

## Contestant Capacity

Name of Organization – Communities Unlimited, Inc.

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*Organizational Background* - Communities Unlimited (CU) is a 501c3 nonprofit Community Development Financial Institution (CDFI) with a 19 year history of providing training, technical assistance and loans to minority-owned and rural-based entrepreneurs in the Arkansas Mississippi Delta. By strategically linking its services and those of our partners CU helps start businesses like the video business started by a young minority single mom who met CU at a training, engaged in technical assistance and received a \$2,000 startup loan.

CU has extensive experience working with the under-resourced communities and neighborhoods with a target market that includes five high poverty regions: the Lower Mississippi Delta, the Lower Rio Grande Valley of Texas, the Black Belt region, the Oklahoma Tribal Lands and part of Appalachia. CU's target market includes about half of the U.S. counties designated as persistently poor by the federal government.

Cu will launch Aspire.Start.Grow, a comprehensive initiative to provide training, technical assistance and micro-loans to entrepreneurs, with a focus on ex-offenders, in the low-income and often high minority neighborhoods of Little Rock where services and resources are limited or non-existent. A large part of Little Rock census tracts are Investment Areas, which belies the low unemployment rate and reasonably high MHI in the metro region. In some areas the unemployment rate is more than 16%, poverty exceeds 37% and the mediate household income is 48.2% less than the Little Rock average. These neighborhoods are also home to many of the formerly incarcerated and CU is collaborating with three organizations that provide services in these neighborhoods and to ex-offenders.

*Background of Management Team* - The team involved in the execution of solution includes Senior Managers who will provide oversight and experienced employees who will manage the day-to-day work.

- Ines Polonius, CEO of Communities Unlimited has more than 20 years of regional, national and international economic development. She assisted more than 150 entrepreneurs in the Arkansas Mississippi Delta Region and is an advocate for entrepreneurship as an essential economic development strategy.
- Kimberly Horton, CFO, has been with CU since 1995. Before joining CU she worked as an Audit Supervisor specializing in governmental and nonprofit auditing.
- Elaine Crutchfield, ED.D. Director of Program Support Services, specializes in evaluation, program development, training, curriculum design and organizational assessments.
- Deborah Temple, Director of Entrepreneurship will manage the project. She has extensive experience in business and banking and has used her background to build strong capital programs for small business lending. In addition she manages the entrepreneurship staff, who will provide the training and technical assistance. She is a vocal advocate for entrepreneurship as a means of lifting up low-wealth and under-served communities and neighborhoods.
- Juliana Echeverri, Senior Management Consultant and Loan Officer, joined CU in 2013 and brings a wealth of information from her experiences as an international small business owner. She is multilingual and has converted CU tools into Spanish to work with partners who provide services to Hispanic entrepreneurs including ex-offenders.
- Liz Russell, Loan Officer, has experience as a business owner, consultant and lender who worked for CU previously. She rejoined CU in 2016 and has worked closely with Ms. Temple and Ms. Echeverri to expand the small business lending and implement process and products designed to reach low-wealth entrepreneurs like the new Action loan launched in 2016.

## Entrepreneurial Education Delivery Solution

*Participant Recruitment Plan* - CU is collaborating with four strategic partners in Little Rock who are serving low-wealth neighborhoods and communities. Each of these partners provides services to formerly incarcerated individuals. CU will work closely with these partners to identify and recruit entrepreneurs and together will provide them with a holistic set of services that meets each entrepreneur where they are and walks with them through the process of training, technical assistance, feasibility and business planning and business launch.

Each partner has unique services and each one provides basic life skills or soft skills training, which is a critical first step. Through their programs they will identify the individuals who are ready to move on to entrepreneurship training and technical assistance that will be provided through Aspire.Start.Grow.

Because each partner has a different approach, there will be a broad base for recruitment.

*Classroom Instruction* - CU has more than 19 years of experience in providing classroom training and workshops for entrepreneurs. Based on our experience, entrepreneurship training is more effective when it is strategically offered through partnerships and/or to target groups like ex-offenders.

Since 2014 CU has offered an online class through our partner Phillips Community College of the University Of Arkansas (PCCUA) in DeWitt, AR providing training on starting a business. This class was offered in conjunction with other work being conducted in partnership with PCCUA and at least 75 individuals have participated online. In 2016 CU offered a Train the Trainer series to make this available to other community colleges.

Our work in communities including DeWitt led us to launch a new Possibility Training series that is being offered on site with strategic partners. This training is designed to help individuals identify their entrepreneurial interests, guide them through a detailed process to determine if their business idea is or can be feasible and finally to develop a complete business model that articulates their business plan and any financing needs. The training includes 6 sessions where participants meet and work together with access to coaching between each session.

CU will create a toolkit of startup resources that will be available online. We will work with partners to host an event at the end of each session celebrating the successful completion of the training and the launch of any new businesses.

*Mentoring* - The strategic approach CU applies to training organically includes mentors, which are important for success and for building a culture of entrepreneurship.

- Project Partners – our project partners will be working with clients first and will have the strongest relationship at the beginning. They will continue to mentor clients as needed and will work with CU to identify additional training, technical assistance or mentoring needs.
- Community and Neighborhood – Local leaders, business owners and individuals will be actively engaged in promoting and supporting the training. This level of community engagement will encourage local mentorship, which then will lead to local support for new businesses.
- Resource Partners – CU has grown by working with partners to fill gaps and we have a broad base of partners in and around Little Rock who will be invited to engage in the training and in coaching and mentoring.

- Participants – Through the training sessions CU will work with partners to identify successful entrepreneurs who are willing to mentor others through the process.
- CU will continue to provide assistance and mentoring as needed. Often clients who complete the technical assistance will continue to reach out for help with specific needs Example – a minority construction business in Little Rock is doing well after completing a technical assistance engagement a couple of years ago and he still will call 2 or 3 times a year to ask a question or ask for guidance.

*Community Connections* - Community support and connections will be critical for success. CU and each of our partners bring key business, financial, local, regional, and government partners to this project.

CU will engage partners and other local services providers in training sessions, meetings and coaching. At the end of the training session there will be a celebration to introduce the work of the participants and recognize any new businesses being launched.

Aspire.Start.Grow will follow our model of building strong partnerships to provide a comprehensive and holistic approach to entrepreneurship development. Partners will be engaged in fully defining any gaps and identifying additional partners, services and resources that can be incorporated to ensure success.

Below is a summary of CU's accomplishments over the past two years.

	FY 15	FY 16	Total
Businesses Assisted	238	198	416
Entrepreneurs trained	70	80	150
Businesses started	28	20	46
Businesses saved	7	7	10
Jobs created	80	43	121

## Access to Capital (1 page)

*Access to micro-lending* - CU is an SBA Micro-lender with a history of making the very hard to make loans. Our approach is to provide assistance first to help the client understand their true financing needs and then provide ongoing assistance to help them implement good financial and management systems as they start and grow.

Our loans start at \$500 and go to \$100,000. This is a gap that is growing as banks and CDFI's continue to raise their minimum loan size. CU has made \$860,000 in loans to 66 small businesses with an average loan size of \$13,000. We have a loss rate of about 1%.

One of our early loans was \$5,000 in working capital for an African American woman to start a new restaurant. The business owner worked closely with the management consultant to implement good financial and management systems. The loan was repaid in full and the business continues to thrive and is now evaluating expansion opportunities. CU has already connected her with a CDFI partner and is working with them to consider expansion opportunities.

In 2016 CU introduced an 'Action Loan' to help struggling entrepreneurs take action to start or grow their businesses. Loans of \$500 to \$2,000 can help entrepreneurs formalize their business, buy inventory, test new products, and more. Action loans are available to any entrepreneur who completes a CU workshop or training session and does not have a disqualifier on their credit (federal liens, child support, etc.).

*Connection to capital and funding opportunities* - In addition to our direct loans CU has a history of partnering with other lenders including other Micro-lenders. CU is part of a CDFI Network in Arkansas that includes other micro-lenders and we work together to find the best resource for clients. CU has helped clients secure loans ranging from \$100,000 to \$3,000,000.

One of our first loans was to a minority business owner who purchased an existing business with owner financing. After growing the business successfully for two years CU was able to help him get bank financing to buy out the owner and lower his payments. Today he continues to grow and add services for his community. The initial loan of \$20,000 was paid in full in 2016 and was critical in helping the business start, grow and leverage the large SBA loan he received later.

Loan packages include a business plan and a detailed financial model that clearly documents the amount of funding needed, how those funds will be used and cash flow to repay the funds.

In addition to loan packages, CU participates in the Arkansas Economic Development Commission's Minority Business Guaranty program which provides a guaranty up to 90% for approved businesses.

CU also engages in matchmaking events and in local and regional panels connecting entrepreneurs with lenders. In 2016 CU has participated in one matchmaking event, several panels including those hosted by SBA, the Federal Reserve, Department of Human Services and local partners.