

Houston Community College – Aspire Challenge
Contact: Maya Durnovo, Chief Entrepreneurial Officer
713-718-8267/713-320-6025 ~ maya.durnovo@hccs.edu

CONTESTANT CAPACITY

1. Organizational Background

Houston Community College (HCC) is an open-admission, public institution of higher education strategically located in the nation's fourth largest city, Houston, Texas. HCC offers a high-quality, affordable education for academic advancement, workforce training, career development, continuing education, entrepreneurship and small business development to prepare individuals for life and work in a richly diverse, global and technological society. Founded in 1971, HCC is a designated Hispanic Serving Institution (HSI) and Minority Serving Institution (MSI) that annually serves nearly 58,000 diverse students, of which 85% are minorities.

Since 1973, HCC has collaborated with the Harris County Sheriff's Office by offering a Correctional Education Program that has delivered non-credit educational services to over 22,842 incarcerated individuals, providing a pathway to enter college or to gain employment once they are released. HCC was the first community college in the country to develop a program that is accredited by the Correctional Education Association and continues to maintain accreditation by passing 100% of the required standards.

HCC is the only community college in the country to host both the Minority Business Development Agency (MBDA) and the Goldman Sachs 10,000 Small Businesses Program, which serve the greater Houston business community by providing business and management education, one-on-one mentoring, and access to capital, large contracts and funding. After three years of operation, the Houston MBDA has proudly earned an "Outstanding Rating," gained membership to the MBDA Century Club, facilitated \$204 million in contracts, secured \$205 million in financing and helped create 304 jobs. In April 2016, HCC received a new five-year commitment from the U.S. Department of Commerce to continue operating the Houston MBDA Center.

HCC and the Houston-MBDA have developed a strong coalition of strategic partners who support and collaborate on its entrepreneurial initiatives. The partners include the Houston District of the Small Business Administration (SBA), Houston Minority Supplier Development Council (HMSDC), the Houston Area Urban League (HAUL), the City of Houston's Office of Business Opportunity, Women's Business Enterprise Alliance (WBEA), LiftFund (formerly Accion Texas) and the Asian, Hispanic, Black and Indo-American Chambers of Commerce. Purposeful, cross-agency coordination and collaboration with these agencies will help the HCC Aspire Challenge program reduce recidivism and promote public safety.

2. Background of Management Team

The HCC Aspire Challenge program will be led by Dr. Maya Durnovo, Chief Entrepreneurial Officer, whose three decades of educational experience has been instrumental in developing entrepreneurial initiatives at HCC. She leads both the *Goldman Sachs 10,000 Small Businesses Initiative* and the Minority Business Development Agency. Dr. Durnovo will devote time each week to ensure seamless execution of the Aspire Challenge program, achievement of targeted goals, and engagement of key partners. The HCC staff members who will work on the Aspire Challenge program with Dr. Durnovo and their responsibilities are as follows:

- **Program Director** – The Program Director will be Mr. Ravi Brahmhatt, an MBA seasoned business professional with 15 years business experience. Mr. Brahmhatt owns a business, is well connected to the Houston business community and is known for advising HCC students and "inspiring startups."
- **Lead Faculty** – The Lead faculty will be a seasoned Business Instructor within the Goldman Sachs program, who through personal experience understands the challenges of developing and sustaining a business.
- **Correctional Education Program Manager** – The Correctional Education Program Manager will be Derek Irvin, who holds a Master's degree in Public Administration and currently works with the HCC Correctional Education program. His experience as an Adult Education faculty member, combined with his passion for entrepreneurship will make him an excellent advocate for the program by recruiting participants and providing access to the necessary support services that improve outcomes when transitioning from prison.

ENTREPRENEURIAL EDUCATION DELIVERY SOLUTION

HCC is delighted to use its expertise as a national leader in entrepreneurship, small business development and correctional education to expand its current services by establishing an entrepreneurial program for formerly incarcerated individuals. To gauge interest in this Aspire Challenge program, HCC conducted a survey among current participants in the HCC Correctional Education Program. Of those surveyed, 90.9% expressed the desire to start a business and 95.5% want to receive training on basic business skills. In addition to being interested in starting a business, 70.5% of these potential Aspire participants already have an idea for the type of business they want to own and 93% were able to identify an initial goal for their business idea. Based on this interest, the Aspire Challenge will allow HCC to address the need for increased economic opportunity for formerly incarcerated individuals or ex-offenders in the city of Houston.

1. Recruitment

HCC will begin recruitment for the Aspire Challenge program immediately upon receipt of award, using two proven recruitment approaches:

- HCC will work with the Head of the Harris County Sheriff's Office (Sheriff Edward Gonzalez), who is strongly committed to assisting with identification and recruitment of appropriate candidates from among the 120,000 formerly incarcerated individuals released from the Harris County jail.
- HCC will also recruit individuals, who participated in the HCC Correctional Education Program before being released.

Six to eight "orientation sessions" will be hosted at HCC campuses located in each quadrant of the city. Prospective participants will receive a comprehensive overview of the program, a class schedule and an application. All potential candidates will be required to submit a completed application to gain acceptance into the Aspire program. The application will include participant's name, address, phone, email address, a paragraph outlining their business goals and challenges, and a signed commitment to attend each classroom module. In addition, applicants will submit information on time served, parole status, and documentation of being a non-violent offender.

A follow-up interview will be conducted with each candidate that submits a completed application. The interview will be used to gain additional insight into the applicants' business goals/objectives and address any remaining questions regarding the program, including the required attendance commitment for all classroom modules. In the event an applicant is not able to fulfill the obligations required to participate in the program, a wait list will be established for future consideration into the Aspire Challenge program.

2. Classroom Instruction

Classroom instruction will be modeled directly from the Goldman Sachs 10,000 Small Business Program, which has a 99% graduation rate and a proven record of helping businesses succeed. HCC has graduated 481 small business owners over the past five years; 69% of them have increased revenue and 52% hired new employees just six months following graduation. This successful model includes:

- A proven, interactive, "hands-on" 60-hour curriculum offered twice during the year for two "cohorts" groups; (The curriculum was developed by Babson College and is known as "invisible theory" that is applied practically to develop skills that are relevant and necessary for operating a business. Participants develop their business plan in every classroom session and in homework assignments.) To graduate, participants will be required to complete a business plan. A third cohort will be added if there is enough interest and commitment;
- A curriculum that covers business opportunity, business growth, marketing/social media, leadership, finance, contracting, human resources and product development;
- A robust support system using Mentors/Advisors and social media to connect participants to resources;
- An innovative partnership with the Houston business community to build a stronger eco-system for formerly incarcerated individuals;
- A methodical system for monitoring/evaluating participant progress and follow-up activities; and
- The development of an Alumni Association for program graduates.

The survey completed through the HCC Correctional Education Program revealed that 27.3% of the potential participants did not completed high school, 38.7% earned a high school diploma or GED, 29.5% attended some college classes and 4.5% earned an Associate degree. In order to maximize the effectiveness of classroom instruction, HCC will modify the curriculum and course materials used for instruction to reflect the educational levels of the target participant group. HCC will offer the instructional program two times during the calendar year (possibly three times depending on interest) and serve approximately 60-90 formerly incarcerated individuals.

3. Mentoring

Aspire participants will receive mentoring/advising services on a weekly basis and will be supported in the development of a business plan. They will identify the goals, mission, key challenges and the growth strategies for their businesses. Mentors will also serve as “role models” to share their personal journeys related to the challenges and the benefits of starting a business. Mentors will be recruited from HCC’s extensive network of business professionals that include MBDA staff, Goldman Sachs faculty and advisors, SCORE advisors, as well as individuals who serve on various Chambers of Commerce. Aspire program staff and mentors will collect data from each participant to monitor progress of the business plan development and implementation. Participants will receive information about local resources, including organizations that provide financing, certification, education, as well as contracting opportunities. The Houston-MBDA will also collaborate by connecting participants to larger contracting and financing opportunities and provide access to financial representatives. Graduates will be encouraged to join the Aspire Alumni Association and apply to the Goldman Sachs 10,000 Small Businesses Program.

4. Community Connections

Houston Community College believes that it is critically important and a part of its educational responsibility to link the businesses in its programs with the Houston resources that provide certifications, funding, networking and growth opportunities. HCC has active partnerships with many local organizations that regularly participate as resource partners, panel presenters and vendor agencies in the HCC - Goldman Sachs, MBDA, and other college-sponsored business programs and workshops. HCC is confident our community partners will provide abundant resources for Aspire participants, while supporting our collective vision to promote the economic growth of Houston. Aspire participants will be invited to HCC Greater Houston Business Procurement Forums, business summits (two held annually at HCC), business workshops and seminars held monthly at HCC and locations across the city, as well as providing individual referrals to our business network. The community partners include Houston District of the Small Business Administration (SBA), Houston Minority Supplier Development Council (HMSDC), the Houston Area Urban League (HAUL), the City of Houston’s Office of Business Opportunity, Women’s Business Enterprise Alliance (WBEA), LiftFund (formerly Accion Texas) and the Asian, Hispanic, Black and Indo-American Chambers of Commerce.

An Advisory Board composed of HCC staff, Harris County Sheriff’s Office personnel and Chamber of Commerce Presidents will help develop a cohesive program with common goals and objectives. Each Chamber (Black, Hispanic, Asian, Indo-American and Women’s Business Alliance) is already an HCC strategic partner and has agreed to serve in an advisory capacity, as well as assist with recruitment, mentoring referrals, co-sponsored events, serve as guest presenters, and have a website linkage from the Chamber websites to the HCC Aspire Program.

The HCC Correctional Education Program in partnership with the Harris County Sheriff’s Inmate Education Program has an “Employment and Resource Fair” wherein various community partners are invited to the vocational center to speak with the participants about the services available to those currently incarcerated or about to be released. The HCC Aspire program will also inform participants about other service offerings, such as legal, medical, mentoring, and housing, which are critical to effectively transitioning out of prison. These include employment through Houston Works USA, Hyatt Regency, Manpower of Texas, American General and Goodwill, as well as the Industrial Welding Academy. Housing resources are provided through Star of Hope and Family Services of Greater Houston and Health services through Thomas Street Health Center.

ACCESS TO CAPITAL

HCC has extensive experience in helping small businesses access and receive funding. The Houston-MBDA Business Center has a proven track record with both public and private-sector companies, who have received funding opportunities. Likewise, the Goldman Sachs program has facilitated access to funding through financial panel presentations, referrals to Community Development Financial Institutions (CDFI), local banks and lenders. The Goldman Sachs program has an agreement with Liftfund, the largest micro-lender in the US, to facilitate access to funding. Liftfund personnel also participate in each Goldman Sachs class as a resource and presenter. In addition, HCC collaborates with the Houston Small Business Administration (SBA) staff (an MOU is in place between the Houston-SBA and HCC) in financial workshops and seminars that are presented on a quarterly basis across Houston.

Aspire participants will be invited to all workshops and seminars and will have an opportunity to meet individually with financial consultants from Houston Financial Inc., LiftFund, and Peoplefund. These three Community Development Financial Institutions are strategic partners with HCC and they present frequently at HCC Business Summits and business events. The CDFI's are committed to working with the Houston small business community, have successfully collaborated with the college over the past 10 years and are excited to support the efforts of Aspire participants. HCC will connect Aspire participants with a variety of local banks and micro-lenders, including Money Management International (MMI), the largest non-profit full service agency in the United States. Because of these financial connections, HCC has resources to assist the participants in the Aspire program.

There is no foolproof solution or strategy for raising capital for a startup. However, there are steps that maximize chances for successfully raising money to start a business. HCC teaches these fundamentals in each of its programs to ensure successful funding. The Aspire program will also teach participants to build a business plan using the following steps:

- 1) Create a solid vision: Financial investors and bankers must buy into the business vision in order to support the business idea. The vision is a critical component to a solid business plan and strategy for securing the appropriate funds necessary to run the business;
- 2) Determine the precise amount of capital needed;
- 3) Determine the source of capital: debit or equity financing;
- 4) Forecast revenues and expenses for a minimum of one year, preferably three years;
- 5) Target Venture Capitalists who specialize in the industry of the requester;
- 6) Learn the art of networking to connect participants to the "right people";
- 7) Learn how to make a compelling "pitch"; and,
- 8) Deliver the pitch and follow up.

In addition, HCC will provide assistance to help Aspire participants develop a good credit report. The process will include reviewing personal credit reports including loans, correcting errors and identifying individual credit scores. Participants will learn the steps to improve their credit score, how to obtain a tax identification (ID) number from the Internal Revenue Service (IRS), and then how to secure a unique identification number for the new business, called a Data Universal Numbering System (DUNS) number.

Aspire mentors will work with each participant to develop a solid and comprehensive business plan that includes a mission and vision statement, a realistic financial forecast and assessment, a credit assessment and a fiscal plan for raising capital. Each participant will engage in a workshop dedicated to learning how to "deliver a financial pitch" that is effective, efficient and compelling. Financial panels with micro-lenders, CDFI's and local banks will be created to help participants develop compelling pitches and at the same time, become acquainted with Aspire participants. Participants will receive the support and mentoring needed to enable them to gain funding and financing.

HCC has all the key ingredients to deliver a dynamic and effective program to serve previously incarcerated individuals. The college has the leadership, expertise, personnel, curriculum, mentors, connections to the Houston business eco-system and the desire to develop an outstanding Aspire program that will transform the lives of participants into productive citizens. Operating a business is not easy, but with the right tools and motivation and effective role models, it's all possible.