

SUPPORTING MICROBUSINESS RECOVERY AND GROWTH

APRIL 2022



LISC LOCAL INITIATIVES
SUPPORT CORPORATION

usbank

FOUNDATION

OVERVIEW

As a result of U.S. Bank Foundation's Access Commitment investment, LISC has provided high-touch technical assistance to BIPOC- and women-led microbusinesses through an innovative range of products and services. We have brought short-and long-term resources and support to areas disproportionately impacted by the pandemic and invested in the infrastructure necessary for long-term recovery and growth in six markets; all while building our organizational capacity to support small businesses and the Business Development Organizations (BDOs) critical to their recovery and growth.

Through our partnership, 10 LISC BDO partners are delivering specialized, place-based support to 500 BIPOC-led microbusinesses in six geographies: Iowa, Oregon, Seattle, Cincinnati, Minneapolis-St. Paul, and Phoenix. To meet the evolving needs of our neighbors, LISC provides targeted operational and technical support to community-based BDOs. This, in turn, supports our partners to sustain and elevate businesses owned by women and entrepreneurs of color.

In this report, we will provide an overview of the program's impact, lessons learned, highlights, and success stories from select U.S. Bank-funded BDOs, and share what LISC has planned for 2022.



IMPACT

LISC awarded sub-grants to and worked alongside 10 BDOs across six markets to serve small businesses in historically disinvested communities, particularly those owned by women and people of color:

The US Bank Foundation funded BDOs and markets include:

- **Cincinnati:** Greater Cincinnati Microenterprise Initiative (GCMI) / MORTAR -Cincinnati's Entrepreneurship Hub
- **Phoenix:** Retail, Arts, Innovation, & Livability Community Development Corporation (RAIL) CDC / Trellis
- **Oregon:** CCD Business Development
- **Iowa:** Eastern Iowa Community College Small Business Development Center
- **Seattle:** El Centro de la Raza / HomeSight
- **St. Paul:** West Broadway Business / Aurora St. Anthony NDC.

Since the start of the grant term the U.S. Bank-funded BDO partners have **served 849 businesses, 620 of which are BIPOC-led, exceeding our goal** to serve 500 BIPOC entrepreneurs by 24%.

Our BDO partners have excelled in providing small businesses with in-depth, culturally-responsive technical assistance, and customized support to business size, industry, and need. BDO supports include connections to capital, including loans and grants from LISC and others; crowdfunding resources (e.g., LISC's partnership with Kiva), financial coaching, digital access, web-based and/or remote sales, and marketing support, and guidance on health and safety measures.

849

**SMALL BUSINESSES
SERVED**

73%
BIPOC-LED

55%
BLACK -OWNED

88%
**IN LMI CENSUS
TRACTS**

39%
WOMAN -OWNED

The U.S. Bank partnership helped LISC reinforce the BDO network, and promote peer learning of best practices across the network. LISC has facilitated quarterly assembly meetings, learning opportunities, [and a monthly newsletter](#) highlighting key resources, upcoming training events and webinars, funding opportunities, new research and policies, small business spotlights, and more.

BDO network learning opportunities offered during the grant term include:

- **'Recast Your City: How to Save Your Downtown with Small-Scale Manufacturing'** Webinar. Recast City Founder & CEO, Ilana Preuss, outlined strategies that communities can use to build strong local economies and create inclusive economic opportunities. (100 attendees)
- **Building Equitable Local Ecosystems for Small Business Virtual Workshop** -LISC and Next Street presented a workshop to launch their co-authored [Building Equitable Local Ecosystems for Small Business, A Practitioner's Guide](#). This playbook outlines how organizations serving small businesses can work together to identify ecosystem-level and organization-specific strategies. (123 attendees)
- **Building Equitable Local Ecosystems: Small Cities Virtual Workshop**. LISC and Next Street presented a workshop to launch their co-authored Building Equitable Local Ecosystems: Small Cities, A Practitioner's Guide. This session focused on small cities, specifically. (50 attendees)
- **Verizon 'Digital Ready' Learning Platform Webinar**. This event introduced Verizon's new learning [platform for small businesses](#), a collaboration between Verizon and LISC. The menu of free digital resources can help entrepreneurs plan, manage and grow their businesses, with a focus on community-rooted enterprises reeling from the economic fallout of the pandemic. (36 attendees)

IMPACT HIGHLIGHTS

567 small business received one-on-one technical assistance

49 educational workshops delivered to 278 entrepreneurs

493 entrepreneurs connected to supplemental public, private or nonprofit support services

18 businesses connected to \$4.6M in loans

31 businesses connected to \$185,000 in grant funds

BDOs also benefit from a common data management system LISC developed for the network. The system, housed within Salesforce, fosters continuous learning, accountability, and the ability to course-correct on program design. We are progressing toward full BDO network utilization of the system, to help assess the impact of our efforts on historically underserved entrepreneurs.

The system will hold a record for each individual business served with baseline intake information including industry, location, census tract, technical assistance needs, revenues, number of employees, and owner information including demographics, age, educational attainment, and more. LISC will keep U.S. Bank apprised of our work in this area.

Please refer to [Attachment 1](#) for a sampling of BDO and small business success stories.

LESSONS LEARNED

BDOs function as advocates and system navigators, supporting small businesses along their journeys. The following lessons learned reflect what BDO partners have shared from the field and will help guide LISC's capacity-building support for BDO partners for the balance of the grant term.

Trust, built over time, is a key component of small business support.

Many of the small businesses our BDOs serve have had transactional relationships with financial providers or consultants, who offer resources and supports misaligned to their unique needs. Despite the availability of COVID relief resources, many businesses were hesitant to seek relief, for fear of being misguided or taken advantage of.

BDO partners work to overcome this skepticism through consistent communication and engagement, and report that it can take, on average, three to 12-months to establish trust and a strong working relationship with some entrepreneurs.

LISC BDOs make successful connections because they are consistent, dedicate time for ongoing engagement, meet directly with small business owners, and develop a deep understanding of the local landscape to cultivate and sustain the trust of entrepreneurs.

BDOs are connectors.

In addition to providing direct one-on-one support, our BDOs are ecosystem builders that connect and refer small businesses to essential resources within their local networks. These referrals may include capital through city or country loan funds, philanthropic grant opportunities, and innovation funds. BDOs use their position and relationships to connect small businesses with the most up-to-date information available, connecting businesses to services and resources both within and beyond the BDO, itself.

Over the past year, our BDO network has referred small businesses to 288 resources outside of their own services, including city, state, and federal resources, local recoverable grant programs, credit building services, industry-specific resources, and marketing and sales consultants. Other referrals included accountants, bankers, insurance agents, and support to complete woman-or minority-owned businesses and DUNS certifications, to apply for local procurement opportunities.

BDOs help entrepreneurs navigate the ever-changing small business landscape.

BDOs are nimble and adapt to the needs of the moment, whether strategies for COVID compliance or adjusting to the needs of their service population. The national BDO network provides a platform where BDOs can gain peer insight and support and access new ideas and tools to improve service delivery.

For example, many small businesses don't have the time or skills to reimagine how their businesses must operate in the COVID era. To address this need, BDOs have updated their curricula to include content on how to increase online presence, optimize day-to-day operations, and improve customer experience.

Another example of adaptation is the way BDOs are responding to the growing immigrant populations in the markets where they operate. For example, in Iowa, where one of our BDO partners is located, 40% of population growth since 2010 is due to immigration (*The Gazette*, 2018). Language access, including translation and interpretation services, have become a more critical need. In the Seattle region, our partner HomeSight, has noted there are more than 20 widely-spoken languages in the area and a high need for translation services for entrepreneurs who have limited English skills. BDOs are exploring ways to better meet this need in order to share strategies, peer-to-peer.

AMPLIFICATION

U.S. Bank Employee Engagement

LISC is grateful for the opportunity to engage U.S. Bank leadership through this grant. We have collaborated on three interactive events to date, facilitating a two-way exchange of expertise between U.S. Bank and our BDO network partners, to benefit small businesses:

- **Leveraging Your Banking Relationship** (8/12/21) U.S. Bank Panelists: Dominic Venturo, Chief Digital Banking Officer; Judie Verb, EVP and Mountain Regional Executive for Consumer and Business Banking
- **Storytelling: How We Share and Tell Our Stories** (8/26/21) U.S. Bank Panelists: Kate Quinn, Vice-Chair and Chief Admin Officer for Strategy Transformation & Corporate Affairs; Greg Cunningham, Senior Executive Vice President and Chief Diversity Officer
- **Pushing Through Barriers for Woman-Owned Businesses** (4/20/22) Panelists: Lotika Pai, Chief Financial Officer, Women's Business Development Center (WBDC) –Chicago; Ashlei Spivey, U.S. Bank, Business Access Advisor, Small Business Owner; Ryan Winkle, Executive Director, RAIL CDC –Phoenix; Kemberly Todd, Technical Assistance Coordinator -CCD Business Development Corporation, Oregon; Joel Young, Regional Director, Eastern Iowa Community College, Iowa

LISC looks forward to facilitating another event in fall 2022, on a topic based on event attendee surveys.

Publicity and Storytelling

For the start of the grant term, LISC and U.S. Bank have successfully collaborated to promote the success of our partnership. LISC amplified U.S. Bank's [announcement](#) of the U.S. Bank Access Fund on our social media channels in May 2021. The announcement identified LISC as one of the Fund's primary partners.

LISC has participated in joint storytelling with U.S. Bank to share the impact of our partnership. We identified small business story leads in Phoenix and Seattle for U.S. Bank to develop for its website, with LISC amplifying the content.

U.S. Bank posted [the first story](#) in March 2022. It highlights the entrepreneurial journey of Florence Amoako, an immigrant from Ghana and owner of a 20-year-old African market in the Phoenix area. LISC shared the story on social when it first appeared on U.S. Bank's website. We also reposted it to LISC's website a month later, adding a photo slideshow to give the piece richer visual elements. We shared the reposted story on social media with a shorter slideshow. We are discussing the possibility of pitching Amoako's story to local media in conjunction with a regional U.S. Bank public affairs contact

LISC also shared Seattle's story leads with U.S. Bank to develop on its website. U.S. Bank is in the process of finalizing a story featuring two Black woman-owned businesses from the restaurant and retail industries.

The story is likely to be published on the U.S. Bank website in May 2022. Once published, LISC will share the story on our social media channels. Just as we did with the story from Phoenix, we will also post it on the LISC website. LISC will continue to lift up story leads for U.S. Bank over the next year of our partnership.

LISC appreciates U.S. Bank's support. We look forward to sharing the continued positive impact of this grant on our BDO partners, the small businesses they serve, and the communities in which they operate.



ATTACHMENT 1

SUCCESS STORIES

RAIL CDC

RAIL client, Pedro Contreras, has been through massive disruption before. His restaurant, Pedrito's, moved six times before settling at the current location at Country Club Drive and Main Street. About a year ago, RAIL began working with Pedro to negotiate the terms of his business lease terms and to help clarify his business finances. Since that time, Pedrito's has received a LISC-Verizon small business grant, a PPP loan, and a grant from Maricopa County, all enabled through RAIL's partnership with LISC and U.S. Bank. Looking ahead, RAIL has connected Pedro with a commercial real estate broker to support the continued growth of his business.

Mortar Cincinnati

Mortar client, Aretha Furr, had a small business focused on transportation and services. While participating in the small business program at Mortar, Aretha chose to focus on the growth of her transportation business-only, providing transportation to the elderly and school-aged children, as well as airport transportation. For 15 weeks Aretha received one-on-one assistance with business coaching from SCORE, expertise from financial advisors and guest speakers who answered questions on the MORTAR course material, pitch coaching, and small group instruction.

Aretha started the course with one van and two employees. By the end of the course, she added a second vehicle. Aretha won the People's Choice Award at MORTAR's Pitch Night Competition, engaging the most people in her community to donate to her business. Aretha is continuing to grow her business and has begun promoting gift cards and adding grocery shopping assistance. Since graduation, she has hired additional employees and plans to purchase more vehicles in the future.



SUCCESS STORIES

El Centro de la Raza

Lucila Mora, owner of Creaciones Bella, is a graduate of the Unidos en Negocios trainings series. This eight-session entrepreneurship course guides participants in creating and growing their business, with an emphasis on the use of technology. Lucila's business is a small company that creates arts and crafts based on Mexican traditions. Lucila started out selling products at markets, fairs but was able to officially launch her business in 2021. This included renewing her lapsed business license and creating an online presence to better promote her products.

After graduating from the entrepreneurship course, Lucila had a one-on-one meeting with the El Centro team, to learn the benefits of being a sole proprietor or limited liability company (LLC). Lucila determined that once she earns more than \$12,000 in sales, she will form an LLC, for tax purposes.

CCD Business Development Corporation

Tropicália Brazilian Cuisine is located in Curry County in Brookings, Oregon. The cafe is owned by Samuel Athayde an immigrant from Brazil, and Constance Athayde who is a native Oregonian. They employ three full-time and four part-time employees in their café, which opened in April 2019. The cafe is 525 square feet, and the owners are working toward securing a second, larger location in the future.

From August to December 2021 Constance met with CCD technical assistance staff to address several areas of her small business and provided the following testimonial:

“Over the course of several sessions, I received several hours of one-on-one assistance from highly qualified CCDBD staff. The support was provided in job description development, financial statement analysis, and review of our marketing strategies. The technical assistance was conveniently scheduled around our limited free time, and a secure email and dropbox were provided for sensitive information.”

-Constance Athayde