

I-CCEW Spring 2024 – Final Report



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Executive Summary

Throughout the Spring of 2024, The Ronnie K. Irani Center for the Creation of Economic Wealth (I-CCEW) partnered with OK Respond and Kidvation, two Oklahoma City based non-profit organizations that provide a youth entrepreneurship program for at-risk middle school students in collaboration with the Oklahoma City Police Department and Police Athletic League (PAL).

Based on 5 interviews with Police Athletic League Officers, and an interview with deputy Chief Clifton of the Oklahoma City Police Department, the attached report contains three key insights for OK Respond and Kidvation to consider for a national expansion of their youth entrepreneurship program.

- **Insight 1 (Market Analysis)– OK Respond and Kidvation should target 3493 Middle Schools and 420 PAL Chapters in the United States.**

Data shows that the development of criminal activity of students in their teenage year is an issue in the United States. OK Respond and Kidvation can address this issue by targeting 3493 schools that are in cities and suburbs, that have student population of over 500 students, and that have police presence at school, in their program expansion. Alternatively, OK Respond and Kidvation can address the issue by targeting 420 Police Athletic League (PAL) chapters that already run youth mentorship programs.

- **Insight 2 (Business Model) - The total costs for OK Respond to acquire one new location are 20 work hours and \$500.**

This model requires OK Respond to perform a convincing program pitch to the community relations office, program partner, and police chief in the desired location for program expansion. The deciding stakeholder in this process is the police chief. A good presentation of the program vision and goals and the credibility of OK Respond as a partner are necessary to gain approval from any police chief (Deputy Chief Clifton). The total costs for this process and the execution phase once the program is approved for OK Respond are 20 work hours and \$500. The execution phase in any new location costs \$28 000. Interviews with 5 PAL officers validated the four-step business model for program expansion suggested by Deputy Chief Clifton.

- **Insight 3 (Financial Viability) –. OK Respond and Kidvation are able to expand to 250 new locations within the first five years.**

OK Respond has the budget to hire three additional full-time workers. After considering the workload in hours of expanding and maintaining one new location, it turned out that the work capacity in hours of three full time workers allows OK Respond to expand to 250 locations. An admin should be hired in year one, a marketing professional in year three, and a director in year five. Kidvation will receive a revenue of \$25,000 in year one which increases by \$25,000 every year as fifty locations are added to the program every year. The total revenue over the first five years is \$375,000.

Insight 1 – (Market Analysis) - OK Respond and Kidvation should target 3493 Middle Schools and 420 PAL Chapters in the United States.

Resources and innovation are needed to use police presence at school to the benefit of at-risk students. The OK Respond- Kidvation entrepreneurship program addresses this issue.

- Criminal activity often occurs at school. Every year almost 300 000 students get arrested at school ¹. These arrests are conducted by school resource officers as 67% of middle schools in the United States have officers on site². It appears as the presence of police officers at school leads to school related arrests ³.
- Furthermore, 75% of gang members joined their gang by the age of fourteen which indicates that middle school students are on the edge of first engaging in serious criminal activity ⁴.
- The OK Respond- Kidvation entrepreneurship program addresses these issues. The program provides at risk-students with a positive vision for their future outside of criminal life and therefore, may prevent students from engaging in criminal activities.
- Furthermore, the program allows officers to connect with students through entrepreneurship rather than crime which will increase the positive impact of officers at school.

Considering the program layout as well as the student body that would most benefit from the program, OK Respond and Kidvation should target 3493 Middle Schools and 420 PAL Chapters in the United States.

1 Counts, Jennifer, et al. "School Resource Officers in Public Schools: A National Review." *Education and Treatment of Children*, vol. 41, no. 4, 2018, pp. 405–30. JSTOR, <https://www.jstor.org/stable/26535285>. Accessed 12 Feb. 2024.

2 Counts, Jennifer, et al. "School Resource Officers in Public Schools: A National Review." *Education and Treatment of Children*, vol. 41, no. 4, 2018, pp. 405–30. JSTOR, <https://www.jstor.org/stable/26535285>. Accessed 12 Feb. 2024.

3 Rosiak, J. (n.d.). School resource officers: Benefits and challenges. Forum on Public Policy. http://ed.buffalo.edu/content/dam/ed/safety-conference/FPP_SROs_Benefits_and_Challenges_Rosiak_Oxford_2014.pdf

4 "School Violence in Middle Schools - Criminal Justice - Iresearchnet." *Criminal Justice*, 20 Apr. 2015, criminal-justice.iresearchnet.com/types-of-crime/school-violence/school-violence-in-middle-schools/.

There are approximately 14000 middle schools in the United States⁵.

As the entrepreneurship program is run in collaboration with police officers and PAL chapters, schools in cities and suburbs should be targeted. This is where PAL chapters are usually located⁶.

Moreover, the program targets at-risk students. Thus, schools with a diverse student population should be targeted. Narrowing down the target markets to schools with over 500 students to ensure a diverse student body leaves 5,293 middle schools.

Finally, police presence is required as officers at school recruit and mentor students withing the program. 67% of middle schools in the United States have officers of site. Therefore 67% of 5,293 middle schools with a diverse student population are in cities and suburbs, which is the final target market. This target market includes 3,493 middle schools in the Unites States.

PAL chapters are an essential aspect of this program as the program relies on a collaboration with PAL. The target market can be defined differently, considering PAL locations. For the program expansion chapters that already run mentorship programs should be targeted. These chapters have experience with mentoring and infrastructures in place to adopt the curriculum. There are approximately 700 PAL chapters nationwide⁷. From a random sample of 15 chapters, 9 locations already run mentorship programs (60%). Therefore, the target market is 420 PAL chapters (60% of 700).

Benchmarking against other PAL mentorship programs concluded that there are no comparable programs on the market.

While other PAL chapters run mentorship programs using curriculums, there are no other programs that provide entrepreneurship lessons designed by field experts.

- PAL California
This chapter provides various programs including a leadership development program thought by officers and community volunteers. This is a statewide program that combines students from all California PAL chapters. Within the program multiple curriculums are being taught, none of whom focus on entrepreneurship.

5 “Digest of Education Statistics, 2019.” National Center for Education Statistics (NCES) Home Page, a Part of the U.S. Department of Education, nces.ed.gov/programs/digest/d19/tables/dt19_233.70.asp. Accessed 12 Feb. 2024.

6 Mike Rogers, Interview. Police Athletic League, Feb.2024

7 National Police Athletic League. The National Association of Police Athletic/Activities Leagues, Inc. (n.d.). <https://www.nationalpal.org/>

- **PAL Wyoming**
This PAL chapter offers boxing sessions as well as a virtual mentorship program. The mentorship program is run by volunteers that sign up on the website. Mentors meet with their mentees once a week to teach them the national crime prevention council curriculum.
- **Teen Leadership Montgomery PAL Montgomery**
This chapter offers after-school tutoring, mental health counseling and summer camps to support students with educational needs. Additionally, PAL Montgomery offers a teen leadership program that aims to prepare students for the job market and helps them to develop professional skills.
- **PAL Las Vegas**
This chapter provides sports programs only. The focus lays on boxing and basketball. Within these programs students are being taught life skills in combination with sports.

The complete matrix in figure 1.1 highlights the key findings of the benchmarking. While other PAL locations offer curriculums, no other PAL location teaches entrepreneurship lessons designed by field experts.

	Mentorship program	Organized curriculum	Entrepreneurship lessons	Designed by field experts
OK Respond/Kidvation	✓	✓	✓	✓
PAL California	✓	✓	X	X
PAL Montgomery	✓	X	X	X
PAL Las Vegas	✓	X	X	X
PAL Wyoming	✓	✓	X	X

Figure 1.1: PAL Programs Competitive Matrix

Insight 2 – (Business Model) - The total costs for OK Respond to acquire one new location are 20 work hours and \$500.

A big challenge in the program expansion process is gaining the trust of officers that are emotionally attached to their work.

Many PAL chapters are led by individuals driven by their own experience. Antonio (Tony) Espejo from PACE Omaha runs his program as he grew up in an area characterized by gang violence. Motivated by his own experience he started PACE Omaha to help children like himself. He takes a lot of pride in his work and therefore was hesitant speaking about partnerships. Other interviews with officers involved in various PAL locations resulted in similar findings. Consequently, to form a new partnership OK Respond needs to address this issue.

Based on an interview with deputy Chief Clifton of the Oklahoma City Police Department, the best way to acquire new locations for program expansion is gaining approval from the Police Chief in the new location.

The Chief makes the final decision on whether they will dedicate their officers to a youth entrepreneurship program in collaboration with OK Respond. To propose this question to any Police Chief OK Respond needs a chance to pitch their program to the Police Chief. According to deputy Chief Clifton the most efficient way to access a Police Chief is by performing two marketing pitches.

Community relations office

First OK Respond must contact the community location office of the desired location for program expansion. Based on the market analysis findings, this location already runs youth mentorship programs and is in a city or suburb. After pitching the program to the community relations office convincingly, OK Respond will be connected to a PAL officer within the police department heavily involved in community outreach and youth programs. This process will cost OK Respond two hours.

Business partner within the police department

Once connected to the potential partner within the police department, OK Respond must pitch their program again. The goal of this pitch is to gain a partner for the program expansion connected to the Police Chief. This is a crucial step as OK Respond cannot expand without this partner. In this process, it is important to consider the findings of the interviews with PAL officers. They often have a personal connection to their work within PAL and take great pride in their work. Therefore, the presentation is crucial in this step. To gain trust and support OK Respond must highlight their vision of improving underprivileged communities from within, their history of and success in their collaboration with the Oklahoma City Police Department, and their personal attachment to the program. This will allow OK Respond to connect with their new partner on a personal level which increases the chance of a sustainable relationship. This

approach was tested in interviews with PAL officers. After highlighting only, the program vision of improving communities from within the interest in the conversation increased. All interviewees stated that a program with this vision was a great way to add to their location while not one interviewee showed interest in a program simply described as an entrepreneurship program. Once the partnership is agreed on, the new partner must request a meeting with the Police Chief for the final program pitch. This process will cost OK Respond 6 hours.

Police Chief

As the deciding stakeholder in program expansion, the Chief of Police carefully chooses partnerships to maintain a positive reputation and public image for his or her department. Therefore, agreeing to a partnership with OK Respond requires careful consideration. In this decision process they will consider aspects like impact, vision of the program, monetary impact on the department, and trustworthiness of OK Respond. Considering the program vision, OK Responds history of 13 years of collaboration with the Oklahoma Police Department, the support of deputy Chief Clifton, and success stories of their work in Oklahoma, OK Respond is in a great position. Additionally, the impact on the department is minimized as the running cost of the program is at most \$28 000 per cohort with \$13 000 covered by grants and donations. This leaves the department with a cost of \$15 000, which is the salary of 5 officers working 40 hours per cohort. Looking at these facts, it appears clear that OK Respond provides all that is needed to gain approval from any police chief. Therefore, an impactful presentation of these facts is needed. This step will cost OK Respond 2 hours.

Execution

Once the program is approved by the Police Chief, it will be executed in the new location. In the execution phase, OK Respond will provide the Kidvation curriculum license for each location for the which costs \$500 per year. OK Respond will also offer support in finding mentors and answering questions when setting up the program for the first cohort in the new location. After, the program will be run autonomously by the new PAL location to allow adaptation according to each location's needs. The approach was suggested by deputy Chief Clifton as it allows officers to make this program their own which will increase their commitment to running it. While each location runs the program individually, OK Responds offers each location to join the organization. This will allow OK Respond and Kidvation to share curriculum and program updates. This will again minimize the impact on each location and will cost OK Respond another 10 work hours per location.

The following figure of the business model for program expansion highlights the four steps of this process and the costs for OK Respond associated with each step. The total cost of performing all four steps is 20 work hours and \$500.

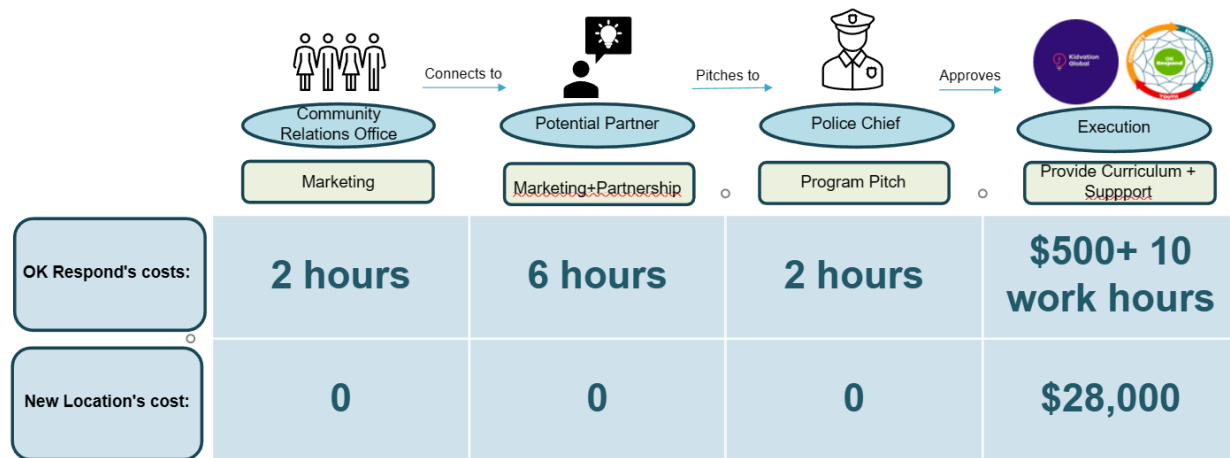


Figure 2.2: Business Model.

Insight 3 – (Financial Viability)- OK Respond can expand to 250 new locations within the first five years.

OK Respond has the financial means to hire three additional full-time employees within the first five years.

Considering the cost of acquiring one new location of 20 work hours for marketing and launch support, as well as 500 dollars for the first curriculum license, and the cost of managing 1 location after acquisition is 20 hours, the program expansion rate was defined. Adding 50 new locations to the program in year one costs OK Respond 2000 work hours and \$25,000 (curriculum cost). 2000 work hours are equivalent to 38.46 hours of work per week in year one. An average employee in the United States works 36 to 40 hours a week. Therefore, the workload in year one demands one new employee. An expansion rate of 50 new locations per year generates an added workload of 76.92 hours per week by year 3 and 114.38 hours per week by year five. Therefore, the second full-time employee should be hired in year 3 and the third employee in year 5 as the workload in year two fits the capacity of two employees and in year three that of three employees.

The following figure provides a numerical description of the program expansion rate:

time	number of PAL Locations	total cost in hours	total cost in hours per week
year 0	1	20	0.38
year 1	50	2000	38.46
year 2	100	3000	57.69
year 3	150	4000	76.92
year 4	200	5000	96.15
year 5	250	6000	115.38

Figure 3.3: Program expansion rate.

In year 5, OK Respond will face a cost of \$235,000.

The yearly cost for OK Respond is derived in acquisition cost and locations management cost. The acquisition cost involves the marketing in launch support, as well as the first license for the curriculum: 20 hours and \$500. The management cost includes costs associated with managing the locations that run the program. This might include providing curriculum updates, mentoring support, or organizational support. This cost was estimated at 20h per location per year. Consequently, the management cost increases as more locations are acquired. Since the

average non-profit employee salary is \$35 per hour, one work hour was valued at \$35. The acquisition cost remains constant if 50 locations are added each year. Once the expansion is completed the acquisition cost is \$0. The following figure provides a cost breakdown for OK respond in the first five years.

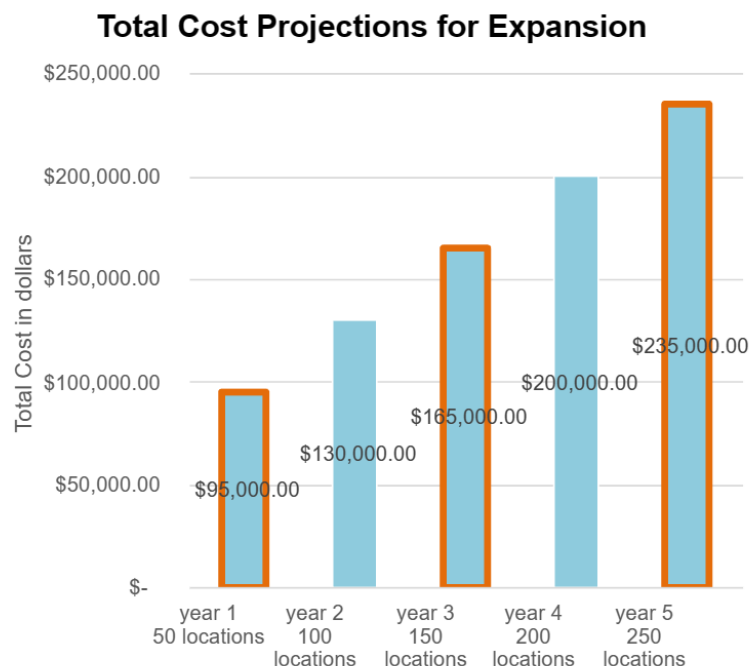


Figure 3.4: Cost Projections OK Respond

Kidvation will gain a revenue of \$375,500 over the first five years.

The Kidvation curriculum license costs 500 dollars per year per location. Every location must renew the license after one year of usage. Assuming new locations continue to use the Kidvation curriculum beyond year one and assuming no location will drop out of the program at any point in time, the revenue of Kidvation increases by \$25,000 every year. These assumptions were made as interviews implied that youth outreach programs are run long term. Therefore, the revenue in year one, with the curriculum in use in 50 locations is \$25,000 and \$125,000 in year five.

The following bar graph illustrates the revenue per year of Kidvation which sums up to \$375,00.

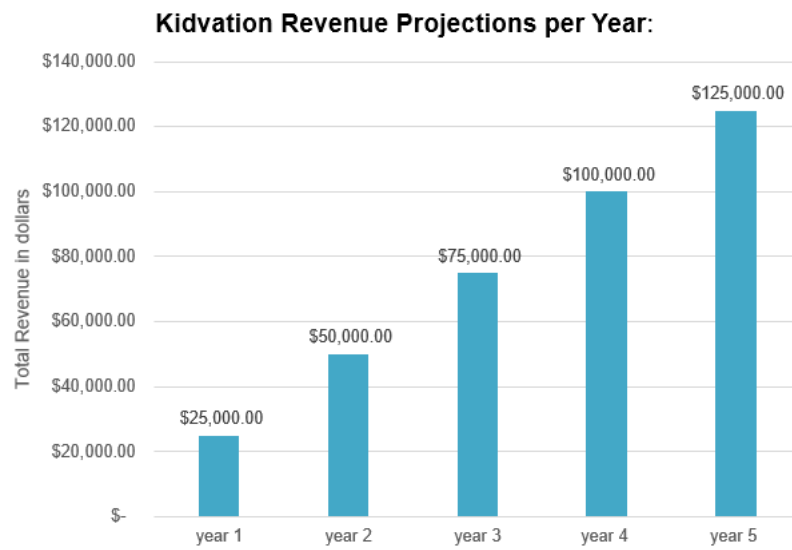


Figure 3.5: Revenue Projection Kidvation

Next Steps

OK Respond and Kidvation should use their advantage of providing a program that teaches at-risk youth important entrepreneurship lessons in the police youth outreach market to expand.

May 4, 2024- Prepare marketing pitches and program brochure, start grant applications, open application for a new full-time employee.

- OK Respond should create a professional marketing pitch and brochure, highlighting program vision, minimal impact on department, and OK Respond's credibility.
- OK Respond should identify grants using their grant writer, that they qualify for because of running the youth entrepreneurship program.
- OK Respond should open applications for a full-time admin.

June 2024- Apply for grants, start recruiting a new full-time employee, start marketing of the program to PAL chapters and police chiefs nationwide.

- OK Respond will face a cost of \$95,000 in year one and marketing for acquisition has already started and therefore, should submit majority grant application to qualify for grants in the next fiscal year.
- OK Respond should start marketing the program at police chief conferences and through community relations offices. This will allow interested locations to apply for funding for 2025 and to start planning a program-start in 2025.
- This will allow OK Respond to estimate whether they will meet the 50-location target in year one.
- OK Respond should hire a full-time admin.
- With an increasing workload for marketing and launch support in the new locations, OK Respond must hire a new employee to be able to meet the workload.

July 2024- Revise the program based on the first trial run in Oklahoma City, conclude recruiting for 2025.

- OK Respond should improve their program structure based on what was learned during the first trial run in Oklahoma City
- OK Respond should have recruited most of the new locations as grant applications for the next fiscal year close.

Appendix A - Interviews

Mike Rogers – Police Athletic League – Oklahoma City, Oklahoma

Biggest takeaway: Schools with over 500 students should be targeted in the program expansion. This curriculum would add immense value to the work of PAL officers.

- Public schools with big student population have shown the biggest need for PAL programs based on Rogers experiences. These schools have many at-risk students and limited resources.
- PAL officers usually produce activities by themselves. They are not trained, nor do they have access to resources on how to best design their program. Therefore, the OK Respond and Kidvation program would benefit their work.

Summary of interview: In this interview I gained a good understanding of how a PAL chapter operates. PAL officers collaborate with school-resource-officer (SRO's) to choose students for their diverse programs. PAL officers are employed by the local police department and are assigned to work for PAL projects. The program would be best added to already existing mentorship programs in other PAL locations as these locations will have access to the needed infrastructure.

Antonio (Tony) Espejo –Founder of PACE Omaha– Omaha, Nebraska

Contact: (209) 464-4524

Biggest takeaway: The program director has a personal connection to his program as he relates to the students. He is emotionally invested in his work and only partners with people he trusts and knows.

- The program was founded to address gang violence at its source. Underprivileged neighborhoods were dominated by gangs which forced the youth in these neighborhoods to enter gangs at an early age. After 18 years of work, the number of gang members decreased from 18 to 3 gangs in Omaha.
- Approximately 5000 kids are part of the sports program which focusses on team sports. PAL Omaha also offers personal fitness classes and operates a youth soccer academy that is free for students scouted during the PAL soccer league.

Summary of Interview: The program director has a similar story to Doug. He started the program as he was supported by an officer in his youth. The organization focusses on sports only to reach as many students as possible. All costs are covered by business donations as grants are inconsistent and a lot of paperwork.

Director of PAL California – California
Contact: (510) 544-4300

Biggest takeaway: This organization focusses on mentorship and leadership. A variety of curriculums are thought. PAL California combines all California PAL chapters and focusses on students picked by the local chapters for leadership and mentorship programs.

- To introduce a new curriculum this organization does not need approval from the police department as they are a big independent non-profit with enough engaged officers. To find volunteers and mentors PAL California collaborates with the school council and local businesses. All volunteers are subject to an in-depth background check.
- All programs are funded through grants and business donations. Professional local marketing turned out to be an effective way to raise money from local businesses.

Interview summary: The program director is open to new curriculums and is interested in an entrepreneurship program with the vision to improve underprivileged communities from within.

Director PAL Las Vegas – Nevada, Las Vegas
Contact information: (702) 343-1316

Interview summary: The program director was interested in entrepreneurship once I shared the vision behind the OK Respond program. While this location only focusses on sports, they are open to mentorship programs, especially entrepreneurship.

Deputy Chief Clifton – Oklahoma City Police Department

Biggest takeaways: The police chief is the deciding stakeholder in the program expansion process. OK Respond needs to demonstrate their credibility to form a sustainable partnership.

- OK Respond needs to complete four steps to acquire one new location. First, they need to reach out to community relations to get connected to an officer within the department.
- Secondly, OK Responds needs to build a partnership with that individual.
- Third, in collaboration with the new partner, OK Responds needs to pitch the program to the Police Chief.
- Lastly, once approved, OK Respond supports in the first execution phase. Afterwards the program should be entirely handed over to each location to allow adaptation and remodeling.

Interview Summary: The most difficult phase in the program expansion is the program pitch. A police department is judged by the public constantly and therefore, only partners with trustworthy organizations. OK Respond needs focus on a convincing pitch that demonstrates the program, vision, and OK Respond's dedication to the program.