



“Supporting Small Businesses”

Neighborhood-based Approaches to Supporting Small Businesses

The neighborhood is a microcosm of the macroeconomic landscape

ROC Local



Agenda

- Trends in entrepreneurship
- Entrepreneurial Ecosystems
- Serving Neighborhood Businesses



Why Do Entrepreneurs Matter ?



Why Do Entrepreneurs Matter

Entrepreneurs are the Makers, the doors, the dreamers

There are 30.7 million small businesses in the U.S. which account for 99.9 percent of all U.S. businesses (SBA, 2019).

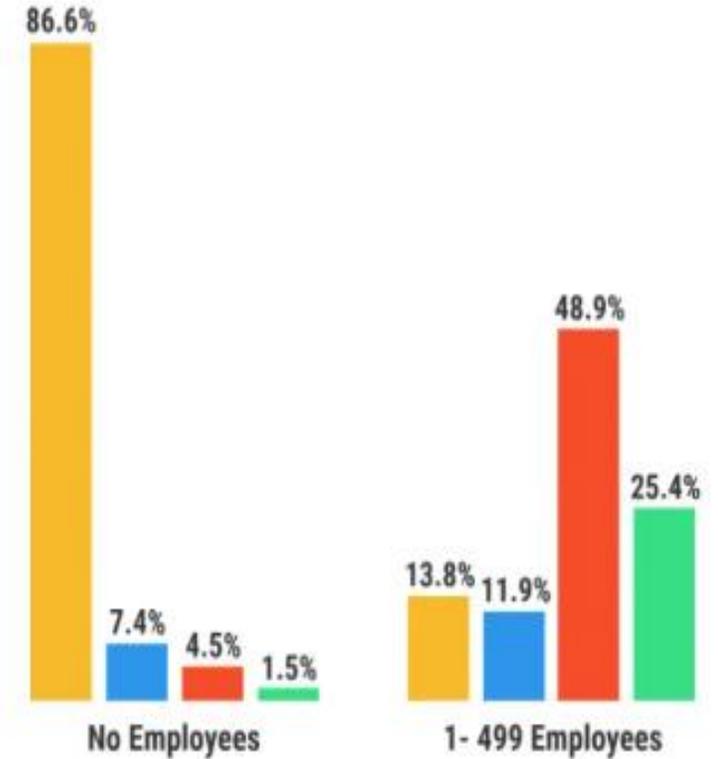
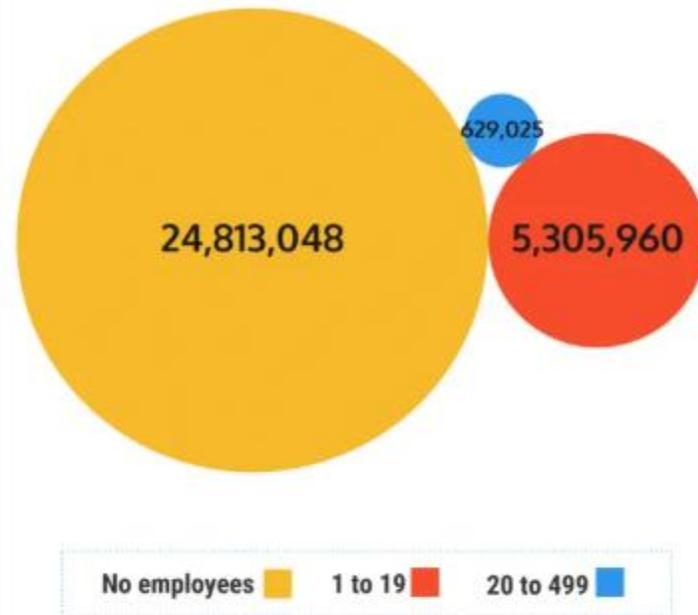
- Create value – start companies, bring innovation,
- Drive progress
- They are our celebrities
- Society is looking for solutions
- Entrepreneurship benefit us all



Profile of Small Business

There are 30.7 million small businesses in the U.S. accounting for 99.9% of all U.S. businesses (SBA, 2019).

Created 47.5% Private workforce (SBA 2018)





Entrepreneurs Matter– But There is a Deficit

Entrepreneurship happens every day in our communities – urban and rural. People from all different demographics, sectors, and geographies are entrepreneurs.

- Despite interest in entrepreneurship – decade long decline
- Decline exacerbated by barriers facing specific populations
- As a result, the whole economy suffers



Startups and Closures – Due to Many Barriers

- More than 50 percent of small enterprises fail in the very first year, and
- More than 95 percent of small startups fail within the first five years.
- 42 percent of small businesses fail because of a lack of market demand.

Table 1. Employer Firm Startups and Closures (BDS)

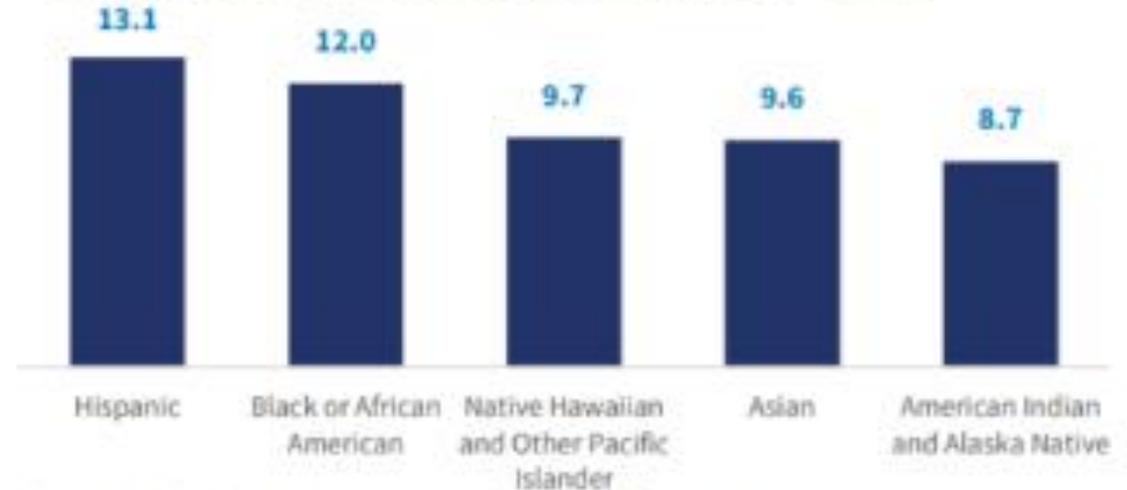
	Startups	Closures
2007	528,988	439,494
2008	490,834	477,010
2009	409,065	493,994
2010	387,976	424,610
2011	401,156	413,882
2012	411,252	375,192
2013	406,353	400,687



Entrepreneurship Trends – Minority Job Creation

**There are 8.7 million
Workers Employed by
Minority Firms in the U.S**

Chart 1. Percentage Growth in Number of Employer Businesses by Owner, 2014 - 2016



Source: U.S. Census Bureau, Annual Survey of Entrepreneurs

Facts About Minority-Owned Employer Businesses

8.7 Million
Workers
Employed

1.1 Million
Employer Businesses
Owned by Minorities

99.9%
Are Small
Businesses



Entrepreneurship Trends: Race and Ethnicity

Between 1996 - 2019

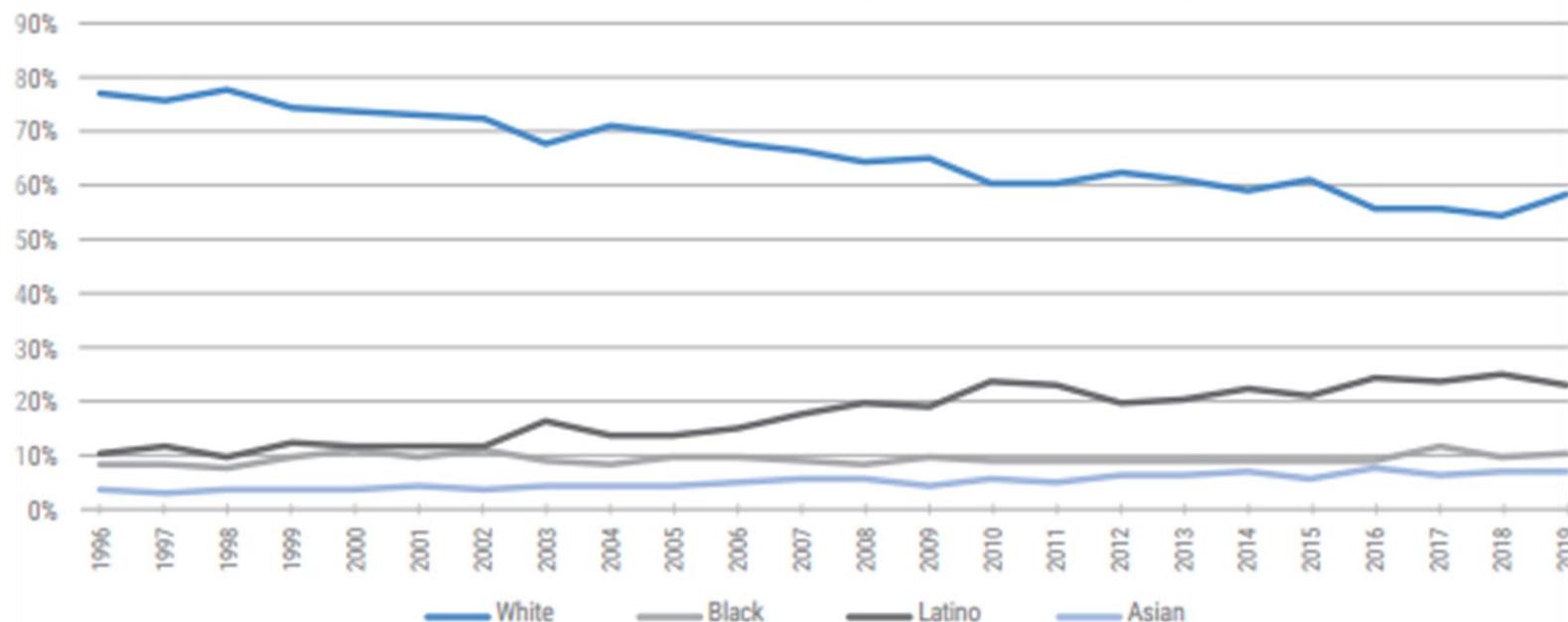
↑ Latino : 10% - 22.8%

↑ Black: 8.4% - 10.1%

↑ Asian: 3.4% - 7.0%

↓ White 77.1% - 58%

FIGURE 1: Share of New Entrepreneurs by Race and Ethnicity (1996–2019)



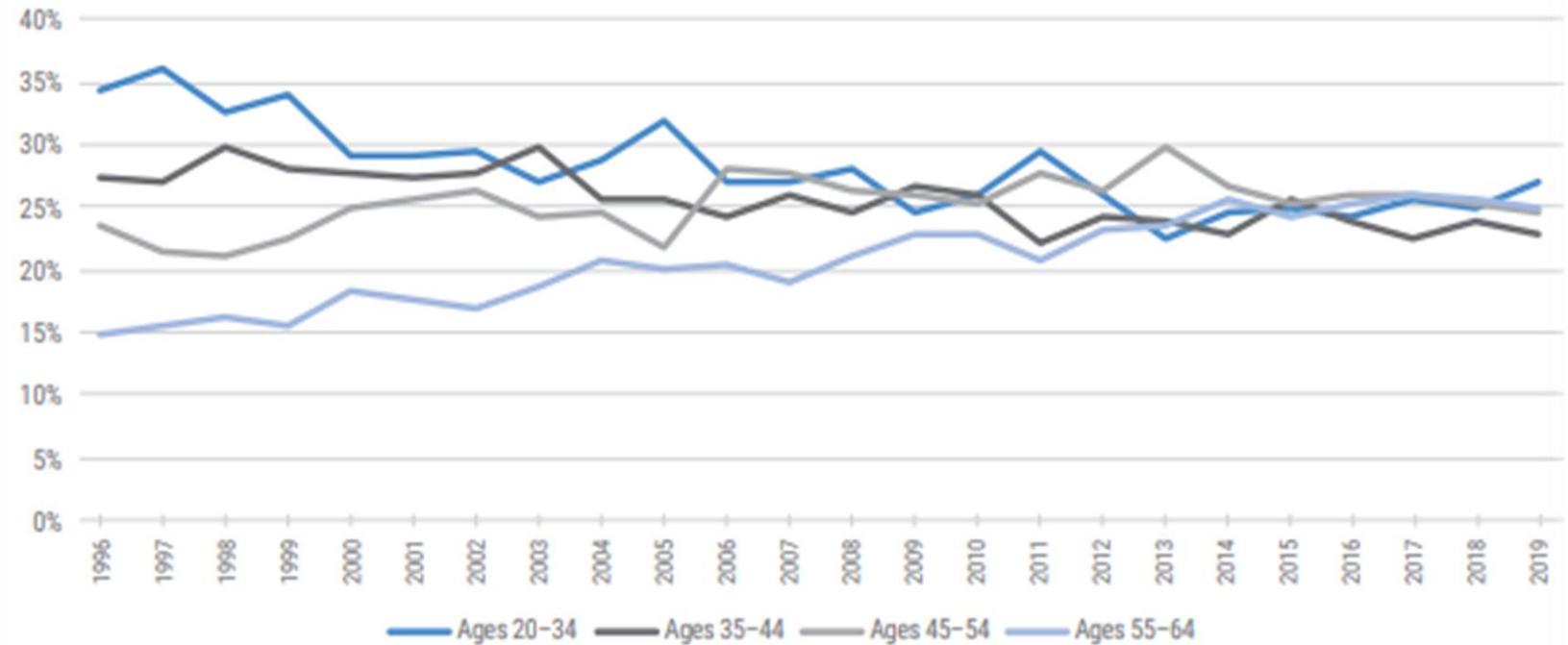
New census 2045 projection confirm the importance of racial minorities as the primary demographic engine of the nation's future growth, countering an aging, slow-growing and soon to be declining white population – 47.7%



Entrepreneurship Trends: Age Group

By 2019 New entrepreneurs are generally likely to be coming from all age groups compared to 1996 when more than one third were between 20 - 34

FIGURE 2: Share of New Entrepreneurs by Age Group (1996–2019)



At a micro level, how has this pandemic impacted your community and will these trends hold together?

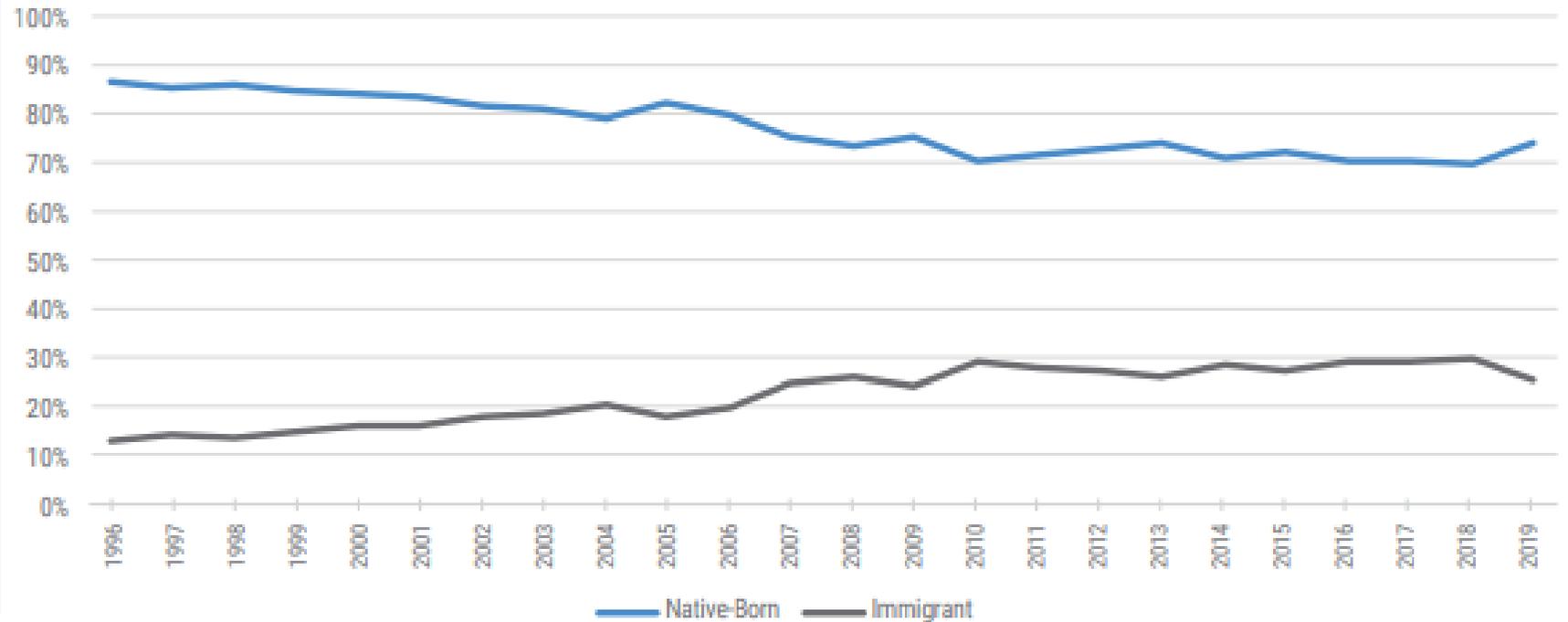


Entrepreneurial Trends: Nativity

Immigrants – 25.4%
new entrepreneurs
2019

Native born decrease
86.7% - 74.6% Same
Period

FIGURE 3: Share of New Entrepreneurs by Nativity (1996–2019)





There is a solution

The traditional approach of attracting and retaining existing companies made sense in the past but must change now

“People are the new company”

Ecosystems are the answer

“Entrepreneurial ecosystems can provide a mechanism to improve access to economic prosperity for everyone, regardless of who they are and where they live”.



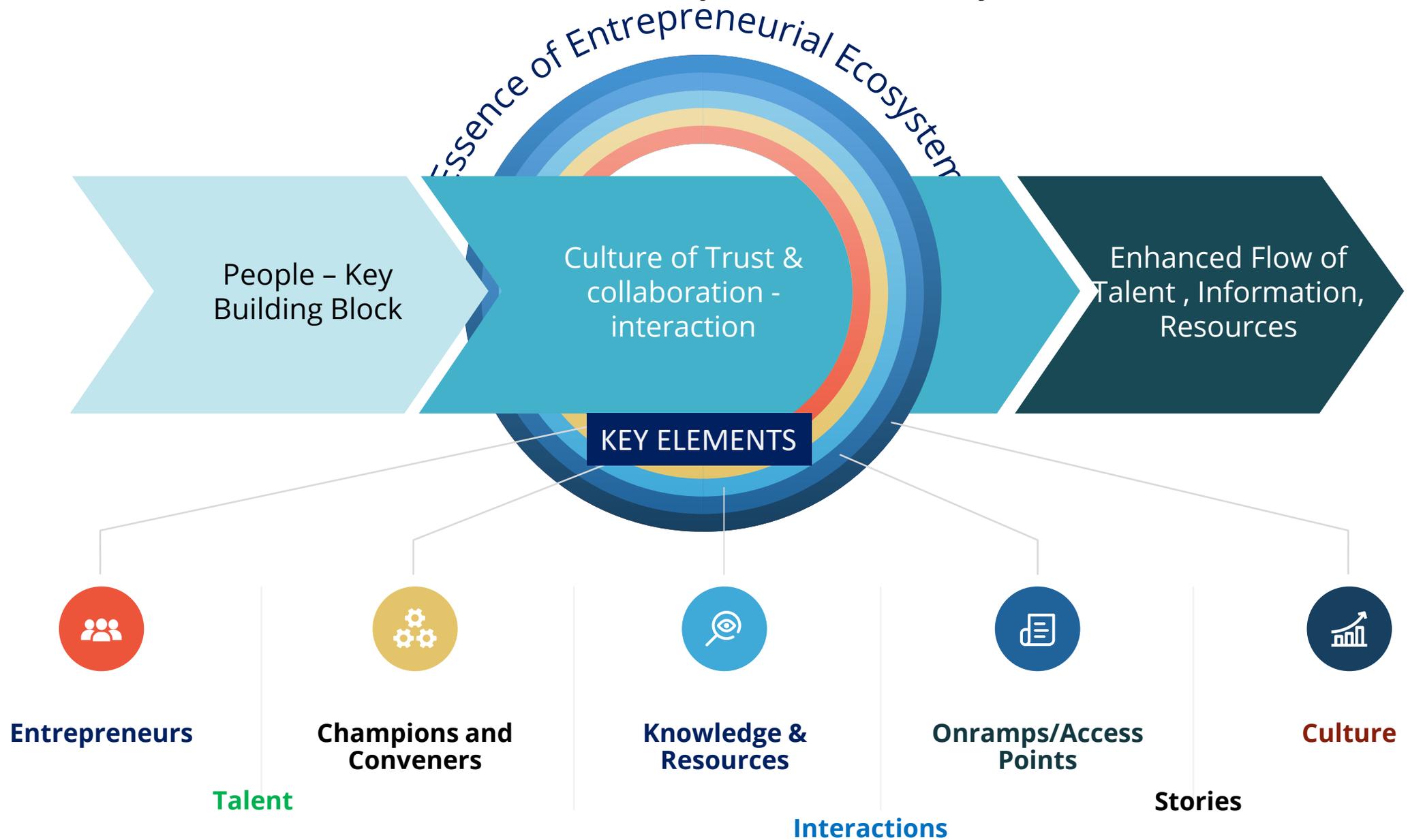
Entrepreneurial Ecosystem Domains

Diversity, Equity, and Inclusivity -
entrepreneurial ecosystem that serves everyone, everywhere

- Policy -
- Financial Capital
- Culture – Societal norms
- Supports Systems
- Human Capital – Labor
- Markets

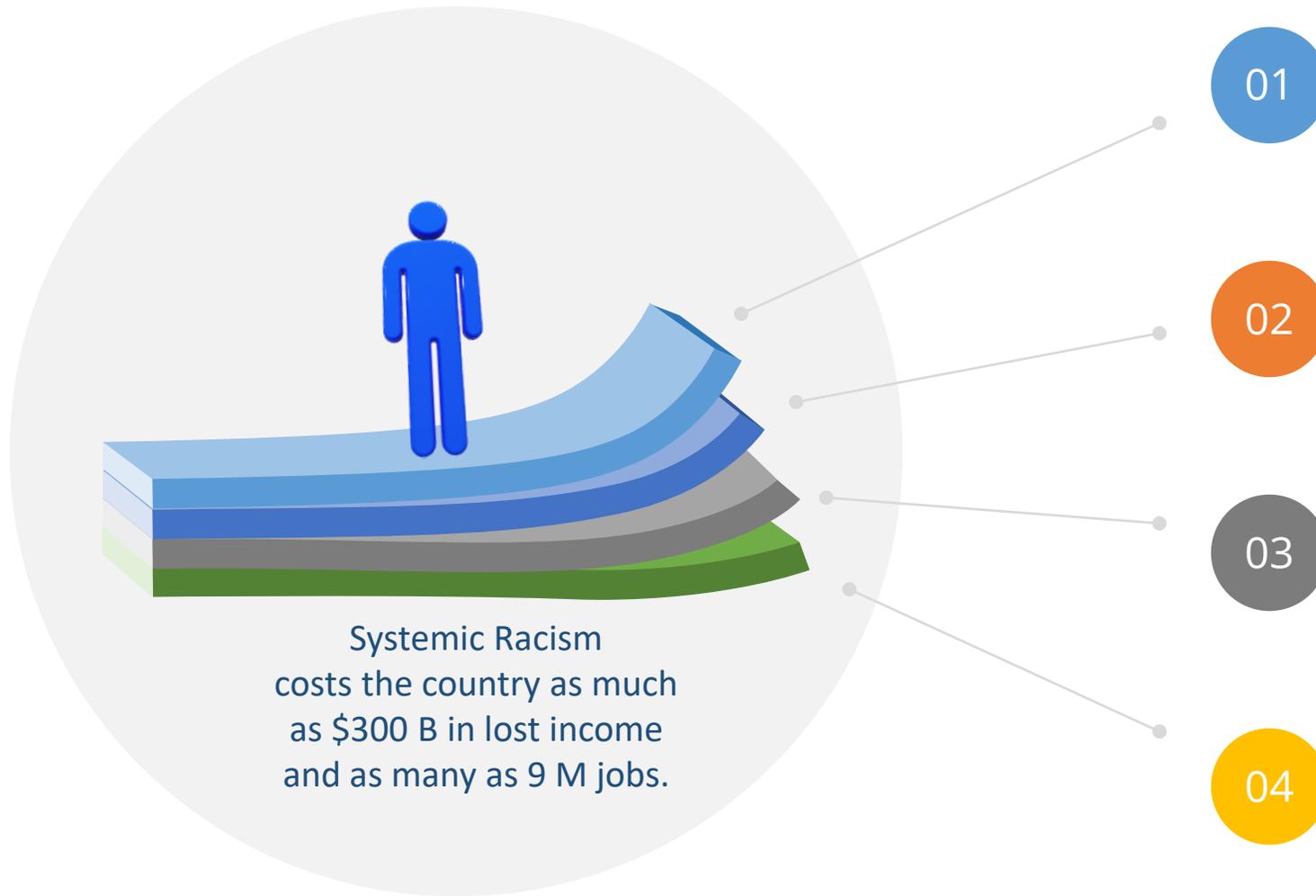


Elements of An Entrepreneurial Ecosystem





Serving Minority Entrepreneurs – Ecosystem Challenges



01

Capacity Building

Training, Coaching, Mentoring, Technical Assistance,

02

Access to Capital

Tall stages of growth

03

Access to Markets

Regional, National, Global

04

Access to Social Networks

Culture Rich in Social Capital

Source: [Benetrends](#) • March 11, 2019

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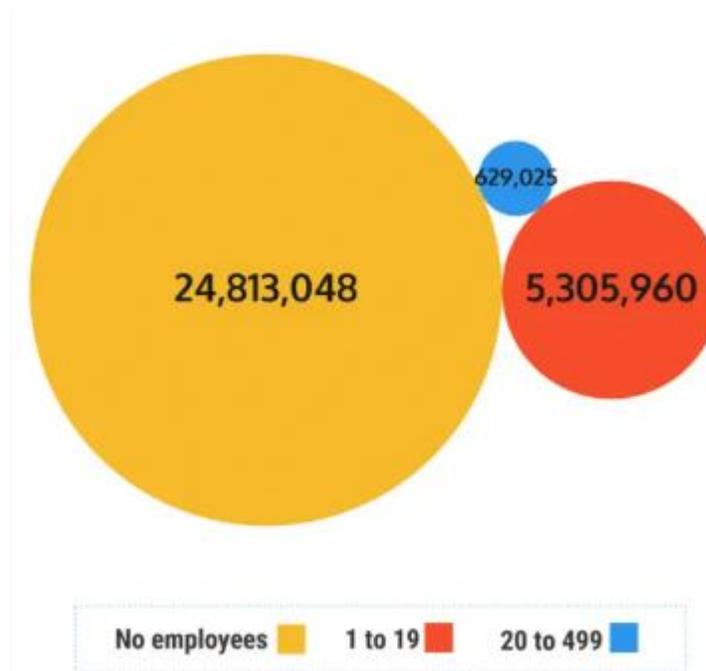


PowerUp Business Innovation and Acceleration Program

Collaborative Approach to Small Business Service Delivery

- Training
- Technical Assistance
- Access to capital/Lending
- Real estate/Incubation

Types of Entrepreneurs Necessity vs Opportunity/Growth





PowerUp Training

Inclusive, diverse and Accessible (classes and workshops rotate around the city, curriculum translated (Mandarin, Russian, Spanish))

- Business planning – Example PHL Small BizStartup Accelerator
- Peer-based learning – social capital & networking
- Business development workshop series – skills development
- Industry best practices – Childcare, Restaurant, Retail etc.)
- Coaching/mentoring
- Access to resources and networks – [www. PHLresourcelink.org](http://www.PHLresourcelink.org)



PowerUp Technical Assistance

Leveraging partner organizations to boost PowerUp technical assistance

- Partner organizations such as SBDC's
- PHL Commerce Department funded BTAP providers
- Volunteer organizations - SCORE
- Commercialization Centers - Science Center, Temple University
- Product/technology development such as NextFab, accelerators (digital, health, etc.)



PowerUp Access to Capital

Capital access remains the most important factor limiting the establishment, expansion and growth of minority-owned businesses.

PHL Capital Consortium – Ease Access

- Crowdfunding – Kiva/open platforms
- Grants Making orgs – Merchants fund
- Grants – PHL Commerce Department
- Micro lenders – CDFI
- Credit Unions
- Commercial/Community banks
- Angel
- Venture



PowerUp Location Support/Real Estate”

Helping entrepreneurs find a place to launch and grow their businesses is key to their success

- Commercial Corridors - CDC
- Incubators/Accelerators (private, universities, nonprofits)
- Co-working spaces (private, nonprofits such as BRIC)
- Private developers – Shift Capital
- E-Commerce/Virtual services



52nd St. Micro Incubation Program



Neighborhood Business – Measuring Impact

- Birth and death/survival rate of new businesses
- Registration of new businesses
- Jobs created by new businesses
- Exports by new businesses
- Investments secured by new businesses (loans and equity)
- Entrepreneurial activity among the population
 - Network access, strength and reach
 - Interactions in the ecosystem by service type, industry, stage, demographic and location



PowerUp – Measuring Impact

** 5 businesses had more than one owner enrolled*



39

ZIP Codes Represented



10

Council Districts Represented



84%

Minority-owned Businesses



71%

Women-owned Businesses



89

Temporary Workers (1099s)



31%

Home-based Businesses



53%

Lease Space



16%

Own Space

2017-2018 By the Numbers:



120

Total Businesses



125

Total Participants*



224

Full-time Employees



171

Part-time Employees



Fostering Entrepreneurship – General Lessons

Entrepreneurship is claiming center stage in economic development strategies for many communities across the country:

- Strategies differ by community
- Entrepreneurship should be key component of an economic development toolbox
- Economic developers need training in entrepreneurship support
- Strategy should be built on clear assessment of existing assets, plans, and needs
- Collaborative partnerships are important
- EDO's must take leadership role in fostering entrepreneurship
- Entrepreneurship support requires capacity building in the community
- New metrics to measure success at the community level



Thank You

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Supporting Small Businesses

Strategies for providing financial and business coaching, and topical training to strengthen small businesses' resiliency and stability



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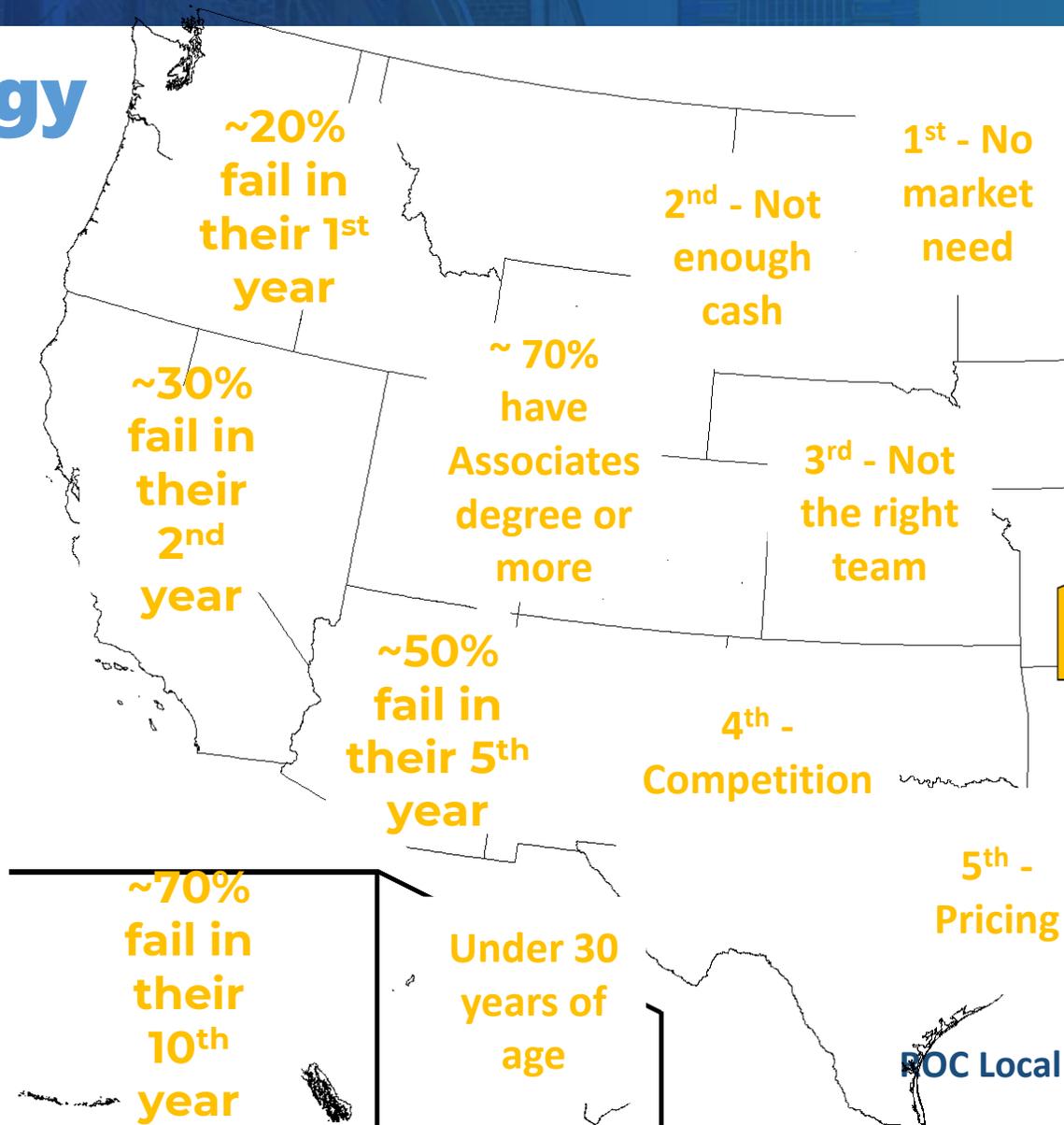
AGENDA – TECHNICAL ASSISTANCE

Small Business Insulation & Incubation	(2:30PM – 2:35PM)
Business Acumen: Support Growth	(2:35PM – 2:45PM)
Technical Assistance Framework	(2:45PM – 2:55PM)
Critical Delivery Components	(2:55PM – 3:00PM)
Wrap Up – Q&A	(3:00PM – 3:30PM)



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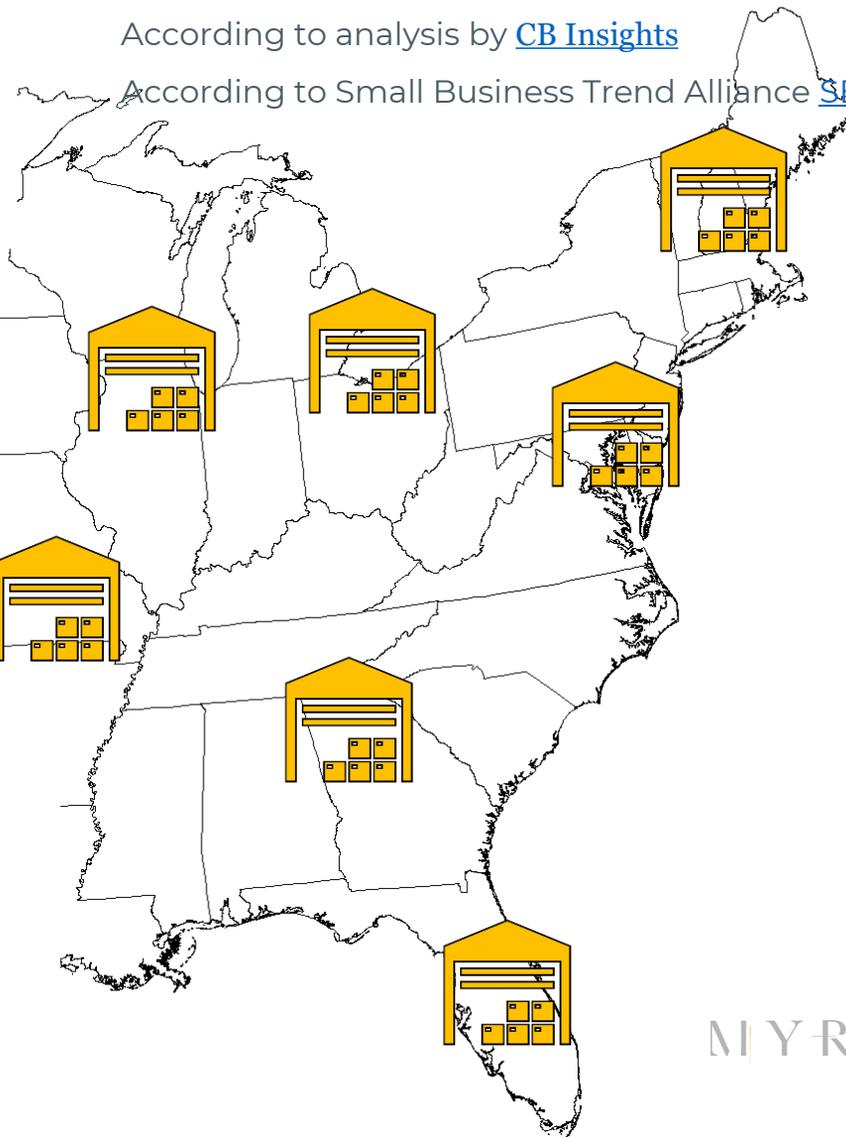
Strategy



According to the Bureau of Labor Statistics' [Business Employment](#)

According to analysis by [CB Insights](#)

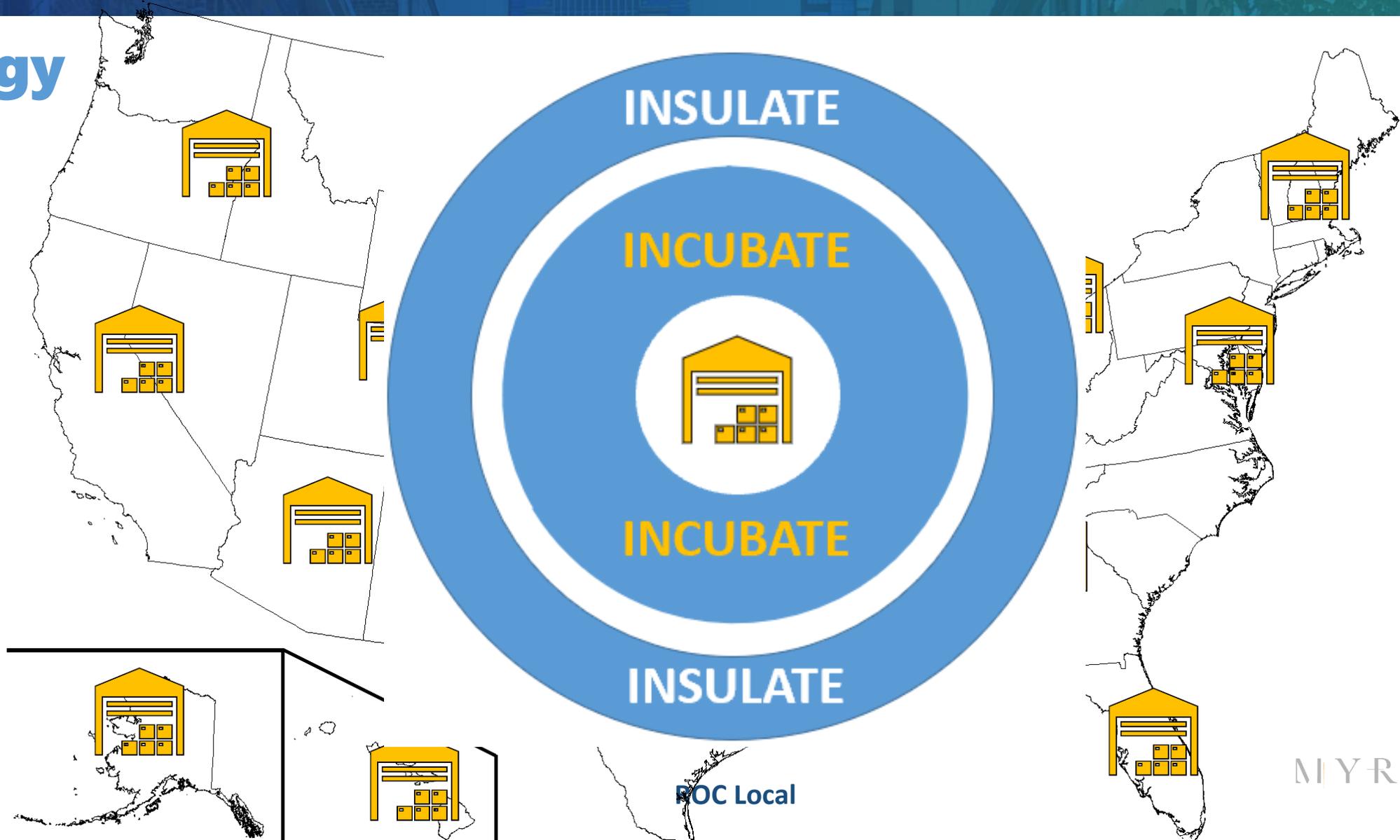
According to Small Business Trend Alliance [SBTA](#)





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Strategy





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Small Business Insulation

PARTNERSHIPS

ADVACACY

SMALL BUSINESS INVESTMENT:

INSULATE

POLICY:

Affordable Rent

Tax

Access to Ownership

Incentives for Ownership

Local Skilled/Non-Skilled Labor

Non-Traditional Funding Sources

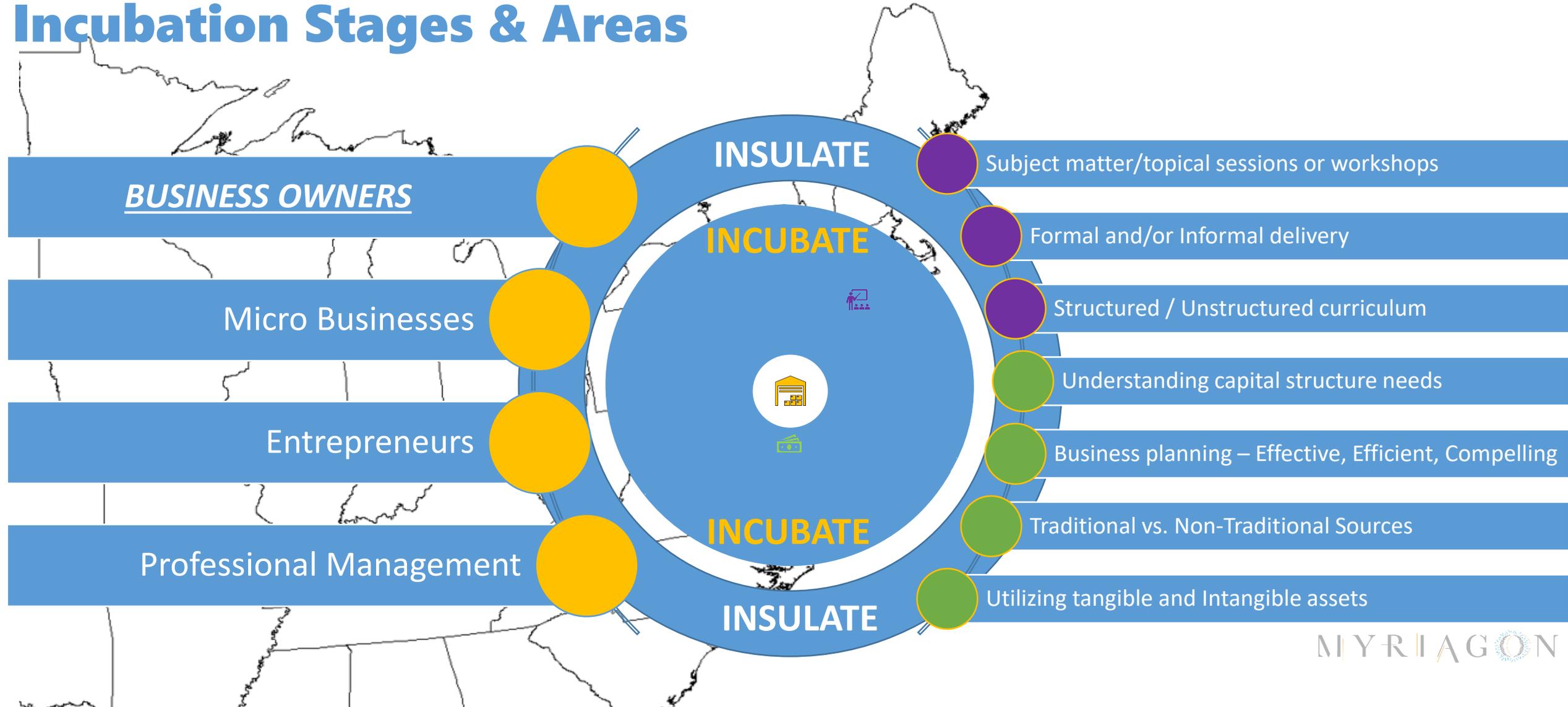
INSULATE

Access to Technical/Digital Parity



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Incubation Stages & Areas





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Technical Assistance

TYPES

Coaching

Advising

Consulting

INCUBATE



INCUBATE

Subject Matter Expertise: Accounting, Legal, HR, IT

Operational: Inventory, Production, Supply Chain, Project Mgmt.

Financial: Capital, Cash flow, Analysis, Interpretation

Business Management: Processes, Controls, Procedures

Planning & Strategy

Customers: Marketing, Sales & Advertising



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CRITICAL DELIVERY COMPONENTS

Individual Assessment

Business Assessments

Goal Setting

Action Steps/ & Metrics

Timelines

Accountability & Progress

•Practitioners, at a quality level, facilitating knowledge & expertise to assist in implementation

TECHNICAL ASSISTANCE

INCUBATE



INCUBATE

SUSTAINABLE
COMMUNITY
BUSINESSES

**WEALTH
CREATION**



THANK YOU

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