

Organizational Capacity

This proposal is being submitted by Southwestern Community College District (SWC) as the host for the San Diego & Imperial Small Business Development Center (SBDC) Regional Network. The SBDC/SWC will also sub-contract with Accion, a CDFI micro-lender, to provide micro-lending services. Total Request: \$75,000

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Organizational Background

The San Diego & Imperial SBDC is one of 63 networks funded by the US Small Business Administration. The SBDC serves small business owners/entrepreneurs in San Diego and Imperial Counties. Workshops and consulting services are offered at the SBDC's three full-service centers (Carlsbad, National City, and El Centro) and additional outreach locations. The Aspire project will provide services in San Diego County. Since 2014, the SBDC has assisted 239 businesses start, helped business increase sales over \$69 million, provided 903 training sessions with 12,850 participants, counseled 4,084 businesses, and helped businesses obtain over \$52 million in capital. The SBDC serves a diverse population--62% of all one-on-one clients served in 2016 were minorities. At present the SBDC provides a program similar to the one proposed for Aspire, contracted by the San Diego Workforce Partnership to train dislocated workers in entrepreneurial skills.

Southwestern College currently provides for-credit college courses at the State of California Donovan Correctional Facility. Patrice Milkovich, the current liaison for Southwestern to the Department of Corrections, previously worked as the Interim Regional Director of the SBDC, and will work with current staff for outreach and curriculum adjustments for the program.

Accion is a San Diego CDFI micro-lender. Accion provides micro-loans from \$300 to \$75,000 to primarily low-income individuals. Since 1994, Accion has provided over \$30MM in loans to 2,800 small businesses.

The San Diego & Imperial SBDC, its host Southwestern College, and its partner Accion are uniquely positioned to work with the formerly incarcerated in San Diego County to provide entrepreneurial training. San Diego County has very low unemployment, resulting in a fewer hiring opportunities for formerly incarcerated. However, San Diego is a major small business marketplace. Over 98% of businesses in San Diego County are under 50 employees, and over 90% of business in the City of San Diego have fewer than 12 employees. This entrepreneurial environment can provide many opportunities for formerly incarcerated individuals to create their own job by starting their own business. However, to create their own job/business, the formerly incarcerated need training on financial literacy, business planning, navigating governmental regulations, and even marketing their business. This program has been proven to work for individuals with all levels of education.

Management Team

Marquise Jackson: Regional Director – Mr. Jackson will coordinate outreach partnerships to find participants for the program. Mr. Jackson has an MBA from CSU-San Bernardino and has been part of the SBDC since 2008. Mr. Jackson will also coordinate with SWC's programs for California Department of Corrections.

Daniel Fitzgerald: Associate Regional Director – Mr. Fitzgerald will provide all reporting and compliance for the project. Mr. Fitzgerald has an MA in Communication from SDSU and has been a Business Advisor, trainer, and is bilingual speaking both Spanish and English.

Carla Holland: South San Diego Center Director – Ms. Holland will coordinate the enrollment and delivery of all training cohorts with her staff. She will also assign the appropriate advisors for mentoring the participants as they implement their business plans. Ms. Holland will also be the primary coordinator with Accion as the sub-contractor providing financing training and access to micro-loans.

Entrepreneurship Education Delivery Plan

Participant Recruitment Plan

The San Diego and Imperial SBDC and Accion intend to work with existing partners, utilize Southwestern College connections with the Department of Corrections, use online resources, and take advantage of community resources that work with the formerly incarcerated to promote the SBDC Entrepreneurship Academy cohorts and recruit participants for the Aspire program.

- **Partnerships:** The San Diego and Imperial SBDC Network (hosted by Southwestern Community College District) and Accion have many, long-standing relationships with community partners that work with underserved populations throughout San Diego and Imperial Counties. In addition to public partners like the San Diego Workforce Partnership, Imperial County Workforce Development Board, and county and municipal governments, relationships exist with non-profit, community partners who work with formerly incarcerated individuals. These relationships will be used to recruit participants.
- **Online:** Both the SBDC Network and Accion are partners with Housing Opportunities Collaborative, utilizing its Virtual Counseling Network (VCN). The VCN is an online portal where individuals seeking social services or technical assistance can contact the VCN and be directed to an array of no-cost resources. In addition to participants finding the VCN resource online, all the social service partners use the portal to refer individuals with different needs and connect them with community resources. The SBDC will utilize the VCN partnership network to recruit participants.
- **Southwestern College:** SWC was one of 67 national colleges and universities selected for the national second-chance Pell Grant program. At present SWC provides credit-based courses for those incarcerated at the State of California Donovan Correctional Facility. The SBDC will coordinate with the SWC liaison with the Donovan facility and the California Department of Corrections to connect with local parole and probation agencies to recruit participants for the training program.
- **Other Local Resources:** The SBDC has identified both 211 San Diego and Kitchens for Good as community resources who work with formerly incarcerated individuals. 211 San Diego holds monthly community meetings to connect formerly incarcerated individuals with community resources. The SBDC will participate with 211 in those meetings. Kitchens for Good is a non-profit catering organization who employs and trains formerly incarcerated individuals. The SBDC has connected with Kitchens for Good regarding this proposal and will work with them to recruit participants in the SBDC Entrepreneurship Academy – in particular those looking to start a food-based business.

Classroom Instruction Curriculum

The Small Business Development Center (SBDC) Entrepreneurship Academy is a unique interactive workshop series that will guide participants, step-by-step on how to get a business started in just six weeks. The SBDC's Six Week Curriculum will guide participants on how to start a business, develop and implement a business plan, understand their finances, analyze the local market, promote their business, and achieve their goals. The series will cover all aspects of starting up a business including legal issues, accounting, licenses, marketing and financing. Each cohort will be very hand-on with the participants, with enrollment being a maximum of 15 participants. The San Diego & Imperial Aspire program will conduct 3 cohorts from There will be one, 3 hour session per week.

Week 1: Lay the Foundation: This course will focus on types of businesses, legal entities, the key questions an entrepreneur needs to ask, understanding the marketplace, and introduce the basics of a business plan.

Week 2: Get the Info You Need: This course will expand more on the analyses an entrepreneur needs to do to take their business idea forward. This would include defining the intent of the business, defining the product and/or service, and being able to analyze the market from a competitive basis.

Week 3: Cut through Red Tape: This course will provide an in depth discussion of the various governmental rules and permits that a business needs to navigate.

Week 4: Take Care of Operations: This course will be an in depth discussion on everything from hiring employees to logistics to business management. This will also discuss how to market and promote your business.

Week 5: Deal with Money Issues: This course discusses accounting, financial reporting, tax issues, and obtaining financing for your business. During this course entrepreneurs will learn about bookkeeping software, types of reports, credit, and where different types of financing can be obtained. Accion will present the types of micro-loans available, how to apply

Week 6: Open Your Doors: This course is a review and wrap up of everything learned. This is when participants will present their business plan to other SBDC Advisors and receive additional feedback.

The courses are designed to be very interactive and hands-on with the instructors. The participants will be guided to develop a comprehensive business plan, which they will be presenting at the end of the course. They will develop basic accounting skills, basic market analysis, marketing and presentation skills, and business management skills. Participants who attend all 6 sessions and present their business plan will receive a course completion certificate.

Metrics: The 3 cohorts will graduate 8 participants each, who will then work with SBDC Business Advisors. Of the 24 total graduates, 10 will start businesses during the 18 month duration of the program. As noted below, of these 10 businesses, 5 will be able to receive micro-loans from Accion.

The courses and curriculum have been developed over many years by SBDC Business Advisors and the San Diego and Imperial SBDC Leadership team. Having worked with thousands of businesses and startups, the SBDC understands the needs of businesses, including many underserved populations. In addition, the San Diego and Imperial SBDC regularly conducts surveys of businesses needs in the region to understand the changing needs of small business. This information guides what experts we hire as Business Advisors and provides guidance in the development of annual Professional Development programs. The needs assessment also guides the curriculum for our training sessions. The San Diego & Imperial SBDC Network also has regular meetings with its Advisory Board, made up of other business service providers, lenders, and small business owners to discuss meeting the local needs of businesses.

Mentoring

During each cohort of the Entrepreneurship Academy, participants will receive at least 5 hours of 1:1 business counseling from an SBDC Business Advisor. All SBDC Business Advisors either own and run businesses or have owned and run businesses. They have the real world experience to provide mentorship to the course participants. Following the conclusion of the courses, graduates will continue to have access to their advisors as they progress with starting and growing their business. The San Diego and Imperial SBDC's vision is to turn every entrepreneur into a success story.

Community Connections

As noted in the outreach plan, the SBDC and Accion currently work with many community partners. In addition, through the VCN partnership, both organizations work with even more social service providers. Through these connections, participants will be provided connections to organizations like Community Housing Works, who has programs to teach financial literacy, understanding and improving your credit, and home rental and purchasing. Also, participants will be connected with the San Diego Workforce Partnership to gain access to job skill training programs or job placement if starting a business is not the best option at the time. The VCN partnership also has access to many other social service and transitional service programs. The SBDC can connect each participant to those organizations with the assistance of Housing Opportunities Collaborative.

Access to Capital

Access to micro-lending: Describe how you will link participants with participating microlenders (and when appropriate, SBA Microloan Intermediaries, to fund and grow new businesses

This funding will support the SBDC's initiative to work with Accion, a local San Diego-based nonprofit micro-lender. Since 1994, Accion has provided more than \$30MM in loans to 2,800 small businesses. The SBDC provides business counseling services to Accion borrowers in their offices several times a week. This funding opportunity will expand and strengthen this partnership to reach the formally incarcerated.

Accion provides flexible financing from \$300 to \$75,000 to primarily low-income individuals. Accion staff works with each borrower to evaluate their needs and create reasonable payment schedules based on their financial situation. Accion's staff provides technical assistance through the loan process to build mutual trust and respect with borrowers to encourage on-time payments each month. Following disbursement Accion and SBDC will coordinate to continue to provide assistance to the borrower as s/he grows the small business.

Metrics: With this funding, Accion will provide at least 5 formerly incarcerated entrepreneurs with access to capital to start their businesses.

Accion helps a diverse group of small businesses, and approximately 40% are startups with less than one year of operating history. A typical borrower cannot attain capital from traditional sources due to lack of or damaged credit histories, limited financial literacy, or income level. Accion has worked with the formerly incarcerated who face added challenges to achieving financial stability, including less opportunities for work and difficulties maintaining credit histories during incarceration. In response, Accion's loans and support services help create self-employment opportunities and avenues to boost household income. Repayment is reported credit agencies monthly to improve or establish positive credit histories.

In addition to Accion, the SBDC will provide access to even more basic programs, like Kiva-Zip (a crowdfunding program) to be able to obtain capital for their businesses.

Connection to capital and funding opportunities: Describe how your organization will provide assistance to prepare to meet with capital providers, preparing proper documentation, matchmaking events with local lenders and funders, or business pitch events to key members of an entrepreneurial ecosystem

To help prepare individuals for future lending prospects, Accion will present on business financing during the SBDC's Entrepreneurial Academy. Accion's presentation guides entrepreneurs through the process of seeking business financing including what to consider before applying for a loan, the factors of evaluation that all lenders use when reviewing loan requests, and tips on how to prepare the best application based on their strengths and weakness. Local business financing options are also presented, including crowd-funding like Kiva-Zip and CDC Small Business Finance micro-loan programs.

Once a participant applies for a loan from Accion, support services are offered from the outset with one-on-one application assistance, credit report reviews, financial analysis, and loan underwriting. Each client receives an average of 3-5 hours of tailored assistance. Once the loan is disbursed, clients are offered additional resources, publicity opportunities, and other support mechanisms. Accion also assists clients to endure financial challenges and prepare for future financing if the loan is declined.

Utilizing Accion or a crowdfunding option at the onset of a small business creates credit and experience for the entrepreneur. Most traditional lenders require that a business be in operation 2 or more years prior to providing credit. Accion and other micro-loans help make the small business "bankable" and set them up for long-term success.