

Small Business Administration Aspire Challenge

Submitted by: The Council for Native Hawaiian
Advancement

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I. Organizational Background

Founded in 2001, the Council for Native Hawaiian Advancement (CNHA) is a statewide and national network of more than 100 Native Hawaiian Organizations. CNHA is a strong voice on public policy, delivers capacity-building and leadership development services, and promotes economic development and community-based enterprises. CNHA is governed by a 21-member board of directors and employs 8 staff members. CNHA is a member based 501c3 non-profit organization with a mission to enhance the well-being of Hawaii through the cultural, economic and community development of Native Hawaiians. The organization is dedicated to capacity building and providing support services to community based organizations throughout Hawaii.

CNHA is uniquely qualified to deliver entrepreneurship programming as a certified Native CDFI. We currently provide access to capital for small business development with training and technical assistance to support our borrowers. We are also in an existing partnership with the Homestead Community Development Corporation on Kauai delivering a Microenterprise Assistance Program (MEAP) in Anahola. MEAP is an 18-week micro-enterprise project serving a cohort of 20 individuals with training and technical assistance, access to capital and a business location at a local Anahola Marketplace. We believe the innovation of MEAP should continue to be tested. We are convinced that training is not enough for new business owners. Startup businesses need extensive coaching, access to capital and a business location. CNHA proposes a project that would focus on serving formerly incarcerated individual on the island of Oahu. Our goal would be to pilot the concept we have started to deliver in Anahola to see if we can take the concept statewide.

While we do not currently target our services to formerly incarcerated individuals, we focus on Native Hawaiian communities and underserved populations, low and moderate income communities and generally seek to fill gaps in services where we identify need. Based on the high percentage of Native Hawaiians who make up the incarcerated population, extending our reach to meet the needs of this population makes complete sense. CNHA would focus on serving formerly incarcerated individuals on the island of Oahu. Our goal would be to pilot our concept with the ability to duplicate across the state. We will begin our program with a needs assessment that tries to understand the pre-status of the client, identifies skills, talents and potential barriers. The environment we strive to create is one that understands cultural differences in understanding business concepts and finding ways to build paths of success for people at various stages of life and preparedness for business ownership. We also work to create a simple, entry-level environment that allows individuals to assess their skills and natural talents with an opportunity to explore the feasibility of turning those skills into a revenue-generating opportunity. Our primary person to contact for this program would be Michelle Kauhane, she can be reached at 808-596-8155 or by email at info@hawaiiancouncil.org.

Background of Management Team

Michelle Kauhane, CNHA President & CEO has a 15-year work history in community development, organizational management and fund development in the nonprofit sector. Napali Woode brings over a 20-year work history in accounting and fiscal management to support capacity building and financial projections for long term sustainability. Geri Mendiola is a HUD-approved housing counselor and financial literacy trainer with over 5 years of experience in credit and financial education counseling. Terri Aweau is CNHA's training specialist who has over 5 years of technical training experience and currently delivers CNHA's small business curricula to community partners and participants. Nainoa

Logan is small business coach working with CNHA to deliver training and mentorship. He specializes in delivering culturally relevant small business trainings as well as one-on-one coaching to help entrepreneurs clarify their vision and business models to be ready and eligible for capital. Ka'iulani Kauoho is also a small business coach who serves as a one-on-one business counselor to help entrepreneurs clarify their vision and business models to be ready and eligible for capital.

Entrepreneurial Education Delivery Solution

Participant Recruitment Plan:

As a member organization, CNHA has a proven track record of collaboration and working well with other nonprofits. For this project, CNHA intends to partner with our existing members serving incarcerated individuals. For example, Keiki O Ka Aina currently works with the women's prison, Hawaiian Community Assets is serving formerly incarcerated individuals in transitional shelters, OHA funds several groups that provide culturally relevant services within the prison system and Alu Like has a history of providing formerly incarcerated individuals with scholarships to assist in securing employment. CNHA has a natural circle of partners for outreach in service to mutual clients. Additionally, and fortunate for this program, Hawaii has many options for outreach to potential participants who are recently or formerly incarcerated individuals. The re-entry programs available in Hawaii are long standing and very active. We have identified nonprofits and government funded programs to utilize in our outreach and marketing. The HOPE Prison Re-entry Services, funded by the Department of Human Services, the Hawaii Department of Corrections, the Community Assistance Program, Makana o Ke Akua, and WorkNet, Inc. offer a variety of avenues for partnership and outreach. We also have an extensive listing to access, in particular, Native Hawaiian communities, where family members of recently incarcerated may be reached by our marketing and announcements.

Naturally, these individuals commonly need special services upon re-entry so offices we will include in recruitment strategies are the social security office, the probation offices, welfare offices, county self-sufficiency program offices and transitional shelters.

Classroom Instruction:

CNHA will recruit cohorts of no more than 15 individuals to provide in-person classroom instruction that progressively develops over 12 weeks. The in-person instruction will guide participants to explore their personal interests and skills and explore the advantages and disadvantages of self-employment through personal reflections and group exercises. Each session over the 12 weeks will explore an essential component of the business plan.

The base curriculum starts with small business fundamentals. We have a course that addresses the following topics, Mission Statement, Business Planning, Marketing Process with Products/Resources, Marketing Process with Market Research, Marketing and Market Analysis, Financial Literacy through the Financial Lo'i Curriculum, and then rounding out the business planning with one-on-one business counseling for high touch. Our curriculum was created by Native American nonprofits and Native Hawaiians, which gives our program a strong culturally relevant tie and an understanding of common values in the Native communities. Even those who are not Native Hawaiian benefit because it definitely fits into the local mixed culture of our state.

CNHA would run at least two cohorts per year, maximum 15 participants, for in-person meetings lasting up to twelve weeks, with a goal of one meeting per week. These twelve classes would cover the basics of building a business plan and then set each of them up for follow up with their business counselors. Each in-person class would also invite professionals in the field to provide real life experience and expertise on various topics. We have a plan to also incorporate excursions for the group to important offices that small business owners need to be familiar with, like the Department of Commerce and Consumer Affairs (DCCA) or the Small Business Administration (SBA). We will have all classroom resources available on our website for download and digital access and we already have monthly small business webinars for the general public that can be utilized by the program participants to supplement the classroom time. The goal is to create a classroom environment promoting group discussion, collaboration, brainstorming, and paced learning.

Mentoring:

We have two business coaches as part of CNHA's small business team. Our coaches are business and finance savvy with a humble approach to understanding small business and microenterprise needs. We also have a financial education counselor on staff that can provide advising and individualized information on getting personal finances in order for success in life. Mentorship meetings (up to four business and one financial education counseling) would be considered program milestones, occurring as mandatory meetings following the 12-week program. The goal of coaching would be to have each participant ready for loan consideration.

Community Connections:

As a member-based nonprofit we are widely connected to various community resources, including nonprofits that have their own services and programs that would benefit our participants. In particular we are trying to develop a business incubator within the homestead communities in Kapolei. With resource like a commercial kitchen, meeting space, pop-up market space, a potential incubator with business equipment, as well as convenient location across the regional mall, these connections are ideal in creating a sense of business growth and opportunity. We hold our own marketplace each year at our Annual Native Hawaiian Convention where over 40 vendors are able to sell for three days to at least 400 attendees. We know that our connections as a community-based nonprofit give us access to a plethora of nonprofit and social service programming that would likely improve the economic well-being of the formerly incarcerated individual.

Access to Capital

Access to Micro-Lending

Our organization is a U.S. Treasury Certified Community Development Financial Institution (CDFI) and we currently have micro-enterprise loan products that we offer to community. We will work with other local CDFI's and hope to become an SBA microloan intermediary. We work with our clients to assist with providing access to capital through our loan fund and also assist with packaging loans for other micro-lenders. We were recently awarded RMAP funds through USDA to assist with growing rural businesses.

For the last three years, CNHA has participated in a national cohort of Native Community Development Financial Institutions (CDFIs) with the focus of small business development technical assistance and training and access to capital to support small business incubation locally. This cohort has provided us with three incredible small business curricula that cover entrepreneurship, farming and ranching, and artist small businesses.

In the last few years, our microenterprise-focused loan products have invested in several successful borrowers who used the loan to either start-up a new business or expand existing businesses into greater revenue generation through improvements. For example, we made a small business loan to a woman on Kaua'i who always dreamed of owning her own salon. After years of giving her community haircuts out of her home, she was able to build out a small shop at the local business incubator center in Anahola and now has seen over a year of success. We have a great working relationship with the SBA and understanding their standards for access to capital, should they have resources appropriate for our participants, we would look forward to extending the partnership. Either way, we like that fact that we have the unique ability and responsibility to serve as a funder for growing businesses in communities of need.

Connection to Capital and Funding Opportunities

Our natural role in community has revolved around technical training and assistance work as well as community organizing. Our CDFI network provides us great insight into accessing capital through innovative channels, but our role as a community-based membership organization gives us a greater map of resources available through other capital providers, including local government programs. We rely on the expertise of our counselors, staff, business consultants, and community partners to give our participants ample preparation of loan documents, including a completed business plan, as well as personal financial documents to be eligible and responsible borrowers. We have historically been able to gather funders in networking events for nonprofit funding and we have no doubt that we can coordinate similar events for our participants. We also are familiar with local business pitch events that we know we can coordinate with for participation and, ideally, successful collaboration.