

**Proposal Summary**  
**Meeting Date: 11/15/2017**

**Chicago Urban League**  
**Request # 115440**

<b>Project Title:</b>	Center for Entrepreneurship and Innovation
<b>Duration:</b>	12 months
<b>Request Date:</b>	10/4/2017
<b>Request Amount:</b>	\$50,000
<b>Recommended Amount:</b>	\$50,000
<b>Program Area:</b>	Education\Continuing Education\Adult\Entrepreneurship
<b>Population Served:</b>	Poor / Economically Disadvantaged
<b>Type of Support:</b>	Program Support
<b>Grantee Location:</b>	Chicago, IL
<b>Primary Contact:</b>	Ms. Shari E. Runner

**Project Abstract**

This request is to support the Center for Entrepreneurship & Innovation which promotes business development for entrepreneurs in several Chicago African American communities. The Center offers programs to entrepreneurs, which provides tools that focus on business skills development for startup, early stage and established businesses.

**Organizational Background**

Founded in 1916, the Chicago Urban League is a community resource, providing holistic and synergistic programs and services that advance the economic development of African Americans and the communities in which they live. The League strives to achieve the following goals: (1) be a leader on issues impacting African Americans; (2) achieve measurable and sustainable results in economic empowerment, educational equality and social justice; (3) develop and engage the next generation; and (4) build a strong financial foundation. Last year, the League served approximately 10,000 Chicagoans through various programs and services.

In 2007, the League founded the Center for Entrepreneurship & Innovation to assist minorities in launching, growing and sustaining businesses through classroom instruction, technical assistance and access to business opportunities and procurement. Last year, businesses participating in Center programs resulted in acquiring nearly \$60 million in new contracts and the creation of 82 jobs. (The bulk were construction contracts.)

**Annual Revenue Sources**

Grants	13%	Government	29%	Earned Income	%
Fees	19%	Private Support	35%	Other	4%

**Finances**

	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
	06/30/2018	06/30/2017	06/30/2016
<b>Revenues</b>	7,713,074	7,917,645	6,910,795
<b>Expenses</b>	7,713,074	7,595,961	7,340,388
<b>Surplus (Deficit)</b>		321,684	(429,593)
<b>Net Assets</b>		1,610,380	1,288,696

## Program Description

The Chicago Urban League Entrepreneurship Center for Entrepreneurship & Innovation provides programs and services to African Americans, which aim to: (1) support aspiring entrepreneurs in the development of a viable product or service and in the launch of new ventures; (2) assist existing business owners with financial and business model redevelopment and with the cultivation of transformational leadership skills; (3) build technical skills of business owners; (4) provide support to small business owners that are seeking external capital resources, including traditional bank loans, micro-loans, venture capital, or angel investments; (5) provide assistance with contract procurement and connections to clients and contractors. Approximately 70% of businesses served are early stage; 30% are established businesses e.g. service firms, restaurants, and construction companies.

In 2016, Entrepreneurship Center provided services to more than 500 businesses, which includes business coaching, training events, workshops, and programs. This included providing established and aspiring business owners with over 870 hours of one-on-one coaching, and more than 3,740 hours of training. The Center offers the following six programs to early stage and established business:

- 1) The **nextSTARTUP Business Launch** is a six-month program designed to support startup business owners. On average 40-50 businesses a year go through this program with a 90 % completion rate.
- 2) The **nextDEAL Teaming** is a six-month program designed to connect established business owners with contract opportunities and financing. Approximately 30 businesses enroll with 90% completing the requirements of program.
- 3) The **pitchCRAFT Business Communication** is an intensive six-week program that combines classroom training and group coaching to help business owners develop an elevator pitch and competition pitch. Businesses are taught how to pitch to different audiences such as investors, bank, other partners. Approximately 15 businesses per year participate in this program.
- 4) The **nextCONNECTION Technology Integration** is a monthly workshop series designed to help business owners identify and implement technologies to enhance operations. This is a series with different topics each month, enrollment varies.
- 5) The **nextLEVEL Business Mentoring** provides mentors to help business owners accelerate the growth of their business. Requirements to participants are business owners that: 1) are generating at least \$100,000 in business revenue; 2) have been in business for at least three years, and 3) have at least one employee. The program was launched in March 2017. Approximately 15 businesses are paired with a mentor. Mentors and mentees evaluate each other.
- 6) **Business Coaching Program** provides clients with one-on-one access to subject matter experts and entrepreneurial support organizations. Currently, clients can schedule an appointment with one of 20 business coaches, who provide an estimated 870 hours a year of coaching.

## Expected Outcome

The Center takes a systematic approach to program evaluation with a department completely dedicated to measuring outcomes for each program and activity. The short-term outcomes for each program include:

- 1) **The nextSTARTUP Business Launch Program** (Graduates are those completing the program)
  - 100% of graduates (30) develop plan and implement action steps from business plan.
- 2) **The nextDEAL Teaming Program**
  - 75% of participants (15) will create a procurement plan and demonstrate an understanding of obtaining contacts and financials at the end of each workshop series.
- 3) **The pitchCRAFT Business Communication Program**
  - All pitchCRAFT graduates will have developed some type of competition pitch.

**4. The nextCONNECTION Technology Integration Program**

- 85% of monthly workshop attendees will report the session as beneficial in enhancing their technology knowledge base, as reported in an attendee session survey.

**5. The nextLEVEL Business Mentoring Program (pilot program)**

- 40% of mentees will develop new customers and report increased/raised revenue resulting from mentoring relationship.

In addition, the Center has outlined intermediate-term outcomes by the end of the fiscal year including:

- At least, 10 business owners will obtain credit-building financing. Business owners will obtain combined financing equal to or exceeding \$1 million dollars.
- Client businesses will learn the skills to increase revenue through obtaining contracts. Business owners will report receiving 50 new contracts, and obtain at least \$35 million in new contracts.
- Client companies will create a combined minimum of 50 jobs in the communities they serve and for clients served by the League.

**Program Budget**

Revenue totaling \$379,000 – committed: Polk Bros. Foundation (\$45,000), National Urban League (\$85,000); City of Chicago (\$35,000), Kauffman Foundation (\$26,500); pending MillerCoors (\$20,000), BP (\$30,000), BMO Harris Bank (\$12,500), CIBC (The Private Bank) (\$50,000) for a new initiative in partnership with the Women’s Business Development Center; tuition from training programs, workshops, and networking events (\$25,000).

Expenses totaling \$381,809 for personnel costs including salaries, benefits, and payroll taxes; professional services for program delivery; non-personnel expenses for occupancy, and maintenance of technology and innovation lab where class sessions and workshops are held. Request to CFI is \$50,000 (13% of budget).

**Prior Grants**

This would be a first grant to Chicago Urban League for support of the Center for Entrepreneurship & Innovation.

**Recommendation**

The Center for Entrepreneurship & Innovation utilizes two Coleman Impact Plan strategies. CFI Strategy #1- whereby the Center engages in the process of continuously improving Entrepreneurship curricula in order to build core competencies and skills among African Americans who are interested in business startups. CFI Strategy #3 - by providing programming that relies on practitioner engagement, counseling and linkages to an established entrepreneur. These strategies lead to richer experiences and support systems for budding entrepreneurs and will increase the success of those who start and run businesses.

We recommend funding for the Center at the requested level of \$50,000, which is 15% of the Center’s budget and would essentially support general expenses. This is a community based program which demonstrates a focus on non-academic programming, and also directly supports entrepreneurship in underserved communities. Given the League’s emphasis on establishing metrics and outcomes, they appear to be having good success. This grant would allow CFI to get to know the organization better and determine any future opportunities.

<b>Chicago Urban League</b>			
<b>Center for Entrepreneurship &amp; Innovation</b>			
<b>4-Oct-17</b>			
<b>FY18 Program Budget</b>		<b>Total Project Budget:</b>	<b>\$381,809</b>
<b>Revenue</b>	<b>Funds Needed</b>	<b>Funds Requested</b>	<b>Funds Committed</b>
Coleman Foundation	\$50,000	\$50,000	
CDBG- Neighborhood Business Development Center	35,000		35,000
Polk Bros. Foundation	45,000		45,000
MillerCoors	20,000	20,000	
BP	30,000	30,000	
Kauffman Foundation	26,500		26,500
Workshops	25,000		25,000
National Urban League	85,000		85,000
CIBC	50,000	50,000	
BMO Harris	12,500	12,500	
Organizational Contribution	2,809		2,809
<b>Revenue Total</b>	<b>\$381,809</b>	<b>\$162,500</b>	<b>\$219,309</b>
<b>Expense</b>	<b>Project Budget</b>	<b>Coleman Funds</b>	<b>Other Sources</b>
Salaries	\$231,500	\$30,316	\$201,184.00
Benefits	37,434	\$4,902	32,532
Payroll Taxes	25,545	\$3,345	22,200
<b>Total Personnel Costs</b>	<b>294,479</b>	<b>\$38,563</b>	<b>255,916</b>
Professional Services	9,485	\$1,242	8,243
Printing & Publications	3,885	\$509	3,376
Memberships & Subscriptions	898	\$118	780
Postage & Shipping	424	\$56	368
Conferences & Meetings	7,200	\$943	6,257
Transportation	4,685	\$614	4,071
Supplies	10,366	\$1,357	9,009
Equipment Rental	12,072	\$1,581	10,491
Grants and Awards	2,000	\$262	1,738
Miscellaneous	735	\$96	639
<b>Total Controllable Expenses</b>	<b>51,750</b>	<b>\$6,778</b>	<b>44,972</b>
Occupancy	11,136	\$1,458	9,678
Telecommunications	7,652	\$1,002	6,650
CUL Services	13,459	\$1,763	11,696
Insurance	3,333	\$436	2,897
<b>Total Non Personnel Expenses</b>	<b>35,580</b>	<b>\$4,659</b>	<b>30,921</b>
<b>Total</b>	<b>\$381,809</b>	<b>\$50,000</b>	<b>\$331,809</b>