

Proposal Summary
Meeting Date: 11/19/2019

Women's Business Development Center Request # 116000

Project Title:	ScaleUp Program and Early Childhood Education Entrepreneurship Program
Duration:	12 months
Request Amount:	\$230,344
Recommended Amount:	\$230,344
Program Area:	Education\Continuing Education\Adult
Population Served:	Economically Disadvantaged
Type of Support:	Program Support
Location:	Chicago, IL
Staff:	Clark McCain

Organizational Background

The Women’s Business Development Center (WBDC) is a 33-year-old economic development organization headquartered in Chicago, with local offices in Aurora, Richton Park, and the Little Village neighborhood. Its major markets are Chicago, Milwaukee, Twin Cities, Kansas City, and St. Louis. It also serves a nine-state Midwest region as a third-party certifier of Women Business Enterprises (WBEs). Since its inception, the WBDC has served over 90,000 clients, held 13,500+ entrepreneurial training workshops, secured over \$98.5 million in financing for women and minority-owned businesses facilitated more than \$1 billion in government and corporate contracts and certifies approximately 1,900 WBEs annually. The WBDC delivers services through its two (2) Women’s Business Centers (WBC), Small Business Development Center (SBDC), Procurement Technical Assistance Center (PTAC), InventIllinois Programming, community based ScaleUp Initiatives, and as a direct lender. It provides services which include capacity building to scale businesses; strategic business coaching and financial support to help clients manage and grow their businesses; direct lending and debt/equity placement; business development services for veterans; and corporate and public sector procurement opportunities.

Finances

	Budget	Actual	Actual
	06/30/2020	06/30/2019	06/30/2018
Revenues	\$4,160,800	\$4,041,136	\$4,611,011
Expenses	4,160,782	3,864,181	4,706,259
Surplus (Deficit)	17	176,955	(95,248)
Net Assets		\$2,501,081	\$2,501,081

Annual Revenue Sources

Grants	47%
Fees	25%
Government	25%
Private Support	--
Earned Income	1%
Other	2%

Program Description

The WBDC seeks support for two of its main program offerings, ScaleUp and The Early Childhood Education Entrepreneurship Program (ECEEP), each of which have received prior CFI support.

ScaleUp is a 9-week cohort-based curriculum program designed to assist established, local community businesses that are stagnant but poised for growth. Through the delivery of business development

services, ScaleUp equips small business clients with the business/financial acumen, resources, and tools to 'break the cycle', build capacity, and create jobs. ScaleUp is for business owners who have been in business for at least two years; employ at least two employees and have an average annual revenue of \$75K-\$500K. Business owners in each cohort are in similar business lifecycle stages which enables the WBDC to provide more in-depth curriculum modules. It also positions business owners to successfully follow the program methodology of "learn, connect and adapt" -- *learn* core business concepts, *connect* to subject matter experts that can be contracted and *adapt* to directly impact business change.

Since the inception of the ScaleUp program, the WBDC has delivered 25 ScaleUp Cohorts supporting over 250 business owners (94.5% of whom are persons of color or female) created/retained 636 jobs and obtained over \$850,000 in new capital. Recently, the ScaleUp program was nominated as a top 100 finalist for the Chicago Innovation Awards - Entrepreneurship and Workforce Development category.

The WBDC proposes to deliver two 9-week cohorts of ScaleUp to serve South East Side communities (Chatham, South Shore, etc) and South Suburban communities, complete a curriculum review, and increase access to technology as part of the curriculum. Each of these communities is lacking in educational resources for entrepreneurs and the organization has received requests from individuals in these neighborhoods for local programming.

A curriculum review will ensure the ScaleUp program is continuing to shift and adapt according to the changing needs of the entrepreneurs being served; including but not limited to competency measurements, experiential learning, and identifying how to transition the business to its next stage. The review will focus on advancing experiential learning through innovative pedagogical methods. Understanding the cultural dynamics of each community in which ScaleUp is delivered will be a key part of the curriculum review process.

The WBDC would obtain laptop computers to be used during the ScaleUp program by participants. This will allow the course to introduce participants to easily available software applications that can be used in the management and growth of their businesses. In past cohorts, it has been difficult to do this as many participants use phones as their means for technology access during class (while having desktop PCs at home for business use).

The Early Childhood Education Entrepreneurship Program (ECEEP) is a seven-week cohort training program that allows entrepreneurs entering the industry to build a solid foundation to earn a living wage and operate a profitable business. For established business owners, the ECEEP assists owners with increasing operational efficiencies that will lead to increased revenues. Over the last three years, the ECEEP Program has served more than 1,000 clients. Clients reported economic impact totaling over \$1,532,241 in capital formation, 128 jobs created, 20 business starts and expansions, 4,000 professional development hours awarded, and 4,325 children enrolled in WBDC client early childhood programs. Few educational resources customized for business owners in this industry are available in Chicago neighborhoods.

The WBDC proposes to deliver three 7-week cohorts Elevate Your Child Care Business (rebranded) training in Belmont/Cragin, Little Village, and expand into the suburbs, Aurora or South Suburbs. Additionally, it would develop 3-webinars specific to a childcare business lifecycle stages to introduce business owners to technological tools and applications that allow them to operate more efficiently upon completion of the 7-week program. Finally, it would begin development of an informal cohort of

program alums who have interest in launching a center-based childcare business (as opposed to a home-based one) for collaborative learning and support.

The three webinar topics would enable participants to 1) hear from a childcare business dream team of an industry-knowledgeable lawyer, accountant, architect, and banker sharing lessons learned and pitfalls to avoid in the start-up phase; 2) gain business plan essentials, key resources in the state, and learn to plan next steps to launch a home-based business; and 3) gain financial knowledge and resources on the strategies and tools to grow and better manage a childcare business.

The WBDC intends to develop a Center-Based Start-Up Collaborative to support graduates from an ECEEP cohort who can apply and adapt key learnings to either start a childcare center or transition from a home-based to a center-based childcare business. The collaborative will serve as an experiential learning environment for childcare providers who typically attempt to navigate the lengthy, expensive, difficult and highly regulated process of opening a childcare center on their own. Efforts during the grant period will include establishing programming, identifying members, and hosting a special round-table discussion at the RiseUp Annual Summit to launch the collaborative.

The RiseUP Summit educates established childcare providers and typically has approximately 200 attendees. Sponsorship of the educational component will consist of three educational labs, offered in both English and Spanish, that focus on increasing business and financial acumen.

Strengths / Weaknesses

Strengths:

- Both ScaleUp and ECEEP are established program models that have been expanded to new geographies through a prior CFI award and are delivering good results
- The curriculum review effort aligns with our recently funded DePaul University initiative to review and improve community educational program quality
- Grant resources will enable program improvements to be identified and instituted to create better learning by program participants

Weaknesses:

- Both programs are significantly reliant on philanthropic support to sustain ongoing offerings. ScaleUp is funded by Wintrust, JPMC, People's Gas, Huntington Bank, and Dunham Fund. ECEEP is funded by Polk Bros. Foundation and the U.S. Small Business Association.

Why Fund

The WBDC is a high-quality education organization in the neighborhood entrepreneurship ecosystem. Supporting these core programs enables CFI to both provide meaningful support to enable ongoing offerings but also to sustain a funding relationship with a key organization as we evolve our funding strategies for *Entrepreneurship-In-Neighborhoods* work.

Prior Grants

Last Grant Date: 8/22/2018
Last Grant Amount: \$150,000.00

Number of Prior Grants: 4
Total Amount Granted: \$177,500

Grants Budget (if not general operating)			
Expenditure Category	Recommendation	Other Sources	Total
Salaries (1.6 FTEs)	\$81,677	\$90,679	\$172,356
Fringes	16,332	18,024	34,356
ScaleUp			
Curriculum Review	20,000	--	20,000
Laptop hardware/software	20,000	--	20,000
Other Program Expenses	3,847	3,148	6,995
ECEEP			
Center Based Collaborative	4,200	5,800	10,000
Online Startup Courses	9,000	1,000	10,000
RiseUp Summit	15,000	--	15,000
Other Program Expenses	3,358	4,637	7,995
Operating and Overhead	56,930	64,521	121,452
Total	\$230,344	\$187,809	\$418,154