

ASPIRE CHALLENGE SOLUTION FOR WILMINGTON, DELAWARE

ORGANIZATIONAL BACKGROUND

University of Delaware Small Business Development Center (DSBDC)

Official Contact Person: Denita L. Thomas (302-831-0777; dlthomas@udel.edu)

For 35 years, DSBDC has provided comprehensive training and counseling to a diverse client base throughout the State of Delaware's urban and rural counties. DSBDC uses a proven "How to Start a Business" curriculum and provides practical financial education and loan assistance to businesses seeking capital. Over the last two years, DSBDC's work has resulted in: **New Businesses—84; New Jobs—411; Capital Infusion—\$61.6 Million**

Geographic Service Area & Entrepreneurial Ecosystem

The State of Delaware is known around the world as a leading domicile for U.S. and international corporations. As the legal home of more than 1,000,000 business entities, Delaware has cultivated one of the nation's most supportive and business-friendly ecosystems. At the heart of that ecosystem is its largest city, the City of Wilmington. Strategically situated between Philadelphia and Baltimore along the I-95 corridor, Wilmington has a diverse population of nearly 72,000 residents comprised primarily of Blacks/African-Americans (55%), Whites (36%), and Hispanics (13%). Other statistics include: poverty (23.9%); high-school dropout rate (18%); unemployment (14%). High rates of poverty and unemployment create a crime-ridden environment. Recently, the City made national headlines in a Newsweek article which dubbed Wilmington "Murder Town USA", stating that the City is "routinely called one of the most dangerous small cities in America". Wilmington was selected by the Department of Justice as one of the inaugural sites for the Violence Reduction Network (a high-priority federal crime reduction initiative) alongside of Detroit; Chicago; Camden, NJ; and Oakland and Richmond, CA.

Entrepreneurship and small business development remain the City's greatest hope for economic empowerment. As such, DSBDC will launch the ASPIRE Program in Wilmington to help address recidivism. DSBDC is a trusted leader and resource in the local ecosystem which includes: the U.S. Small Business Administration (SBA) Delaware District Office, Mayor's Office of Economic Development (OED), Delaware Financial Literacy Institute (DFLI), Delaware Library System, and three micro-lenders: Accion, First State Community Loan Fund (CLF) and WEDCO.

BACKGROUND OF MANAGEMENT TEAM

Denita L. Thomas (DSBDC Associate State Director)—Program Manager/Trainer/Counselor

Denita has over 20 years of experience in economic and business development. She provided workforce, life skills, and entrepreneurship programs for at-risk and formerly incarcerated populations in Philadelphia, PA and Newark, NJ, before joining the City of Wilmington as the Director of the Small, Minority, and Disadvantaged Business Enterprise Office. In her role, she launched the Grow Wilmington Fund, a low-interest SBA loan fund, the Business Saver Plus Program, a seed fund for low-income entrepreneurs, and the City's first youth entrepreneurship camp. Denita also worked with Federal Probation/Parole to ensure their clients had access to entrepreneurial training.

Audrey Scott-Hynson—Trainer/Counselor

Audrey serves as the lead instructor/counselor for the City of Wilmington's *Small Business Success Series*, a 12-week, cohort-based entrepreneurship program delivered twice yearly. Audrey is also the Director of the Center for Business Growth Incubator, where she partners with *Project New Start* to provide entrepreneurial training to the target population. Audrey serves the Center for Enterprise Development at Delaware State University as a business development consultant and the trainer for the Junior Entrepreneurs in Training (JET) summer camp.

ENTREPRENEURIAL EDUCATION DELIVERY SOLUTION

Participant Recruitment Plan

DSBDC will work closely with the City of Wilmington, City Council President, Dr. Hanifa Shabazz, to implement a grassroots, citywide recruitment and outreach effort. Council President Shabazz has a proven record of serving the target population through various workforce development and training initiatives. She is a leader in the National League of Cities network and other civic and policy organizations. She recently commissioned the Center for Disease Control (CDC) to conduct a study on violence in Wilmington. Dr. Shabazz organized a community advisory council to develop strategies to implement the CDC's violence reduction recommendations. The ASPIRE Program furthers the work of the advisory council and provides a clear path forward with measurable outcomes.

City Council President Shabazz supports DSBDC's ASPIRE plan and will lead an organized outreach/recruitment effort, which includes:

- equipping City Council members with marketing and registration tools to disseminate in each district
- reaching out to the social service organizations in each district that serve formerly incarcerated citizens
- informing each council district's Civic Association and Neighborhood Planning Council
- using the City Council/County Government broadcast channels to advertise and feature the initiative on talk shows: includes government channel-22; public access channel-28; education channels 30 and 960

DSBDC will hold information sessions, as needed, at partner organizations such as the HOPE Commission, the Neighborhood House, and Probation/Parole. The DSBDC program management team will interview applicants and select participants who demonstrate a willingness to learn and a commitment to the program. DSBDC will select and enroll up to 30 participants across two cohorts.

Classroom Instruction

Each cohort will receive classroom instruction over ten 2-hour sessions covering the following topics:

- Characteristics of an Entrepreneur
- Vision, Mission, Goals (understanding personal and entrepreneurial interests and direction)
- SWOT Analysis (understanding Strengths, Weaknesses, Opportunities, & Threats)
- Industry/Market Research & Competitive Analysis (how to get information; 4 Ps of marketing)
- Legal & Tax Basics (licenses, insurance, types of entities, etc.)
- Operations Management (how to develop and deliver quality products/services)
- Personal Finances (budgeting, credit, and savings)
- Financial Projections (revenue models; start-up and operating expenses; cash flow)
- How to Get a Loan (5C's of Lending: Character, Credit, Collateral, Capacity, Conditions)
- How to Market Yourself & Your Business (marketing techniques and professional development)

Classroom instruction is delivered in an interactive, engaging, supportive, and inclusive environment with easy-to-use, easy-to-understand worksheets/templates, activities, and assignments. The trainers are adept at delivering motivational, culturally relevant instruction, and tailoring communication and assignments to meet a cross-section of literacy levels and learning styles. The instructors will foster positive peer relationships within the cohort and promote basic professional and life skills development: attendance, punctuality, personal and civic responsibility, decision-making, conflict resolution, teamwork, leadership, public speaking, and professional attire.

DBSBDC will help participants access and navigate online tools and resources, including:

- DSBDC's SmallBizU platform which reinforces classroom instruction with online training and exercises
- the Delaware Library Inspiration Space computer lab which offers free research/business planning tools

At the end of the classroom instruction period, participants will have explored and developed each component of a comprehensive, written business plan.

Mentoring & One-on-One Counseling

DSBDC will provide one-on-one counseling and guide each participant in developing:

- an individual business startup action plan
- a personal development action plan

The action plans are designed to help participants 1) devise a timeline with specific tasks to launch their business and 2) identify personal issues/needs that should be addressed before business launch. Each participant must complete a minimum of two 1-hour counseling sessions: one session to create the action plan, and one session to track progress and create next steps. The counselors will coach participants through the entire startup process with the aim of having the business launch within 3-4 months after completion of the classroom instruction period.

Community Connections

DSBDC counselors maintain a robust network of community partners that can help address the needs identified in their personal development action plans. DSBDC will primarily work with the Wilmington HOPE Commission to connect participants to relevant transitional services. The HOPE Commission provides a safe haven for returning and formerly incarcerated citizens. DSBDC will enroll HOPE Commission clients in the program and refer non-HOPE Commission participants to the organization, as needed, for additional support. DSBDC will also connect participants to the Money School at the Delaware Financial Literacy Institute to ensure participants receive ongoing financial management education and support.

Implementation

If awarded, the DSBDC will launch and deliver the program as follows:

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ACCESS TO CAPITAL

DSBDC ASPIRE Challenge Seed Fund

If awarded, DSBDC will allocate up to \$10,000 of its \$75,000 Aspire prize to establish the *ASPIRE Challenge Seed Fund*. Participants can earn or apply for awards (to be applied to eligible business startup costs) as they complete certain milestones and achieve certain goals, as outlined below:

ASPIRE CHALLENGE SEED FUND	Award Amount	Max # of Awards	Total
Successful Completion of Training Series/Counseling	\$ 75	30	\$ 2,250
Attendance & Punctuality Bonus	\$ 25	30	\$ 750
Business Plan & Pitch Competition (1 winner per cohort)	\$ 200	2	\$ 400
Business Start Up (awards will vary based on actual expenses & proposal)	\$ 1,100	6	\$ 6,600
TOTAL SEED FUNDS			\$10,000

These awards can be used for eligible startup expenses such as: business license fees, insurance, marketing materials, and equipment/supplies.

Throughout the program, counselors will work with each participant to meet the criteria for various grant and microloan resources. Specifically, counselors will help eligible participants:

- qualify for the special *ASPIRE Challenge Seed Fund*, as outlined in the above chart
- enroll in the *Business Savers Plus Program* –a savings match program through First State Community Loan Fund that allows entrepreneurs to save up to \$2,000 and earn a match up to an additional \$5,000
- apply to the *City of Wilmington Strategic Fund* – this fund provides loan guarantees and other special terms to make lending affordable and feasible
- apply to Accion, First State Community Loan Fund, or WEDCO (Wilmington Economic Development Corp.) for a loan—these partners offer microloans up to \$50,000; the funds earned through the ASPIRE seed fund and Business Savers Plus programs can help participants meet equity requirements for microloans.

Program Continuation

The training model used by DSBDC will create a cohort of entrepreneurs that can serve as peer mentors for other formerly incarcerated citizens seeking to start a business.

Also, the City Council Office makes recommendations for local budget appropriations. Once DSBDC documents the positive outcomes of the first phase of the Aspire Program, DSBDC and City Council can devise a strategy to allocate additional funds from the City's General Fund and Strategic Fund.



City of Wilmington

Hanifa Shabazz
City Council President

Louis L. Redding City/County Building
800 N. French Street
Wilmington, Delaware 19801-3537

phone (302) 576-2140
fax (302) 571-4071
www.WilmingtonDE.gov

February 10, 2017

Award Approving Official:
Lori Gillen, Deputy Associate Administrator
Office of Entrepreneurial Development
U.S. Small Business Administration
409 Third Street,
SW, Washington, DC 20416

RE: ASPIRE Challenge Award

The City of Wilmington is pleased to join with the Delaware Small Business Development Center (DSBDC) in pursuing an Aspire Challenge award. As the Presiding Officer of the 107th City Council, I commend the U.S. Small Business Administration's effort to promote entrepreneurial development and access to capital resources for formerly incarcerated individuals.

The City of Wilmington has experienced record-high violence and crime over the last few years. As a result, I had the personal privilege of enlisting the Center for Disease Control (CDC) to conduct a study on violence in Wilmington, and then organizing a community advisory council to develop strategies to implement the CDC's violence reduction recommendations. The ASPIRE Program furthers the work of this advisory council and provides the resources needed for the City to institute groundbreaking solutions to reduce recidivism.

Not only is violence prevention and reduction in Wilmington a priority for City Council, but the U. S. Department of Justice has also identified the City as a priority community through its Violence Reduction Network.

The DSBDC and City Council are well positioned to help the City address its crime and recidivism issues through this innovative Aspire solution. DSBDC's Aspire plan includes comprehensive education and mentoring, along with access to seed funds to help aspiring entrepreneurs cover basic startup costs. I am confident that, with the additional resources provided by the SBA, the City of Wilmington can make a difference in the lives of its formerly incarcerated citizens, improving their economic well-being and providing access to opportunities for a better life.

Sincerely,

A handwritten signature in blue ink, appearing to read "Hanifa Shabazz", is written over a faint, larger blue ink signature.

President Hanifa Shabazz
Wilmington City Council