



## **ASPIRE Challenge Grant Application**

### **Sierra Business Council**

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### **Organizational Background**

Sierra Business Council ("SBC") is a private nonprofit corporation focused on innovative economic development opportunities in a 22 county region from Sacramento, north to the California border. SBC has served a regional network of more than 4,000 businesses, community organizations and local governments for over twenty years, building coalition amongst a diverse set of stakeholders including small business owners, elected officials, non-profits and the general community. SBC hosts the region's Small Business Development Center (SBDC) through which, training has been provided to the federal correctional facility in one of California's most rural counties.

SBC launched the SBDC specifically to amplify triple bottom line economic development opportunities. The SBDC's impact in the region stems from its efforts to provide education and training to create and sustain jobs, support new business starts, and help communities prosper. In addition to traditional SBDC training and counseling, the Sierra SBDC has developed programs in Access to Capital, Alternative Funding Opportunities, Craft Entrepreneurship, Business Resilience and Sustainable Business Leadership.

SBC believes in the power of partnership and for the purposes of this grant, joins forces with the Sacramento Metro Chamber and Nevada SBDCs to serve a broader area and create more opportunities for our reentry population by strengthening linkages between formerly incarcerated individuals and entrepreneurial resources. Based on our experience with this important, but marginalized population, we understand that for re-entering citizens, entrepreneurship offers one of the best opportunities for recidivism.

The SBDC provides free technical assistance and workshops to entrepreneurs and small businesses in the region and is a powerful mechanism for economic development with a mission to help local businesses thrive. The SBDC has experience partnering with the federal prison system in Lassen County, local community colleges, and adult education organizations and is excited at the prospect of expanding its impact on the formerly incarcerated population with increased funding.

SBC recently offered a financial literacy and business plan workshop at Herlong Federal Correctional Institution (HCFI). Participants in this important alternative education venue are soon to be released medium security inmates with career aspirations who could become entrepreneurs, and are looking to enhance their technical skills in preparation for release. The ASPIRE grant funds will allow us to expand current programming and deepen our impact to this underserved population. Through our work the SBDC fills a current vacuum by providing entrepreneurial technical assistance to those formerly incarcerated individuals who desire to become small business owners. The unique aspect of this grant proposal is our partnership with local maker spaces where we provide entrepreneurial training and assist artisans or craftsmen to set up web-based commerce sites, truly an excellent opportunity for returning citizens to create their own livelihood.

### **Background of Management Team**

**Kristin York, Director of Business Innovation:** Kristin leverages her 20 years of experience in strategic planning, finance, operations, marketing, training and business transformation to assist businesses in the region thrive economically while understanding their environmental and social impact. Kristin has provided and/or managed entrepreneurial training and technical assistance to over 500 clients in her tenure as SBDC Director, including to returning citizens from HCFI and formerly incarcerated individuals from the state prison. In addition, Kristin is an adjunct professor at Presidio Graduate School where she has mentored numerous at-risk veterans suffering from PTSD. She is known for her ability to inspire and nurture the entrepreneurial potential of underserved populations.

**Jessica Perry Carr, Program Manager:** Jessica has years of experience in dynamic work environments contributing to all aspects of operating and growing independent companies focused on sustainability. Jessica is a bilingual team member who is frequently called upon to translate for Spanish speaking one-on-one technical assistance clients and she is currently working on developing a Spanish version of the SBDC's popular business startup bootcamp in conjunction with the Family Resource Center of Truckee.

## **Entrepreneurial Education Delivery Solution**

### **Participant Recruitment Plan**

The Sierra, Sacramento, and Nevada SBDCs will partner to increase outreach efforts and leverage training curricula into the Northern Nevada and broader California SBDC network. Participant recruitment will begin with expanding our existing programming to the three prisons in Lassen County. Our existing relationship with FCI Herlong will provide opportunities for immediate access upon release and prior to release through in-house classes at the prison. This existing relationship also provides access to present our curriculum to the 9 additional federal prisons in California and numerous private and community facilities that collectively house over 60,000 inmates in California and Nevada including long term boarders and home confinement individuals.

In leveraging partnerships with prisons and rehabilitation organizations, the SBDCs will provide valuable services to these organizations in addition to job training. In the Sacramento area, there are numerous non-profits supporting the formerly incarcerated with workforce and skills training, but a lack of services providing this population with entrepreneurial courses. The Sacramento and Sierra SBDCs are well connected and respected in our communities, by bringing our knowledge and capacity to existing organizations with robust outreach programs, we will create partnerships and provide a full range of workforce, skills, and entrepreneurial training to the target population. A key partnership for this grant is to leverage our regional maker spaces to provide hands on workshops.

The MakerSpace movement is increasingly popular as buyers turn to handmade goods and local products. SBC has employed a special curriculum in partnership with Etsy to help artisans establish supplemental and primary income from the online market place. Etsy posted gross merchandise sales of \$2.39 billion from over 1.6 million sellers, the majority of whom are microenterprises. The skills provided in a MakerSpace environment, when accompanied by the basics of finance, business, management, and planning, are an innovative strategy to delivering successful entrepreneurship to clients, particularly those struggling to establish themselves in society.

### **Classroom Instruction**

The core offering of SBDCs is delivering intensive entrepreneurship education curriculum augmented with direct technical assistance training. Leveraging our existing training into a program designed for the formerly incarcerated is the most efficient use of federal funds with the greatest potential for impact. Our training will mostly take place within the MakerSpace environment, a comfortable atmosphere for returning citizens. The training will be delivered in a cohort model to provide peer support for participants and will be focused on both hard and soft skills for success. Classroom instruction will be in-person with web-based support available in between sessions.

The cohorts of formerly incarcerated individuals we create will meet regularly and be held at one of our multiple agency partnerships. This includes such innovative locations for instruction as the Hacker Lab in Sacramento, Truckee Roundhouse MakerSpace, Curious Forge in Grass Valley and the Reno Generator where entrepreneurial skills can be taught in a location with real-world implications based on a specific craft. Each cohort will be the culmination of monthly course distribution via the internet (email, videos, webinars, and other resources). On at least a monthly basis, we will deliver technical assistance either in person, via email, or via web conference that will be required in order to graduate from the course. This curriculum will be easy to digest and tackle while working a full-time job, and cater to the flexibility required by a variety of schedules.

Mentorship is key to guiding participants to explore their personal entrepreneurial interests and visions. Participation in the cohort activities is beneficial to the client, but since it can be difficult to personalize lessons from a classroom, one-on-one business consulting will be key to success in this program. Our existing consultants can coach these hopeful entrepreneurs to discover their passion, determine the feasibility, access capital, and turn their idea into a small business.

The challenges of entrepreneurship are well documented and will be experienced by anyone attempting to launch. Thoughtful mentorship and partnerships are important for the health of any start-up, but this is especially true for traditionally underserved populations. Leveraging existing partnerships such as the broader SBDC network of counselors, SCORE (Service Corp of Retired Executives), Community Colleges, Chambers of Commerce, etc. will prove an effective strategy to tackle the challenges.

Each year the SBDC teaches nearly 100 workshops in all essential areas of business including finance, marketing, social media, access to capital, leadership, government contracting, human resources, business profit improvement and product development. All of these workshops would be available to returning citizens at no cost. These workshops are essential for participants to hone their skills and identify areas where they may need individual counseling to master a topic.

The ultimate goal of the SBDC cohort is to help participants create a feasible business plan to launch a venture. From the SBDC's perspective, business plans are living documents, developed to guide an entrepreneur to success, and are still mostly necessary for start-ups to attract investors of any kind. Workshops, webinars, and one-on-one coaching will help clients focus on a business plan and financial projections. We typically begin our training with the Business Model Canvas and help participants understand their full business model and move on to "pitch deck" creation and finally employ the Liveplan software to draft a polished business plan. This helps participants understand the essential elements of business success and results in a workable business plan.

### **Mentoring**

One-on-one consulting is the keystone of the SBDC program. Entrepreneurial success requires sufficient capital and the knowledge to use it wisely. SBDC consultants help entrepreneurs start, grow and sustain their business with targeted counseling to develop the planning, management and financial skills necessary to make their business thrive. Mentoring is a majority focus by our organization. The two SBDCs employ over 35 business consultants in the region who specialize in entrepreneurial mentorship. Topics of consulting sessions include: business basics, business plan, financial management, access to capital, succession planning, marketing, branding, sales strategies, cash flow, and more. A typical client session is from one to two hours, and can cover a variety of topics depending on the client need, and are scheduled anywhere from weekly to monthly to quarterly. The consultant client relationship is one of growth - as long as the client is growing in skills, the consultant will continue to guide the entrepreneur.

Our goal is to help clients build their businesses, find capital, create jobs and contribute to a prosperous economy in the region. Consulting is focused on helping clients create a feasible business model, assess business opportunities, determine financial needs, identify potential sources of financing, and design an effective strategy to market and grow. We are all about equipping clients with the knowledge, tools and skills to succeed on their own.

### **Community Connections**

The SBDC has developed strong relationships with partner organizations throughout the region, among which the strongest are with our local chambers, the SBA, Veterans Business Center and regional business associations. These partnerships have fostered a variety of opportunities for our clients such as technical assistance workshops, QuickBooks assistance workshops, and business bootcamps. The newest partnership is with Etsy, and this resulted in a very successful program providing business training to adults with existing creative skills to help supplement their income and sell their product to new markets, which will be repeated for a third time this year.

The SBDC partners further with community resource groups such as the Family Resource Center to gain clients and assist underserved businesses. The SBDC collaborates and leverages its network with a number of regional organizations including: Sacramento Metro Chamber, UC Cooperative Extension (Quincy), University of Nevada SBDC, Nevada County ERC, Auburn Chamber of Commerce, El Dorado County Economic Development, Truckee Donner Chamber, One-Stop in Grass Valley and Sierra Commons.

A cohort of graduates from the classroom portion of the ASPIRE program would have ample access to the business community for networking, publicity, promotion, further training, and business partnerships through the SBDCs existing partnerships with other business support organizations. The SBDC will also forge new relationships with organizations that currently provide workforce support to formerly incarcerated citizens, and invite them into supportive partnerships to increase services for the formerly incarcerated in the region. Furthermore, in continued support of the graduates of the ASPIRE program, we will bring specific networking opportunities to the cohort through events hosted by the SBDC. These events will be in the form of networking mixers and technical assistance trainings, with the dual goals of continuing education of the graduates and furthering their business relationships in the region.

## **Access to Capital**

Access to capital is another core competency of the SBDC network. Our primary goal after assisting clients in developing a business plan is helping them access capital to finance their venture. In addition to strong counseling around “bootstrapping” we specialize in linking clients of all levels with capital. Our strong entrepreneurial ecosystem includes angel networks, microlenders, alternative lenders and traditional banks with community reinvestment programs.

SBDC also provides counseling support for development of crowdfund campaigns where participants can solicit donations or equity seed investments, or pre-sell products through an on-line platform to raise necessary working capital for inventory. This access to alternative capital can be important to less traditional businesses or business models. Additionally, SBC has established its own revolving micro-loan fund and works directly with clients in need of amounts up to \$10,000. Finally, we work with a broad network of funders including the following micro and alternative lenders in the region:

- Opening Doors – Prosperity Project & SBA microloan intermediary
- Regional community foundations – revolving loan funds and grants
- 3 Core – CRA EQ2 alternative loan funds
- Safe-Bidco – USDA IRP loan funds
- No. California Small Business Financial Development
- Local jurisdictions – Community Development Block Grant loans to low income microenterprises
- Various Asset-based Lenders

In terms of linking participants with micro lenders and intermediaries, our counselors work one-on-one with clients to develop and hone their business plans and financial projections so they are ready to make their best case to a potential lender. Once a feasible business model is developed, we work with our primary capital counselors to individually match an entrepreneur to the appropriate lender. We equip our clients with the tools to be successful, and this includes full payback abilities when searching for capital access. Part of the consultant’s job is to ensure the client is set up for success from the very beginning stages, and to not let clients get in over their heads.

SBC is also planning our first angel pitch event in the fall of 2017 in partnership with the Truckee Roundhouse MakerSpace. The SBDC will provide templates, coaching and practice on business plan presentation leading up to the event. This event will enable entrepreneurs who have been through the SBDC training and coaching to present their pitch to local investors and mentors. The event is invitation or referral only and we anticipate matching up to 15 small businesses with equity investors. This type of event would be open to any returning citizen who has been vetted through the SBDC training and cohort and is ready to launch. Once the pilot is complete, we plan to scale and replicate the angel pitch event in other communities we serve.