

### Contestant Capacity

Prior to launching Changing Perceptions, its founder, Will Avila, started Clean Decisions, a for-profit social enterprise owned and operated by returning citizens. Will, who had spent the past ten years in and out of prison, quickly proved success was not only a worthy goal but an attainable one. However, the business was limited in its ability to provide more than low wage job opportunities and slight support for staff. Will therefore realized he had to do more to build a pathway for others to achieve similar success, so partnered with experts from diverse backgrounds to create a non-profit focused on helping others develop the entrepreneurial knowledge, supportive community, understanding of work required, and belief in the ability to succeed that he'd been supported in developing.

Changing Perceptions now blends classroom training, experiential learning, mentorship, and family-like support in a 12 week intensive training program, followed by three months of in-depth launch support, and then an ongoing year of lighter support, to help propel aspiring returning citizen entrepreneurs in Washington, DC to reach their full potential.

Through a partnership with the DC Department of Small and Local Business Development (DSLBD) and the Department of Employment Services (DOES), Changing Perceptions runs the "Aspire to Entrepreneurship" program, which will serve 4 cohorts of 12-15 individuals each in 2017. Based on this partnership; our network of experts in financial literacy, social enterprise, returning citizen case management and access to capital; and our diverse team that includes returning citizen leaders as well as business leaders and trainers who have incubated hundreds of businesses, we have the experience to deliver high quality training, provide personal support, and ensure returning citizens are wholly supported in developing successful enterprises that create a pathway to transformative wealth.

By providing a backbone of encouragement, support, and community combined with tactical, focused, relevant training and experiences we have found success in helping our participants start businesses that provide family-sustaining wages for themselves and, in time, their employees.

The background of our management team is as follows:

- Will Avila, a returning citizen, founded Clean Decisions, a for-profit general labor services firm employing six individuals and grossing over \$200K annually, and from this experience founded Changing Perceptions to support others in walking his same path.
- Jonas Singer is a business consultant and founder and former CEO of Union Kitchen, a commercial kitchen incubator that has launched hundreds of food businesses. Jonas leads entrepreneurial training, works 1v1 with the business leaders, and leverages his banking and business relationships (along with those of our Board) to support our entrepreneurs.
- Melissa Jones brings years of experience in the non-profit and philanthropic landscape to build Changing Perceptions' complex web of funders, volunteers, mentors, and charitable partners, and create internal infrastructure for growth and support of the program.
- Carlos Tyler, a returning citizen, leads our "Navigator" program focused on providing peer mentorship and case management support to participants. Carlos uses his connections in DC communities and social service agencies to ensure holistic support for participants.
- Taurus Phillips is the Aspire Program Director. A returning citizen, Taurus is an entrepreneur and has worked in numerous industries. He therefore brings multiple employment perspectives to the work. He coordinates the day-to-day operations of the entrepreneurship program.

### Entrepreneurial Education Delivery Solution

*Participant Recruitment Plan:* Through Changing Perceptions' partnership with DSLBD and DOES, we identify returning citizens who are out of the workforce but have entrepreneurial dreams and some of the basic skills to turn those dreams into reality. We hold an interview process and a three week life skills program, run by DOES, to test that an individual will show up every day and has the foundational abilities required to move into the program. After that initial testing period, these individuals become part of the "Aspire to Entrepreneurship" cohort run by Changing Perceptions.

*Classroom Instruction:* As part of a 10-15 person cohort, participants complete a 12-week, intensive, immersive program. The goal is to achieve life stability, be part of a strong, interconnected cohort, and have launched a revenue generating enterprise, as a full-time commitment or a moonlighting operation along with a job. Through the program, participants are placed in apprenticeship/internship opportunities with the two-fold goal of gaining experience in the industry in which they hope to start a business and to secure permanent employment (or at least the option). We measure our impact by taking baseline assessments across a range of skills and areas and track our participants during the 3 month program, and for up to 18 months following their cohort's graduation.

Across the initial 12 week program, we build the skills and mindset for entrepreneurship and provide very specific paths to launching a business and stabilizing one's life. Each week contains workshops in hard and soft skills, progress along a detailed 200+ point checklist to launching an enterprise, work with a Navigator on life stabilization tasks, and actively applying these lessons to their business launch. The program curriculum is designed around the steps to launch a business - focusing on the basics of entrepreneurship, product development, sales, customer service, market penetration, and business administration. The program is designed as a progressive curriculum first teaching, then experiencing, and finally acting on and reinforcing concepts, culminating in the launch of one's enterprise.

Changing Perceptions strives to balance classroom learning, activities/game-based skill building, experiential learning, and dedicated work on the business. We have developed our curriculum to suit returning citizens. Our curriculum does not reinvent the wheel - we utilize components of established programs from business schools, online games and activities, and business launch methodologies. While we have created some new content, the majority of business launch information is already out there – the key is finding useful content, molding it to our unique participant makeup, and structuring it in a way so as to be most effective for driving success. This means we aren't just teaching "Business 101" to participants, but instead are creating a multi-channel program that reinforces concepts multiple times and ensures individuals have to act on those concepts while still in the supportive environment of the classroom. We then provide three additional months of intensive support during the early stage of the business to ensure someone is walking alongside the participant every step of the way.

As participants enter our program, we work extensively with them to understand if they have a skill set or experiences that might provide them a direction for their enterprise (and if not, suggest business areas where we see potential). Throughout the process, our participants work on high level matters like strategy, business fundamentals, macroeconomic principles, negotiations, etc., as well as granular areas, such as learning Excel, improving their relationship skills and conflict resolution, practicing professional emails and business communication, and engaging in sales contests to build revenue-generating skills.

Each week of our program has a different theme or focus, which are sequentially constructed to maximize both timeliness of delivery as well as the chances of success upon completion. Our program staff actively manages lessons, activities, and team building. They engage in outreach for

job/apprenticeship opportunities and to secure mentors, speakers, and opportunities for field learning. Our program staff has significant experience in program management and, most importantly, extensive experience in launching businesses and working with returning citizens. Our goal has been to develop a focused, incisive program that is customized for and maximizes success for returning citizen entrepreneurs and, we hope, can become a model for other programs.

*Mentoring:* Changing Perceptions has a multi-tiered mentoring system:

To ensure life challenges do not inhibit participants from reaching their business goals, each participant works with a Navigator. These Navigators serve as part peer mentor, part case manager, part cheerleader and encourager, and part speaker of difficult truths. They provide 18+ months of support.

On the business side, we have a roster of screened individuals that commit to a year-long mentorship. These individuals are/have been successful as an entrepreneur or in a traditional career. Ideally, they also have connections that can support the budding entrepreneur, and they must be willing to commit at least ten hours per month to the partnership. We emphasize the seriousness of this commitment.

In some cases, a participant will have an additional mentor specific to his/her focus area. For instance, one of our entrepreneurs who started a landscaping business had basic knowledge of landscaping, but through an introduction to a retired botanist mentor was then able to add native plant gardens to the business' portfolio. This mentor taught skills to grow revenue opportunities, while the business mentor helped with pricing, marketing, thinking through government contracting, etc.

Lastly, members of the management and broader Changing Perceptions team also provide individualized guidance and support, as well as facilitating one-off conversations with experts. As an example, we recently coordinated a discussion between one of our participants who launched a furniture assembly company and a real estate developer on our board to discuss whether looking into partnerships with apartment complexes for assembly services would be a viable option.

*Community Connections:* We partner heavily with other organizations, leveraging their areas of expertise. For example, Industrial Bank runs a financial boot camp for our participants; a TV anchor gives her Ted talk on not letting others label you; and our DC government partnerships enable participants access to numerous social services. We also have partnerships with a myriad of agencies and non-profits in the city. Our network of partners has assisted our participants on issues ranging from emergency housing and rent coverage, professional clothing, mental health support, substance abuse counseling, child custody and abuse situations, spiritual opportunities, and even recreation and fun, such as nature outings led by volunteer guides from REI. We also hold a Thursday night speaker series focusing on a myriad of business and mind expanding topics.

We ensure that participants are connected to the local business community as well. We have relationships with Project 500 (a support network for minority businesses) as well as Local First DC, and our funding partner, DSLBD, also extends their network to help participants.

Overall, through a network that includes mentorship, 50+ community partners, local businesses, and government agencies we put our participants in position to succeed in all aspects of their entrepreneurial journey. We support a holistic model focusing on ensuring one's personal life is in order, that a viable business model has been created, and a supportive community exists to help the business from idea to revenue-producing entity. On top of all this, we ensure participants have the financial instruction and capital access that will allow them to not just create a business, but ensure it is sustainable and can build wealth for themselves and others.

### Access to Capital

Our organization partners with numerous micro-lending organizations and CDFIs, and is in the process of creating an additional pool of capital for our cohorts.

We have established partnerships with five lenders/capital providers:

- *LifeAssets*- As one of our speakers, LifeAssets' Executive Director outlines what capital providers look for, including providing guidance to our participants on how to create the most effective and appropriate loan request package. The organization offers any of our entrepreneurs the opportunity to apply, and this coming year we will hold an information session with the LifeAssets team prior to making any loan requests.
- *CityFirst Enterprises*- This DC-based CDFI has already loaned to our entrepreneurs, and we maintain a close relationship. They are willing to provide 1v1 guidance to any of our entrepreneurs, and due to their trust in our organization seriously consider any loan candidate we bring to them.
- *LEDC*- We are formalizing a 2017 partnership with this DC-based CDFI. Partnership details are still being finalized, but the broad strokes are that there will be a "matchmaking event" that includes a teaching session, LEDC loan officers (and other lenders in the community) providing 1v1 guidance, and ultimately a pitch session at the end with feedback.
- *Kiva.org*- Through a member of our management team's relationship with the leaders of Kiva, we are a trusted source for them, and therefore able to streamline our entrepreneurs' ability to be profiled on the site and ultimately funded. Our board members and network have been supportive of these efforts, allowing us to successfully fund entrepreneurs through kiva.org. We continue to see this as a good path for individuals needing up to \$5K, or as one of multiple avenues of capital.
- *Capital Area Asset Builders*- This group provides an 8:1 match on a \$500 deposit by our aspiring entrepreneurs, and provides some additional financial literacy support as well. This funding ensures initial business start-up costs are covered for all of our participants.

In addition to memberships with the lender community, we also hold multiple "pitch competitions" for each cohort, allowing them to both practice the presentation of their businesses and also to have private investors provide capital. These are usually loans not from private equity/venture groups but rather individuals wanting to help and viewing the business as safe enough to provide up front capital to help launch. This type of support has been provided to multiple businesses to date, and is another way we leverage our network to support entrepreneurs.

Lastly, we are working on a number of atypical vehicles to access capital. One way is that venture capitalists on our Board are analyzing the development of a capital fund we would control that would be similar to a micro-lending enterprise. Supporters would donate restricted funds to this capital pool, and it would be loaned out in microloans with group accountability. This is not a definite source of capital yet, but hopefully shows that we are looking at multiple paths to provide our entrepreneurs access to needed funds. Our board has also personally provided loans to budding entrepreneurs in the program.

Our goal is to create an ecosystem with the most, and most effective, pathways to capital that enable any of our entrepreneurs with a good idea and a solid infrastructure to succeed. Through a combination of access to teaching resources from the banking community, face-to-face interactions with lenders, pitch competitions, atypical asset vehicles and personal loan opportunities, and our connections with local CDFIs and SBA microlenders, we feel confident our entrepreneurs have significant opportunity to access capital and the training and support required to secure it.