

## **I. Contestant Capacity**

**Organization:** Carolina Small Business Development Fund

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For nearly 27 years, Carolina Small Business Development Fund (CSBDF) has been realizing its vision: **To Create Economic Opportunity For All People**. From our early work providing technical assistance to community organizations that provided capital to the underserved to starting our own small business revolving loan fund (SBRLF), including training and technical assistance, in 2010, CSBDF has been at the forefront of supporting underserved entrepreneurs throughout the state of North Carolina. We are a nonprofit, community development financial institution (CDFI) certified by the U.S. Department of Treasury. As of December 2016, CSBDF has deployed more than \$34.9 million through 492 loans reaching every region of North Carolina. We have a process for verifying the number of jobs these loans have helped to create and, up to December, more than 1,018 jobs have been created or retained with nearly 462, additional, projected. We have provided training and technical assistance to more than 600 small business owners each year, on average.

Given our vision, CSBDF continues to broaden our underserved market. As an inclusive organization, our initial target market was low-income, women and minority entrepreneurs. In 2013, we added veteran specific programs to support the specific needs of veteran entrepreneurs and their families. Since that time, loans to veterans has grown to more than 18 percent of our portfolio. In 2014, we opened a Women's Business Center in western North Carolina that provides entrepreneurial training, workshops and technical assistance to more than 1600 women thus far. The Western Women's Business Center (WWBC) became an official SBA WBC in 2015. Our WWBC program includes business readiness courses targeted to women in public housing and those of Spanish decent among many other offerings. In January 2017, CSBDF launched its Innovation and Entrepreneurship Center in partnership with Shaw University. The Center, located in downtown Raleigh, provides a space for underserved entrepreneurs and students to get the tailored training and support needed to start and grow viable businesses.

In response to the Aspire Challenge, CSBDF proposes to offer entrepreneurial training to nonviolent, ex-offenders in Buncombe County, NC centered in the City of Asheville and Wake County, NC centered in the City of Raleigh. Both cities are experiencing entrepreneurial revitalization including capital access supporting the ecosystem needed for success. We will work through our established relationships with the Buncombe County Re-Entry Council and the Capital Area Reentry Council to identify and recruit participants in our comprehensive entrepreneurship training program, which is based on the Workshop In Business Opportunities (WIBO) curriculum that is tailored for ex-offenders among other audiences. Each potential participant will be interviewed using our tailored WIBO assessment that will help us determine their commitment to actively participating in and completing the course as well as that to entrepreneurship. Microloans will be made available for qualified business opportunities.

### **CSBDF Program Management Staff:**

**Joseph Battle, Vice President, Business Services:** Mr. Battle is responsible for working with potential and existing borrowers by providing business services and coaching to help them receive a loan through Carolina Small Business. Prior to Carolina Small Business, Joe served as a business counselor for the Small Business Technology Development Center. He obtained his bachelor's degree in computer science and Master of Business Administration from Duke University. He will manage the Raleigh-based training program.

**Sharon Oxendine, WWBC Director:** Ms. Oxendine manages the WWBC program and provides one-on-one counseling and business services to women and other underserved entrepreneurs. She also markets and originates loans in underserved markets in western North Carolina counties. Sharon has over 20 years of nonprofit management experience, and holds a Bachelor of Arts degree in business management focused on entrepreneurship from Central Wesleyan College. She will manage the Asheville-based program.

## **II. Entrepreneurial Education Delivery Solution**

### **1. Participant Recruitment**

CSBDF will work with the Buncombe County Re-Entry Council in Asheville, NC and the Capital Area Reentry Council in Raleigh, NC to recruit participants for our program. The Buncombe County Re-Entry Council serves approximately 350 ex-offenders each year and we anticipate that at least 70 of those will be referred to our program. They recognize that entrepreneurship is the best alternative for many of the participants they encounter. Several would have already taken some entrepreneurship classes through an A-B Technical College program while imprisoned. The Capital Area Reentry Council, which is composed of over 50 federal, state and community organizations, sponsors a monthly resource fair for ex-offenders at the NCWorks Career Center in Raleigh. Each month, approximately 65-70 potential participants attend the fair through which we will recruit. We will also participate in monthly council meetings to collaborate with other stakeholders to identify additional participants, mentors and volunteers needed for our program. CSBDF seeks to recruit and enroll about 80 total students for the program year starting in June with 20 students in each of four offerings of our entrepreneurship course.

### **2. Classroom Instruction**

CSBDF has planned to become a WIBO affiliate starting in April 2017 launching our first class in June 2017. WIBO, founded in 1966 in Harlem, is an established entrepreneurship program designed specifically to target low income, underserved communities including minorities, women, veterans and the formerly incarcerated. The goal is to help these underserved participants use their entrepreneurial spirit to develop a path to their own economic independence by removing the barriers to entrepreneurial success that often exists for them. The WIBO program has a strong track record having trained over 18,000 entrepreneurs in 50 years with 75 percent of participants up and running within one year of course completion and 54 percent of graduates still in business after five years. The course is 16 weeks, three hours per class and the curriculum covers the following topics:

Preface: Laying the Foundation for Success

1. Getting the Facts: Market Research
2. Identifying Your Target Market: The Message
3. Promoting Your Business: The Marketing Campaign
4. Searching for Customers: Prospecting
5. Helping People Buy: Sales
6. Making a Profit: Pricing Strategy
7. Making a Profit: Costs
8. Making a Profit: Financial Decision Making
9. Making a Profit: Return on Investment
10. Financing Your Business Growth: Cash Flow Projections
11. Using Other People's Money: Credit & Financing
12. Investing in People: Human Resources, including Leadership and Contracting
13. Elective Week
14. Controlling Finances: Recordkeeping & Taxes
15. Ensuring Lasting Success: Ethics and the Law
16. Ensuring Economic Independence: Personal Finance

We plan to offer two courses in Raleigh and two in Asheville, staggered over quarterly intervals during the program year starting in June 2017. Each course will serve a cohort of 15-20 participants and use 14-18 community volunteers. Participants receive Course Workbooks and access to the WIBO online platform for additional coursework. Each three-hour per week class is divided into two parts. The first half is led by a

Workgroup Leader from CSBDF who engages participants in discussion on homework assignments, which are case-study based. CSBDF will have at least two trained leaders in each location including the managers. The second half is led by Discussion Leaders who are volunteers, topic area experts from the community. Participants are made to feel comfortable and encouraged to actively engage by asking questions and sharing their thoughts on case solutions. CSBDF will begin to assist participants in developing their business plans after week 10 and homework assignments are geared toward helping participants develop their ideas. Participants will pair with Volunteer Mentors, some of whom may be Discussion Leaders, to help them develop plans guided by templates we provide so that by the end of week 16, they each have a draft plan that they can use for execution and capital raising. The Work Leader will review each participant's plan and determine how best to help them obtain any capital and other resources needed to start their business. Every effort will be made to qualify participants for a microloan through CSBDF.

### **3. Mentoring**

One of the WIBO's unique features is the way mentoring is incorporated into the curriculum. Each week, community corporate volunteers engage with the class to teach one to two of the 16 topics. As part of their role, they provide mentoring to participants helping them to understand coursework, develop their ideas and draft their unique business plans. For those Discussion Leaders that cannot also mentor, we will recruit additional industry mentors to provide one-on-one guidance to participants throughout the 16-week course. Mentors will be recruited from our existing financial partners including banks and corporations, local high-tech incubators and through collaborations with other organizations that are stakeholders with the two reentry councils. We plan to have 14-18 volunteers for each course. Volunteer recruitment will begin in late March with WIBO training provided prior to their involvement to ensure we optimize their contribution.

### **4. Community Connections**

CSBDF has initiated, formed and worked in collaborations throughout its history. We will work with existing partners such as the local small business centers (SBCs) and small business technology development centers (SBTDCs) in both cities to help with business plans. In Raleigh, we will work with some of the 50+ stakeholders that are part of the Capital Area Reentry Council to ensure participants have access to additional services they may need including housing, transportation and other social services. In Asheville, we will use existing relationships with local social service agencies to do the same. In both cities, we will work with local incubators and career centers, such as NCWorks Raleigh, to identify volunteers as many of these centers have access to subject area professionals to assist their participants. Our corporate financial partners will also be a source of volunteers and community connections to opportunities that may converge with participant's business ideas.

### **III. Access to Capital**

#### **1. Access to Micro-lending**

CSBDF will work with participants to help them take the steps necessary to qualify for loans from any source including our fund. By being engaged with them through the 16-week course, we will be aware of business acumen, capital and other needs they may have so that we can engage early in the process towards building their capacity for approval. Our loan fund specializes in helping those that might not qualify for traditional bank loans. Yet, we provide loan rates that are competitive with traditional lenders. We will also provide capital for startups when many others will not. Therefore, many will qualify for funding from our loan fund before being ready for funding from others. Our SBRLF can provide loans of more than \$50,000. Our aim for this program is provide an average initial loan size of \$10,000 with loans as small as \$2,000. Ideally, we will get them started with our fund in their first few years and continue to provide technical assistance to help them qualify for traditional funding thereafter so they have more choice.

#### **2. Connection to Capital and Funding Opportunities**

As mentioned above, our overall goal is to prepare participants to qualify for funding from traditional sources. Our volunteering banking partners will be asked to assist in helping participants develop and deploy strategies to better position themselves for funding. We also work with other entrepreneurship organizations, such as SCORE, to help participants prepare for loan or, even, venture type funding. CSBDF also offers business plan and application trainings throughout the state to help entrepreneurs understand how to complete applications, properly prepare business plans, know what funders are looking for and understand the implications of different funding alternatives, such as debt or equity. During elective week, we will offer one such training during each of the course offerings throughout the year. When appropriate, we will recommend and help prepare select students for participation in local equity pitch events, typically held by local incubators such as HQ Raleigh, American Tobacco Underground and Venture Asheville. We will also work to have participants attend pitch events so they can become familiar with the process of such events and begin interacting with others in the entrepreneurial ecosystem.