

Aspire Challenge  
Small Business Administration  
**Organizational Background**

Total Action for Progress (TAP)  
Project Restore

**Project Title:** TAP Project Restore

**Applicant Name:** Total Action for Progress

**Address:** 302 2nd Street, Roanoke, VA 24011

**Contact Information:** Curtis Thompson, Vice President of Financial Services

540-283-4915 (phone) · 540-345-9181 (fax)

curtis.thompson@tapintohope.org

<http://www.tapintohope.org>

**Contestant Capacity:** Total Action for Progress (TAP), founded by Cabell Brand and incorporated on April 28, 1965, is the designated community action agency for a six-county and five-city area in southwest Virginia. The cities and counties TAP primarily serves are the Counties of Alleghany, Bath, Botetourt, Craig, Roanoke and Rockbridge and the Cities of Buena Vista, Covington, Lexington, Roanoke, and Salem. TAP now has a staff of over three hundred and more than 25 programs that help to further its mission of helping individuals and families achieve economic and personal independence through education, employment, affordable housing, and safe and healthy environments.

Project Restore will be a partnership between three of TAP's existing programs: Virginia CARES (VA CARES), Training to Work 3 (T2W3), and Business SEED Capital, Incorporated. Business SEED is a microenterprise development program that offers educational classes to entrepreneurs focusing on how to start and manage a small business. The three primary services include small business classes, one-on-one counseling, and small business financing. Available financing includes several loan options, with both short-term and long-term loans, including flexible commercial loan packages up to \$50,000 for qualifying clientele. The VA CARES (Community Action Re-entry System) program is part of a statewide network that helps facilitate the return of ex-offenders to the community and society. TAP's Virginia CARES program was the first of its kind within the state and helped spur the creation of the statewide network of which it is now a part. Clients receive assistance with job readiness training, job search efforts, career development, transportation, obtaining identification and applying for restoration of rights. Our program also offers human relations and self-awareness training through support groups and educational appointments. Training to Work is a program which assists work-release participants with gaining industry-recognized credentials and securing employment. Participants receive case management, mentoring, job-readiness training, academic remediation and GED preparation, career pathway training resulting in industry-recognized certification(s) and follow-up services.

#### **Background of Management Team:**

Curtis Thompson is TAP's vice president of financial services and director of Business SEED Capital, Inc., the organization's Treasury-certified Community Development Finance Institution (CDFI). Under his direction, Business SEED obtained both its CDFI and Community Development Entity (CDE) certifications, expanded its service area from 11 localities to the entire state of Virginia and 5 additional states, and leveraged over \$2 million in federal and private match money into over 130 job-creating businesses. As an entrepreneur and small business owner himself, Mr. Thompson regularly teaches the small business development classes offered through BSCI.

Jo Nelson is the director of Total Action for Progress' This Valley Works component. In this role, Ms. Nelson is responsible for top-level management of 15 programs with more than 30 funding sources. Programs under her guidance primarily focus on economic stability of individuals and families. They encompass the broad areas of homelessness services, education services, employment training services, ex-offender services, veteran services, and two-generational services.

Russell Poindexter is the program manager for TAP's two ex-offender service programs: Training2Work3 (T2W3) and VA CARES, including instruction, job placement, follow-up services, and support services. Additionally, Mr. Poindexter identifies and coordinates activities that involve service learning, training, nationally accredited certifications and apprenticeships.

**Participant Recruitment Plan:** Participants in Project Restore will be recruited through TAP's two ex-offender programs mentioned above. Approximately 300 ex-offenders enroll in these programs over the course of a year. TAP expects that each of the two cohorts will enroll 20–25 ex-offenders in Project Restore. Additionally, TAP's communication specialist, Sarah Gatrell, will create marketing materials, such as brochures, to be distributed to VA CARES and T2W3 clients. She will also be in charge of the project's online and social media marketing campaigns as well as press releases.

**Classroom Instruction and Mentoring:** In 1996, TAP intensified its efforts to assist low- and moderate-income men and women in becoming entrepreneurs or expanding existing microbusinesses by establishing the Business SEED Loan Program. It became Business SEED Capital Inc. (BSCI) in 2002. BSCI has been certified by the U.S. Department of Treasury as a Community Development Financial Institution since 2004 and a CDE since 2007.

TAP recognized from the beginning that stimulating the development of microenterprises (those with five or fewer employees) required far more than simply providing loans and seed capital. Without sufficient training and guidance, entrepreneurs, particularly those from disadvantaged backgrounds, would have little chance of succeeding. Would-be entrepreneurs may have an idea that has merit and can be transformed into a microenterprise, but with little savings to invest and no small business ownership experience, they require intensive training and one-to-one counseling. TAP and BSCI have developed and refined their business development training over 20 years. BSCI staff, including Mr. Thompson, has over 10 years' experience training and mentoring the target market of small businesses and budding entrepreneurs and has developed a formidable wealth of experience in adult education, mentoring, community development, commercial lending, and law. BSCI, VA CARES and T2W3 staff will work together to adapt the schedule of the course to meet the needs of the ex-offenders interested in participating. For example, all VA CARES and T2W3 participants engage in 4 weeks of job readiness training. BSCI will alternate its business development training with the job readiness training, offering it twice per week, and at times when clients who have jobs (particularly those on shift work) can attend. Following is a description of the four types of development services provided by TAP and BSCI:

#### **Business Readiness Training**

Business Basics is a three-hour course that addresses business readiness and enables clients to make informed decisions about starting or expanding a business. The three-hour course is offered five times each quarter throughout the entire service area. In an effort to accommodate client schedules, courses are offered during the day and evening. Topics covered during the Business Basics course include accessing your potential as an entrepreneur and understanding the challenges associated with small business ownership, examining the feasibility of your business idea and identifying competition, and getting an overview of business law and understanding the value of maintaining good financial records and positive cash flow. This course is used to build a client base for the more intensive Core Four business plan development training.

#### **Business Plan Development Training**

BSCI uses the Core Four business plan development training, which is a 12-hour microenterprise business planning course developed by Northeast Enterprise Fund specifically for small business owners. The four components of the course are:

**Success Planning:** Understanding the characteristics of a successful business; contingency and business planning; and the outline of a business plan.

**Market Planning:** Identifying the product/services; creating a distribution process; creating a promotional plan; product/service pricing; and developing a market plan.

**Cash Flow Management:** Developing business financial goals; estimating cash flow; projecting start-up costs; projecting revenue for goods, services, operations and sales; sensitivity analysis; and revenue needs.

**Operations Planning:** Financial operations; record keeping; risk management; developing policies and procedures; and customer service.

Technical assistance is an integral part of TAP and BSCI's development services to help ensure the business concept is realistic and attainable. Clients receive one-to-one technical assistance on topics such as management and operation assistance, personal needs assessment and capacity building, business plan review and development, loan package assistance, development finance and financial analysis, bookkeeping and record keeping, and market analysis and business promotion strategy.

Technical assistance is most intensive during the critical first year of operation. An average of 10 to 15 hours is spent per client on technical assistance before an enterprise is launched, while 30 to 40 hours per year is spent per client post-loan or after TA. We believe that the post-loan TA is the most important service that we can give our clients. This has proven to be the most critical determining factor in helping a business survive and expand.

### **Entrepreneurial Coaching Services**

TAP and BSCI have developed an innovative approach to entrepreneurship development -- entrepreneurial coaching -- as part of their development services. While some entrepreneurs of small and emerging private businesses thrive on business information and guidance offered through business training and technical assistance alone, others need additional and more specific assistance to expand their businesses and make them profitable. This is particularly the case for many of TAP's low-income clients.

Traditional business technical assistance becomes more effective and is enhanced by the coaching and learning mentoring process. As described by the Microenterprise Fund for Innovation, Effectiveness, Learning and Dissemination (FIELD), the focus of entrepreneurial coaching is on the process of planning and problem solving and less on technical business content. The value of coaching lies in its ability to help clients set goals, devise step-by-step action plans, overcome barriers to completing tasks, and maintain momentum in business development.

Entrepreneurial coaching provides a holistic, goal-oriented approach to give entrepreneurs on-going support and structures that help them stay on target while moving their businesses forward and creating additional jobs in their respective communities. Responding to this need is both challenging and critical. Offering existing and would-be entrepreneurs access to specialized assistance to further develop and enhance their business is an important facet of a comprehensive economic development strategy.

Each coaching stage is client-paced, with content changing and evolving over time, to meet the business' specific needs. Therefore, some clients move through stages within months, while others may need to use more time to complete each stage. The stages of the program are designed as follows:

**Defining and Redefining the Business:** Repositioning the business based on sales and growth trends to create an innovative competitive advantage that will steer the business in a positive, profitable direction. This stage requires flexibility over time as the business environment continues to change.

**Clarifying Market Niches:** Establishing market niches based on products, price, publicity and place to meet customer needs. This stage is particularly important for start-up businesses.

**Targeting and Re-targeting the Market:** Identifying the ideal customer and capturing the attention of the correct target market via cost-effective marketing tools.

**Refining the Business Model after Start-up:** Actively reshaping the business to meet its current needs. This might include moving the business, hiring additional employees, developing new skill sets for employees, or adding or decreasing office space.

**Sessions for Strategy and Critical Thinking:** The reflective stage of entrepreneurial coaching, which includes analysis of the changes that have taken place, support mechanism need for those changes, and steps that need to be taken in the near and long-term future for business to continually grow.

**Access to Capital:**

Total Action for Progress includes a business funding component called Business SEED Capital, Inc. Business SEED is a Treasury Department-certified Community Financial Development Institution and Small Business Administration Lender. It currently has \$712,000 in assets as part of its loan portfolio, including a group-lending, micro-loan program called the Strength in Number Initiative (SINI), which adapts the methods that Grameen Bank made successful in poor areas of Bangladesh and are now considered best-practice techniques for funding self-employment initiatives that come from low-income communities.

In 2012, Business Seed created its Strength in Numbers Initiative (SINI) to help disadvantaged persons break the cycle of poverty through their own self-employment initiatives. This program uses a group lending format, through which group members help one another develop the ideas and business plans necessary to get a good start in self-employment. These groups also receive technical support from Business SEED (described above in prior sections) to help them develop business plans and the skills and know-how necessary to be successfully self-employed. As business plans mature, members of the group can apply for micro-loans of up to \$1,200 from BSCI to help them get started. Project Restore classes will walk participants through preparing the necessary documentation required for getting a loan. Applications are taken one at a time, and new loans are made only if the first loan establishes a good payback history. Currently, the SINI program has an 85% payback rate and no defaults.

To date, BSCI's SINI program has helped 3 low-income entrepreneurs establish kiosk businesses that operate in a new, indoor shopping complex in Downtown Roanoke, Virginia. BSCI has also engaged the Roanoke Housing and Redevelopment Authority to tap the entrepreneurial potential of public housing residents through the innovative SINI group-lending framework. The group format has proven particularly effective in breaking social isolation that inhibits otherwise enterprising individuals from taking attempting self-employment. This includes many individuals who, because of long-term absence from the labor market, have a very hard time getting regular wage work. The name "Strength in Numbers" was coined to emphasize this very dynamic of mutual support and trust which creates new avenues of entrepreneurship, but new modalities of community as well.

Funds received from the Small Business Association's ASPIRE Challenge will allow TAP and BSCI to grant SINI loans to qualifying Project Restore participants that hold a Certificate of Completion from the program. This will allow ex-offenders, many who currently cannot secure loans from traditional lenders, to begin building credit which will help them obtain traditional loans in the future.