

### Contestant Capacity

For 20 years, Business Ownership Initiative (BOI) has been an essential resource for entrepreneurs and small businesses from varying social and economic backgrounds, cultures and ethnicities. Using outcome oriented business services, BOI helps entrepreneurs at every stage of business development. BOI exists within the Entrepreneur Services arm of the Indy Chamber, a non-profit organization leading the effort to strengthen our business climate, revitalize our neighborhoods and enhance our region's workforce. With membership of **nearly 2,500 businesses** and a board comprised of **over 120 business leaders**, the Indy Chamber is also home to the:

- Indiana Small Business Development Council (ISBDC);
- Central Indiana Women's Business Center;
- Hispanic Business Council; and
- Procurement Technical Assistance Center.

BOI has partnerships with multiple Community Development Corporations and Neighborhood Service Organizations to provide on-site individualized coaching, creating a hub and spoke model that connects us to the communities where our clients live and work. **Five of our nine** satellite service centers are located in the most economically distressed areas of the city, some of which hold the designation as Centers for Working Families (CWF) sites. CWF is a network in Indianapolis made up of neighborhood-based centers who help families become more self-sustainable through employment coaching, income support and financial coaching. Most of these satellite offices are located in Community Reinvestment Act designated areas, and/or within a **Federal Promise Zone**. As of 2015, Indianapolis is **one of 22** designated Promise Zone areas in the country.

As a regional Microenterprise Development Organization, covering the nine county region of Indianapolis and Central Indiana (Marion, Boone, Hamilton, Hancock, Hendricks, Johnson, Madison, Morgan and Shelby Counties), BOI's footprint is expansive. Awarded in the fall of 2015, BOI is **one of four SBA intermediary** microloan organizations in the State of Indiana, **six percent** of those loans (self-identified) were made to ex-offenders.

In 2016, BOI coached **544 unique individuals**, 65 percent of whom were women, 56 percent minorities and 11 percent Hispanic. BOI completed **1260 coaching hours** and **4360 hours of training** with **857 individuals**. Also in 2016, BOI helped **48 individuals complete a business plan** and assisted **45 individuals in starting a business**.

In looking at the entrepreneurial environment, according to the Kaufmann Foundation, one of the leading data sources for entrepreneurship, **5.8 percent** of Indianapolis-Carmel MSA's adult population owns a business as their main job. The region has a **47.8 percent** survival rate of firms, the percentage of firms that remain in operations through their first five years. Both of these measures have declined from 2015 to 2016 as compared to the nation rates, which have increased. According to CNBC, Indiana is the number one state for the cost of doing business. Every year, nearly **20,000 inmates** are released from Indiana prisons. In 2015, there was a three **year recidivism rate of 38.2 percent** for ex-offenders, at its highest rate since 2010 (39.3 percent). As a recent recipient of the **SBA PRIME Grant**, BOI has designed a program to address these issues and reduce recidivism in recently and/or soon-to-be released offenders through technical business assistance and education.

The ReEntry Entrepreneurship Development (RED) Program builds upon proven reentry and workforce development models in our community and adds another critical layer of opportunity – entrepreneurship. The Red Program has two dedicated staff members. Program Manager, Precious Little, has a background in designing and implementing community-focused campaigns with multiple strategies focused on improving the lives of underrepresented and economically disadvantaged communities in Central Indiana. Business Coach, Neil Metzger, has extensive experience in consulting related to microenterprise and economic development. He is currently leading an evaluation of Mecklenburg County, NC to improve the small business environment, including potential programmatic responses for Mecklenburg County Office of Economic Development. The RED Program has a Community Advisory Board that consists of leaders from state and local government as well as community organizations who are actively serving the reentry and disadvantaged communities. Also providing leadership and guidance to the RED Program is the BOI leadership team. With more than 50 years of combined experience, the BOI leadership team has been providing non-profit management, microlending, small business development, program management and federal grant reporting and grant compliance.

### Entrepreneurial Education Delivery Solution

While BOI has not historically had a direct targeted approach, we have worked with ex-offenders for 20 years. We know that employment has been sighted as the single greatest barrier to the success of ex-offenders, with a direct correlation to recidivism. Entrepreneurism is an equal opportunity employer and alternative solution to finding sustainable employment for ex-offenders. Entrepreneurism often taps many of the same personality traits that made the ex-offender temporarily successful in illegal activity. The RED Program curriculum translates these skills and attributes into tangible, mainstream business ventures.

In its initial years, the RED Program anticipates **serving more than 365 incarcerated and formerly-incarcerated individuals**. By partnering with the Indiana Department of Corrections (state), as well as existing reentry programs, the RED Program can identify incarcerated and formerly-incarcerated individuals, to receive entrepreneurship assistance. We have also identified key areas of need for the formerly-incarcerated population and community partners who address these needs to create a two-way referral system. The Program is organized into two main styles of delivery – cohort and ad-hoc. All pre-release programming is delivered in cohort style, while the post-release strategy is delivered in both cohort style and ad-hoc.

For cohort style, we work with partners to identify participants through a direct referral process, using ideal program participant guidelines provided by BOI, with input from our community partners. These individuals are invited to attend orientation, where they learn about program outcomes/benefits, expectations, curriculum, etc., as well as case studies of ex-offender entrepreneurs. Attendees will have the opportunity to ask questions and also complete a survey regarding their interests, skills and sign up to continue through the cohort curriculum. Individuals who are participating in cohort partner programming will have the opportunity to layer in the RED Program curriculum as additional training and development. For ad hoc, if an individual is not able to, or does not need to, participate in the full-curriculum and/or is not affiliated with a cohort partner, they have the opportunity to participate in specific cohort classes and/or work directly with the RED Program Business Coach for one-on-one coaching, education and guidance.

For the purposes of the Aspire Challenge, the RED Program will focus on the post-release cohort strategy to provide services to at least two cohorts per year. We have identified community partners who are either direct employers that provide trade skills development, case management services, offer targeted programs for ex-offenders, and/or provide wrap around support services to socially and economically disadvantaged individuals.

#### Pre-Release Partners

Indiana Women's Prison  
Indiana Men's Prison (IYC)  
Indianapolis ReEntry Education Facility  
PEN Products

#### Post-Release Partners

Public Advocates for Community ReEntry (PACE)  
Goodwill Industries  
RecycleForce  
John H. Boner Community Center  
Second Helpings  
Horizon House

The one-on-one business coaching is the most critical component of the RED Program and serves as the mentorship element of entrepreneurial training. Technical assistance (TA), through the form of business coaching, is provided throughout the program. Small business coaching helps determine where you are, where you want to be and how to get there using the BOI Client Action Plan. BOI and its team of 10 individuals have experience in accounting, entrepreneurship, taxation, general management, marketing/sales, human resources, public relations, government contracting, customer service, conflict mediation, communication skills, team-building, benefits planning, business

### RED CURRICULUM DESIGN



*Business coaching will be provided throughout the program curriculum.*

planning, franchising, marketing research, recruiting, 8(a) issues, software development, intellectual property, and ISO 9000.

As part of the Indy Chamber and BOI, the RED Program engages local business leaders, institutions of higher education and others to lend their expertise and further provide guidance and support to program participants. By leveraging our affiliation with the Indy Chamber, clients have access to highly successful entrepreneurs, small business owners and corporate leaders. Upon successful completion of the RED program, participants will be empowered to build a transformative future by gaining business skills and acumen that lead to fruitful entrepreneurship or access to better employment opportunities.

The RED Program curriculum is a modified version of other proven entrepreneurship-focused curriculum. It is customized to address the specific challenges this population will face as entrepreneurs such as their likely inability to secure traditional bank financing, lease options, permits, accreditation and consumer bias. The curriculum has been designed in four phases, with each phase building on layers of critical entrepreneurial education that will lead to the launch of a sustainable microenterprise. Here are brief descriptions of each of the program phases:

**Phase I: Intro to RED** – Participants will explore their entrepreneurial curiosity and gain a realistic perspective of entrepreneurship. Using a variation of materials from the Kaufman Foundation’s Intentional Entrepreneur, individuals will learn about the emotional and practical aspects of business ownership, generate ideas and define their business, align their personal and professional priorities, and identify transferable skills that could lead to a business venture. During this phase, participants will complete a eulogy project, a challenging and emotional activity designed to confront their individual situation and circumstances while also imagining their ideal future and sense of self. Lastly, participants will learn the fundamentals of business financial concepts and how microenterprises impact the community.

**Phase II: Test Your Business Idea** – Participants will test their business idea by completing market research and creating a marketing strategy. Based upon their research, participants will identify their customers and competition; align their business idea with the market need; develop a plan to reach customers and respond to competitors; identify a sales strategy; and develop business financial projections using the BOI Cash Management Tool. The Cash Management Tool allows for participants to develop startup costs along with a monthly cash flow statements that show their cash position over a year.

**Phase III: Build Your Business Plan** – After participants have researched and tested their business feasibility, they can now develop a business plan and define their “ask”. This phase begins with using the marketing strategy, market research and Cash Management Tool they have developed in the previous phases to create the framework of their business plan. Once individuals have written their plan, they will pitch their business idea to their peers for peer-to-peer evaluation and learning.

**Phase IV: Starting Your Business** – Participants will explore options for funding based upon their financing needs and eligibility. This includes self-funding, crowd-funding, BOI microlending, traditional funding, angel investors, and the Individual Development Account (IDA), a matched savings account. Program partners will provide financial coaches to discuss credit improvement and factors that contribute to eligibility for business financing options. This phase also provides an overview of sustainable business practices, including defining support roles for areas of non-expertise. The RED Program will introduce community and business resources through a series of guest speakers who are experienced executives, small business leaders and community partners. Participants will build a personalized action plan to aid in bringing the business vision to fruition.

To expand upon the community piece of the RED Program, BOI, in collaboration with the Indy Chamber, will launch a 1 Million Cups (1MC) chapter for the Indianapolis area. 1MC is a free, national program designed to educate, engage, and connect entrepreneurs. As individuals complete the RED Program, BOI will provide them with connections to both **online** and community resources to assist in their efforts beyond the RED Program. All participants who have completed the curriculum will have a network of support, the Cash Management Tool and a completed business plan to get their business started. Additionally, all participants will be able to continue one-on-one coaching as needed.

### Access to Capital

As mentioned in the introduction, BOI is one of four **SBA intermediary microloan** organizations in the State of Indiana, deploying more than **\$1.4 million to 60 small businesses** since 2011. **Six percent** of those loans (self-identified) were made to ex-offenders. Currently, we manage **\$566,805 in active loans**, with **approximately \$2 million** in loan capital under management from five funding sources:

- US Small Business Administration
- City of Indianapolis
- JP Morgan Chase Bank
- Glick Foundation
- Indiana Housing and Community Development Authority (State)

In addition to BOI's own funding sources, BOI is also able to leverage our Trustee status with Kiva Zip to endorse entrepreneurs we serve and support who are seeking peer-to-peer lending through Kiva. Kiva Zip is a 0% interest crowdfunded loan opportunity that has an average loan size of \$5,000.

BOI's microloans are limited to \$50,000 (\$100,000 if the company is in the Mass Ave Tax Increment Financing district). The main requirements include:

1. Owner must be at least 18 years of age.
2. Business has to be registered in Indiana.
3. Must be a for-profit entity unless it is non-profit childcare.
4. Loans must not be used for real estate, debt repayment, owner salary, personal or property taxes and pyramid sales distribution plans.

BOI is uniquely positioned to provide participants with education and funding resources, including a potential microloan, for qualified participants. Through a partnership with the John H. Boner Community Center, BOI will be able to connect participants with an IDA account, a matching savings account that assists individuals who are below 175 percent of the federal poverty guidelines to save towards the purchase of a life-long asset. Through an IDA, every dollar saved earns three dollars in return that can be used toward starting or expanding a small business. Depending upon the need and positioning of the venture, the RED Program will connect participants with other traditional and alternative funding options, such as crowdfunding and angel investors. The RED Program Business Coach will provide resources and guidance to participants as they pursue funding.

Twice a year, the RED Program will host The Pitch Event, an event for RED Program participants and other entrepreneurs in the community to celebrate and energize microenterprise. The event will include pitch presentations from RED Program participants to potential lenders, funders, community leaders and business leaders as well as networking opportunities and potentially moderated discussions. Each participant will be recognized for their success and continued efforts to make a sustainable change in their lives and the community.

BOI's long history of coaching and support of entrepreneurship and small business will allow all RED Program participants to gain the connections to funding, coaching, and all other support needed to help their business grow and succeed. The RED Program as part of BOI, which is embedded within the Indy Chamber's Entrepreneur Services unit, allows participants to access a wide variety of services, such as networking, contracting, and procurement, in addition to the coaching and microlending opportunities within BOI itself. These services include the use of PTAC for procurement and contracting and ISBDC for assistance in finding more traditional funding opportunities from local banks.