

**Organizational Background:** The Office of Business Opportunity (OBO) was created in 1984 with the primary purpose to support the City of Houston’s Affirmative Action efforts to provide equal access for minority and women businesses to participate on City contracts. Over time, the Department’s role expanded to provide technical, educational, and capacity support to assist businesses in the startup, growth and expansion phases. The primary objectives of OBO are to educate, connect and grow small businesses in the Houston Metropolitan Area. The Department provides a suite of services and resources that facilitates these objectives. For more than 20 years, the office has had a Business Solutions Center that helps businesses navigate through city, county and state business requirements. Through partnerships, OBO facilitates services including mentoring, legal counseling, and access to micro loans. OBO has a vast presence due to robust outreach efforts which touches thousands of individuals and businesses annually and has been recognized throughout the region for the impact of its programs to businesses. OBO facilitates the certification of Minority and Women-owned Businesses, as well as leads various programs such as the LiftOff Houston! Business Plan Competition, the Kauffman *FastTrac NewVenture Program*, Small Business Legal Academy, and the Interise *Streetwise MBA Program* known as Build-up Houston.

**Needs Assessment:** According to the Texas Department of Criminal Justice (TDCJ), 20% of all previously incarcerated individuals are either released or released on parole in Harris County each year (Texas Department of Criminal Justice, 2015, pp. 38-40). In a presentation by the Texas Justice Center to the Texas State Legislature, 50% of former prisoners return to 10 of the City of Houston’s 88 neighborhoods; accounting for almost \$100 Million in prison expenditures (Fableo & Rogers, 2007, p. 34). OBO has selected two of these communities, Acres Homes and Sunnyside, to utilize the Aspire Challenge Grant to empower formerly incarcerated individuals with entrepreneurship training and access to micro loans. Within these communities, more than 50% of the adult population is unemployed, approximately one third live below the poverty level and more than one third of the residents aged 25 or over have not graduated from high school (Williams, Arafat, & Perry, pp. 4-5). As it relates to entrepreneurial initiatives for this population, within TDCJ they facilitate a Prison Entrepreneurship Program (PEP) that provides entrepreneurial training to approximately 500 inmates annually, which only accounts for 10% of those that apply to the program (Marshall, Hill, & Tran, 2017). However, upon release there are no known entrepreneurial programs targeting previously incarcerated individuals in the Houston/Harris County area. The Aspire Challenge Grant will allow the City of Houston to implement an entrepreneurship educational program to address the identified gaps for returning citizens.

**Background of Management Team:** **Carlecia D. Wright** is the Mayoral appointed Director for OBO since 2011. Carlecia has a Bachelor’s degree from Columbia College of Chicago and a Master’s degree from New York University’s School of Public Service and she is also a trained Gallup Entrepreneurial Strengthsfinder coach.

**Will Norwood** is the Business Development Manager in OBO’s External Affairs Division. He leads several of OBO’s programs for entrepreneurs that build capacity and provides one-on-one technical assistance to small businesses. He has a Bachelor’s degree in Business from Morehouse University.

**Francesca Marshall** is a Business Development Coordinator for OBO. She has coordinated several programs for entrepreneurs including the annual Small Business Legal Academy, OBO’s Virtual Legal Lab, Kauffman *Fastrac NewVenture Program*, LiftOff Houston! Business Plan Competition and the Turnaround Houston Initiative. She received her Bachelor’s degree from Louisiana State University and a Master’s degree in Public Policy from Loyola University in Chicago.

**Neil Polansky** is an Administrative Coordinator for OBO. He has assisted with entrepreneurial and related re-entry programs in Harris County, the State of Texas, and the Federal Prison Systems for the past ten years. He has a Bachelor’s degree from the University of Florida and a Master’s degree in Urban Planning.

**Participation Recruitment Plan:** In March of 2016, Mayor Sylvester Turner launched the Turnaround Houston Initiative to provide support in communities that have high populations of returning citizens. OBO worked with the Houston Health Department's Community Re-Entry Network Program to execute five Turnaround Houston Resource Fairs that served more than 1,000 individuals. These resource fairs offered access to job training, resume writing, tattoo removal, social service agencies, educational institutions, and counseling and intervention to help hard to employ Houstonians turn their lives around. The City of Houston provided its full support behind promoting Turnaround Houston with 10,000 push cards, 15 billboards throughout the City, 10 radio spots, over 5 press releases and two press conferences surrounding the program.

While the Turnaround Houston events' primary purpose was to provide wraparound services and job resources, many of the participants expressed interest in entrepreneurship opportunities. In line with OBO's mission and the needs of these returning citizens, the Department saw an opportunity to expand on the Turnaround Houston Initiative and create an entrepreneurship program for those citizens returning to society after incarceration and who have an interest in starting their own business. At the last Turnaround Houston event that took place in November 2016, OBO facilitated an exploratory entrepreneurship and starting your own business workshop for returning citizens which attracted a total of 55 participants.

In 2017, OBO will facilitate three Turnaround Houston Resource Fairs and use them as an opportunity to further garner interest in an entrepreneurship educational program, which will preliminarily be called the Turnaround Entrepreneurship Program (TEP). At each event OBO will host workshops to recruit participants, provide an overview of the concept of starting a business and introduce TEP. Replicating previous outreach and media efforts which proved to be successful in the first year of Turnaround Houston, OBO will also promote TEP leveraging a network of community partners to target prospective participants via probation offices, libraries, and community centers. Additionally, OBO will promote TEP at second chance and re-entry events across the city. Each candidate will be required to complete an application and an assessment will be performed to determine their commitment to completing the program and starting their own business. A key criterion for acceptance into the program will be for the candidate to have a business concept but not have established their business. In addition, in order to be eligible, candidates must not have been incarcerated for a violent offense.

**Classroom Instruction:** OBO will deliver an intensive entrepreneurship educational curriculum to formerly incarcerated individuals. The curriculum will be executed as a part of a 10 week program which will be held in a classroom environment with an instructor. The course will include testimonials and subject matter expert speakers recruited from local business owners, including those that were formerly incarcerated. Additionally, the program will provide various clinics to support business plan development. Program participants will have access to a wide variety of resources including a computer lab and 13 online business resource guides that cover subjects such as marketing, legal, and business formation.

OBO has previously facilitated various entrepreneurship programs including the Kauffman *FastTrac NewVenture Program*, the Interise *Streetwise MBA Program*, and for the past four years, has hosted an annual Business Plan Competition, LiftOff Houston!, utilizing curricula created by OBO in collaboration with other partners. OBO has trained over 1,200 participants using the LiftOff Houston! curriculum. The structure, along with similar course elements of OBO's LiftOff Houston! Program including mentoring, financial education, and an interactive classroom environment, will be utilized for TEP. OBO will work with other City Departments and community partners to ensure the curriculum fits the needs of previously incarcerated individuals. The first cohort will begin in the summer of 2017 at the Acres Homes Multi-Service Center and the second cohort is slated to begin early 2018 at the Sunnyside Multi-Service Center. The 10 week program will consist of the following topics:

- **Session 1 - Orientation:** The purpose of this session is to introduce the program elements to participants, create a connection between members of the cohort, and provide an opportunity to share their business concepts. Participants will hear from a small business owner with a similar journey and be

introduced to the various mentors selected to support them throughout the program.

- **Session 2 - Defining Your Product/Service:** While each participant is required to come into the program with a specific business concept as a starting point, the purpose of this session will be to delve deeper into defining their product and identifying market competitors. Each participant will explore what their business model is and what is required to operate their business.
- **Session 3 - Business Plan Basics:** This session will provide the entrepreneurs with a business plan template that outlines the essential components of a basic business plan. The participants will be introduced to various local resources which provide support, including online resources, technical assistance providers and graduate level business students from local universities.
- **Session 4 – Entrepreneurship Traits and Talents:** This session will be led by a Gallup-trained coach and each participant will learn their top talents and how they can leverage them in their business and learn how to collaborate with others that have traits they may lack. Each participant will have taken the *Gallup Entrepreneurial Strengthsfinder* prior to the session.
- **Session 5 – Building the Company and A - Team:** This session provides an overview of various business structures and helps participants explore how to leverage their strengths with others and if they will be using employees or outside contractors to deliver their product/service to the customer.
- **Session 6 – Branding, Marketing and the Customer Experience:** The session seeks to engage the entrepreneurs in the branding and marketing process that sets them apart from their competitors. They will learn marketing, sales and branding strategies that target their specific customers.
- **Session 7 - Financial Literacy:** The program will partner with a local non-profits that provides credit restoration and education in order for participants to establish financial literacy surrounding credit, cash, savings, loans and taxes.
- **Session 8 - Finance Goals and Budgeting:** Participants will match their business concept with their financial goals. This session will go over setting financial goals, establishing one, two and five year financial forecasts that assist the entrepreneurs with preparing a budget for startup costs, cash flow and how to plan for the unexpected.
- **Session 9 – Putting It All Together:** The facilitator will work with participants to review all that they've learned and tie it back to the business plan template as well as prepare participants to pitch their business to a panel of judges for the final session.
- **Final Session – Pitch Day and Graduation:** Each student will present their business plan to a panel of local business owners, potential investors and lenders who will provide feedback. Each participant will receive a graduation certificate and a small stipend to start their business.

**Mentoring:** TEP has the following four components which will provide individualized support to participants to develop their entrepreneurial skills through mentoring: Business owners' testimonials in each session; dedicated mentors from SCORE, a nationally recognized provider of small business mentorship; a Gallup Entrepreneurial Strengthsfinder Coaching session for each participant initiated in Session 4; and four clinics held throughout the program to provide additional technical assistance to build out each participant's business plan.

**Community Connections:** TEP participants will be encouraged to attend at least one Turnaround Houston Resource Fair, where more than 60 entities are present to provide social and supportive services to formerly incarcerated citizens. Additionally, OBO will partner with the Houston Health Department's Community Re-Entry Network Program to identify specific needs of each participant utilizing their existing intake assessment. OBO's established history providing support to entrepreneurs and small businesses has resulted in strong partnerships with micro lenders, the local SBA office, SCORE, the SBA funded Small Business Development Center, banks, law firms, Chambers of Commerce, and local community colleges and universities. OBO will engage these organizations in the clinic component of the TEP to deliver the technical assistance needed by the participants. Additionally, OBO will create opportunities for TEP participants to attend networking and other entrepreneurial related events hosted by these organizations.

**Access to Micro-Lending:** OBO currently has formal agreements with three primary micro-lenders - LiftFund, PeopleFund and Houston Business Development, Inc. in the Houston region. Collectively, these entities will provide counseling, access to capital and other financial resources to support TEP participants. OBO already has existing agreements that outlines these micro lenders' participation in OBO programs and services, including the frequency of their physical presence at OBO's office location. Both LiftFund and PeopleFund are SBA Microloan Intermediaries.

**Connection to Capital and Funding Opportunities:** Throughout the 10 sessions, TEP participants will be provided with a road map to maintaining their personal credit, managing and tracking their business financials, and learning what is needed to access capital. Specifically, sessions 7 and 8, will focus on financial literacy, goal setting, and budgeting. Additionally, OBO will host a panel of micro-lenders and traditional lenders during session 8, where the entrepreneurs will be able to learn what is required to secure a loan. They will also have weekly opportunities to schedule appointments in-house with LiftFund, PeopleFund and HBDi. Throughout the program, a series of clinics will be held, with at least one clinic focused on paperwork and documents needed to approach a micro loan entity for a loan and how their previous incarceration affects what type of assistance is available to their business.

The final week of class will consist of a pitch day, where the entrepreneurs will pitch their business plan to a panel of business owners, potential investors and lenders who will provide feedback. This will also prepare each of them, if they choose, to engage in OBO's annual LiftOff Houston! Business Plan Competition for the chance to be awarded one of three \$10,000 cash prizes.

At the program completion, each TEP participant that graduates will receive a \$500 start-up stipend to start their business. Additionally, the TEP graduates will be able to access all of OBO's business development services on an ongoing basis. OBO will also engage with the graduates on a quarterly basis to check on their progress.

## Annex

- Fableo, T., & Rogers, P. (2007). Justice Reinvestment: A Framework to Improve Effectiveness of Justice Policies in Texas. Retrieved from <http://www.jfa-associates.com/publications/jr/finaljointcomm13007.pdf>
- Hill, M., & Tran, P. (2017, February 10). RE: Turnaround Entrepreneurship Program [E-mail to F. Marshall].
- Texas Department of Criminal Justice Statistical Report: Fiscal Year 2015. (2015, Fall). Retrieved from [https://www.tdcj.state.tx.us/documents/Statistical\\_Report\\_FY2015.pdf](https://www.tdcj.state.tx.us/documents/Statistical_Report_FY2015.pdf)
- Williams, S. L., M.Ed, & Arafat, R., MD. (n.d.). City of Houston Department of Health and Human Services Community Health Profiles 1999-2003 (pp. 4-5) (M. Perry MPH, Ed.). Houston, TX: City of Houston Department of Health and Human Services.