



ASPIRE SOLUTION PROPOSAL: ENVISION NORTHWEST ARKANSAS

Applicant: Community Venture Foundation, 1 East Center Street, Suite 270, Fayetteville, AR 72701; Registered and current in SAM; DUNS Number 079949216

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Organizational Background

Community Venture Foundation (CVF) is a 501(c)(3) nonprofit organization committed to building the entrepreneurial community in Northwest Arkansas (NWA). The primary goal of the organization is to use entrepreneurship as a tool for social and economic empowerment. Current programs include assistance for underserved entrepreneurs, strategic support to nonprofits, and youth entrepreneurship education. Through the Envision NWA program, CVF will expand its impact by offering entrepreneurship education programs for ex-offenders, leveraging business formation as a tool for economic mobility and self-employment for the formerly incarcerated through the design and delivery of an intensive entrepreneurship education program, regular one-on-one mentorship, networking opportunities, and increased access to microloans.

The geographic area of focus for Envision is Northwest Arkansas, which includes Washington, Benton, Madison, and Carroll counties. According to the Arkansas Community Correction, approximately 42.4% of offenders in Arkansas are returning to prison.¹ In 2015, NWA admitted 10.8% of the state's total convictions. Despite the high percentage of incarceration and recidivism in the region, there is little support for re-entry after the first two years. According to a report by the Arkansas Department of Correction, 6.4% of inmates returned to prison within six months of release, 17.5% returned within one year, and 48.2% returned within three years.² Thus, the 2 to 3 year mark is particularly crucial in the successful re-entry of the formerly incarcerated, emphasizing the need for extended support beyond the first few years post-release.

CVF is the best-positioned organization in NWA to provide innovative solutions for entrepreneurship education for formerly incarcerated individuals. CVF has the passion, experience, and capacity to successfully implement this program with its proven E-Teen Ventures curriculum, experience in assisting underserved individuals through entrepreneurship education, and extensive connections in the entrepreneurial community. Additionally, this program will not end after the final Aspire payment. The Aspire Challenge will provide CVF with the necessary resources to develop, execute, and prove successful the Envision program that will continue for years to come, and one that has the potential to be a model for other communities across the state of Arkansas.

Management Team Background

Jessica Boyd, Executive Director: Jessica will be the program administrator for the Envision program. She is an experienced leader in the nonprofit industry, specializing in strategic planning and program development and evaluation. Jessica has built CVF into a recognized organization by developing entrepreneurship and social venture support programs and providing assistance to underserved entrepreneurs, some of whom have been previously incarcerated. Through CVF, Jessica worked for six months with Magdalene Serenity House, an organization focused on providing services to women who have been victims of human trafficking, the majority of whom were formerly incarcerated. Prior to leading CVF, Jessica worked for the Cisneros Center as the small business and entrepreneurship lead, engaging hundreds of immigrants in financial literacy and business education programs. Jessica holds a Master's of Business Administration and a Master's of Public Service.

Megan Frohardt, Impact Programs Manager: Megan will provide program support for the Envision program. Her passion for long-term, sustainable community development through business fueled her involvement, professional experience, and education. She has been an instructor in biliteracy efforts in NWA through Sin Limites, provided basic business training for an organization supporting the re-entry and training of HIV/AIDS orphans and sex trafficking victims in Thailand and Laos, and through financial consulting, aided in the securement of funds for vocational training programs in Mozambique. Her previous roles include governmental reporting for a Fortune 100 company and auditing both publicly traded and privately held companies in NWA. Megan holds a Master's of Business Administration and a Master's of Accountancy.

Participant Recruitment Plan

CVF intends to reach the target population through identified and potential partners working with similar populations. CVF has met with Goodwill Industries, who will refer students and graduates of their Transitional Employment Opportunity (TEO) program to the Envision program. Additionally, Returning Home, a local organization helping ex-offenders address the wide range of barriers to reentry, has committed to connect CVF with potential participants through both its residential and day programs, as well as provided classroom space for the Envision program if needed. CVF also has direct connections to Kevin Murphy, Chief Deputy Director of Arkansas Community Correction, Charles Allen, Chief Administrative Office for Arkansas Corrections School System, and Steven Smith, Reentry Instructor for Arkansas Correctional Industries. Finally, CVF's established partnerships with the regional SBA, Startup Junkie Consulting, Credit Counseling of Arkansas (CCOA), and Magdalene Serenity House will also help reach potential participants.

This program will be offered as a direct tie in to the local SBA Correctional Industry Reentry outreach program that 'closes the loop' by providing a curriculum-based training component for self-employment and entrepreneurship in Arkansas. CVF has participated in the current pilot program and can continue to support the implementation for the SBA outreach efforts.

Classroom Instruction

The Envision curriculum will be a combination of proven, existing, intensive entrepreneurship education curriculum from both CVF and its committed partners, and innovative, new methods to maximize the likelihood of economic success for the target population. Envision will be a 52-hour program over an 8-month period, with two simultaneous cohorts with 5 to 12 participants in each cohort. Simultaneous cohorts will allow a longer, more flexible, and more comprehensive program. Out of the total hours, 32 will be classroom instruction, taught by CVF and its community partners, including, but not limited to, experienced individuals from CCOA, FORGE Startup Junkie Consulting, the regional SBA office, the Arkansas Small Business and Technology Development Center (ASBTDC), and the University of Arkansas. Each session will include supplemental online materials and resources as needed. The remaining hours will be a combination of required mentoring and networking hours.

Envision: Learn. Launch. Lead.		
Week	Class Topic	Class Objectives
1	Vision, Mission, and Core Values	(1) Explore personal entrepreneurial interests and visions (2) Choose a business and define its mission and core values
2	Budgeting	(1) Learn how to create a personal budget (2) Discuss how that translates to a business budget
3	Credit Building	(1) Learn how your personal credit score can affect your business (2) Determine an individualized credit building plan
4	How to Incorporate	(1) Learn about the different types of incorporation (2) Learn what is needed to incorporate and obtain a business license
5	Introduction to Resource Partners and Mentor Matching	(1) Meet all of the resource partners in the community, including microlenders (2) Get matched with your mentor (3) Schedule your first hour consult with your mentor
6	Lean Canvas Version 1	(1) Learn about the Lean Canvas and how it works (2) Create the first version of your lean canvas (3) Have your mentor review your canvas
7	Product Development and Customer Interviews	(1) Learn about product development (2) Learn about the importance of customer interviews (3) Begin executing customer interviews (homework)
8	Leadership and Culture	(1) Learn qualities of good leaders (2) Determine your personal leadership style (2) Learn about the importance of business culture
9	Business Strategy and Human Resources	(1) Determine your basic business strategy from your lean canvas (2) Learn what human resources is and how to do HR effectively
10	Branding and Marketing	(1) Learn how to create a powerful brand (2) Learn how to effectively market your business to your target customers

11	Lean Canvas Version 2 and Elevator Pitches	(1) Create the second version of your Lean Canvas (2) Create your 60 second elevator pitch (3) Pitch your business to the class
12	Peer Review of Lean Canvas and Lean Canvas Version 3	(1) In pairs, review and critique your partner's Lean Canvas (2) Create the third version of your Lean Canvas
13	Creating a Business Plan	(1) Learn how to create a full, traditional business plan (2) Begin writing your business plan (3) Continue working on your business plan with your mentor (homework)
14	Work on Business Plans and Presentations	(1) Continue working on your business plan (2) Begin working on your slides for presentation day (3) Finish working on your slides for presentation day with your mentor (homework)
15	Peer Review of Business Plans	(1) In pairs, review and critique your partner's business plan (2) Create the final version of your business plan (homework)
16	Present Businesses	(1) Present your business to fellow participants, mentors, resource partners, capital providers, and community members (2) Receive a certificate of program completion

Mentoring

Mentorship is key to small business success: 70 percent of mentored businesses survive more than 5 years, compared to 35 percent of non-mentored businesses.³ Additionally, mentors provide more than business expertise and advice. They provide access to diverse networks and can assist participants in leveraging these networks and on building social capital. CVF will recruit potential mentors from the community, specifically from partner organizations, resource partners, and local entrepreneurs and small business owners looking to give back and support underserved entrepreneurs. After the first two months of classroom instruction, participants will be introduced to a wide variety of community mentors and resource partners, each of whom will be willing to be a mentor to an individual in the program. CVF will match participants with the best possible mentor. Within the final 6 months of the program, participants will be required to complete 2 hours per month with their mentors, a total of 12 hours.

Community Connections

Washington County Sheriff Tim Helder stated we have to “help people get on their feet, or we can’t fix this, and that’s going to take a community approach.”⁴ CVF strongly believes in a community approach to improve the economic mobility of ex-offenders. Through the Envision program, CVF will ensure that program participants are well equipped to be self-employed, should they chose that route, and a huge part of the program is connecting participants with other resources in the community.

CVF has established connections with several local social service providers, including CCOA and Goodwill Industries. Both of these organizations provide essential social services to clients, including ex-offenders. Goodwill offers a wide variety of in-person and online training including technology, math, job readiness, and much more. Their TEO program is specifically for ex-offenders and helps participants build a resume, develop positive work behaviors, and prepare for competitive employment. Goodwill also has several career centers in the region with one-on-one assistance for individuals needing such services and several job fairs and hiring events throughout the year. Similarly, CCOA offers classes on basic budgeting, credit fundamentals, credit scores, debt management, and more. They also provide counseling on bankruptcy, mortgage delinquency, homebuyer education, and credit report reviews. CCOA will also be a classroom instructor for Envision.

Another key aspect of community involvement includes the attending a minimum of 4 entrepreneurial events and programs, for example, pitch competitions, networking events, and more. These events take place throughout the region every week, and participants will have plenty of options to choose from. CVF has established relationships with several local resource groups, including FORGE Lending, Startup Junkie Consulting, ASBTDC, and the regional SBA office. Program participants will have several opportunities to interact with individuals within each of these organizations, as well as other local entrepreneurs and small business owners through events. Additionally, the final presentation in Week 16 is required, and will be the best opportunity for participants to meet with potential resource partners, customers, investors, and lenders

Access to Capital

Access to capital can be especially difficult for previously incarcerated individuals. Many lack personal savings, good credit histories, and networks of friends and family, all of which create barriers to starting their own businesses. Additionally, “liquidity constraints, such as limits to the amount a person can borrow, significantly limit [the] creation and growth of businesses.”⁵ It is essential that, in addition to classroom instruction focused on addressing barriers to accessing credit and capital, CVF provide ample opportunities for program participants to access capital. All microlenders able to give loans to ex-offenders will be invited to the Week 5 resource partner session and to the Week 16 presentations and an exclusive lender matchmaking event toward the end of the program. Other potential capital partners that would be invited to attend the matchmaking event include local entrepreneurs, venture capitalists, and funders. CVF has established partnerships with two microlenders, FORGE Inc. and Kiva. Additionally, Communities Unlimited and LiftFund are microlenders in the NWA community.

FORGE is an SBA Intermediary Microlender and a Certified Development Financial Institution (CDFI). The SBA named FORGE Microlender of the Year for the state of Arkansas in both 2014 and 2015, and for the region in 2016 for the SBA’s region IV. Through its community based lending activities, FORGE seeks to promote community development and enhance the quality of life and economic sustainability of agrarian communities by linking investors with borrowers, urban and rural Communities, consumers with producers, and low income groups with basic affordable credit. FORGE is willing to give loans to ex-offenders and will help participants prepare to meet with capital providers, including preparing proper documentation. They will be an active resource for Envision participants in terms of classroom instruction, mentoring, and access to capital.

In addition to FORGE, Kiva is another microlending option for program participants. CVF is a Kiva trustee, guiding local entrepreneurs through the crowd-funded Kiva.org loan process. Kiva is a non-profit that enables passionate and determined entrepreneurs throughout the U.S. to access 0% interest small business loans. Kiva has already funded over \$1.1 million loans across the country. Kiva uses social underwriting to determine entrepreneurs’ creditworthiness by asking that the entrepreneur (1) support another Kiva small business owner through a \$25 donation and (2) engage their own community and networks as their first Kiva lenders. Kiva has a 90% funding rate for borrowers that complete those two simple steps. Following the completion of the first two steps, the loan becomes open to the public, anyone across the world can see and search for their business, and contribute to their loan. Borrowers can request up to \$10,000 with a 36-month repayment period at 0% interest. This is a great option for participants to receive funding to support the start of their business and for participants to raise awareness about their business.

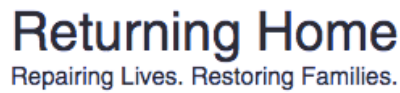
CCOA is also a critical resource for program participants in terms of preparing them to meet with capital providers and helping with the proper documentation. CCOA has a proven, 20-year record of service in NWA, and is a Better Business Bureau member with an A+ rating. Additionally, CCOA is a member of the National Foundation for Credit Counseling and is accredited by The Council on Accreditation. Both *The Northwest Arkansas Business Journal* and *The Arkansas Business Journal* chose CCOA as a finalist for Non-Profit Organization of the Year, and the Fayetteville Chamber of Commerce gave CCOA the Pillar Award for Outstanding Community Service.

The Envision program will have a competitive advantage in connecting its participants with capital by providing leverage to local SBA microlenders through Envision with fee relief for the state-run Arkansas Credit Reserve Program (ACR), which encourages financial institutions to make loans to small businesses that fall just outside their conventional underwriting standards. A minimal fee can help Envision open doors that were not previously available to ex-offenders.

Program Impact

CVF is committed to the success of Envision both at the individual and cohort levels and is confident the Envision program will impact and have influence that extends throughout the entire region. CVF will evaluate the program based on short and long-term metrics that will evaluate the success of the program and its long-term vision, including, but not limited to: number served, number employed post-program, number of small businesses started, recidivism rate, and confidence in ability to begin or support business.

Envision Program Committed Partners



- **FORGE, Inc.:** a community-based revolving loan fund serving the Ozarks, which includes the primary geographic area of the Envision program: Washington, Benton, Madison, and Carroll counties.
- **Credit Counseling of Northwest Arkansas (CCOA):** offering free financial education seminars and individual credit counseling to individuals across Northwest Arkansas.
- **Returning Home:** Repairing the lives and restoring families of NWA citizens who are incarcerated or who have been released, helping clients overcome the barriers to successful reentry.
- **Startup Junkie Consulting:** Inspiring, educating, and supporting entrepreneurs and innovators through no-cost consulting, programs, events, and access to capital and talent.

Sources

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