



Accessing Incentives

Team Puerto Rico Mid-Year Report 2014

A Whole New Territory

The typical Code for America model is working with a city, but we have had the privilege and challenge of working with CfA's first **territory**. This is a large context to understand. Economic Development was our area and Puerto Rico has **15% unemployment** and a strong trend of **young, bright minds leaving** for the mainland but **over 50 incentives** (further reading on incentives [here](#) to try to encourage business owners and entrepreneurs to **stay, invest, and grow in Puerto Rico**.

In our time there, we have found that although the incentives themselves were appealing, many people were **under-informed and/or confused** about taking advantage of them. We concluded that our product should serve the following users:

Entrepreneurs and small business owners that don't know what support is available to them to start, or grow their business in Puerto Rico.

Around these pain points we built first **Negocio123** as a way-finding tool for the process of opening a business and then our main product **BizWallet** as a way to help our users find, identify, and apply for incentives and resources that they are qualified for and that will help them.

As we user test, we are hearing great things about what these products can do for entrepreneurs on the island:

"BizWallet is a very friendly application and it provides you with what you need to get finance (...) people don't know about what is available (...)I wish it would have existed three years ago" Arturo Lopez, founder of Huerto isleño.

We are excited to continue to work toward meeting this challenge and helping these people.

About Us

Coqui Coders (Team Puerto Rico)

Why We're Coding for America:



Maksim Pecherskiy (Developer) codes for America because he remembers the experience of his family as immigrants to the United States and what it was like to navigate government services. Now with his coding skills he wants to help make government work better for citizens.



Clara Gonzalez Sueyro (Researcher) codes for America because she wants to expose people in government to new possibilities by showing that institutions and systems are social constructions that can be organized differently.



Ainsley Wagoner (Designer) codes for America because she believes in using design thinking to solve the complex problems governments face in making life better for their citizens.



Giancarlo Gonzalez (Chief Information Officer and Advisor to the Governor of Puerto Rico) applied to Code for America because he believes in what CfA stood for and represented, and thought it was a great vehicle to deliver not only a solution to benefit our citizens, but to push forward as a 'very much needed' agent of change in our tech culture.

Coqui Origins

During January we got to know each other, learned about our ways of working, absorbed as much as we could to prepare us for February residency and the year ahead, and built a team which we named **Coqui Coders**.

The coqui is a native species to Puerto Rico and has been their cultural symbol and national icon. When Puerto Ricans want to express their nationality, they say: *"Soy de aquí como el coquí!"* (I'm from here like the coquí!).

And so - the Coqui Team was formed.

Research

The Landscape of Puerto Rico

We arrived to Puerto Rico with some ideas in mind and lots of expectations. The first barrier was the **language**. Even though mostly every citizen speaks English, the language you hear on the street and the language they use to approach you is mainly Spanish. Luckily we have one native speaker, but 67% of the coqui team barely knew enough to exchange pleasantries.

The second challenge was the **scope of the project**. Economic Development is by default a big challenge and you add complexity if you have these facts in mind:

1. BIG DEBT: \$70 Billion, downgraded to junk status the second day we were there.

2. BRAIN DRAIN: 3.7 million Puerto Ricans in mainland which recently surpassed the number of native puertoriqueños on the island.

3. COMPLEX LEGAL SYSTEM: (Spain / US / PR)

4. COMPLEX ORGANIZATIONAL STRUCTURE: 78 municipalities

We spent a lot of time understanding the context around Economic Development. Puerto Rico has a lot of agencies working under the umbrella of Economic Development and it was necessary to understand how each agency worked on an individual level and as an overall structure.

It did not take long to pick up on the disconnect between agencies and the complexity of the situation in terms of roles, responsibilities and technology used.

However, one thing that made it all easier was the openness and willingness of the agencies employees.

Many challenges, no regrets.

OVERALL METRICS:

Events thrown: 6

Total Attendees: 210

Skillshare @ Piloto 151	15
Presentation @ University of Puerto Rico	20
Code for America Brigade Launch	20
CodeAcross	80
UnHackathon for Puerto Rico	35
National Day of Civic Hacking	40

Interviews: 79

Usability Interviews: 18

Mentions in the Press: 13

Key Metrics:

- +15% unemployment
- +78 municipalities
- +148 agencies
- +more than 40 incentives

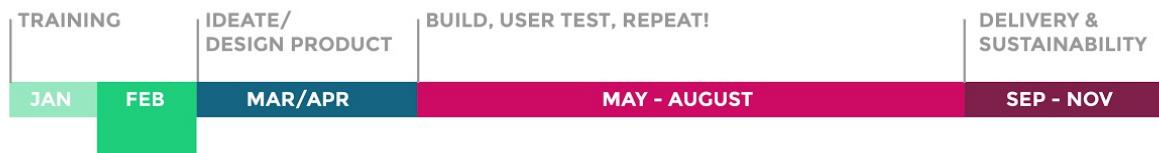
Understanding the Context of Economic Development

During February we focused on getting some answers to our big challenge: **Economic Development**. We performed interviews, observed and visited different economic development government offices, participated in user testing sessions and immersed ourselves in the culture of Puerto Rico's economic development initiatives.

Our goal was to scope the project and learn first hand about people and contexts of use.

Here's what our February looked like:

COQUI TEAM TIMELINE



- **Conducted 60 interviews**
- **Recorded over 82 hours of audio**
- **Met with 42 government employees**
- **3 interviews for radio and news**
- **Held 3 workshops**
- **Visited 7 government buildings**
- **Built 4 apps**
- **80 people attended CodeAcross**

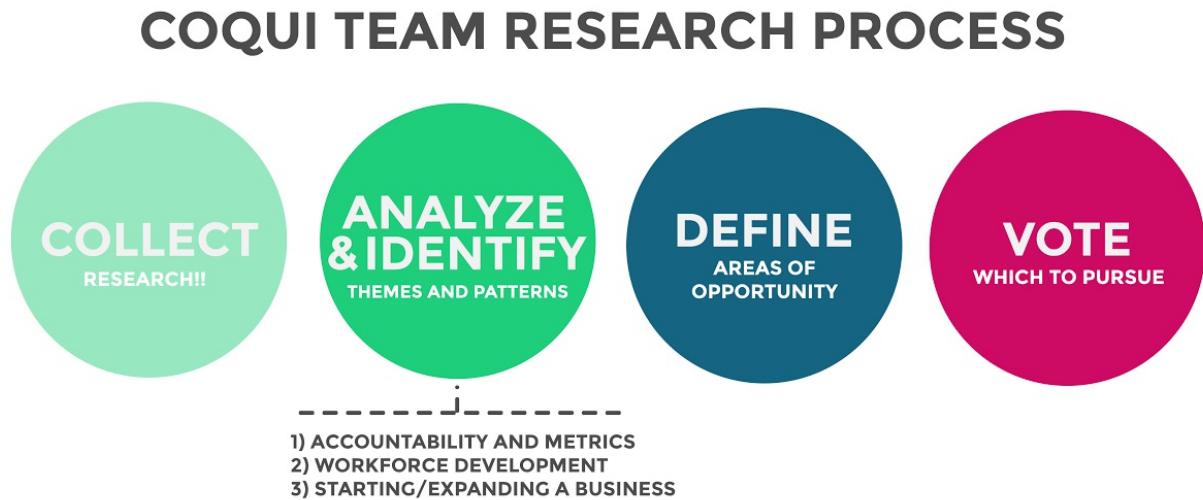
Findings throughout our research:

- There are **more than 50 benefits and incentives** offered by Economic Development agencies **to start or promote a business**. These benefits are managed by different agencies without a interagency system, therefore:
 1. **Users have a hard time understanding** the best set of benefits **for their case**.
 2. **Government staff** have a hard time identifying and **delivering** the right set of benefits to the public.
- There was a **lack of performance management and metrics** within agencies. **Lack of accountability**.
- The validation process to check upon new jobs created is conducted by phone, calling each business on a weekly basis to validate if they fulfilled their compromised goal when asking for a benefit.
- Lack of integrated IT platform which causes redundant paperwork.
- There is no clear point of entry for businesses to access services and resources.

Challenges of perception from within the community:

- Citizens seem not trust their government because there is a legacy that every four years the **new administration starts all over again**.
- There is a **DIY attitude** which makes it hard for governments to engage with the community.

While we collected all of this research in February, this is the process we used to filter our findings into actionable paths forward:



We went back to San Francisco with a user story that defined the problem area we wanted to address:

"As a small business owner I don't know what support is available to me to grow my business".

From the user story we moved to **opportunities for design**.

The intense research provided us with contextual knowledge but more importantly it gave us enough information to understand what was feasible within our fellowship timeframe.

Building our User

As we honed our problem statement, we developed a **user persona** to focus our decision making about the product we would build.

This is Mario:



Mario
42 years old
Caguas, Puerto Rico

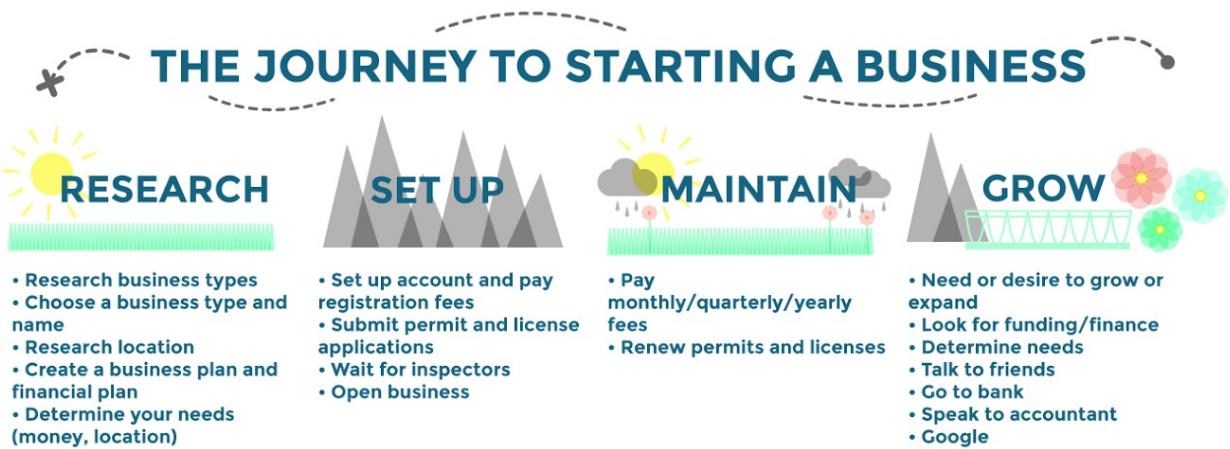
- Owner of a manufacturing company.
- Studied college in mainland
- Back to Puerto Rico to be with family
- Starting a business means independence and a better job
- He is a hustler

“I want to build something unique that has a real impact and people relate to”

Goals and needs:

- Show people starting a business is possible
- Build a successful business
- Be an inspiration for others

This is Mario's journey to starting a business:



Main challenges (as told by our users):

"I could not borrow money from the bank because MY credit was really bad"

"One of the things I know based on my experience is that you have to be properly capitalized. It means you have to have enough money to start"

"I didn't have the time to look for incentives and I knew it was going to be all this paperwork to file and I didnt have numbers to back it up."

Business Journey Stories

The stories we heard about some of the struggles of opening a business in Puerto Rico were so incredible that we wanted the business owners to tell it themselves.

Meet **Maria and Hector**, from Destilería Coqui, a local pitorro (moonshine) distillery.



Maria Morales
Vice-President

XL 081205

Meet **Arturo Lopez**, from Huerto Isleño, a local hydroponic lettuce microfarm.



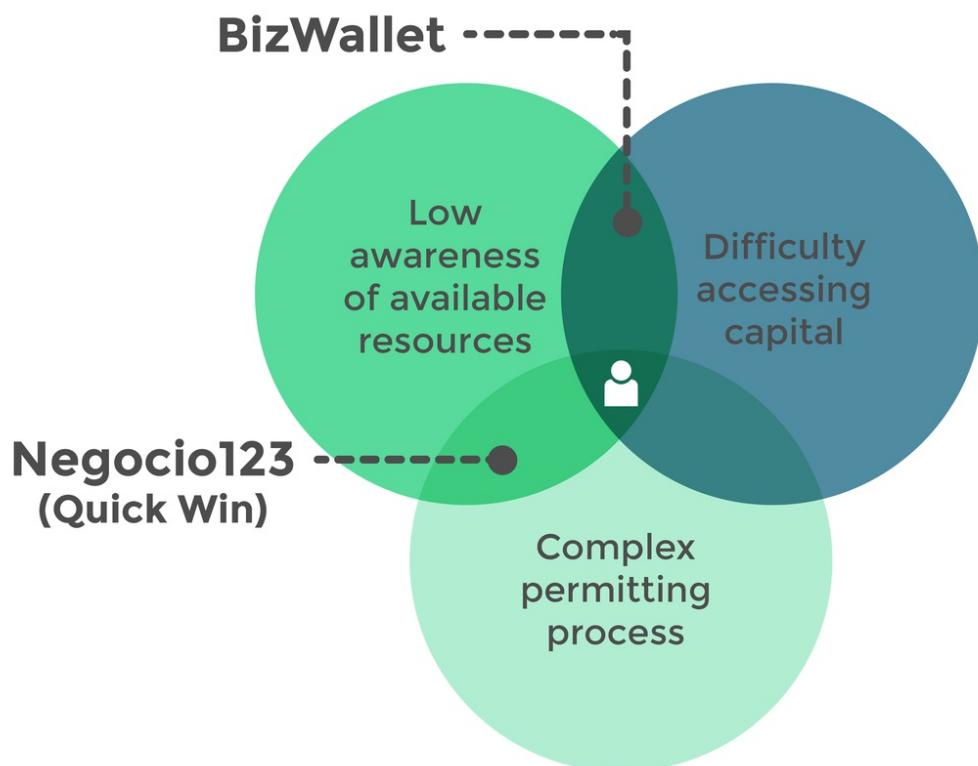
Designing for our users

Once we defined our user, we were able to start designing around their pain points.

The main things that plagued our target audience (small and medium-sized business owners) were:

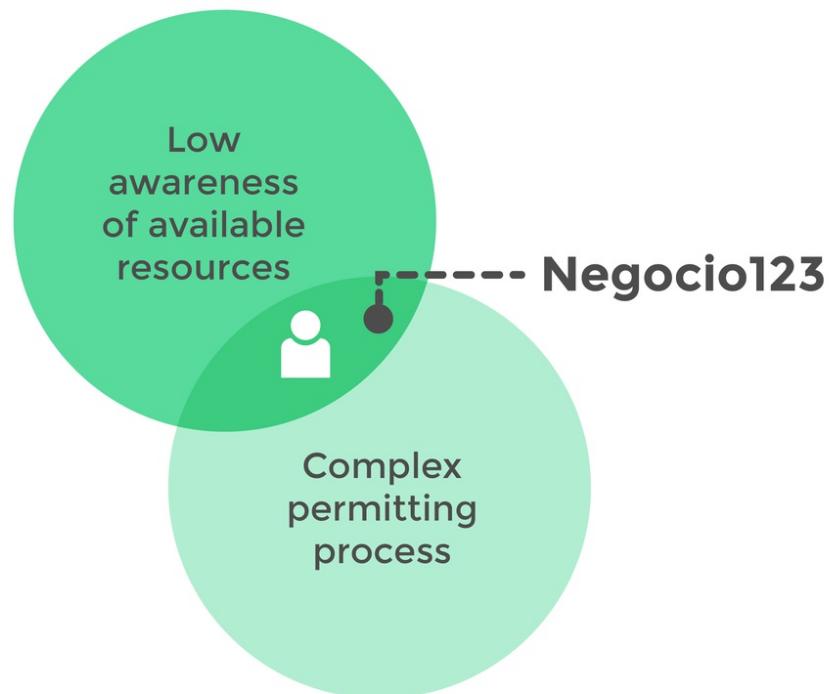
1. They didn't know where to find out about incentives and resources that would support their entrepreneurial endeavors.
2. If they did attempt to take advantage of any government incentive programs, often the bureaucracy of the process was difficult to navigate and discouraging.
3. They needed money and banks weren't giving them loans.

We saw opportunities to address cross-sections of these issues in two different ways - one short term and one longer term:



Negocio 123

Is a static website that displays the requirements and timeframe in the process of opening a business.



Why just a quick win?

The complicated permitting process stood out as a huge problem area. Permitting involves an unknown variable of agency office cultures, people and processes. Multiply that complexity by 78 municipalities and it didn't seem realistic for us to take on in one fellowship year.

We envisioned **Negocio 123** as a single place that helps small business owners make informed decisions when establishing their business. We tell them:

- how long it takes
- which agencies are involved for each stage of the process
- how much it will cost
- if it is online or an in-person process

[Negocio 123](#)

Incorporar un negocio en Puerto Rico

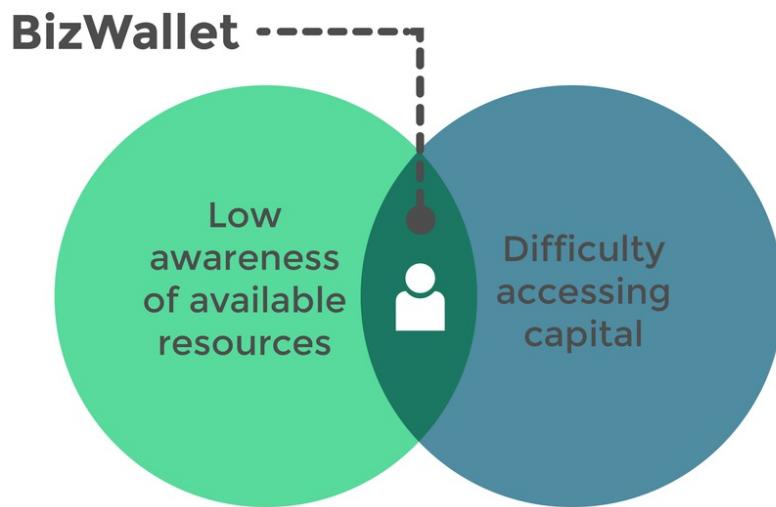
Una guía práctica con pasos y requerimientos de cada agencia para incorporar tu negocio.

	DEPT DE ESTADO	IRS	HACIENDA	DEPT DEL TRABAJO	MUNICIPIO/ OGPe	CORP DEL FONDO
TRAMITES	1. Registrar enmendar o disolver una corporación 2. Solicitar certificados de cumplimiento y existencia	1. Obtención del EIN (número de identificación de empleador)	1. Formulario 4809 con EIN a Hacienda 2. Cada empleado debe enviar el formulario 499 R-4 3. Obtención del registro de comerciante	1. Solicitar el número de registro patronal 2. Enviar SI-1 "Solicitud de Beneficios por Incapacidad"	1. Hay alrededor de 44 permisos para opera. 2. El mas común es el permiso de uso. 3. Radicar la solicitud 4. Solicitar patente municipal 5. Solicitar IVU municipal	1. Solicitar cotización de poliza de seguro
REQUISITOS	Leer sobre corporación y LLC Leer sobre tipo de acciones	Información sobre la corporación/LLC recibida por el Dept de Estado	Copia del Certificado de Incorporación y número de identificación patronal (EIN) o número de identificación personal del contribuyente (ITIN) asignado al comerciante	Información sobre la corporación / LLC recibida por el Dept de Estado	Hay varios requerimientos: 1. Contrato de alquiler 2. Valor de inmueble CRIM 3. Seguro social del dueño 4. Croquis 5. Motivo del pedido	Número de seguro social patronal
ONLINE/ OFFLINE OR BOTH						
CUANTO CUESTA?	\$5 - 10	GRATUITO	GRATUITO	GRATUITO	avg \$100 (+ health and fire departamento para solicitud de permiso de uso)	GRATUITO
CUANTO DEMORA?	Es en el día	Es en el día	el certificado demora alrededor de 7 días		demora alrededor de 30 días	
PLANILLAS	Informe anual antes del 15 de abril	Planilla trimestral antes del 30 de abril, 31 de julio, 31 de octubre, 31 de enero Planilla anual antes del 31 de enero	Planilla mensual Declaración de Contribución estimada Planilla Trimestral de Patrono de Contribución	Declaración trimestral de contribuciones de seguro por desempleo y discapacidad	Patente municipal anual IVU mensual	Rendir la Declaración de Nóminas en o antes del 20 de julio de cada año

Comenzar

Prototyping: BizWallet

BizWallet addressed the cross-section of difficulty accessing capital to start a business and the lack of knowledge about resources (financial and otherwise) that would be helpful to a small business owner.

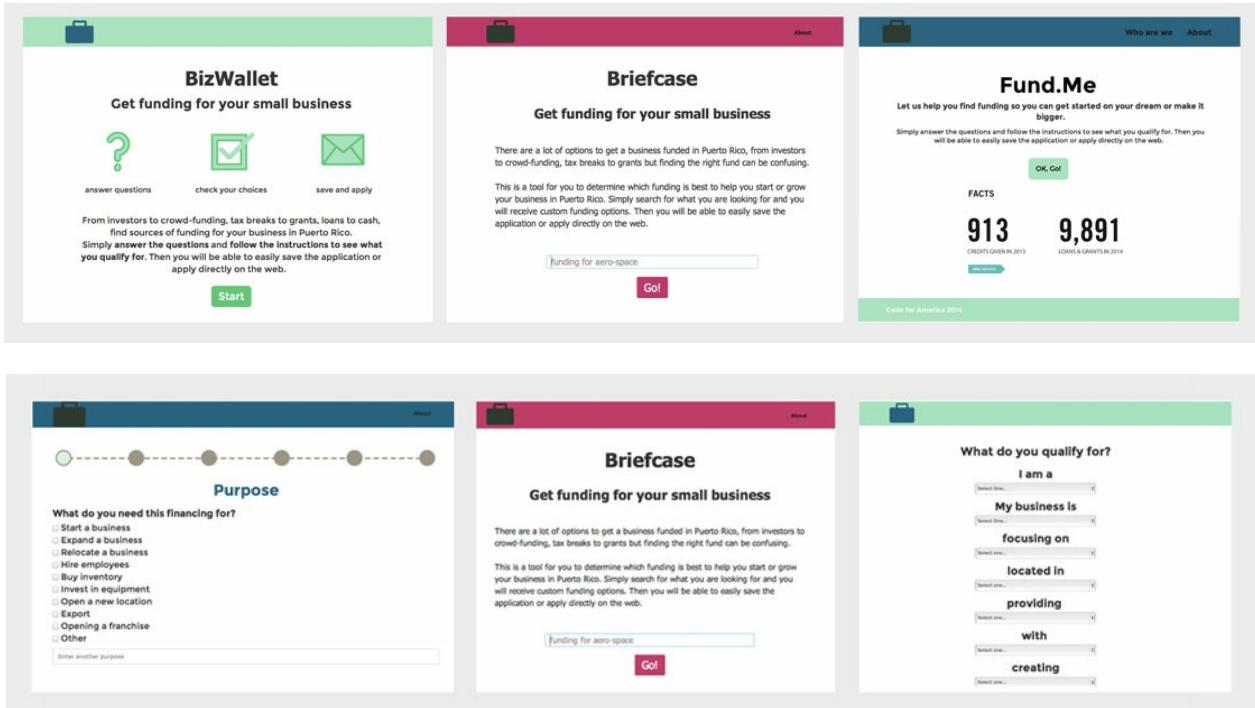


We prototyped our first version of the MVP (minimum viable product) where businesses will answer a set of questions to receive information on what they qualify for.

At the end, users are presented with a report culled from our back-end of agency, bank and foundation programs of the incentives and resources that they are eligible to take advantage of.

Interacting with prototypes

We presented 3 different mockups that varied the user flow and branding.



We wanted to learn if BizWallet's value proposition:

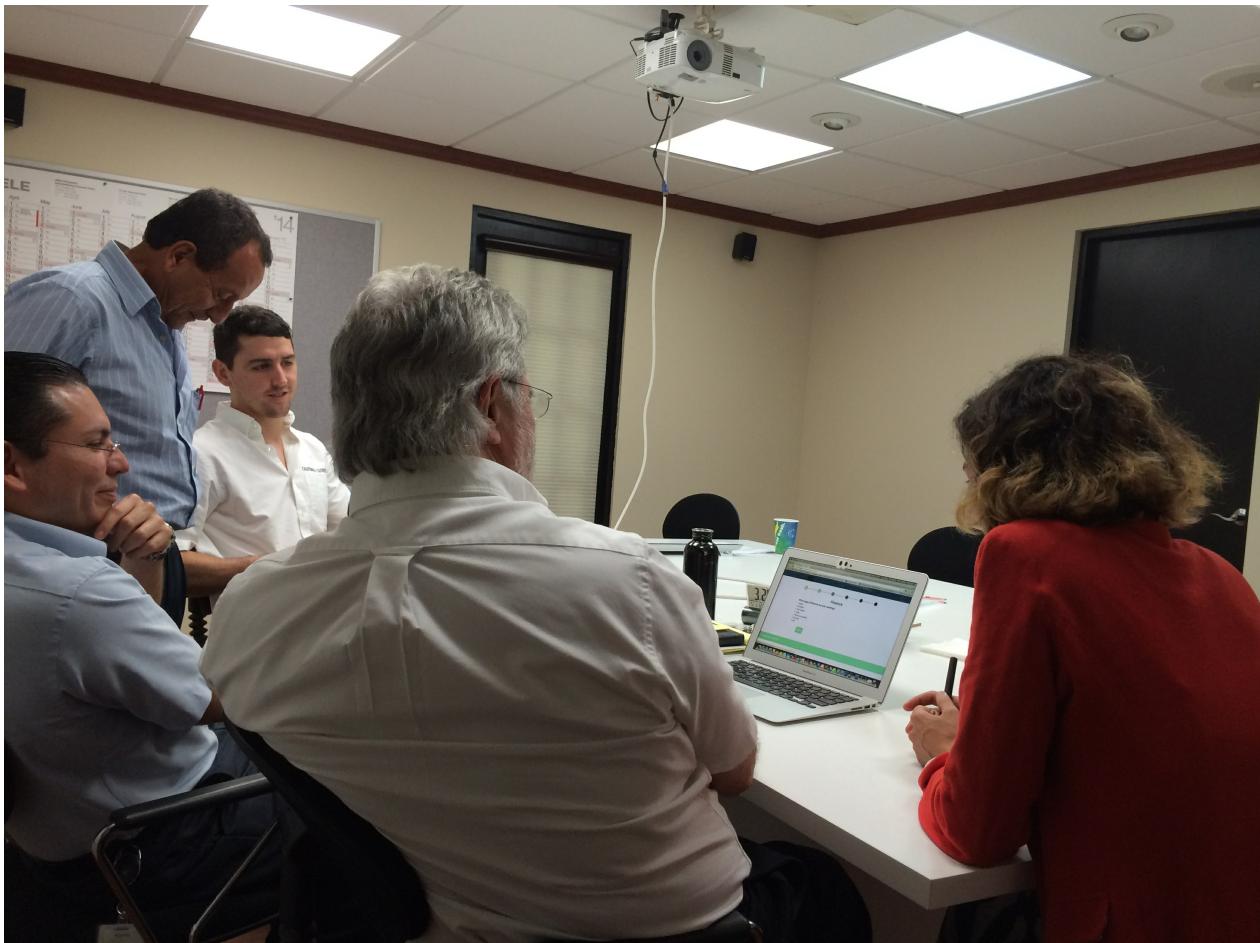
- Solves our user pain points?
- Adds any value to the existing state of things?
- Created a good problem/solution fit?
- Addressed the right audience?
- Presented an appealing user flow?
- Had an engaging/useful/complete user experience?
- Has accessible content?
- Provides all the resources needed?
- Looks good?
- Presents something they will use and recommend?

After incorporating user feedback, we built out our MVP.

Initial Results

User verification

From our 10 interviews we validated our hypotheses about the issues that BizWallet would address and the users it would serve. We got great feedback and a great reception to the product.



Many testers were delighted at the experience and the prospect of having a single place where they could find financial and support resources for their small businesses.

Yes, and...

We knew the MVP (Minimum Viable Product) we wanted to build is a **streamlined search process that delivers real, customized report of resources available to a given business owner**.

We decided to pilot the application with 2 Economic Development Agencies, 2 Banks and a municipality to learn before attempting territory-wide adoption.

MVP



BizWallet

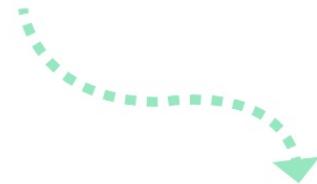
Find the resources you need to launch or grow your business in Puerto Rico.

[Start Now!](#)



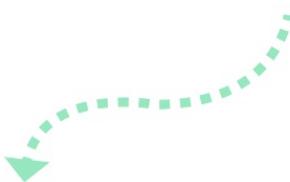
Guided Search

It's hard to know what financial resources are available to help fuel your growth.



Built-In Filters

Once you find them, it's even harder to filter through the many programs available to small business owners and find the ones you qualify for.



Streamlined Application

It's even more complicated to apply for one of those programs. The application process is either offline or unpredictable.



BizWallet is here to help you!

This is an online tool to guide small business owners through the process of finding and applying for financial resources which are tailored to them.

[Start Now!](#)

In learning about the business owner's journey, **it's hard not to want to fix even more.** It felt wrong to think about making the discovery part easy and leave our users facing the same complex application process as usual.

After defining our MVP, we began planning second-level features that support the submission of applications to the various government agencies and banks whose programs we highlight in the app.

Collaboration

Code for America's main mission is to be the connecting tie between governments and their citizens to make cities, states, and territories better, more efficient and engaging places through the use of 21st century technologies.

We have had the privilege of having fantastic experiences with both our government partners and our community partners.

Aligning with Government Goals

Outside of our project's goals, our priority is to make sure that this fits in and works with the overall Economic Development agenda for Puerto Rico.

This means incorporating our solution into the government's **one-stop-shop initiative**



We understand that the government is planning to make one place for entrepreneurs to be able to sign on and access their information (**single sign-on**) and then expedite the business permitting process to be only **24 hours**.

With BizWallet, we then help them **find resources**, and assist with the **application process**, and then again the government will be responsible for making sure that **incentives are distributed** in a timely manner.

Working with Government Partners

We have been lucky to have very strong partnerships with different Economic Development agencies both in the course of our February research and once we identified our project working with small businesses.

They have helped us by submitting their programs aimed at supporting small businesses in order to populate the results of BizWallet's search. We have been working with CCE (Trade and Export Company of Puerto Rico), Economic Development Bank, Banco Popular, and PRIDCO (Puerto Rico Industrial Development Company) both with the upper levels of leadership as well as the ground-level employees that handle applications for small business support programs.

Engaging with the community

One of the most enjoyable parts of our Puerto Rico Code for America Fellowhsip has been interacting with the community through the Code for America Brigade: [Code 4 Puerto Rico](#)

In February we were present for the first official kick-off meeting, but it must be said that the Puerto Rico brigade was largely still functioning and all we had to do was show up, participate and share the Code for America love.

Cultural Shifts

One beautiful change in our city that our brigade captain told us was that as a result of the brigade in San Juan many communities that once operated separately came together under the banner of the brigade. Active participants from the start-up community, the government, the entrepreneurial community, and just generally techy folks make up the San Juan brigade.

Skill Shares

In February, we conducted a skillshare at [Piloto151](#), the coworking space in Old San Juan which hosts all the Tuesday night brigade meetings.

Clara spoke about Lean Startup Methodologies and her experience in the startup world, Ainsley spoke about Rapid Prototyping with Twitter Bootstrap 3, and Max gave an overview of how git works and how to get started.

Events

We have participated in and helped with several events put on by the brigade.

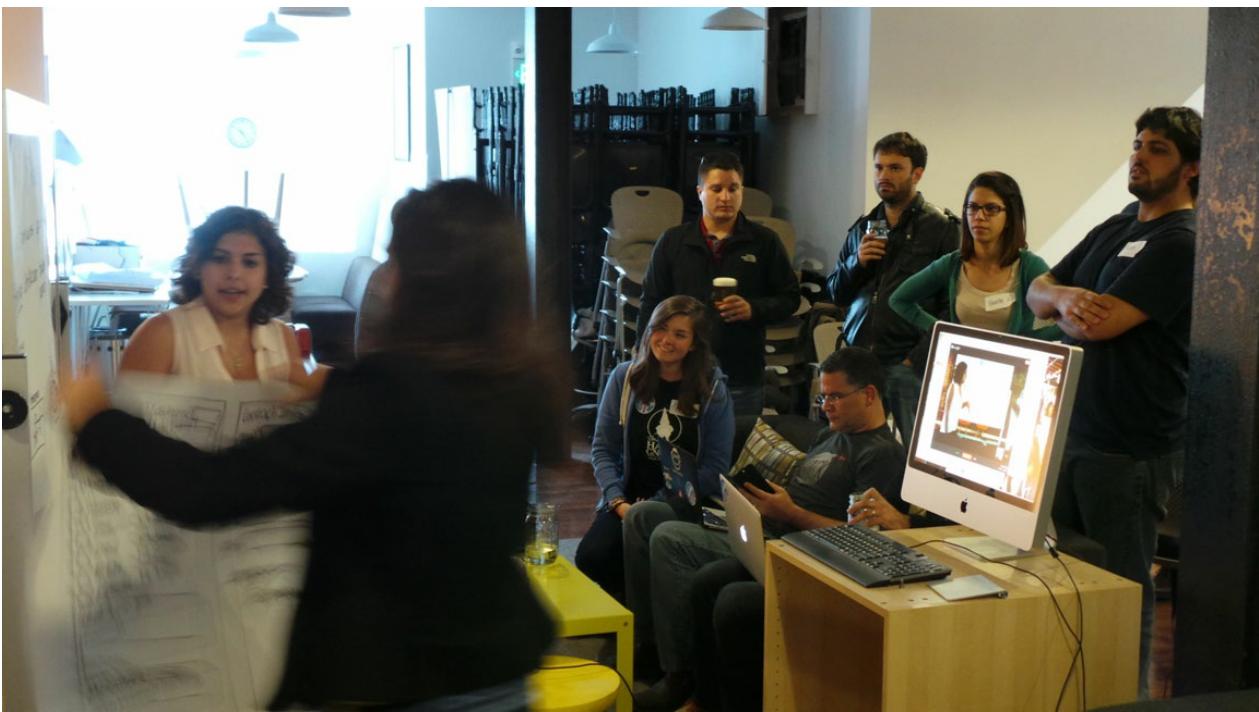


The first was **CodeAcross** on **February 22 - 23**. Over 80 people came during the course of the weekend which culminated with a hack day in Puerto Rico's Senate.



In April, we hosted a simultaneous **UnHackathon for Puerto Rico** in San Francisco and San Juan

with 35 participants coming together to pitch apps that addressed issues on the island.



In May, the brigade put on the **National Day of Civic Hacking** event in Caguas, Puerto Rico where 40 people came to work on projects such as Caguas' LocalWiki and Puerto Rico Answers.



What's next:

BizWallet Goals:

For us, the next steps from this point are to really **get our application into production** and **develop the user persona for the government employee** (and needs around) the second facet of the BizWallet product: the application process.

We need to know in detail about the agency employees that will be receiving these applications and how we can make sure that BizWallet's application presents them with information they will actually want, use, and follow up with the client on.

Our extended to-do list includes:

1. Finish the MVP, test it again and iterate according to feedback.
2. Define a strategy to promote and reach out to audience.
3. Define ownership and sustainability steps.
4. Define main measures of success.

Bonus Tracks

There is a lot of spillover energy and information in the course of the Fellowship.

Here are some mentions of our Code for America Fellowship in Puerto Rico in the news as well as some side projects we've undertaken and are excited about.

In the news

We have been collecting all of CfA appearance in the news.

[Tech Summit Puerto Rico 2014](#)

[Unhackathon](#)

[Code 4 Puerto Rico](#)

[Code Across 1](#)

[Code Across - 2](#)

[Code Across - 3](#)

[Code for America in Puerto Rico](#)

[Promoting entrepreneurship](#)

[Creating an economic development tool](#)

[Small Business application](#)

Extra things we've had fun with.

- [I Love Puerto Rico](#)

We wanted to understand how citizens respond to the question about civic pride and then see if there is a connection to the actions they take in daily life. We also want to gather stories about what creates a unique sense of place here in Puerto Rico.

Yo me quedo en Puerto Rico is live and already hosts more than 90 messages from puertorriqueños that decided to stay in Puerto Rico and what they love about their island.

The app has gotten forked by several of the other fellowship teams. It currently lives online at I Love Puerto Rico, and the codebase can be found on [Github](#)

Negocio Local

A promotion system for local businesses.

The idea for Negocio Local came out of the [Unhackathon for Puerto Rico](#). Puerto Ricans are a highly consumerist culture, however a movement of supporting local businesses is not yet encouraged mainstream.

We came up with an idea and a design for a sticker that a business owner may put on his or her storefront in order to encourage people to shop inside his or her store instead of Macy's or Sears. We knew that unifying local business under a strong brand would have a big impact. However, we wanted to add a bit of engagement and interaction to the system.

We added a call to action on the sticker, the gist being "Text _ to (787)443-8833 to find out more". Upon receiving the sticker, the business owner would go on the site, register a short code for their business, and before attaching the sticker to the glass, write the short code in the black line.

She would also have the opportunity to determine what the response will be once someone does text the number. Some business owners may want to simply text a coupon back, while others may want to provide some history about their business.



When the user texts the number, the system will do a simple calculation of how many businesses the user has texted vs how many are in the system, and the user will get a response something to the effect of "You are 95% Puerto Rican", a simple gamification play.

We also wanted to add some analytics and management for business owners which we sketched out here:



Eventually, the goal would be to provide a local business directory and encourage and empower Puerto Ricans to shop locally.

We have been interviewing various small and local businesses and associations both in Puerto Rico and in Oakland and are still getting feedback on the concept.

- [Humedad San Juan](#)

Clara and Ainsley are painfully aware of the humidity on a daily basis because for two ladies with wavy hair - humidity can mean the difference between looking presentable and looking completely disheveled. So - we thought - wouldn't it be funny if... we gave a reading of the humidity and then showed a corresponding icon of a lady with progressively unruly hair.



- Coqui Song

When we came back from residency, we were inspired to share our experience by writing a song.



Appendix: Inaccessible Incentives

Business growth and economic development are integrally linked.

When businesses are successful that means jobs, a healthy cash flow in a community, and other fruits of economic growth. Puerto Rico knows this, and legislation at the state and municipal level is aimed at supporting businesses, primarily through the method of **incentives**.

Tax and economic incentives are numerous in Puerto Rico. They are crafted with the advice of economists, business leaders and industry experts with intelligent and clear goals.

Unfortunately, incentives are underutilized because they are **not effectively deployed**. In other words - if few are not using them, what good are they doing? **The good intentions of economic incentives often wind up dying on the vine.**

Obstacles to Incentive Use:

1. Users are not finding available incentives

Small business owners are not sure where to look and typically they receive information about incentives through word of mouth, main government promoted initiatives, or an accountant.

2. Choosing the right incentives

They don't always have the tools to compare what's right for them based on their business model.

3. Applying for incentives

Applying for government programs has a bad reputation among business owners who have had painful experiences obtaining permits and paperwork necessary to take advantage of these programs.

4. Delivery of incentives to recipients

Even when the process is completed, documents are submitted, and the incentive is approved, many SME owners we spoke with were still waiting for the reimbursement or capital.

Overall feeling towards process: Confusion and Uncertainty

But if incentives are already the main way that the government knows how to reach out to its citizens to support and develop the economy, it was clear to us that incentives and our mission of economic development were integrally linked. **The incentives weren't the problem.** It's the knowledge-finding and delivery of the results that is the issue.

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