrepreneurship curriculum (Heriot, 2025; Harris, 2022).

Integration of SBI's Joint Conferences with USASBE

A significant yet often overlooked element of SBI's modern history is its period of formal joint national conferences with the United States Association for Small Business and Entrepreneurship (USASBE). These co-branded conferences reflected the growing alignment between SBI's field-based student consulting model and the broader entrepreneurship education community represented by USASBE.

Archival records confirm that the two organizations co-hosted joint national conferences at the turn of the millennium:

- February 16–20, 2000 – San Antonio, Texas
- February 7–10, 2001 – Orlando, Florida
- January 11-14, 2007 – Lake Buena Vista, Florida

Multiple academic papers, CVs, and white papers cite these conferences as their presentation venues, including featured speakers like Howard Stevenson, Harvard Business School, whose 2000 presentation, titled "Entrepreneurship has Won: Now what do we do?", was featured. The Coleman Foundation supported all three joint conferences.

These conferences marked a moment of strong integration between USASBE's entrepreneurship research and pedagogical mission and SBI's longstanding emphasis on applied, community-engaged small business consulting.

SBI as an Archetype of Experiential Entrepreneurship Education

Across five decades of scholarship, the SBI program is widely recognized as the prototypical U.S. model of field-based student consulting. Contemporary research (e.g., Heriot & Thomson, 2025; Lacho & Bradley, 2010) positions SBI as a benchmark for experiential entrepreneurship education, emphasizing its contributions to student learning, small-business performance, community development, and university–community engagement. The SBI literature consistently demonstrates that student consulting can advance both educational and economic development goals, making the program one of the most enduring and empirically validated forms of entrepreneurship education in the United States.

(See Appendix A for a policy and programmatic history of the SBI.)

Conclusion

Across more than five decades, the Small Business Institute has evolved from a federally funded policy experiment into one of the most enduring and influential models of experiential entrepreneurship education in the United States. Its trajectory—from the 1972 SBA pilot at Texas Tech University to its contemporary self-sustaining institutional form—demonstrates the capacity of well-designed university–government partnerships to generate long-term pedagogical, economic, and societal value. The scholarly evidence consistently shows that SBI consulting engagements strengthen small-firm performance, enhance student learning outcomes, advance faculty scholarship, and deepen university–community engagement. The joint conference era with USASBE further illustrates the program's integration into the national entrepreneurship education ecosystem and its role in shaping professional practice and research. As entrepreneurship education continues to expand and diversify, the SBI model stands as a foundational archetype, offering a proven, adaptable framework for high-impact, field-based learning that benefits students, universities, and the small businesses that anchor local economies.

Implications and Future Directions

The historical evolution of the Small Business Institute (SBI) offers several important implications for entrepreneurship education, public policy, and small-firm economic development. First, the SBI's five-decade trajectory demonstrates that experiential learning programs grounded in structured, faculty-guided consulting engagements can produce measurable benefits for students, universities, and the small firms they serve. This finding reinforces the value of incorporating field-based, problem-centered pedagogies into entrepreneurship curricula, particularly as business schools increasingly emphasize impact, community engagement, and competency-based learning outcomes. The SBI model illustrates that experiential education is not merely an instructional enhancement but a long-term institutional asset capable of shaping professional identity, strengthening local economies, and generating scholarship.

Second, the SBI's origin as a federal–university partnership highlights the important role of public policy in catalyzing innovation in entrepreneurship education. The Small Business Administration's early investment created structural capacity that continues to shape programs nationwide, long after federal funding ended. This history suggests that targeted public support for university-based consulting, incubator-linked education, or practitioner–student partnerships may yield durable returns in entrepreneurial capacity-building and regional economic vitality. As local governments, economic development agencies, and higher education institutions seek cost-effective interventions for small-firm competitiveness, the SBI model offers an accessible framework for designing cooperative, high-impact programs.

Third, the documented economic and pedagogical outcomes of SBI project work call for renewed attention to program assessment and evidence-based practice. Although the SBI has long been viewed as a benchmark for experiential consulting courses, opportunities remain to expand empirical research on learning outcomes, client performance metrics, team processes, ethics in consulting, and longitudinal impact. Advances in data analytics, digital consulting tools, and AI-supported research now make it possible to examine outcomes more systematically and at scale, opening new avenues for comparative and multi-institutional research collaborations.

Looking forward, the SBI is well positioned to play a central role in shaping the next generation of entrepreneurship education. Future directions may include expanding cross-university collaborations, deepening partnerships with small business development centers (SBDCs) and local governments, integrating digital consulting platforms, strengthening global SBI networks, and embedding sustainability, technology adoption, and AI-readiness into project work. The model is also adaptable to emerging educational environments, including hybrid instruction, community-engaged learning initiatives, rural entrepreneurship programs, and interdisciplinary project teams spanning engineering, public health, and social sciences.

As entrepreneurship education enters its next phase—one defined by rapid technological change, evolving student expectations, and heightened demands for demonstrable impact—the SBI stands as both a historical anchor and a forward-looking blueprint. Its enduring success underscores a broader insight: when universities, communities, and public agencies collaborate to support small businesses, the benefits extend far beyond the classroom. The SBI model

remains a powerful illustration of how coordinated educational innovation can strengthen entrepreneurial ecosystems and contribute meaningfully to economic and social well-being.

Appendix A - Policy and Programmatic History of the SBI, 1972–Present

The small business student consulting movement in the U.S. is one of the oldest, best-documented forms of experiential entrepreneurship education, and the SBI program is its flagship. Below is a historical and scholarly synthesis.

1. Federal Origins: Statutory and Regulatory Basis

Congress first authorized SBA "to provide technical and managerial aids to small-business concerns … by cooperating and advising with voluntary business, professional, educational, and other nonprofit organizations" in the Small Business Act of 1953. *Act of July 30, 1953*, ch. 282, § 207(e), 67 Stat. 232, 236–37 (codified as amended in scattered sections of 15 U.S.C.).

This authority was reorganized, but not substantively altered, when Congress amended the Act in 1958. *Act of July 18, 1958*, Pub. L. No. 85-536, 72 Stat. 384 (codified as amended at 15 U.S.C. § 637(b)(1)).

The SBA later exercised this authority administratively to establish the Small Business Institute program in 1972 through cooperative agreements with universities. Following is the statutory origins of the Small Business Institute® (SBI):

1953 – Creation of SBA & Authority to Provide Management Assistance
Congress created the Small Business Administration through the Small Business Act of 1953, authorizing SBA *"to provide technical and managerial aids to small-business concerns ... by cooperating and advising with ... educational and other nonprofit organizations."*
Citation: *Pub. L. No. 83-163, 67 Stat. 232, 236–37 (1953).*

1958 – Reorganization but Continued Authority
Congress rewrote and reorganized the Act in Public Law 85-536 (1958), preserving the same management-assistance authority and relocating it into Section 8(b)(1) (now 15 U.S.C. § 637(b)(1)).
Citation: *Pub. L. No. 85-536, 72 Stat. 384 (1958).*

1972 – SBA Creates the Small Business Institute Program
Using the authority established in 1953 and reorganized in 1958, the SBA launched the Small Business Institute as a cooperative, university-based consulting and training initiative, beginning with a pilot at Texas Tech University in 1972.

Thus, SBI was not created directly by statute. It was implemented administratively under SBA's longstanding statutory mandate to provide technical and managerial assistance through educational institutions.

- Current Status: The SBI program, as a distinct program under 8(b)(1), has been largely superseded by the broader, nationwide network of Small Business Development Centers (SBDCs), which are now formally authorized and governed under Section 21 of the Small Business Act. The SBDC program continues the mission of providing a wide array of technical

assistance and support, but through a more formalized, federally-managed structure than the original university-based SBI program.

Among several federal/archival documents that explicitly describe SBI as a 1972 program is the "SBA Transition Report (1976), a presidential transition document preserved by the Ford Library and NARA, describing SBA's initiatives: It notes that SBA launched two major cooperative initiatives with colleges/universities in 1972 and 1976 to bring management assistance to small business. One of these is the Small Business Institute program, which by the mid-1970s involved nearly 400 colleges and universities.[2] (See Appendix B)

2. Early Development and Rapid Expansion (1972–late 1970s) Pilot and early adopters

Using this authority, the SBA launched a pilot Small Business Institute program in 1972 at Texas Tech University, creating a cooperative arrangement in which business students, under faculty supervision, would consult with local small firms for academic credit.

- **1972:** Pilot program at Texas Tech University.
- **1973:** SBA expanded the model to roughly 20 "leading universities and colleges", with each school receiving a per-case payment while clients received no-fee counseling.

By the first full operational year (1973), approximately 3,600 students participated and 1,440 small businesses were assisted. The program's growth was driven by two value propositions that become a recurring theme in the literature:

1. Students gain "real-world" consulting experience.
2. Small firms receive structured, faculty-guided managerial and strategic assistance at no or low cost.

3. Institutionalization and early conferences[5]

During the mid-1970s, the SBI community organized formal venues for sharing practices and results:

- 1974–1975: Joint meetings with the Association for Information and Decision Sciences.
- 1976: First stand-alone SBI conference (Orlando).
- 1977: Second stand-alone conference (San Antonio).

These meetings were precursors to the Small Business Institute Directors' Association (SBIDA), which became the coordinating body for SBI programs and later the sponsor of the Journal of Small Business Strategy (JSBS) and the Small Business Institute Journal (SBIJ).

[2] https://www.fordlibrarymuseum.gov/sites/default/files/pdf_documents/library/document/0067/1562310.pdf?utm_source=chatgpt.com

4. National Scale and Funding Model (1980s–mid-1990s)[3]

Scale of participation:

By the 1980s and early 1990s, SBI had become a **nationwide program**:

- At its peak, **about 500 colleges and universities** participated.
- During the first 25 years, over **400,000 students** and more than **160,000 small firms** were involved (through 1995).

Per-case SBA support increased over time:

- ~$150 per completed case initially, later $250, and by the **mid-1990s** about **$400 per completed consulting case**, supplemented by institutional resources.
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5. Evaluation and Impact (late 1970s–1990s)

From the late 1970s onward, scholars began systematically studying the SBI as a management assistance mechanism and a pedagogical innovation. Much of this work appears in the *Journal of Small Business Management*, *American Journal of Small Business*/*Entrepreneurship Theory & Practice*, and *Journal of Small Business Strategy.*

5.1. Can student consulting actually help?

Early work asked whether student teams could deliver meaningful value to small firms:

- Fontenot, et al. (1991) evaluated former SBI student consultants' perceptions of skill development and compare learning outcomes to those from a traditional business policy capstone course. They reported that SBI projects strongly enhanced interpersonal and operational skills—such as interacting with business owners, handling workplace dynamics, and applying entrepreneurial insights—while analytical skills were perceived as slightly better developed in the policy course.
- Other scholars (e.g., Longnecker 1977; Judd 1979; Kennedy et al. 1979) examined common client problems, the quality of casework, and Techniques for evaluation of SBI casework, building the foundation for later outcome studies.

5.2. Economic impact on client firms

A major milestone is Solomon & Weaver's (1983) *Small Business Institute Economic Impact Evaluation* in the *American Journal of Small Business* (later *ET&P*). The authors synthesized SBA-commissioned client surveys to assess the objective economic outcomes of SBI counseling:

- Many SBI client firms reported increases in sales, employment, and profitability attributable (in part) to student consulting.

[3] https://smallbusinessinstitute.wildapricot.org/History/?utm_source=chatgpt.com

Building on this, Ward (1990) developed a measurement model of the economic impact of small business institutes, formalizing how to estimate job creation, revenue growth, and tax contributions attributable to SBI interventions.

Complementary work by Rocha & Khan (1984, 1985) and Roitman et al. (1984) studied small-business counseling programs that were often SBI-linked or used similar university-based models, finding positive effects on firm performance and decision-making quality.

5.3. System-wide impact studies

The SBIDA Economic Impact Study (1990–1993), later summarized by Matthews (1998), scaled this analysis to a national level. Using survey data from roughly 500 SBI client firms across the U.S., the study estimated that, over 1990–93, SBI clients:

- Created tens of thousands of net new jobs,
- Generated over $200 million in additional wages and substantial incremental tax revenues,
- Achieved employment growth rates vastly exceeding the national average. (Academia)

Matthews' article, *"The Small Business Institute™ Program: High Impact Entrepreneurship Education"* (JSBS, 1998), is the canonical historical and impact overview, tracing SBI's inception, growth, and documented economic contributions while framing it as high-impact entrepreneurship education.

5.4. Program description and history

Rainsford (1992), in *"The Small Business Institute"* (Cornell Hotel & Restaurant Administration Quarterly), and Solomon (1985) in broader histories of SBA management assistance, also summarize SBI's role as a key training and counseling instrument for small business.

6. The End of Federal Funding and Reconfiguration (mid-1990s–2000s)

In 1995–1996, the U.S. Small Business Administration (SBA) ceased direct federal funding of Small Business Institute (SBI) casework, after which the program continued only through university support, client fees, and other non-federal sources.

Congressional authorization records confirm that the FY 1995 budget cycle was the last in which SBI received an explicit federal appropriation. In the *Small Business Administration Reauthorization and Amendments Act of 1994* (S. 2060, 103rd Congress), Congress authorized appropriations under section 8(b)(1) of the Small Business Act for three core management-assistance programs: $3.7 million for the Service Corps of Retired Executives (SCORE), $3.2 million for the Small Business Institute (SBI), and $70 million for the Small Business Development Centers (SBDC). These appropriations applied to Fiscal Year 1995 only, and no subsequent statutory or budget documents continued a dedicated funding line for the SBI program.

Congressional budget deliberations explicitly reflect the intention to terminate the SBI. A Senate committee report (Calendar No. 390, 103rd Congress) accompanying SBA appropriations for FY 1995 states: "The Administration's FY 95 budget proposes to eliminate the Small Business Institute (SBI) program, which is a small business management counseling program …" This legislative record aligns with subsequent academic analyses and institutional histories identifying 1995 as the final year of federal SBI case funding and 1996 as the year in which the program became independent and self-funded.

Research by Brennan, et al. (1997) documented directors' perceptions just before and after the loss of federal funding:

- Many predicted that programs would close,
- Yet subsequent surveys showed that a majority of schools continued, though some later discontinued due to funding and workload constraints.

In this period, SBI became organizationally independent of SBA and increasingly **self-funded** through institutional support, small client fees, local grants, and philanthropic gifts.

Scholars like Heriot & Campbell (2002, 2004) studied "starting new Small Business Institute programs" after 1996, using surveys and case studies to show that universities could successfully launch or relaunch SBI-style programs without federal funds when they aligned with institutional missions and regional economic development priorities.

7. Contemporary Scholarship: Pedagogy, Benefits, and Ecosystem Role (2000s–2020s)

Recent work treats SBI as the prototype of field-based student consulting and a foundational model for experiential entrepreneurship education.

7.1. Educational impact on students

Several studies focus on student learning outcomes:

- Brennan (1995), Hedberg & Brennan (1996), Borstadt & Byron (1993): survey-based evidence that SBI projects significantly enhance students' perceived problem-solving, communication, and integrative business skills.
- Heriot, Cook, Matthews & Simpson (2007): show that student teams in SBI "must do something tangible that someone other than the instructor will observe," emphasizing deep engagement, accountability, and applied learning.
- Harris, Gibson & Taylor (2013) (*Examining the Impact of SBI Participation on Entrepreneurial Attitudes*): pre/post study of students at six universities, finding significant increases in entrepreneurial attitudes and self-efficacy for SBI participants.
- Heriot, et al. (2008) (*The Use of Student Consulting Projects as an Active Learning Tool*): positions SBI-style consulting as a high-engagement, active-learning pedagogy that produces richer learning and longer retention than lecture-only approaches.

A recent study by Heriot & Thomson (2025) provides a longitudinal case study of field-based student consulting (FBSC) at a small AACSB-accredited university, demonstrating how experiential consulting can be sustained and challenged over time. The study shows that,

between 2006 and 2021, more than 780 students assisted over 350 small businesses through FBSC projects, gaining practical skills in diagnosing business problems, applying analytic tools, and communicating solutions to real clients. Concurrently, the authors cautioned that FBSC requires significant faculty time and institutional support, as well as increases in online teaching, expanded research requirements, and curriculum changes.

In another recent study, Kent et al. (2023) examine how to design practical client-based student consulting projects and establish best practices for organizing, managing, and assessing experiential consulting courses. They conclude that student consulting succeeds when instructors deliberately structure the experience, coordinate expectations with clients, and integrate reflection, feedback, and learning objectives throughout the project.

7.2. Impact on clients and communities

Building on earlier economic impact evaluations, newer research continues to highlight client and community benefits:

- Jackson et al. (1992), "SBI Intervention: An Old Problem – A New Perspective": analyzes performance changes of SBI client firms, finding improvements in key indicators after consulting engagements.
- Bradley (2003): emphasizes economic development contributions of SBI projects, particularly in rural and regional development contexts.
- Lacho & Bradley (2010): document not only firm-level benefits (marketing, planning, operations) but also community development and networking outcomes—for both students and faculty.
- Matthews (1998), as noted previously, synthesizes SBIDA's 1990–93 Economic Impact Study, showing net job creation, revenue gains, and incremental tax revenue attributable to SBI clients' implementation of student recommendations.

7.3. Faculty, career, and institutional benefits

A further stream of scholarship examines how SBI participation shapes faculty careers, program identity, and institutional development:

- Bechtold et al. (2022) and Welsh & Griffin (2022) (SBIJ) reflect on how SBI conferences, journals, and projects influenced their trajectories from entrepreneurs to academics, and argue that SBI offers a unique platform for blending teaching, scholarship, and service.
- Bechtold, Hoffman & Murphy (2019) address tensions between SBI-style experiential work and AACSB accreditation metrics, concluding that newer AACSB standards on "impact, innovation, and engagement" actually strengthen the case for SBI as a vehicle for societal impact.
- Harris (2022) shows how embedding SBI's consulting model throughout the curriculum at East Carolina University helped build a comprehensive School of Entrepreneurship, illustrating SBI's role as an anchor for larger academic entrepreneurship ecosystems.

- Teckchandani & Khanin (2014) examine how instructors directly shape the quality and educational value of student consulting projects through their involvement in team formation, leadership selection, task delegation, and performance monitoring.

Table 1: Selected Empirical and Historical Contributions to SBI Scholarship		
Citation	**Type of Institutional Knowledge**	**Key Claims / Contributions**
Solomon & Weaver (1983)	Empirical economic impact evaluation	Demonstrates measurable gains in client firm employment, sales, and survival; early evidence that SBI contributes to local economic development.
Ward (1990)	Measurement framework for impact	Proposes formal model for quantifying SBI economic impact (jobs, revenue growth, cost savings); widely adopted in later studies.
Matthews (1998)	Historical synthesis & program rationale	Provides authoritative overview of SBI origins, practices, and national reach; integrates empirical impact data into pedagogical argument; summarized SBIDA Economic Impact Study, 1990-1993.
Madison & Chaula (1998)	Student-consultant effectiveness	Analyzed small business clients' perceptions of the value delivered through Small Business Institute (SBI) student consulting projects.
Heriot, Cook, Matthews & Simpson (2007); Kent, et al. (2023)	High-engagement pedagogical model	Define SBI as a benchmark for real-client experiential learning, highlighting accountability and professionalization of student consulting. (Note: Need to update description)
Harris, Gibson & Taylor (2007)	Multi-institutional empirical validation	Show significant improvements in entrepreneurial attitudes, self-efficacy, and opportunity perception; one of the strongest outcome studies.
Fregetto (2015)	Contemporary empirical extension	Multi-semester, pre/post design confirming attitudinal effects of SBI-style consulting; modernizes measurement techniques and variables.
Bechtold, Hoffman & Murphy (2019)	Accreditation & institutional alignment	Shows how SBI activities align with AACSB's "engagement–innovation–impact" standards; bridges SBI practice to modern accreditation language.
Bechtold, et al. (2022); Welsh and Griffin (2022)	Institutional memory & reflective scholarship	Provide narrative accounts of program evolution, faculty professional identity, and SBI as a long-term academic community.
Heriot & Thomson (2025)	SBI as the archetype for field-based consulting	Demonstrates how SBI principles underpin long-term, faculty-led consulting programs; positions SBI as the normative experiential model.

Appendix B- Transition Reports (1977) - Small Business Administration (pp 5-6)

B. University Programs

Recognizing the substantial contributions that have been made to the success of the Nation's agriculture by colleges and universities over the past 100 years and mindful of the fact that little or nothing has been done for small business by those institutions, SBA launched two major initiatives in 1972 and 1976 to see if this could be turned around. Much remains to be done if small business is to receive the full benefits of these cooperative programs. These two initiatives, both of which require budget assistance and management attention are:

1. Small Business Institute

Started with 36 colleges and universities in 1972 and now involving 22,000 students, professors, and deans in nearly 400 schools, this program provides counselling by student teams, with faculty supervision, to troubled small businesses. Surveys have found the program immensely popular not only with the small businesses served but with the universities and the students. Modestly funded by transfers from other programs, it has a considerable growth potential in it, but SBA personnel and dollar resources will have to be expanded if this is to happen. The record of counselling success is impressive.

2. University Business Development Centers

This is a further development, now just in the launching stage, but having almost limitless possibilities. This program would coordinate, at very little additional cost to the government, the resources now being offered to the universities by governments and the private sector into one-stop organized centers where the Nation's small businesses may walk in and receive counselling, training, and assistance similar to that being offered the farming industry. If properly implemented, this program could have a major impact on the Nation's productivity, rate of innovation, and survival and growth of small business. It could provide a better understanding of, and assist in the preservation of, the free enterprise system.

As this program is very new, is complex, and cuts across many departments, it will need to be assigned to an able and key executive in the new Administration if it is to survive.

G. Dale Meyer

In closing this history of the Small Business Institute®, it is fitting to recognize a visionary whose influence helped shape both entrepreneurship education and the SBI community—Dr. G. Dale Meyer. His legacy endures not only through his scholarly leadership but also through the values he championed for research, teaching, and community engagement. In honor of his passing, we draw upon the tribute written by Ayman ElTarabishy, President & CEO of the International Council for Small Business (ICSB), in "*In Memoriam to Gary 'Dale' Meyer (1936–2024)*," published July 31, 2024, and reflect on the message Meyer delivered more than two decades earlier at the 2001 USASBE/SBIDA joint conference in his address, *"Major Unresolved Issues and Opportunities in Entrepreneurship Education."*

"In Memoriam to Gary 'Dale' Meyer (1936–2024),"

With deep sadness, we announce the passing of Gary "Dale" Meyer, a true visionary, esteemed mentor, dedicated leader, and cherished friend. Dale passed away peacefully on July 20, leaving behind a legacy that will be remembered and honored by all who had the privilege to know him. Dale Meyer was a cornerstone of the International Council of Small Business (ICSB), where he was more than just a mentor; he was a beacon of inspiration and a leader who exemplified the spirit of innovation and entrepreneurship. His vision and passion for fostering entrepreneurial minds have left an indelible mark on the organization and its members. His ability to see potential and nurture it made him an invaluable asset to the ICSB community.

Meyer's Message to SBI's Young Scholars

(Adapted from his 2001 keynote address)

"Entrepreneurship education must prove itself through real change.
Not promises, not rhetoric, not rankings—but verifiable impact on students,
communities, and the enterprises we serve. If we cannot improve both learning
and economic performance, we cannot claim the title of entrepreneurship educators."
— G. Dale Meyer, USASBE/SBIDA Joint Conference, 2001

G. Dale Meyer's 2001 keynote at the USASBE/SBIDA joint national conference highlights a persistent question that has shaped entrepreneurship education since the inception of SBI: **Can we deliver on what we promise?**His central argument—that entrepreneurship education must produce measurable change in students and society—mirrors exactly what SBI had already been attempting since 1972: transforming classrooms from sites of information delivery to platforms of *creation* and *action.*Meyer's call to educate through opportunity creation rather than bureaucratic control echoes SBI's foundational model of student-led consulting, in which solutions are discovered, developed, and implemented through direct engagement with small firms rather than hypothetical case studies or business plan exercises.

Meyer further argues that the struggle for legitimacy in entrepreneurship education is not over, as business schools often remain dominated by managerial traditions rooted in control, hierarchy, and corporate logic. SBI's long history reinforces this tension. Even after the Small Business Administration eliminated direct federal funding in 1995–96, the program survived not because

it fit neatly within business school ideology, but because faculty and students recognized its pedagogical value and mobilized institutional and community support to sustain it. In this sense, SBI stands as evidence for Meyer's claim that **entrepreneurship education advances through institutional resistance, not institutional permission.**

Meyer also warns that entrepreneurship education cannot rely solely on adjunct instructors or "reputational rankings," and must instead demonstrate rigorous learning outcomes. This warning affirms SBI's early research tradition in the 1970s and 1980s, when scholars such as Judd (1977), Longenecker (1977), Kennedy et al. (1979), and Solomon & Weaver (1983) produced empirical measures of consulting effectiveness, client impact, and skill development. SBI's insistence on measurable outcomes—client improvements, student competencies, and faculty scholarship—embodies precisely the evidence-based legitimacy that Meyer called for years before AACSB formally adopted "engagement, innovation, and impact" as accreditation standards.

Finally, Meyer asserts that entrepreneurship education must serve society, not merely business schools. In this regard, SBI offers one of the most enduring models for community-engaged entrepreneurship learning in U.S. higher education. Since 1972, hundreds of thousands of students have engaged in applied consulting that directly benefits local businesses, drives regional economic development, and creates jobs. SBI therefore exemplifies the transformation that Meyer urges: **education as change**, producing value for both learners and society.

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