

New Haven Equitable Entrepreneurship Ecosystem (NHE3) Landscape Analysis

Report

By Kate Cooney, Mark Abraham, Sam Ahn, Parick Hayes and Tabitha Njubi

A Collaboration between DataHaven and Yale School of Management

Funded by The Community Foundation Mission Investments Company

Submitted 8.5.2021

Executive Summary	3
Introduction	4
Building a More Inclusive Economy-Challenges and Opportunities	5
Greater New Haven Regional Snapshot	11
Building Blocks of an Equitable Entrepreneurial Ecosystem: New Haven	12
SWOT Analyses: Talent & Mentor Pipeline and Policy Domains	12
Forward Cities Data Analysis: New Haven	15
Overview of ESO Case Study Pilot Data	16
Benchmarking to Thriving Ecosystems	21
Onramps & Pathways	22
Intersections & Conversations	25
Capital	26
Metrics & Learning	31
Recommendations	32
Ecosystem Focused Recommendations	32
Process Focused Recommendations	37
APPENDIX	40
Appendix A: New Haven Regional Data	41
Appendix B: Forward Cities Data Analyses	47
Appendix C: Graphic Slides for 6 ESOs & Full Case Study Write Ups	53
Small Business Resource Center (SBRC)	54
Collab	57
KNOWN	61
BLACK BUSINESS ALLIANCE (BBA)	65

NHE3 LANDSCAPE ANALYSIS	2
HealthVenture	69
Small Business Development Center (SBDC) in CT	73
Appendix D: ESO Curriculum Comparison	76
Appendix E: ESO Interview Analyses-Full Write Up with Unattributed Quotes	87

Executive Summary

Entrepreneurial ecosystems have become a focal regional economic development strategy aimed at delivering economic growth across regions and communities.¹ In a society rooted in gender and racial hierarchies, the economy is still firmly in the hands of White men, despite the transition in the U.S. to a majority non-White population on the horizon.^{2 3} With entrepreneurship as a key growth strategy for many economies, there is a growing focus on widening the pathways into entrepreneurship, providing avenues to wealth building and fulfillment for a broader proportion of the population.⁴

Entrepreneurial ecosystems provide training, mentorship, access to networks and resources that, when designed with inclusivity in mind, have the potential to ensure a more equal playing field for appropriating the benefits that comes with entrepreneurship opportunities. This strategy of inclusivity subsequently helps in economic empowerment of all residents of a particular region, accelerating its growth. In the U.S. context where there is an eminent racial and ethnic demographic shift in the near future, a focus on empowering and supporting entrepreneurs from diverse backgrounds is paramount. Developing an equitable entrepreneurship ecosystem strategy has emerged as a main tool utilized by different regions to achieve this inclusivity.

This report presents data collected from 8 in depth interviews conducted with leaders of 6 entrepreneurial support organizations (ESOs). The interviews were conducted as part of a larger initiative funded by The Community Foundation of Greater New Haven Mission Investments Company to develop a more equitable ecosystem in the Greater New Haven region. The New Haven Equitable Entrepreneurship Ecosystem (NHE3) Council was established to guide this work. The Landscape Analysis presented in this report develops a detailed understanding of the offerings and gaps in services for entrepreneurs from the perspectives of ESO leaders and through analysis of the Forward Cities Service Booklet, identifies key themes among interview respondents regarding the opportunities and challenges for building a more equitable ecosystem, provides benchmarks to initiatives nationally that might be adapted for local use, and presents a preliminary set of recommendations for your consideration.

¹ O'Neill, Aaron "Countries with the Largest Domestic Product(GDP) 2020." *Statista*. June 16. Accessed June 02, 2021. <https://www.statista.com/statistics/268173/countries-with-the-largest-gross-domestic-product-gdp/>.

² Ghosh, Iman, "Visualizing the U.S Population by Race," *Visual Capitalist*, published December 28, 2020. <https://www.visualcapitalist.com/visualizing-u-s-population-by-race/>

³ Kendra Yoshinaga, (2016, July 1) "Babies of Color are now the Majority," *Npr*. Published July 1, 2016. <https://www.npr.org/sections/ed/2016/07/01/484325664/babies-of-color-are-now-the-majority-census-says>

⁴ The Conversation, "What is an 'entrepreneurial ecosystem'? And why you need one to raise a startup," *TNW: Growth Quarters*, August 10, 2020. <https://thenextweb.com/news/what-is-an-entrepreneurial-ecosystem-and-why-you-need-one-to-raise-a-startup-syndication>

New Haven Equitable Entrepreneurship Ecosystem (NHE3) Landscape Analysis

Report

“Entrepreneurial ecosystems thrive when people and resources are connected and working together to develop new approaches and solutions for serving entrepreneurs.”

~ Kauffman Foundation

Introduction

As a pillar of regional and national economic development, entrepreneurship promises myriad benefits with positive ripple effects, including: innovation and technological revolution, the development and improvement of existing enterprises, new markets, growth of GDP, employment, infrastructure and social amenities that uplifts the welfare of communities and creates opportunities for wealth building.⁵ Entrepreneurial activity in the United States is among the highest in the world (15.6% of the adult population) within high-income economies.⁶ With a GDP of more than \$20 trillion, the United States of America is the largest economy on the planet. However, the 21st century global economic landscape features global competition from strong rivals such as China.⁷ Trends in innovation and technological advancement fuel entrepreneurship as both a strategy for remaining competitive at the national and regional levels but also as a household strategy for income stability as emerging technological platforms offer new opportunities for self employment and creative destruction at the industry level results in employment instability.

Entrepreneurial ecosystems have become a focal regional economic development strategy aimed at delivering economic growth across regions and communities.⁸ In a society rooted in gender and racial hierarchies, the economy is still firmly in the hands of White men, despite shifting demographic trends in attainment of higher education and the transition in the U.S. to a majority

⁵ Mohamed, Najm. 2020. “Top 5 Takeaways on The Importance of Entrepreneurship,” *Duke Sanford Centre for International Development*, published March 30. <https://dcid.sanford.duke.edu/importance-of-entrepreneurship/>

⁶ Julian E. Lange et al., “National Entrepreneurial Assessment for the United States of America,” *Global Entrepreneurship Monitor*, United States Report, 2018/2019 (November 15, 2019), https://www.babson.edu/media/babson/assets/blank-center/GEM_USA_2018-2019.pdf?_ga=2.134293681.1703674044.1598997454-1164342174.1598997454

⁷ Najm Mohamed, “Top 5 Takeaways on The Importance of Entrepreneurship,” *Duke Sanford Centre for International Development*, published March 30, 2020. <https://dcid.sanford.duke.edu/importance-of-entrepreneurship/>

⁸ Aaron O'Neill "Countries with the Largest Domestic Product(GDP) 2020." *Statista*. June 16. Accessed June 02, 2021. <https://www.statista.com/statistics/268173/countries-with-the-largest-gross-domestic-product-gdp/>.

non-White population on the horizon.^{9 10} With entrepreneurship as a key growth strategy for many economies, there is a growing focus on widening the pathways into entrepreneurship for entrepreneurs from diverse backgrounds, providing avenues to wealth building and fulfillment for a broader proportion of the population.¹¹

Building a More Inclusive Economy-Challenges and Opportunities

Healthy ecosystems are able to identify the needs of all its resident-entrepreneurs, including those from underrepresented and economically or socially marginalized groups and in return provide them with sufficient resources and space to ideate, start and scale up their businesses. Entrepreneurial ecosystems provide training, mentorship, access to networks and resources that, when designed with inclusivity in mind, have the potential to ensure a more equal playing field for appropriating the benefits that comes with entrepreneurship opportunities. This strategy of inclusivity subsequently helps in economic empowerment of all the citizens of a particular region, accelerating its growth. In the U.S. context where there is an eminent racial and ethnic demographic shift in the near future, a focus on empowering and supporting entrepreneurs from diverse backgrounds is paramount. Developing an equitable entrepreneurship ecosystem strategy has emerged as a main tool utilized by different regions to achieve this inclusivity.

Trends in inclusivity in the economy. There is much work to do. Non-White business ownership comprises approximately 18.3% of businesses in the U.S. In the venture capital space, only 28.4% venture backed startups are owned by non-White groups and women; White male startups takes the lion share of venture capital investment at 71.6%.¹² According to the 2020 crunchbase report, of the 970 U.S. based venture-backed private companies funded since 2015, only 2% were Black- and Latinx-founded companies.¹³ That said, entrepreneurs of color are founding new businesses at a rapid rate. As of 2019, women of color comprised 50% of all

⁹ Iman Ghosh, “Visualizing the U.S Population by Race,” *Visual Capitalist*, published December 28, 2020. <https://www.visualcapitalist.com/visualizing-u-s-population-by-race/>

¹⁰ Kendra Yoshinaga, (2016, July 1) “Babies of Color are now the Majority,” *Npr*. Published July 1, 2016. <https://www.npr.org/sections/ed/2016/07/01/484325664/babies-of-color-are-now-the-majority-census-says>

¹¹ The Conversation, “What is an ‘entrepreneurial ecosystem’? And why you need one to raise a startup,” *TNW: Growth Quarters*, August 10, 2020 <https://thenextweb.com/news/what-is-an-entrepreneurial-ecosystem-and-why-you-need-one-to-raise-a-startup-syndication>

¹² United States Census Bureau, “Annual Business Survey Release Provides Data on Minority-Owned, Veteran-Owned and Women-Owned,” *Press Releases*, Published January 28, 2021. <https://www.census.gov/newsroom/press-releases/2021/annual-business-survey.html>

¹³ Crunchbase. “Crunchbase Diversity Spotlight 2020: Funding to Black & Latinx Founders.” http://about.crunchbase.com/wp-content/uploads/2020/10/2020_crunchbase_diversity_report.pdf

women owned businesses in the U.S. The rates of female entrepreneurs of color founding businesses increased by 43% between 2014 - 2019 compared to the total women-owned business, which grew by 21%. Although women now own 40% of all businesses, women-owned businesses only generate 4.3% of total business revenues. According to the Case Foundation, Black and Latinx entrepreneurs comprise approximately 14% and 8% of all U.S. entrepreneurs respectively, yet combined revenue from the firms they operate is less than 2% of revenue generated in the U.S. from self-employment.¹⁴ This disconnect may reflect difficulties female entrepreneurs and entrepreneurs from communities of color face in accessing resources to scale their entrepreneurial businesses. According to a Case Foundation review, for example, the average seed stage money raised by Black women is \$42,000 while the average seed round for all startups is \$1.14 million. Average revenue for businesses owned by women of color dropped to \$66,400 in 2018 from \$84,100 in 2007 while for White women owned businesses, average revenues were up in 2018 from \$181,000 in 2007 to \$212,300.

One explanation for these differences in capital investment and revenues may have to do with differences in types of businesses that women, people of color, and lower wealth entrepreneurs versus White and higher wealth entrepreneurs launch. In fact, the Global Entrepreneurship Monitor (GEM) survey shows that, in the U.S., women start businesses most frequently in wholesale/retail (28.4%), health, education, government and social services (19.4%) and finance and real estate sectors (11.3%).¹⁵ Men are also most likely to be in wholesale/retail (21.5%), and health, education, government and social services (15.4%) but are much more likely than women to be engaged in early stage entrepreneurial activity in professional and administrative services, manufacturing and information technology. The last category listed (information and communication technology sector) features the largest gender gap (11.5% men vs 3.9% women starting businesses in this sector); notable due to the tendency for this sector to contain firms with fast growth and high levels of innovation. Given that some entrepreneurial activity results in fast growing firms and that some entrepreneurs launch small businesses that they do not intend to grow beyond a certain size, these revenue gaps may be tied to gender, racial and ethnic differences in distribution over types of entrepreneurship.¹⁶

The differences in distribution, however, may themselves be rooted in the gender, racial and ethnic wealth gap that precedes the entrepreneurial journey. For example, while research finds strong correlation between wealth and education levels and entry into entrepreneurship, interestingly, the differences in net worth across ethnic and racial groups do not appear to

¹⁴ Case Foundation, "The State of Inclusive Entrepreneurship: By the Numbers," *The Case Foundation*, October 1, 2018.

<https://facesoffounders.org/the-state-of-inclusive-entrepreneurship-by-the-numbers-be422b8845ed>

¹⁵ Julian E. Lange et al, "National Entrepreneurial Assessment for the United States of America: 2018/2019 United States Report," *GLOBAL ENTREPRENEURSHIP MONITOR*, November 15, 2019.
https://www.babson.edu/media/babson/assets/blank-center/GEM_USA_2018-2019.pdf?_ga=2.134293681.1703674044.1598997454-1164342174.1598997454

¹⁶ Hurst, Erik, and Benjamin Wild Pugsley. "What do small businesses do?" *Brookings Papers on Economic Activity* (2011): 73-143.

substantially contribute to the differences in entry into low-barrier self-employment. In this line of scholarship, based on the Survey of Income and Program Participation (SIPP), low barrier industries include: personal services, repair services, miscellaneous services, construction, transportation and retail.¹⁷ However, the greater wealth holdings of Whites do substantively help to explain their higher self-employment entry rates in high barrier industries, relative to Blacks and Latinos. High barrier industries refer to: professional services, finance, insurance, real estate, business services, manufacture and wholesale. This work highlights that financial barriers do not restrict entry into all forms of entrepreneurship, only to entrepreneurship in high barrier industries, which may in turn shape the distribution of which populations disproportionately enter low vs. high barrier industries.¹⁸ It is recommended that lending programs gear lending products to the diversity of credit needs for SMEs, and focus on expansion capital, which may be more scarce than startup capital for the economically and socially disadvantaged entrepreneur, to better match supply with demand. For high barrier industries, other support in addition to capital may be required for successful entry into high barrier entrepreneurship.¹⁹

Business vulnerability and risk exposure not evenly distributed. One of the more striking statistics observed during the COVID-19 shutdowns was the 41% of Black owned businesses that closed in the early months and the pandemic and remained closed as the pandemic stretched on.²⁰ Caveats about need for capital and type of entrepreneurship aside, access to capital across the board continues to be a problem facing Black entrepreneurs in particular, when compared to White owned firms.²¹ According to a recent report by the Brookings Institution, in the second quarter of 2020, heading into the COVID-19 pandemic shutdowns, White households held 84% of total household wealth in the U.S. versus the 4% held by Black households, although these groups represent 60% and 13.4% of the US population.²² Research by Tim Bates shows that this results in Black minority business entrepreneurs relying more heavily on financial institutions for loans, as risk capital may be less prevalent in friends and family networks or friends and family

¹⁷ Bates, Timothy, Magnus Lofstrom, and Lisa J. Servon. "Why Have Lending Programs Targeting Disadvantaged Small Business Borrowers Achieved So Little Success in the United States?". *Economic Development Quarterly* 25, no. 3 (2011): 255-66. <https://doi.org/10.1177%2F0891242411409206>

¹⁸ *ibid*

¹⁹ *ibid*

²⁰ Robert Fairlie, "The Impact of Covid-19 on Small Business Owners: Evidence of Early Stage Losses from the April 2020 Current Population Survey," May 23, 2020. <https://siepr.stanford.edu/sites/default/files/publications/20-022.pdf>

²¹ Bates, Timothy. "Minority Entrepreneurship in Twenty-First Century America." *Small Business Economics*, no. 50 (2018): 415-27.

²² Kriston McIntosh, "Examining the Black-White wealth gap," *Brookings*, February 27, 2020. <https://www.brookings.edu/blog/up-front/2020/02/27/examining-the-black-white-wealth-gap/>

may be less willing to place savings in riskier investments.²³ Further, Bates' work shows that financial institutions charge more to Minority Business Enterprises (MBEs), offer smaller loans and that MBE loans are rejected more often than White owned business enterprises. This could be due to: lower owner net worth, lower credit ratings, firm age and size (if MBEs go earlier to financial institutions in their enterprise lifecycle). However, even when firms are identical on these dimensions, MBEs face significantly less access to financial loans than matched White owned firms, an indication of discriminatory lending. This is important because adequate capitalization buffers young organizations against the liability of newness, and promising businesses may close before they become sustainable.

The COVID-19 business shutdowns highlighting the vulnerability of Black and businesses owned by entrepreneurs of color and women, combined with the global activism for racial justice in the aftermath of George Floyd's death at the hands of police officers in Minneapolis, led to a ground swelling of efforts to support businesses owned by Black, indigenous and other people of color (BIPOC). Internet searches for Black owned businesses increased by 7,043% from May 25th to July 10th 2020 compared to the same period in 2019.²⁴ Consumers are not the only group responding to current calls for racial justice. Corporate leaders have been urged to do more. Supporting entrepreneurs of color is one way corporations have responded. Companies such as Amazon (\$150 million),²⁵ SoftBank (\$100 million), and Nike (\$500K for partnership with Black Girl ventures) have pledged funding and initiatives for supporting and scaling Black owned businesses in particular and BIPOC and women owned more generally.^{26 27} With resources flowing into this space, cities around the country are engaged in efforts to ensure that entrepreneurial ecosystems best serve the needs of diverse founders.

²³ Bates, Timothy. "Minority Entrepreneurship in Twenty-First Century America." *Small Business Economics*, no. 50 (2018): 415-27.

²⁴ Elana Lyn Gross, "Support for Black-Owned Business Increases more than 7,000%, Yelp Reports," *Forbes*, July 22, 2010.
<https://www.forbes.com/sites/elanagross/2020/07/22/support-for-black-owned-businesses-increases-more-than-7000-yelp-reports/?sh=1521b3d242a8>

²⁵ Aleeya Mayo, "Amazon is launching a startup accelerator for Black entrepreneurs that could help fix one of the biggest problems in venture capital," *Yahoo News*, June 15, 2021.
<https://news.yahoo.com/amazon-launching-startup-accelerator-black-172334618.html>

²⁶ Ruth Umoh, "SoftBank Creates \$100 Million Fund To Invest In Entrepreneurs Of Color," *Forbes*, June 3, 2020.
<https://www.forbes.com/sites/ruthumoh/2020/06/03/softbank-creates-100-million-fund-to-invest-in-entrepreneurs-of-color/?sh=278fe36036ee>

²⁷ Cheryl Robison, "Black Girl Ventures Partners With NIKE, Inc.," *Forbes*, Feb 2, 2021.
<https://www.forbes.com/sites/cherylrobinson/2021/02/02/black-girl-ventures-partners-with-nike-inc-making-capital-accessible-to-black-brown-women-founders/?sh=1e63835632a5>

Barriers faced by BIPOC communities in entrepreneurship. As new capital and initiatives are pledged to support BIPOC and women-owned businesses, and build more inclusive entrepreneurial ecosystems, it is important to note that barriers facing female founders and entrepreneurs from BIPOC communities in successfully launching scaled entrepreneurial ventures result from complex and interrelated factors. Barriers such as lack of adequate capital exacerbated by poor credit ratings, low wealth, limited networks and systemic discrimination can act as constraints and vulnerabilities along the entrepreneurial journey, an endeavor that is already inherently risky. Limited networks reduce exposure to key actors to obtain information, mentorship and valuable insights compared to their White male counterparts, while geographical locations where communities of color are concentrated may decrease growth potential for businesses, even when the quality is high.²⁸ Lack of capital translates into lack of resources to hire skilled talent at the right time on the entrepreneurial journey. Lower levels of wealth in friends and family networks results in overreliance on public and private sources of early funding where excessive bureaucracy in government/private authority/financing agencies may not serve entrepreneurs in timely or adequate ways.²⁹

Additionally, the cultural experiences of living in a society transitioning out of a history of embedded racial and gender exploitation can shape the mindset of both the funders and entrepreneurs. Fear and risk aversion to avoid harsh judgement might be more present in women and entrepreneurs of color who might be judged differently when the usual lows in business occur compared to their White male counterparts who are celebrated as risk takers and daring when the same happens. The implicit bias of the funders, still predominantly White and male, has material implications for who gets funded, for how much, and at what terms.³⁰ Further, the pressure to code switch to fit in with the majority White male culture might result in the sacrificing of authenticity, which in turn can affect performance. The intersectionality of all these attributes combine with the disadvantages resulting from economic and network positions and must be considered when designing inclusive entrepreneurial ecosystems.³¹

²⁸ Andre M Perry, Jonathan Rothwell, David Harshbarger, "Five-star reviews, one-star profits: The devaluation of businesses in Black communities," *Brookings*, February, 18, 2020.
<https://www.brookings.edu/research/five-star-reviews-one-star-profits-the-devaluation-of-businesses-in-black-communities/>

²⁹ Eunjo Cho et al, "A qualitative study on motivators and barriers affecting entrepreneurship among Latinas, *Gender in Management*, Vol. 34 No. 4, (January 1, 2019) pp. 326-343.
<https://www-emerald-com.yale.idm.oclc.org/insight/content/doi/10.1108/GM-07-2018-0096/full/html>

³⁰ Dana Kanze et al, "Evidence That Investors Penalize Female Founders for Lack of Industry Fit." *Science Advances* 6, no. 48 (November 25, 2020): eabd 7664. DOI: 10.1126/sciadv.abd7664

³¹ Nika White, "Challenges Minority Entrepreneurs and Professionals Face in the Business World," *Nika White Consulting*. January 16, 2020.
<https://www.nikawhite.com/2020/01/16/4-challenges-minority-entrepreneurs-and-professionals-face-in-the-business-world/>

Importance of the ecosystem for inclusive economic development. Although each ecosystem emerges under a unique set of conditions and circumstances, entrepreneurship thrives where different ecosystem elements and resources are readily available to budding entrepreneurs. Successful entrepreneurial ecosystems typically include a conducive culture, enabling policies and leadership, availability of appropriate finance, quality human capital, venture friendly markets for products, and a range of institutional support.³² The Federal Reserve Bank of Kansas City's Dell Gines, and tech entrepreneur Rodney Sampson, suggest, in their article, *Building entrepreneurship ecosystems in communities of color*, that building an inclusive ecosystem requires close consideration to the point in the entrepreneurial journey where the ecosystem builders intervene. Most ecosystem builders consider where the opportunity gaps are for founders along the path to business venture development, when a founder is in startup mode or when a company has recently launched. However, inclusive entrepreneurship ecosystem building in a region, per Gines and Sampson, must consider earlier points along the talent development stages, taking into account early exposure to entrepreneurship, education and skills development and talent placement in summer internships and apprenticeships.³³ These elements work in conjunction with later stage venture development initiatives to provide a firmer foundation for success. Additionally, according to their framework, inclusive ecosystem building does not solely focus on the entrepreneurs but should include: 1) Authority inclusivity - where there is diversity and inclusion in the decision makers, authority figures, ownership and support positions, 2) Entrepreneurship inclusivity - diversity of the whole network related to entrepreneurship, both the entrepreneurs themselves but also in the actors managing the support functions in the ecosystem, such as the investors, ESO leaders, mentors, technical assistance providers, policy makers, and bankers, and 3) Geographic and demographic inclusivity - inclusion of communities with significant populations identifiable by race/ethnicity, class, or culture, or other demographic features. These three domains interact and reinforce each other. With the entrepreneur at the center, a successful inclusive ecosystem will be the one that contains inclusivity in all the three areas.

Different roles of the entrepreneurial ecosystem. While much of the conversation about the entrepreneurial ecosystem revolves around startup ventures, in actuality the entrepreneurial ecosystem has dual roles: *startup*, moving entrepreneurs from idea stage to operational stage, and *scale up*, providing resources, advice to scale up existing businesses.³⁴ Further, there are a range of types of entrepreneurship in the economy.³⁵ Broadly, two distinctive types of entrepreneurship

³² Oscar Morant -Martinez et al., "Ecosystem Model Proposal in the Tourism Sector to Enhance Sustainable Competitiveness." *Sustainability* 11, no. 23(November 25,2019): 6652. <https://doi.org/10.3390/su11236652>

³³ Dell Gines and Rodney Sampson. "Building Entrepreneurship Ecosystems in Communities of Color," *Federal Reserve Bank of Kansas City*. Accessed June 15,2021. <https://docsend.com/view/9qc79jq>

³⁴ Isenberg, Daniel J. "How to start an entrepreneurial revolution." *Harvard business review* 88, no. 6 (2010): 40-50.

³⁵ Bill Aulet and Fiona Murray, "A TALE OF TWO ENTREPRENEURS: Understanding Differences in the Types of Entrepreneurship in the Economy," *Ewing Marion Kauffman Foundation*, May, 2013).

can be identified: 1) innovation-driven enterprises (IDEs) seeking high growth in global markets based on “new-to-the-world” ideas in technology, market or business model domains with clear competitive advantages, and 2) small and medium enterprises (SMEs) serving local markets with pre-existing business ideas and limited competitive advantages. Research from the Kauffman Firm Survey shows that IDE entrepreneurship, on average, features founders with higher education levels and teams with more diverse skill sets while entrepreneurship in the SME realm more often takes the form of a family business with less amounts, and fewer sources of external capital than IDEs.³⁶ Understanding these distinctions, and the different strategies required for each, is crucial for the development of successful incubators and public sector ecosystem investment. For example, according to the 2013 report from researchers at the Martin Trust Center for MIT Entrepreneurship, SME development is more linear while IDE requires risk capital, longer incubation and more connections to knowledge infrastructure and global markets, through links to universities, investor networks and corporate partnerships.³⁷ However, focusing on building inclusive entrepreneurial ecosystems requires understanding the additional types of capital and resources that may be necessary for founders from low wealth family backgrounds and/or education levels of high school and below. Further, as illustrated by Portland Oregon’s experience with micro brewing, products and services developed for local markets can scale nationally, and even internationally.³⁸ The ecosystem ideally has pathways for extralocal scaling for businesses that start as SMEs as well.

Greater New Haven Regional Snapshot

Turning to the Greater New Haven region, according to census data, there were 19,355 businesses in the New Haven-Milford Metro Area in 2019.³⁹ Of these businesses, approximately 50% had fewer than 5 employees, and approximately 94% had fewer than 50 employees. Over half of the total firms in the New Haven regional economy operate in four key industries: retail, health care and services, and accommodation. White-led firms represent approximately 80% of all firms, with the next largest category being Asian-owned form, at approximately 10%. There is a disproportionate lack of business ownership among Hispanic residents, who owned

https://www.kauffman.org/wp-content/uploads/2019/12/a_tale_of_two_entrepreneurs_report.pdf

³⁶ *ibid*

³⁷ *ibid*

³⁸ Ann Markusen and Greg Schrock. "Consumption-driven urban development." *Urban geography* 30, no. 4 (16 May 2013): 344-367.DOI: [10.2747/0272-3638.30.4.344](https://doi.org/10.2747/0272-3638.30.4.344)

³⁹ United States Census Bureau. "All Sectors: County Business Patterns, Including Zip Code Business Patterns, by Legal Form of Organization and Employment Size Class for the U.S., States, and Selected Geographies: 2019." (2019).
<https://data.census.gov/cedsci/table?q=Small%20Business&g=310M400US35300&tid=CBP2019.CB1900CBP&hidePreview=true>.

approximately 3%, and Black residents, who owned approximately 1% of all firms. The COVID-19 pandemic reduced total small business revenue in New Haven County by 47.4% from January 2020 to January 2021.⁴⁰ New Haven County lost a higher percentage of revenue (47.4%) when compared to the cities of Baltimore (21.2%) and Philadelphia (30.9%) but did not lose quite as much as the similar city of Providence (51.4%). However, the number of small businesses in New Haven County decreased by 40.6%, greater than Providence (37%), Baltimore (27.4%), and Philadelphia (32.3%). (See Appendix A)

Building Blocks of an Equitable Entrepreneurial Ecosystem: New Haven

The report utilizes a framework for identifying the building blocks of the inclusive ecosystem developed by Forward Cities (FC), as an organizing set of principles.⁴¹ The interviews conducted for this project focused on five dimensions to the FC framework: 1) on ramps and pathways, 2) intersection and connections, 3) capital and financing, 4) identity and storytelling, and 5) metrics and learning. Although not the focus of our interviews, we prepared a brief SWOT analysis on the other two dimensions of the FC framework: a) the talent and mentor pipeline, and b) policy. The SWOT analysis below is offered as a starting point for the NHE3 Council/TCF-MIC to refine and build upon.

SWOT Analyses: Talent & Mentor Pipeline and Policy Domains

Talent and Mentor Pipeline SWOT. Per the Forward Cities framework, indicators relevant for building an inclusive talent and mentor pipeline for producing equitable ecosystems include: a diverse and growing pool of makers, dreamers and doers, qualified and multilingual mentors, strong K-12 and university skill building, and workforce development tied to emerging entrepreneurial sectors.

Strengths.

- New Haven residents include a diverse and multicultural set of makers, dreamers, and doers.
- Higher education players like Yale University and Quinnipiac University and the 5 institutions collaborating on the iHaven initiative have developed robust entrepreneurial programming and infrastructure focusing on faculty and student entrepreneurs.
- K-12 focused programs on entrepreneurship at ConnCAT
- Coding training and computer science education for tech careers at Holberton School

⁴⁰ Raj Chetty et al, “Track the economic impacts of COVID-19 on people, businesses, and communities across the United States in real time,” *Opportunity insights*, July 1, 2021. <https://www.tracktherecovery.org>.

⁴¹ Forward Cities. “Toolkits.” 2021. <https://forwardcities.org/old/toolkits/>

- STEM focused K-12 at Engineering and Science University Magnet School (ESUMS) in New Haven Public School district

Weaknesses.

- Racial and economic segregation between neighborhoods and between the city and surrounding towns.⁴²
- Segregated housing markets and education systems have implications for skills training and for mindset formation.⁴³
- Underdeveloped tech industry presence.

Opportunities.

- Diverse demographics of city of New Haven representative of the nation;⁴⁴ New Haven has qualified and multilingual mentors who could be recruited to work with the next generation of entrepreneurial talent.
- New Haven Promise initiative and the Career Academies at NHPS high schools provide opportunities for students to learn technical skills that could develop programming and initiatives to expose students to the entrepreneurship journey.
- Workforce development tied to emerging entrepreneurial sectors: initiatives like BioPath at Southern Connecticut University can be built upon.

Threats.

- People and firms are drawn to larger cities and economies like Boston and New York.

Policy SWOT. In the policy domain, the FC framework directs attention to city regulations, policies and recovery strategies, ownership of opportunity zone investments, business improvement districts and real estate, local anchors entrepreneurship support strategies, and consistent funding to the ecosystem.

Strengths.

- In New Haven, there's energy for building an entrepreneurship ecosystem - with funding and proven strategies, especially in procurement and biotech.

⁴² Bryan Fike and Kate Cooney, "IEDL New Haven Analyses: Housing, Spring 2020" (link [here](#))

⁴³ Bryan Fike and Kate Cooney, "IEDL New Haven Analyses: Education, Spring 2020" (link [here](#))

⁴⁴ Jed Kolko, "'Normal America' Is Not A Small Town Of White People," *Fivethirtyeight*, April, 28th 2016. <https://fivethirtyeight.com/features/normal-america-is-not-a-small-town-of-white-people/>

- Investments in the Biotech industry are paying off; local companies growing in valuation
- Biotech firms that did move to other cities retained some company functions in New Haven; select researchers and scientists associated with these firms declined to move, stayed in place and spun off new firms.
- Yale University and City collaborate to build out infrastructure further for biotech industry⁴⁵
- University of Connecticut cited as supplier procurement diversity program that is a model for other anchors

Weaknesses.

- Less investment and capacity in the SME part of the entrepreneurial ecosystem
- Limited collaboration between ESOs stifles synergies that could help entrepreneurs bloom.
- Supplier procurement programs underdeveloped, require sustained stewardship, in both New Haven city (e.g. small contractors program), in anchors (Yale University) and at the State level (e.g. most recent diversity study conducted in 1992)
- Rather than sustained stewardship, the space appears to be more of a series of sporadic starts.

Opportunities.

- There is regional know-how among the more exemplar anchors (U-Conn cited above) that can be scaled and/or used as a model to replicate at other anchors. These can be important points of market access for BIPOC entrepreneurs.
- Increased funding for CT Minority Business Initiative
- At the federal level, Opportunity Zones provide opportunities for private and public dollars to be infused into neighborhoods and businesses that would benefit greatly from them, but the inclusive opportunities have to be organized for investment.
- Increased federal funding for CDFIs (\$5 Million) & SBIR/SBIC (\$1.3 Trillion).
- The COVID-19 response created new networks and experiments, such as the conversion of the CEDC loan fund into small lines of credit and the Partners Fund that can be built upon.

Threats.

- The upcoming 2022 midterm elections and the 2024 presidential election could change the policy environment when it comes to supporting underrepresented groups and investing in households and cities.

⁴⁵ Mike Cummingsmay, “At 101 College, Yale helps seed flourishing future of New Haven biotech,” *Yale News*, May 21, 2021. <https://news.yale.edu/2021/05/21/101-college-yale-helps-seed-flourishing-future-new-haven-biotech>

- COVID-19 continues to threaten entrepreneurship, as the new Delta variant circulates.

Forward Cities Data Analysis: New Haven

The service booklet published by Forward Cities, based on survey data from 30 New Haven based ESOs, identifies which category of entrepreneur each ESO works with, from five categories (Side Business, Pre-Revenue, Revenue + 1 Employee, Aiming for 20 Employees, and 20 Employees & Aiming for Growth), and the types of services each ESO provides (across 20 different services, ranging from physical office space to direct funding). In the charts and analyses below, the 20 service categories in the Forward Cities data were divided into General Business Acumen (Networking, Mentoring, Coaching, Management Training-Stand Alone, Management Training-Comprehensive, Marketing, Incubator/Accelerator, and Product Development), Operational (Co-Working Space, Office Space, Tax, Employee Recruitment, and Workforce Development), and Financial categories (Financial Planning, Business Financing, and Connecting to Funding Opportunities, and Direct Funding).

ESO service configurations. The survey data show that across the different stages of the entrepreneurial journey, at the ecosystem level, the largest number of ESO services were targeted at entrepreneurs with 1 non-owner employee and the least number of ESOs services targeted businesses in the largest category (those with 20 employees and aiming to grow). The largest number of ESOs offered services in the General Business Acumen category, followed by Financial and Operational. Under General Business Acumen, there was a significant concentration of ESOs offering mentoring and networking support, with fewer ESOs that do a formal accelerator or help entrepreneurs develop their products. Under Financial, there were many ESOs who help connect entrepreneurs to funding, but only a little over half of them directly fund businesses. Under Operational, there were very few services related to workforce or tax assistance. (See Appendix B)

Forward Cities Data key findings. Mentoring, coaching, and networking services are in high supply alongside connections to funding opportunities. There is a lack of tax and legal assistance, with only 3 of the 30 ESOs surveyed providing tax assistance and only 8 providing legal assistance.

Forward Cities Data actionable insights. There is a significant gap in ESOs providing Operational and other technical support to entrepreneurs. The resources currently listed (per the survey findings) are focused on general skills and knowledge, alongside relationships, but fewer services focused on business development, workforce hiring and specific forms of technical assistance.

Overview of ESO Case Study Pilot Data

A pilot study examining six (6) ESOs operating in the Greater New Haven entrepreneurial ecosystem was conducted. Methods include archival research (websites, other public materials), interviews with leadership of the 6 ESOs, and preliminary benchmarking through literature review. An interview guide was created, combining the set of questions provided by The Community Foundation Mission Investment Company (TCF-MIC) and NHE3 leadership with a series of survey items developed by Banu Ozkazanc-Pan at Brown University⁴⁶ in her research on inclusive ecosystems. The interview guide included sections on basic elements of the ESO model (recruitment, culture, programming, metrics) as well as more sensitive questions about views of how partnerships and collaborations occur in the ecosystem, needs of the entrepreneurs, vision for next-level ecosystem and perspectives on funders. The first half of the interviews were on the record and for the more sensitive questions in the second half of the interview, the ESO leaders were asked to provide answers for an unattributed section of the report, where the opinions and perspectives would be shared in aggregate and without names attached. ESOs all gave permission for their model-specific answers to be reported out with their names attached. For the 6 focal ESOs, a 90 minute interview with the directors of ESO were conducted. The interviews were reduced to a 2-3 page summary of key components of the model and the development of a list of quotes for the data walk (for the unattributed section of the interview). These materials were checked with the persons interviewed prior to including in this report for accuracy and sensitivity. For each case, we also prepared a graphic slide depicting key elements of each model. Below we provide an overview of these materials. The graphic slides and full case study write ups are available in Appendix C.

ESO Case Studies

Interviews were conducted with directors or leadership teams at six ESOs: the Small Business Resource Center (SBRC), the Small Business Development Center in CT (SBDC in CT), Collab, KNOWN, HealthVenture, and the Black Business Alliance (BBA). The six ESOs were selected due to their commitment to serving underserved, underrepresented and under-resourced entrepreneurs in the Greater New Haven region, including entrepreneurs of color, female entrepreneurs, entrepreneurs from lower income communities and older entrepreneurs.

Case studies summary. The public spine of the small business entrepreneurial ecosystem in New Haven operates through the partnership between the municipally-operated Small Business Resource Center (SBRC) and the state level Small Business Development Center in CT (SBDC in CT). In the last 3-5 years new privately funded entrepreneurial support organizations (ESOs) have been established, and more programs are under development. Entrepreneur engagement is

⁴⁶ Nelson Centre for Entrepreneurship, “Banu Ozkazanc-Pan Professor of Practice, School of Engineering, and Academic Director of the IE Brown EMBA Program,” Brown University, (2017).
<https://entrepreneurship.brown.edu/overview/people/banu-ozkazanc-pan/>

growing as new ESOs join the ecosystem. New programs and new initiatives from existing programs appear to be growing the pie and bringing new entrepreneurs into the entrepreneurial ecosystem. Noone reported having trouble recruiting entrepreneurs to their programs. In fact, ESOs with accelerators all report having more entrepreneurs apply than they have spots for in their programs. SBRC and Collab serve the earliest stage entrepreneurs, including those at the ideation stage, while BBA, SBDC and KNOWN work with entrepreneurs that are operational and, in KNOWN's case, have a minimum of \$50,000 in revenues. HealthVenture, BBA and SBDC's offerings are more distinct and specialized compared with the general entrepreneurship training offered by the other three ESOs. That said, as the curriculum comparison below suggests, even among the three generalists, there are some differences on the surface of how ESOs organize their curricula and likely further distinctions underneath the surface in terms of how the same session topics are delivered by individual ESOs.

ESOs report referring clients to each other, either to do some groundwork training prior to entering a later stage offering, or for graduates to pursue more training and networking services, or to secure co-working space. These are emergent referral practices and many interviewees stated that they would like to know more about what the other ESOs offer to better tailor these referrals and to have a better sense of the level and type of skills training each ESO offers. In terms of the offerings, at this time, most ESOs offer general entrepreneurship training, that is sector agnostic, with the exception of HealthHavenHUB, with its health digital app focus and the Collab-CitySeed accelerator focused on food businesses. KNOWN is considering the potential for adding sector specific accelerator programming in the future.

Pathways to other parts of the ecosystem from one ESO program, to another, and to capital providers are well developed at some ESOs and more emergent for others. SBRC provides a tight handoff for graduates to advising services at SBDC. In fact, Joe Williams, SBDC in CT advisor, helped develop the SBRC business academy (DNA of the Entrepreneur) and teaches in the curriculum as the first and last session instructor. Joe Williams is head of the capital team within the SBDC in CT and has a well developed network and process for connecting entrepreneurs to the capital network. BBA is forging formal pathways into other parts of the ecosystem with the program on reciprocity with other Chambers of Commerce and developing a more active capital access program for its members. HealthVentures is unique for their global focus and incubation model, which provides business development services and connections to capital as part and parcel of the incubation. Connections to capital providers and investors is more variable at newer ESO accelerators, with new ESOs developing small networks of investors. This makes sense as the networks take more time to establish, but there are implications for the entrepreneur if linkages remain highly variable between ESOs. Entrepreneurs' perspective here would shed more light on how well the linkages to capital and to other parts of the ecosystem that do exist work in practice. (See Appendix C for full case study write ups.)

ESO curriculum comparison. We have compiled information on the 6 ESO's curriculum and offerings based on curricula descriptions on websites. These have not been checked by the ESOs

and therefore may not reflect changes underway to these curricula and offerings. Additionally some websites were more descriptive than others, so these categories may contain a more robust set of offerings underneath unit title or description. That said, these analyses do provide a window into the entrepreneur's viewpoint, as the websites will be a main tool entrepreneurs' use for making decisions about which program best fits their current needs. Many ESOs offer the same broad units of programming: business planning, finance and accounting, marketing, fundraising, social media, and legal basics. The output, or key product the entrepreneur leaves the program with, varies across ESOs. SBRC DNA of the Entrepreneur graduates leave the 9-week program with a business plan in hand as part of the curriculum. In many others, each entrepreneur completes an individualized journey, working on a specific KPI that is decided at the beginning of the program, depending on the entrepreneur's specific needs.

We have highlighted what seem to be unique offerings, places where ESOs are providing programming not replicated in other programs, although results are limited by the fact that data is taken from archival materials publicly available on websites. The Curriculum Comparison slides (see Appendix D) suggests that The HealthHavenHUB has the most distinct offerings, which makes sense given their sector focus on digital healthcare innovation. Collab also appears to have more distinct offerings in two areas: a) related to self exploration as a starting place for the entrepreneurial journey, and b) in their food accelerator partnership with CitySeed. KNOWN is the only ESO that listed sessions on working with productivity tools, insurance and information about minority certifications as titles for session topics, although this does not mean others do not provide that content. Entrepreneurs at the KNOWN graduation mentioned the insurance unit as especially valuable. BBA offers stand alone offerings and hands on technical assistance, as well as hosting workshops on customer retention and service. The website review finds BBA is the only ESO of the six with an offering on resume writing. BBA offers multiple financial-related workshops and technical assistance, including what appear to be both introductions to working with financial statements, followed by a workshop on how to use those statements to predict cash flow. SBRC covers all the basics but also lists an additional class on Basic Numbers, which is flagged as a distinct offering as none of the others listed a separate session and could reflect additional numbers literacy training to prepare entrepreneurs for the financing unit that follows.

In Appendix D, we provide our analyses of session titles for each ESO's curriculum, from the website review. The red boxes are those elements that appear to be a distinct offering compared with the other focal ESOs. This analysis is limited due to the imprecision of the session titles to allow us to accurately ascertain where true overlap does and does not occur. For example, one unit on financial modeling may include a break-even analysis, while another ESO's session with a similar title may not. These analyses indicate that general programs like those from KNOWN and SBRC had many similar offerings, like marketing, while industry-specific programs like HHH Y-Start had more unique offerings, like product design.

Assessment of the ecosystem-unattributed interview themes. The interview guide included questions soliciting the ESO leaders perspectives on entrepreneur needs, the opportunities and

challenges for collaboration in the ecosystem, vision for next level ecosystem, and views of funders. Each interview transcript was coded by theme and coded transcripts were compared across transcripts by theme. This section describes the main themes from this analysis and features a selection of representative quotes, unattributed by name. Across the ESO interviews, we noted the passion, strategic capabilities, the strong partnership orientation and active leadership exhibited across the entire cohort. The interview quotes below show that the ESOs share a sense that this is a critical moment to strengthen the connections between the organizations in the ecosystem and make the most of the current moment to build on the momentum in the city and the post-COVID recovery to build a foundation for business development and wealth building that is specifically aimed at providing culturally competent services, a flexible set of capital products, strong mentorship and guidance, in a well-resourced, aligned ecosystem with technically skilled providers to allow small business and new entrepreneurs to thrive. The summaries below describe the themes from the section of the interview that asked ESO leaders about their perceptions of where the ecosystem is now, the gaps at the ecosystem level, and challenges and opportunities for building a more equitable ecosystem to support diverse entrepreneurs. (See Appendix E for a full report of this section, including selected representative quotes).

Sense of passion and energy for ecosystem building. Many noted that the ecosystem is growing and there is a sense of energy and enthusiasm for the work.

Desire to learn more about other ESOs and work together more systematically. Among the ESO leaders, there is a desire to work with each other more systematically and to know more about each other's capacity and plans. Knowing more specifics about what each other are doing helps ESOs work better with the entrepreneurs, some of whom are utilizing multiple ESO services.

Danger of the gaps. ESO interviews stress the importance of building more connections between organizations and a recognition that a single organization serving the entrepreneur, especially newer ESOs still making connections, may not be able to connect entrepreneurs to the range of resources that exist in the ecosystem and that are needed by the entrepreneur.

Need for leadership and clearly defined structure for the work. Interviews pointed to the need for leadership to help the ESOs work on initiatives at the ecosystem level. Respondents also expressed a desire for more transparency and sense of direction to the NHE3 and broader ecosystem building work. Interviews mentioned the tension between individual agendas and ecosystem level agendas. Several noted that the NHE3 council work got off to a bumpy start with the use of multiple vendors and the lack of communication about why. The interviewees expressed a desire that the work of the council be purposeful and action oriented--more than just talk.

Scarce funding leading to competition and tension. Many ESO leaders remarked on the competition for organizational funding. The lack of clarity about how the funding flows, why some ESOs are funded one year and not the next, and a sense of secrecy about how ESOs are

supported creates some trust issues, and fear about having intellectual property taken by others. It is noted that the competition for scarce funding undermines the ecosystem building collaboration effort and also limits the learning that could come from a more open collaborative environment.

Notion that overlap in offerings are not necessarily bad. Interviews noted that as new ESOs join the ecosystem, there is a tendency to replicate existing general education offerings by new ESOs, perhaps with small iterations, but that this is not necessarily a negative thing. Also a desire that all programs have their fundamental generalist training in the basics executed well.

Entrepreneur needs-Specialized services & sector specific pathways. The overlap in the general entrepreneurship training offered among ESOs leaves a gap, interviews pointed out, in more specialized services, such as a bench of experienced professionals ready to assist with hands-on assistance and business development pathways into specific clusters of regional or national economy or programs to assist service business get ready for growth opportunities.

Entrepreneur needs-Business acumen, alignment with funders and readiness to grow. In considering the areas where entrepreneurs could use more assistance and development, the interviews identified a large subset of the entrepreneurs coming through their programs as needing more assistance with basic business knowledge, ability to incorporate the classwork into confident pitches and sense of themselves as business people, rather than just people good at what they do (cooking, construction, etc). For some ESOs, the investors in their networks are looking for signals of that business acumen as part of their evaluation for funding. Other ESOs point out that the skills transfer must occur in a way that acknowledges that some of the barriers may be at the level of mindset as well.

Entrepreneur needs-Back office and generally being set up for growth. Moving beyond bootstrapping to growth is a big constraint to scaling up many businesses in the ecosystem identified across interviews. Interviews stressed the importance of building interventions in the ecosystem to help a bootstrapping business, started with a little savings and family loans, into a fully functioning business, with a business account, taxes in order, bookkeeping systems and timely invoicing, payroll management, etc. Interviewees felt that the COVID-19 relief program statistics showing entrepreneurs of color were less able to access relief highlight the need for more back office technical assistance. At the same time, the funding flowing into the ecosystem for COVID-19 relief represents an opportunity to develop an ecosystem-wide initiative to build capacity in this area.

Entrepreneur needs-Capital. ESO leaders all pointed to access to capital as an important area of need for the entrepreneurs they work with in their programs. Most highlighted the need for businesses at the early to middle stages of growth, particularly given the wealth disparities in the population. Respondents emphasized a need for small grants or low cost loans out of revolving loan pools and flexible products, like small lines of credit that could be utilized by brick and mortar, office based and home based businesses. Respondents also emphasized the need for scale up as well as start up funding. Support to invest in the systems to prepare the

business for scale up growth is identified as a need. ESO interviews also highlighted the higher levels of support that would be required for an entrepreneur to work on their startup full time.

Providing technical assistance at the right time, or in the right combination with other supports. Respondents noted technical assistance and business development services should be combined with capital rather than a model where general education is followed by capital acquisition. Interviews stressed that technical assistance linked to capital gives support at the very moment the entrepreneurs need it. Similarly, interviews suggest that business development, which can be described as helping the entrepreneur think five levels ahead of where they are now, is valuable in combination with helping an entrepreneur take on debt to invest in back office systems, since there can be a mindset dimension to making that transition from bootstrap to scaled business.

Entrepreneur barriers and strengths. Interviews noted that some of the entrepreneurs they work with are juggling quite a bit, may have histories of trauma, and might even be working more than one job. Strengths identified include grit, passion, resilience, a knowledge of their community and creativity. Young people were identified as a generation with ambition, a desire to make money through entrepreneurship and to combine entrepreneurship with pro-environmental activities.

What does it mean to design an inclusive ecosystem? In terms of considering the work at hand, how to build an inclusive ecosystem, several ESO leaders expressed a desire for a process that will truly allow more marginalized voices to have a say, not to just sit at the table. ESO interviews highlighted the systemic nature of the work of building equitable ecosystems; it is not just about bringing more entrepreneurs into the pipeline but creating the conditions so that entrepreneurs can receive trusted guidance from a diverse network of service providers and investors. Interviews revealed that diverse leadership is very meaningful to the entrepreneurs and investors in the space. Respondents noted that there is a history to the distrust that can imbue the current work. The interviews contained a sense of urgency about acting in a transformational way and conveyed the sense that now is the moment to think big.

View of funders to the ecosystem. Interviews contained many positive reviews of funders supporting the ecosystem, describing them as supportive, accessible, and good listeners. Areas identified for improvement include: longer term funding, a sense that there are tight pockets, that the criteria for funding is not always clear, seems like friends and family or usual suspects always getting the money, and that funders don't always move at speed want them to move.

Benchmarking to Thriving Ecosystems

This section of the report draws on the Forward Cities benchmarking tool for building an equitable ecosystem. In places where ESO interviews identify that building blocks are missing

or underdeveloped, we provide examples from other ecosystems to inform the recommendations section that follows.

Onramps & Pathways

The Forward Cities “onramps and pathways” building block includes the following dimensions:

- Accessible (online and offline) business skills training and TA
- Articulated and active Main Street business recovery and resilience strategy
- MBWE programs aligned with growth sectors
- Accessible (online and offline) accelerators/incubators for multiple sectors
- Free/low-cost start-up and entrepreneurial mindset workshops (online and offline)

Of these areas, the interviews indicate that the New Haven ecosystem contains a growing set of accessible business skills training programs, access to mentors and technical assistance, including entrepreneurial mindset related programming, most of which is offered at no cost. Outside of the Biotech related ESOs and networks in the greater New Haven area, and related healthcare innovation corners of the ecosystem in ESOs such as HealthVentures at Health Haven Hub, the interviews illustrate that many of the ESOs focusing on building pathways for BIPOC entrepreneurs offer general entrepreneurship training but fewer have offerings with specific industry focus and sector specific networking opportunities. Research from JPMorgan Chase & Co. and the Initiative for a Competitive Inner City (ICIC)⁴⁷ distinguishes between ESOs focused on serving BIPOC or women entrepreneurs across many industries (“demographic” focused ESOs) versus those building inclusive strategies in sector specific ESOs. Their analyses highlight several pitfalls of the “demographic focused” ESOs, including: 1) the perception of separate and unequal pathways that can result from a number demographic focused ESOs and industry focused ESOs operating in the same ecosystem and 2) the lack of industry specialization, industry specific peer learning and networking opportunities at demographically focused ESOs. A number of the ESOs in the New Haven ecosystem could be categorized as “demographically focused.” It will be important to consider the drawbacks listed above to these types of programs and take steps to develop the industry specialization and industry specific peer networks. As the NHE3 Council, TCF-MIC and other stakeholders consider next steps in building the equitable ecosystem, below are a few examples of initiatives from other regions where sector specific pathways are structured to provide for step by step growth from an entrepreneur in the early stages of their entrepreneurial journey forward into industry or sector specific business development and customer networks.

Examples from other regions:

⁴⁷ JP Morgan Chase & Co, “Creating Inclusive High-Tech Incubators and accelerators: Strategies to Increase Participation Rates of Women and Minority Entrepreneurs,” *ICIC*, https://icic.org/wp-content/uploads/2016/05/ICIC_JPMC_Incubators_post.pdf?af674c

Flatbush Caton Market⁴⁸—As part of the vision for a new community market space for the Flatbush Caton Market—a long standing marketplace for mostly Caribbean vendors in Brooklyn, NY, opening to the public this Fall, 2021, Urbane Development included two large low cost community production spaces available for rental (a commercial kitchen and a space to produce personal beauty products such as lotions, body oils, perfumes, etc.) in the new space. Urbane ties business development services right to those production spaces. Business development services can be focused to the subset of sectors connected to the production space (e.g., food or personal beauty products) and allow for specialization of technical assistance, networking and mentorship to be built out from those spaces. In this way, a home-based entrepreneur renting the community production location to produce a product selling well (such as soap) might connect to the business developer who can help broker access to purchasers of soap from boutique hotel chains in area, online selling platforms featuring Caribbean wares, or the purchaser of lotions and soaps for airlines flying to caribbean. Urbane Development wires the community kitchen production space for live streaming giving entrepreneurs the ability to produce live cooking demos on youtube, tiktok, etc. to build their customer base. These community production spaces provide space for entrepreneurs with a side hustle to flourish. Providing business development services out of these locations provides a pathway from the side hustle to next level growth for the subset of entrepreneurs ready for growth.

Community Purchasing Alliance Cooperative (CPA)⁴⁹- CPA began in Washington, D.C. over a decade ago as an effort to organize smaller anchor organizations (such as churches and K-12 schools) into cooperative purchasing groups. Energy contracts were the first area of focus and CPA members saved considerably in contract costs through group purchasing. Overtime, CPA vetted trusted vendors in solar power and assisted in transitioning members of the alliance to purchasing renewable energy. Since its first year, CPA expanded the types of services and contracts beyond energy to include: HVAC, cleaning and maintenance, copier, security, trash hauling and landscaping. In 2020, the CPA cooperative in Washington DC organized 141 members into over 15 million dollars in collective purchasing of services and goods. Approximately 53% of the 2020 contracts (close to \$8 million dollars) went to small businesses in the Washington DC metro area. Since 2017, \$13 million dollars in contracts were shifted to Black, Brown and/or immigrant owned businesses. The CPA Washington D.C. network works with local, small businesses to scale using the CPA network. For example, a local security firm owned by an entrepreneur of color, a local highschool graduate with less than five employees began serving 1-2 charter schools in the CPA alliance, eventually scaling to fuller parts of the network. Through this step by step, supported growth, the entrepreneur grew his business to 100

⁴⁸ Urbane Development Group LTD, “Flatbush Caton Market,”Urbane Development Group LTD, 2009-2019. <http://urbane-dev.com/projects/flatbush-caton-market/>

⁴⁹ Community Purchasing Alliance, “Strengthening Community Institutions In DC and Beyond,” *Community Purchasing Alliance Cooperative*, June 15, 2021, <https://www.cpa.coop/>

employees and is now competing for larger federal contracts. CPA is expanding to Boston, partnering with the Greater Boston Interfaith Organization and has had preliminary meetings in Connecticut as well. CPA has developed a model that creates value for its members while also offering the stepping stones to growth for local small businesses in specific service contract areas. In this way, CPA functions both as a conduit for cost savings for the cooperative members, but also as a business developer for the local vendors, which they work with to develop a pathway for scaling through their network.

ICA.Fund (Oakland, CA)--ICA.Fund in Oakland, CA provides an example of one ESO model creating a pipeline for growth through a two staged pair of accelerator programs. ICA.Fund focuses on founders of color with strong growth potential and structures offerings to move high growth potential entrepreneurs to scale. ICA.Fund is the result of a merger between ICA (formerly known as Inner City Advisors), founded in 1996, and Fund Good Jobs, Inc, founded in 2013. Prior to their merger in 2020, the two entities had worked together “to provide small businesses with the capital and support they need to grow, create good jobs, and build wealth for their workers and owners” under the same umbrella board of directors. In 2020, they merged into a single ESO, bringing the CDFI (Fund Good Jobs, Inc) together with the ICA under a single strategic vision. The ICA.Fund is financed through philanthropic contributions in the form of program related investments (PRIs), government grants and donations. ICA.Fund is building a continuum of capital and technical assistance to support businesses who fit with their mission to close the racial and gender wealth gap. ICA.Fund focuses on founders of color and or women founders, with programming that includes:

- A) *The Lab at ICA-4 weeks of programming, up to 20 companies per cohort, 20 hours of support (group workshops, peer to peer support and office hours), units on Business Structure and Business Model Evaluation, Path to profitability, Growth Visioning, and Capital Readiness), culminating in a Pitch Deck share out, possibility of investment from ICA.Fund Seed Capital program. Seed investments range from \$25,000 to \$50,000.*
- B) *The Accelerator at ICA-4 months of programming, 5-10 companies per cohort, 2 cohorts a year; supporting high potential businesses aiming for growth beyond the regional economy, focusing on: growth strategy, people strategy, capital strategy, and becoming investment ready. ICA.Fund requires 2% equity in business, via a 10-year assignable warrant, to participate in their (otherwise) free program. Portfolio companies are eligible to be evaluated by the investment team but investment is not guaranteed. Growth capital investments range from \$250,000 to \$750,000.*

In addition to tracking metrics such as: number of businesses started, growth of revenues and follow-on funding in those businesses, and number of jobs created, the ICA.Fund pays attention to the quality of the jobs created by their portfolio businesses. To that end, the 12-week accelerator training offerings include training sessions on how to create quality jobs through profit sharing, bonus programs, and employee stock option programs. Investments typically include social impact covenants preserving the commitments to quality jobs. Investments by the

ICA.Fund include financial as well as social milestones with financial incentives attached. The ICA-Fund recruits businesses primarily in industries where they have the most expertise: consumer goods, retail, packaging, warehousing and distribution, food and beverage CPG, CPG manufacturing, and business services (including e-commerce, DTC, fin-tech) and works to build the mentoring, technical assistance and specific programming to meet the needs of businesses aiming for growth in these specific industries. ICA.Fund's focus on good jobs, their approach of aligning their own incentives with the growth of the business portfolio, the targeted programming both by growth stage and by industry specialization, and the tight alignment between capital and TA at each stage of growth make ICA.Fund an ESO that walks the line between demographic focus on female founders and founders of color, while also providing sector specific and growth specific targeted programming and access to funding.

Intersections & Conversations

In the intersections and conversations building block, Forward Cities identifies the following areas as key indicators:

- Ecosystem (virtual) gathering(s) connecting diverse and representative stakeholders
- Consolidated ecosystem (virtual) event calendar(s)
- Centralized digital resource directory
- Accessible and inclusive Public (free) Innovation/work spaces - when safe
- Entrepreneur-led (virtual) events and initiatives

The growth in the greater New Haven region of ESOs focusing on BIPOC entrepreneurs, including Collab, KNOWN, (interviewed for this report) and others in the area including ConnCORP, among others, creates many exciting new opportunities and offerings in the ecosystem to connect diverse and representative stakeholders. SBRC in collaboration with CTSBDC have a strong bench of diverse mentors and instructors in the city's publicly sponsored accelerator. Newer to the space ESOs, such as Collab and KNOWN bring two additional networks of diverse mentors to the ecosystem. BBA's strategic restructuring under new leadership also brings new BIPOC providers of technical assistance and mentorship. Signature events in the ecosystem, many of them entrepreneur-led, include: "Tweak my biz" programming at BBA, "Pivot talks" at KNOWN, and "Pitch day" by Collab. In addition, KNOWN, ConnCORP, and NXTHVN have or plan to have co-working spaces. The Ives Branch of the New Haven public library has a newly remodeled co-working space.⁵⁰ However, with all of the new offerings, New Haven lacks a centralized wayfinding map or coordinated, digitized event

⁵⁰ Margaret Sullivan, "How a New Haven library is connecting residents to the city's innovation economy," *Brookings*, October 26, 2020.
<https://www.brookings.edu/blog/the-avenue/2020/10/26/how-a-new-haven-library-is-connecting-residents-to-the-citys-innovation-economy/>

calendar, as a guide to the space. Such a resource would be helpful for both entrepreneurs and ESOs.

Examples from other regions:

Saint Louis Startup Ecosystem Map⁵¹ creates a digital wayfinding space, online. It features an interactive map that breaks out entrepreneur services by type: accelerators, competitions, coworking, maker spaces, etc. The map locates each service with an icon for the type of service on an interactive map of the region, allowing for quick visualization of the location of the different services so the entrepreneur can choose a service near their regular commuting or living location. The Ecosystem Map appears to be operated by a third party which ensures the materials and information are kept up to date.

TECHTOWN Detroit offers another type of wayfinding space--a place based entrepreneurship center. Rooted in a partnership between Wayne State University, Henry Ford Health System and General Motors, TechTown's original mission focused on supporting university commercialization spinoff efforts.⁵² Now, in collaboration with the Wayne State Office of Economic Development, the center is a 5-story entrepreneurship hub that includes a robust set of programs and supports for Tech startups (including: Start Studio, Capital Program, Incubator, and a women in STEM program) alongside a suite of small business programming for developing, launching, and growing neighborhood businesses (these include: Retail Boot Camp, Virtual Retail Pop-Ups, Small Business Support, Open Office Hours, Expert advice and Training Series). The center also hosts coworking and event space. TechTown Detroit intentionally bridges the divide between the small business development programs and tech-focused parts of the entrepreneurial ecosystem through co-location. It serves as a one stop shop for entrepreneurs and for providers to connect, engage, network and work together.

Capital

On the capital side, Forward Cities framework includes the following dimensions:

- Low-barrier, alternative capital and/or economic stimulus options.
- Capital stack available for all stages and series of funding, including recovery.
- Credit enhancement/ counseling programs.
- Procurement technical assistance programs focused on MBWE businesses.
- Diverse executive and board leadership among funding organizations.

⁵¹ Entrepreneur Quarterly, "St. Louis Startup Ecosystem Map," *Entrepreneur Quarterly*, (June, 19 2021). <https://entrepreneurquarterly.com/saint-louis/>

⁵² Techtown Detroit "About TechTown," *techtown detroit.org* (June 20, 2021). <https://techtowndetroit.org/about/>

The interviews with the 6 focal ESOs identified two programs in the Greater New Haven region for credit enhancement and counseling: the free program offered by The Urban League of Southern Connecticut,⁵³ which works closely with SBRC, and 3 Queens Credit Restoration, a provider that works closely with BBA.⁵⁴ Identifying the state of procurement technical assistance programs focused on MBWE, the diversity of executive and board leadership among funding organizations, and the capital stack or alternative capital options in the ecosystem were outside the scope of this report. However, a number of the interviews did identify these last two categories (capital stack across growth stages and alternative capital options) as places where entrepreneurs were in need of more generous offerings in current products and more types of options than currently exist.

Specific recommendations from the ESO interviews include:

- Capital is the biggest problem, structurally, systematically and programmatically. We need solutions that match the level of need. Commit to that level of funding.
- Revolving loan pools that stay revolving—so that the money is there and can be reused.
- Funding for a whole start-up ecosystem not just biotech and high tech.
- \$5,000 to \$30,000 micro grants
- \$5,000 to \$10,000 micro grants
- Low interest loans, with a long horizon to pay it back, maybe 0% interest at first
- Forgivable loans
- Low interest revolving loan fund
- Home based businesses with access to small lines of credit.
- Grant funding that leads to loans with low interest.
- I liked how quickly CEDF moved capital out of a loan pool when COVID-19 hit into lines of \$25,000 credit. Let's keep those post-COVID.
- Funding for existing businesses, not just start up, to invest for scaling (inventory, back office, vehicle, etc)
- Commit to strengthening historically Black-owned and Black-run/Black-led organizations - they are essential organizations and need to be supported and strengthened.

Examples from other regions:

Meridian Management Group, Inc. (MMG, Inc.)--MMG, Inc., led by Stanley Tucker, is structured for the sole purpose of building a continuum of capital to meet all of the needs of a small business as they grow. MMG, Inc. combines focused technical assistance (in back office accounting set up or reboot) with a one stop shop for capital products to move a business from startup to growth stages and beyond. MMG, Inc's approach offers an effective combination of trusted guidance, expertise in accounting/back office technical assistance, a range of capital

⁵³ Urban League of Southern Connecticut, "Budget & Credit Counseling," *Urban League of Southern Connecticut*, June 21, 2021. <https://www.ulsc.org/service-page/budget-credit-counseling>

⁵⁴ 3 queens credit restoration, Accessed June 2, 2021. <https://3queenscreditrestoration.com/index.html>

products and ongoing strategic advice.⁵⁵ Located in Baltimore, MD, MMG, Inc. is the evolution of a strategy Mr. Tucker has been developing for the last several decades to provide a pipeline of capital for entrepreneurs of color and women owned businesses, summed up by his tag line: “there is no capitalism without capital!” MMG, Inc. built upon the foundation of capital provided by the Maryland Small Business Development Financing Authority (MSBDFA), which was created in 1978 to support disadvantaged entrepreneurs. MSBDFA initially aimed to support businesses run by those who are economically or socially disadvantaged but overtime expanded to include “any small business that does not meet the credit criteria of financial institutions and commercial sureties and, consequently are unable to obtain adequate financial assistance on reasonable terms.”⁵⁶ Stanley Tucker managed the public MSBDFA fund since 1982 as an employee of Maryland state government. His work with MSBDFA is widely recognized as one of the most aggressive and creative approaches to providing small business financing in the country. Over that time, Stanley Tucker worked with the Maryland Black Caucus to pass legislation to establish more needed support for minority and women led businesses, including: the Long Term Guaranty Program (1982), the Surety Bond Program (1985), the Equity Participation Program and Franchises Program (1986), Business Acquisitions (1989), Technology Based Businesses (1992), Ability to Assist Other Businesses (2005) and Consolidation of each Component into One (2014). Pioneering initiatives include: 1) legislation passed to invest 1.5% of the gross revenues from slot machines in Maryland to the Maryland Casino Business Investment Fund, creating a fund to invest in businesses in targeted disadvantaged locations as part of the bill to legalize video lottery terminals in the state, and 2) legislation to move the MSBDFA fund under private management, which occurred in 1995. Stanley Tucker continues to oversee the MSBDFA fund, now from a private sector position through his leadership at MMG, Inc. where he combines capital from the MSBDFA fund with the Maryland Casino Business Investment Fund, as well as a Community Development Fund. Capital products include: term loans, line of credit, equity investing and surety bonds. MMG, Inc. meets business owners where they are now, but engages each business owner in two specific ways from the first meeting, forward. First, the business owner must allow a full under the hood review of the back office books. MMG, Inc. retains staff with the requisite technical assistance expertise in accounting to review and reboot back office systems to prepare the company for growth. Secondly, MMG, Inc. begins working with entrepreneurs with the end in mind, asking--what is the end-goal for the business owner (e.g., quitting a day job, getting a federal contract, going public, etc). With a back office reboot, and the end goal in mind, MMG, Inc. works to strategically advise and provide capital along the continuum of the firm’s specific plan for growth. Over the past 40 years, over \$200 million in financing has been secured through

⁵⁵ Information about the approach to the work by MMG, Inc. informed by interview with Stanley Tucker for CitySCOPE podcast, season 3, forthcoming Fall 2021.

⁵⁶ History of Funds “MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY (MSBDFA),” Meridian Management Group, Inc, (June 21, 2021). <https://mmgcapitalgroup.com/history-of-funds/>

MSBDFA to over 600 small businesses. Additionally, of the 639 businesses MSBDFA supplied with capital since 1980, 71% of the companies served are entrepreneurs of color.⁵⁷

The Build NOLA Mobilization Fund⁵⁸--The Build NOLA Mobilization Fund provides capital to assist New Orleans small business owners from economic or socially disadvantaged backgrounds to compete for public and private contracting in the region. Given that the city of New Orleans expects billions of public dollars to be spent on infrastructure projects in the city, the \$5 million dollar Build NOLA fund includes money for disadvantaged businesses to best position them for competing for these projects, including funds for start up costs such as insurance, bonding, equipment and labor costs, as well as lines of credit to ensure suppliers and employees are paid on time. The fund is a collaboration between the Mayor LaToya Cantrell, NewCorp Inc (a CDFI), and the New Orleans Business Alliance alongside business and philanthropic partners, including the Kresge Foundation. Participation in the fund includes access to a program for back office support and technical assistance from an assigned construction project manager who provides contract analysis, budget review, prime contractor interface, and post-loan contractor technical assistance.⁵⁹ ⁶⁰ Like MMG, Inc., this initiative combines capital with tailored, specific technical assistance to build a pathway to growth through contracting.

The Co-op Capital Program--In the category of low barrier, alternative capital, the Co-op Capital Program, run by the Nusenda Credit Union in Albuquerque, New Mexico has funneled over three quarters of a million dollars from grants from the W.K. Kellogg Foundation and the Albuquerque Community Foundation,⁶¹ among others, into micro-loans lent to hundreds of low-income and minority entrepreneurs in Albuquerque. The loans range from \$250 to \$10,000. In addition to the use of micro-loans for small business, the co-op capital model uses a novel lending approach termed “relationship lending” whereby approval of the loans is given by

⁵⁷ Interview with Stanley Tucker for CitySCOPE podcast, Season 3 (to be released in Fall 2021)

⁵⁸ This example, and the two to follow in this section are informed by report on work of Living Cities, Rockefeller and Surdna Foundations “Start Up, Stay Up, Scale Up (SU)3 initiative and features some of the programs supported in their work, read more here: <https://livingcities.org/blog/1400-3-cities-using-capital-to-build-more-inclusive-ecosystems/>

⁵⁹ “BUILDNOLA,” *Newcorp Inc*, June 22, 2021.
<http://www.newcorpinc.com/main/BuildNOLA#:~:text=The%20Program,sector%20contracting%20in%20New%20Orleans.>

⁶⁰ “Partners unveil \$5 Million BuildNOLA Mobilization Fund to Support Disadvantaged Business,” *The Kresge Foundation*, March 12, 2019.
<https://kresge.org/news-views/partners-unveil-5-million-buildnola-mobilization-fund-to-support-disadvantaged-businesses/>

⁶¹ “Impact Investing,” *Albuquerque Community Foundation* June 23, 2021.
<https://abqcf.org/community/impact-investing/>

community partners who, rather than require collateral or credit scores, vouch for the entrepreneurs based on the community partners' relationship with the entrepreneur. In the capital co-op model, the community partners approve the loans and Nusendra Credit Union administers them at 5% interest. To support the partnership model of lending, community partners who join the capital co-op are given \$30,000 in technical training to prepare them for their role in the lending process. The loans are backed by a pool of capital contributed by the community organizations as well as philanthropic partners. Four years into the model, the program reports only a 1% default rate.⁶² For a young entrepreneurial ecosystem, like Albuquerque's, the attraction of this approach is that it builds a pipeline of diverse entrepreneurs, some of whom will eventually be in line for equity investment or more mainstream loan products as they grow larger and develop a track record. What we also like about the model is that it provides a mechanism for diversifying the actors making the funding decisions in the ecosystem quickly and in important ways.

Crowdfunding & Angel Investor Education--To address the lack of diversity on the funding side of the capital pipeline, the "Start Up, Stay Up, Scale Up (SU)3" initiative launched by Living Cities, Rockefeller and Surdna Foundations features an effort in San Francisco to diversify not just the entrepreneurs but the funders as well.⁶³ In the Bay area, as in the rest of the country, the control of investment in venture capital networks remains homogeneously White and predominantly male.⁶⁴ Rather than focusing on creating more diversity in the venture capital networks, important work that can take time, the (SU)3 initiative fostered an effort led by **42Phi Ventures** to target professionals of color through education offerings and networking opportunities to participate at the angel stage and/or participate in crowdfunding initiatives for entrepreneurs of color. In cities with diverse populations, providing onramps for professionals of color to participate in the entrepreneurial ecosystem at the angel stage or through crowdfunding provides a pathway into venture investing for professionals of color at an investment range that might be more comfortable at an earlier stage of their career trajectory.

⁶² Kevin Robinson-Avila. "Nusenda expands micro-lending program. *AlbuquerqueJournal*. December 13, 2018. https://www.abqjournal.com/1257296/nusenda-expands-micro-lending-program.html?fbclid=IwAR3TD_WPSh0DCKTcXue1K0z4OTm2Ugwq2oyfTHX6SpfyI0klzA3hj690TVk

⁶³ Monique Woodard, "3 Cities Using Capital to Build More 3 Cities Using Capital to Build More Inclusive Ecosystems," *Living Cities*, November 6th, 2019. <https://livingcities.org/blog/1400-3-cities-using-capital-to-build-more-inclusive-ecosystems/>

⁶⁴ Scott Galloway. *Post Corona: From Crisis to Opportunity*, London: Portfolio, Penguin, 2020.

Metrics & Learning

In terms of metrics and learning, the Forward Cities framework includes the following dimensions:

- Data sources tracking business demographics, geography and sectors
- Ecosystem stakeholders capturing and sharing common metrics and data
- Quantitative and qualitative ecosystem evaluation and measurement tools
- Promising practices codified and shared across the ecosystem
- Active relationships and shared learning with other ecosystems prioritizing equity

The interviews with the six focal ESOs identified a number of areas where metrics are being tracked at the ESO level, including:

- ➔ # outreach engagements, # TA sessions, # community referrals, # businesses, # new businesses
- ➔ # graduated, demographics, funding secured & amount, jobs created and growth, satisfaction
- ➔ # firms touched, # graduates, # due diligence, \$/due diligence, 3x multiple on investment
- ➔ revenue growth, employment or subcontracting and capital raising
- ➔ # businesses served, jobs supported, money moved, track SBIR, track change of residence, would like to know growth of businesses
- ➔ # graduated, demographics, funding secured & amount (aggregated), census tract and ward, jobs created and if job has insurance

None of the ESO interviews identified tracking sectors where entrepreneurs operate although many had a sense of which sectors were most represented. This could be investigated to explore where sector specific initiatives would be most valuable. Common metrics tracking could pool a subset of metrics each ESO is collecting individually. A subset list recommended by ICIC are: small businesses supported, capital raised, revenue generated, total jobs, wages paid.⁶⁵ This list could give you a sense of how well New Haven is doing overall as an ecosystem in moving entrepreneurs through the pipeline. As the actors within the ecosystem come together to share practices, launch initiatives and develop a learning community, metrics could also be developed that track the vision for the ecosystem's future state⁶⁶, such as: How decentralized is control and delivery of resources (money, space and coaching) in the ecosystem? How diverse are the investor pools or leaders and boards of ESOs? How have ESOs collaborated? Where did entrepreneurs connect across ESO programming? How many handoffs were made from one

⁶⁵ Ted Archer et al, "Twelve Organizations Driving More Inclusive Entrepreneurial Ecosystems," *ICIC*, June 17, 2021. <https://icic.org/blog/twelve-organizations-driving-inclusive-entrepreneurial-ecosystems/>

⁶⁶ Ammy Gannon, "We Need to Develop Meaningful Metrics to Evaluate Entrepreneurial Ecosystems," *Intersections*, October 26, 2019. <https://medium.com/costarters-intersections/we-need-to-develop-meaningful-metrics-to-evaluate-entrepreneurial-ecosystems-4d314effeb2>

ESO to another? Below we highlight an example from the Bay Area where investments in learning experiments that are tracked, evaluated and assessed by ecosystem stakeholders might offer an example of a way forward that is less academic, and more active. Moving from analysis to action is another way to structure this work, and to develop your learning community. Engaging in experiments and creating a process that allows for action, evaluation, reflection loops can allow the group to build trust in a step by step way that lays the foundation for larger collaborations.

Examples from other regions:

Kapor Center for Social Impact--The Kapor Center for Social Impact in the San Francisco Bay area is currently investing \$40 million dollars in initiatives that aim to diversify the Bay Area Tech Industry. Multiple initiatives operating at the same time are aimed at different levels in the industry and take place over different time lines. The initiative builds in evaluation as part of the funding approach to see what works and how, to inform the next round of work.

Recommendations

“There are many barriers to an inclusive economy... including low wage jobs, lack of wealth creation opportunities and the current system, which was not set up to be inclusive.”

~ Dianna Tremblay from ICA.Fund in Oakland

Below we offer a set of recommendations for consideration by the NHE3 Council and The Community Foundation of Greater New Haven-Mission Investment Company. These recommendations reflect ideas brought forward in the interviews or in our landscape analysis of other regional practices and in the literature more broadly. These recommendations are not meant to be proscriptive, but rather offer a sample set of approaches for building the inclusive entrepreneurial ecosystem for the NHE3 coalition to discuss, build upon, and use as a jumping off point for your future work. It will ultimately be up to all of you to determine which ideas excite you, which ones have potential, and which are a good fit for building the equitable entrepreneurship ecosystem in Greater New Haven. We have divided the recommendations into two sections: those that are focused on ecosystem level initiatives and those based on building a process for the next stages of NHE3/TCF-MIC work.

Ecosystem Focused Recommendations

Recommendation #1: Provide “enterprise capital” investments for ESOs over longer time horizons. New Haven is lucky to have a set of passionate, skilled directors in the entrepreneurial ecosystem focusing on BIPOC entrepreneurs. The ESO leaders interviewed all have a clear idea of their strategy for moving to the next level, but they require stabilized

funding to let them pursue strategic growth. The interviews showcase a group of leaders that are energized, nimble & strategic minded. However, there is a sense of competition between these leaders; and a sporadic nature to the funding that supports their programming from one year to the next. Enterprise capital is flexible, unrestricted capacity-building support outside of general operations that gives an organization the resources to build infrastructure or scale up a successful program⁶⁷. Providing support in the form of enterprise capital over the longer-term (3-5 years) would let the ESOs iterate as they develop their unique ideas, rather than conform more narrowly to funders goals.⁶⁸ Longer term, enterprise capital investments in operating capacity may also relieve the ESOs of the concern that sharing curricular innovations and longer term strategy could result in loss of intellectual property, allowing an opening for real collaboration among the ESOs, which, in turn, would greatly benefit the entrepreneurs.

Recommendation #2: Provide one-off infrastructure capacity-building grants. At a time when money is flowing to the ecosystem, provide funding for ESOs to make one time capacity building investments in their organizational infrastructure. Many of the ESO interviews highlighted a desire to make specific organizational infrastructure investments. Investing in organizational capacity now, will pay dividends well into the future as innovative organizations build a more robust platform to take their operations to the next level.⁶⁹

Examples of Capacity-Building Grants:

- Customer service software - entrepreneurs will be trained on how to leverage the technology to better understand and connect with their customers
- Metrics tracking software - ESOs can gain insights into what's working in their curriculum & what can be improved upon

Recommendation #3a: Develop more formal pathways for entrepreneurs at different growth stages and for specific sectors.

Recommendation #3b: Connect a capital pipeline to formal pathways and tie capital to technical assistance and business development services.

⁶⁷ Andrea Levere, et al. "Blueprint for Enterprise Capital: A Strategy for Aligning Capital and Capacity to Magnify Nonprofit Impact." (2020).

⁶⁸ Ann Goggins and Don Howard. "The Nonprofit Starvation Cycle." *Stanford Social Innovation Review* (2009). https://ssir.org/articles/entry/the_nonprofit_starvation_cycle.

⁶⁹ Andrea Levere, et al. "Blueprint for Enterprise Capital: A Strategy for Aligning Capital and Capacity to Magnify Nonprofit Impact." (2020).

Across the six case study ESOs, connections are already being bridged between programs (entrepreneurs moving along pathways in the ecosystem from SBRC to KNOWN co-working, or from KNOWN/Collab to BBA or from SBRC/Collab to SBDC). However, more work is needed to create formal pathways in specific sectors or across different growth stages. These efforts work well when capital access is offered alongside technical assistance and business development services. We present a few animating examples below of how this work could be approached in New Haven.

Example 1: Given New Haven's regional economic strength in the Hospitality and Tourism cluster and the Agriculture, Food and Natural Resources cluster, the NHE3 might develop more structured entrepreneurial pathways to regional and national growth through these clusters by creating stronger links from ESO programs to key actors in these clusters, including: purchasers (in key positions in casinos, grocery stores, hotels, schools, restaurants, hospitals and universities), and those actors within the clusters providing assistance with scaling up production, processing, marketing, and distribution needs.

Example 2: A \$1 trillion dollar infrastructure spending package is making its way through the Senate. The expansion of the preferential procurement program at the Federal level under the Biden administration means more of that funding could be targeted at entrepreneurs of color. The NHE3 should connect with others in the ecosystem to help small businesses be in the best position to participate in these contracts. Consider programs like The Build NOLA Mobilization Fund or MMG, Inc.'s approach (reviewed above) that combine hands-on back office setup assistance as well as access to capital, bonding, lines of credit and sector specific project management support. Beyond capital and technical assistance, business development pathways can be built at the ecosystem level to help businesses that are small now, but want to serve larger contracts make the jump in smaller series of steps by, for example, securing contracts with smaller anchors using a model like the one developed by CPA Coop (reviewed above) or the staged accelerator model tightly aligning capital, technical assistance and business development, similar to what ICA.Fund created through the merger of a CDFI and an business support organization.

Recommendation #4: Create more flexible capital products for both early and later stages of the entrepreneurial journey.

Example #1: The ESO interviews highlighted a number of capital products that the ESO leaders identified as useful for BIPOC entrepreneurs. These include:

- \$5k-30k no strings attached
- \$5k-15k to run customer experiments, get supplies, rent kitchen space, office space, retail space

- \$5k-10k easy to get grants
- Grant funding that leads to low cost loans with low interest
- Money for inventory or asset needed to take contract, money to tide over until contract is paid
- Revolving loan fund stays revolving
- Offer home based business small lines of credit
- \$ for undocumented
- Low interest loans, with a long horizon to pay it back, maybe 0% interest at first
- Forgivable loans
- Low interest revolving loan fund

Example #2: ESO interviews also pointed to COVID-19 responses that worked well that they would like to see extended and/or made permanent, including: 1) the quick conversion of the CEDF loan pool to \$25k lines of credit and 2) a low interest loan fund created to provide relief in the pandemic called “The Partnership Loan Program,” created through a public-private partnership among The Community Foundation Mission Investments Company (TCF-MIC), the City of New Haven, the Amour Propre Fund and HEDCO, Inc.

Example #3: ICA.Fund in Oakland, CA developed a rapid response loan product of up to \$100,000 at 0% with deferred payments for one year to address liquidity and for emergency working capital needs during COVID-19. The Rapid Response loans are the only product where participation in an ICA.Fund program is not required to be eligible for funding.

Recommendation #5: Create a database of volunteer mentors to leverage expertise available in the ecosystem. The leadership of the six ESOs interviewed all focus on serving entrepreneurs of color, women or entrepreneurs that are otherwise socially or economically disadvantaged. To provide culturally competent mentoring, technical assistance and guidance, each ESO brings a network of diverse, experienced, skilled mentors. Efforts should be made to ensure that these mentors are not siloed only in their service to a single ESO. Having networking events, a database, or asking mentors to contribute to ecosystem wide offerings and initiatives will help ensure that entrepreneurs have the opportunity to make a valuable connection with a mentor in the region that might be the perfect fit, even if they come into the ecosystem through one ESO rather than another. ICA.Fund asks mentors to commit to teaching one class in the accelerator as part of their commitment. NHE3 could do something similar except at the ecosystem level, where mentors might be asked to contribute to webinars or one-off talks or to act as a cross-ESO consultant on a pitch session, to provide cross-fertilization across ESO mentor networks.

Recommendation #6: Create a digital, interactive “wayfinding” guide to the ecosystem for entrepreneurs and ESOs. Develop an interactive smart map to the New Haven entrepreneurial ecosystem that lives on large touch screens inside ESOs physical buildings, but also is accessible on computers and phones, such as the St. Louis ecosystem map example but in your own New Haven style! The site should be monitored by a dedicated third party invested in keeping materials up to date and resolving technical issues. A technology interface that allows for the client to answer a few questions about location, stage of business and services needed to receive a list of ESOs best suited to meet their needs with links to directions would be ideal.⁷⁰

Recommendation #7: Establish a new city entrepreneurship center. The entrepreneurship center could be organized around the public “spine” (SBRC-SBDC) of the ecosystem that can serve as an anchor to the ecosystem given the bevy of resources, partnerships, connections and financial resources that flow through that system. Other ESOs can co-locate for introductions, events, activities and offerings. TechTown Detroit (reviewed above) offers a model that builds a bridge from the technology transfer and economic development arms of a university to the city. In New Haven, an entrepreneurship center built at a marquee city location such as in a renovated Goffe Street Armory, home to the Black Expo during the 1960s and 1970s,⁷¹ could build a bridge from city to university, serving as both an epicenter and a crossroads.

Recommendation #8: Survey entrepreneurs for deeper understanding of need. While this study examines 6 case studies of ESO models as a vantage point from which to view the entrepreneurial ecosystem landscape, to gain a full understanding of how the ecosystem functions, the next phase of research should center on the experiences, assessments and needs of the entrepreneurs by collecting qualitative data through focus groups and interviews with entrepreneurs themselves to ensure that the work that emerges from this initiative is centered on the entrepreneur’s experiences.

⁷⁰ “Philadelphia Equitable Entrepreneurship Ecosystem Assessment and Strategy; Building a More Inclusive, Resilient Philadelphia,”
<https://unitedforimpact.org/wp-content/uploads/2021/07/Philly-Equitable-ESHIP-Ecosystem-6.3.21.pdf>

⁷¹ Noel Rockwell, “Friends of the Goffe Street Armory hope to transform neglected landmark,” Yale Daily News April 14, 2020.
<https://yaledailynews.com/blog/2020/04/14/friends-of-the-goffe-street-armory-hope-to-transform-neglected-landmark/>

Recommendation #9: Develop best in class Back Office reboot initiative— NHE3 can combine forces to develop a best in class “Back Office Reboot” initiative to provide back office technical assistance to set up of accounting, human resources, and financial management systems form the basis for tax filings, billing, invoicing and record keeping.

Example #1: SBRC subsidizes 5 hours of Back Office set up for graduates of the DNA of the Entrepreneur program. Expand initiatives like this, across the system, and create more than one access point. For example, both a *startup* Back Office technical assistance and micro-grant and a *reboot* Back Office technical assistance and micro-grant initiative could be developed, providing a point of entry for both startups and for businesses already operational needing to transition from bootstrapping approaches to firmer foundations.

Example #2: MMG, Inc. in Baltimore, MD requires a Back Office “under the hood” review as a prerequisite for eligibility to capital access through their managed funds. Incorporate back office review and targeted technical assistance as a prerequisite to receiving certain capital products.

Example #3: Develop a bench of local BIPOC consultants and subsidize their work to provide low cost or free Back Office set up or reboot services. Tie their subsidized technical assistance to key capital providers and incorporate their assistance into the loan or capital product application and servicing. This will ensure that the subsidized program serves a secondary benefit of allowing local BIPOC consultants to grow their book of accounts.⁷²

Process Focused Recommendations

Recommendation #1: Develop a transparent and structured process that defines NHE3’s role in this work. The NHE3 work is at an inflection point. It is important to build a process that is substantive and transparent at the NHE3 council. The NHE3 nominating committee assembled a diverse set of stakeholders and brought them to the table. These are serious and committed business leaders, entrepreneurs and funders from the region who are passionate about the need and opportunity for transformation inherent in the current moment. Next steps should outline a clearer role for the NHE3 council and move beyond discussion and analysis into action.

Potential roles for NHE3:

- 1) **Advise and Consent:** As TCF-MIC and NHE3 engage consultants in a series of data collection, build in a specific role for the NHE3 coalition in this work. In an advise and consent capacity, this could include: 1) receiving a preliminary set of findings and recommendations

⁷² “Philadelphia Equitable Entrepreneurship Ecosystem Assessment and Strategy; Building a more Inclusive, Resilient Philadelphia,” United for Impact. Accessed July 10, 2021.
<https://unitedforimpact.org/wp-content/uploads/2021/07/Philly-Equitable-ESHIP-Ecosystem-6.3.21.pdf>

from researchers before final reports are written to weigh in on the final recommendations that are included in the report; 2) reviewing the results from reports after they are produced to identify a subset of challenges and opportunities raised in the report where there is alignment in the group, 3) providing advice and consent to identify the subset of benchmarking ideas and recommendations that the NHE3 stakeholders think have potential and 4) create a structured process where NHE3 feedback on any reports and recommendations is elicited and shapes the next phase of work.

EXAMPLE Tools & Methods: Data walk—create a structure to allow the NHE3 coalition to engage with the findings of this report as a model for how you will work with future consultants. A half day or multi-meeting process over three meetings might include the following elements: Meeting #1: NHE3 Council reviews materials in advance of the meeting and arrives at the meeting with a “5 and 3”—a list of 5 challenges/opportunities where they see alignment across the interviews and data collected and 3 recommendations or benchmark examples they are especially excited about or see potential for New Haven. Compare lists and discover shared priorities coming out of the first meeting. Meeting #2: As a group, develop feasibility criteria and constraints to guide how NHE3 stakeholders will prioritize action areas that have been identified. Meeting #3: Decide on priority areas of action and next steps.

2) Let the NHE3 Council Lead: The NHE3 lays out a vision for a community led process. In the next phases of work, decide together at the NHE3 if you would like to move beyond the advise and consent role and consider how to operationalize a community led set of initiatives that could emerge from the council. **A first step in this work is to set a shared vision of purpose**—Mindy Thompson Fullilove⁷³ says in her work on Urban Restoration to “Decide what you are FOR” as a group. Relatedly, the group can also determine what it is NOT FOR. For example, NOT FOR an ecosystem where an entrepreneur does not launch as effectively as they could in a different ecosystem because the pathways are not built to provide linkages to industry, capital access and technical assistance in the right combination at the right time. Or, NOT FOR an ecosystem where entrepreneurs never connect with a key mentor because they are at one ESO, and not another. The vision of what you are FOR, could include building a best in the country model for supporting and scaling BIPOC entrepreneurship in the food clusters or developing a national model for culturally competent curricula and technical assistance provision. **A second step is to move from analysis to action research experiments.**

EXAMPLE Tools & Methods: Action research approach--moving from the Data Walk, in a second half day meeting, or series of meetings, create a facilitated process where the group identifies 1-3 Action Research Questions to guide infrastructure development at the ecosystem level. For example, one RQ might be: HOW COULD WE BUILD A BACK OFFICE REBOOT

⁷³ Fullilove, Mindy Thompson. *Urban alchemy: Restoring joy in America's sorted-out cities*. New York: NYU Press, 2013.

AT ECOSYSTEM LEVEL? or HOW CAN WE BUILD A STRUCTURED PATHWAY INTO THE FOOD CLUSTERS? The action research process 1. Look at national examples, 2. Look at New Haven areas of success and assets/capacities, 3. Experiment with a pilot initiative or Data Collection 4. Evaluate 5. Decide on next steps forward.

Recommendation #2: Develop shared agreement about criteria for work that occurs at the NHE3 Council. ESOs, funders and entrepreneurs will all continue to have individual agendas and initiatives. Work done by the NHE3 Council should focus on establishing a functioning set of processes and supports at the whole ecosystem level that will outlive any individual ESO organizational life cycle. The group can decide on guiding principles for selecting initiatives to work on. Here are some ideas, but ultimately the guidelines should come from the NHE3 Council:

- Initiatives address challenges that are shared across ecosystem
- Initiatives create opportunities to strengthen connective tissue between ESOs
- Initiatives invest in capacity of ecosystem as a whole, not just individual programs
- Initiatives look to future (for example, Back Office Reboot important given the Infrastructure Bill)

Recommendation #3: Review and revise governance structure to create transparency about governance structure for the next phase of work. As the NHE3 Council, initially developed as part of the Forward Cities framework, enters its second year, take a moment to review the governance, funding, and other key questions about how the work will proceed. Questions might include:

- a) Are there any changes or clarifications needed to the governance structure of the NHE3 Council? (for example, How long will stakeholders serve?, Will there be rotating leadership?, How will nominations for new members be made?, etc.)
- b) Will NHE3 have some funding to support pilot projects?
- c) How will decisions get made?

In Sum, we would like to acknowledge the time and care with which each of the 6 ESO leaders (or, as case may be, leadership teams) engaged in the interviews and member check processes. It is an exciting time for New Haven as groups like TCF-MIC and NHE3 come together to build an entrepreneurial ecosystem that opens the door to wealth building for a diverse set of founders and simultaneously constructs a learning community to drive the work forward. We hope that the work that we have done will be useful to you in your ongoing work.

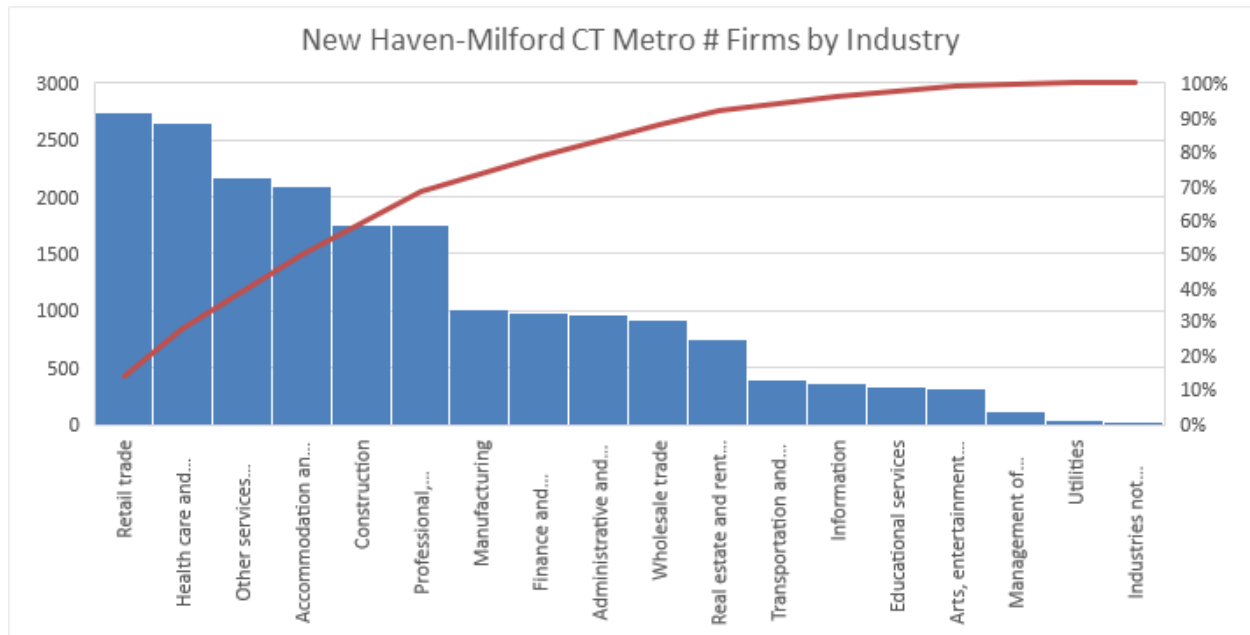
Acknowledgements. This report is informed by conversations, advice and mentorship from Banu Ozkazanc-Pan and James Johnson-Piatt, both experts in this space, and by interviews conducted for the CitySCOPE podcast, season 3 on supporting and scaling Black owned businesses (release date September 2021). In particular, from the CitySCOPE interviews, this report draws on conversations with Tim Bates, Caron Gugssa-Howard, James Johnson-Piatt, Fred McKinney, Banu Ozkazanc-Pan, Boris Sigal, Dianna Tremblay, Stanley Tucker and Willis Wilson.

APPENDIX

Appendix A: New Haven Regional Data

Appendix A: New Haven Regional Data

Chart A1. Industry composition in Greater New Haven

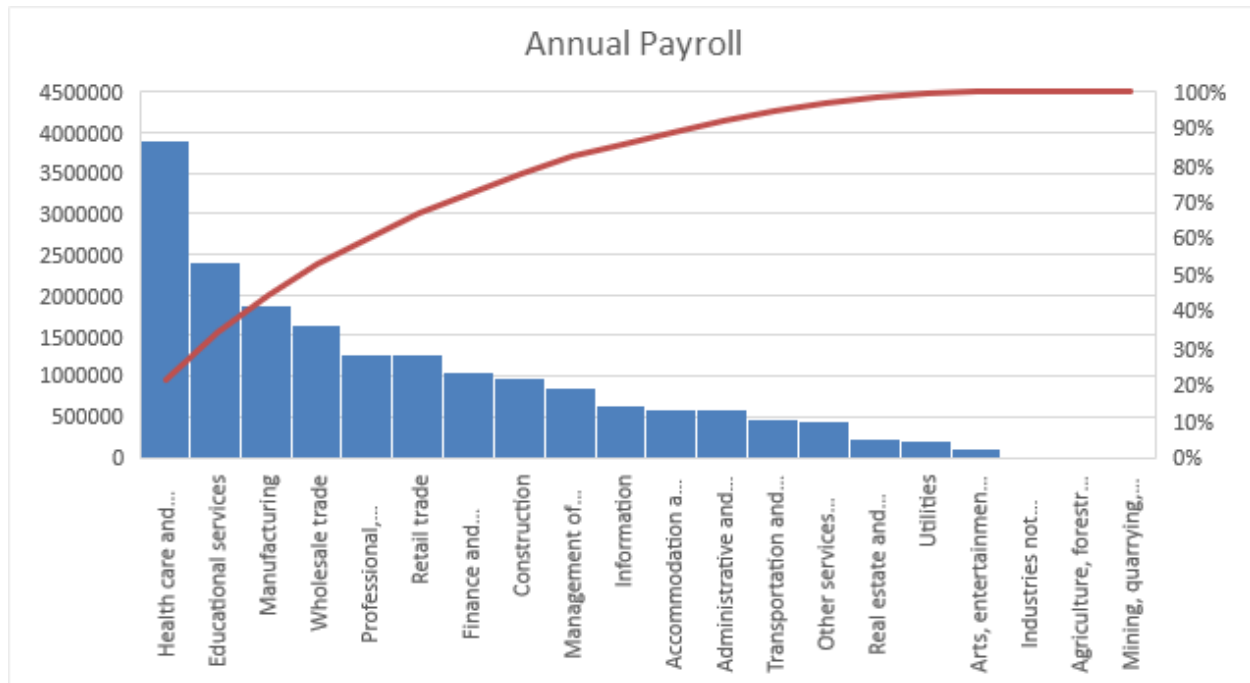


Source: United States Census Bureau. "All Sectors: County Business Patterns, Including Zip Code Business Patterns, by Legal Form of Organization and Employment Size Class for the U.S., States, and Selected Geographies: 2019." (2019).

<https://data.census.gov/cedsci/table?q=Small%20Business&g=310M400US35300&tid=CBP2019.CB1900CBP&hidePreview=true>.

Appendix A: New Haven Regional Data

Chart A2. Annual Payroll by Industry in Greater New Haven

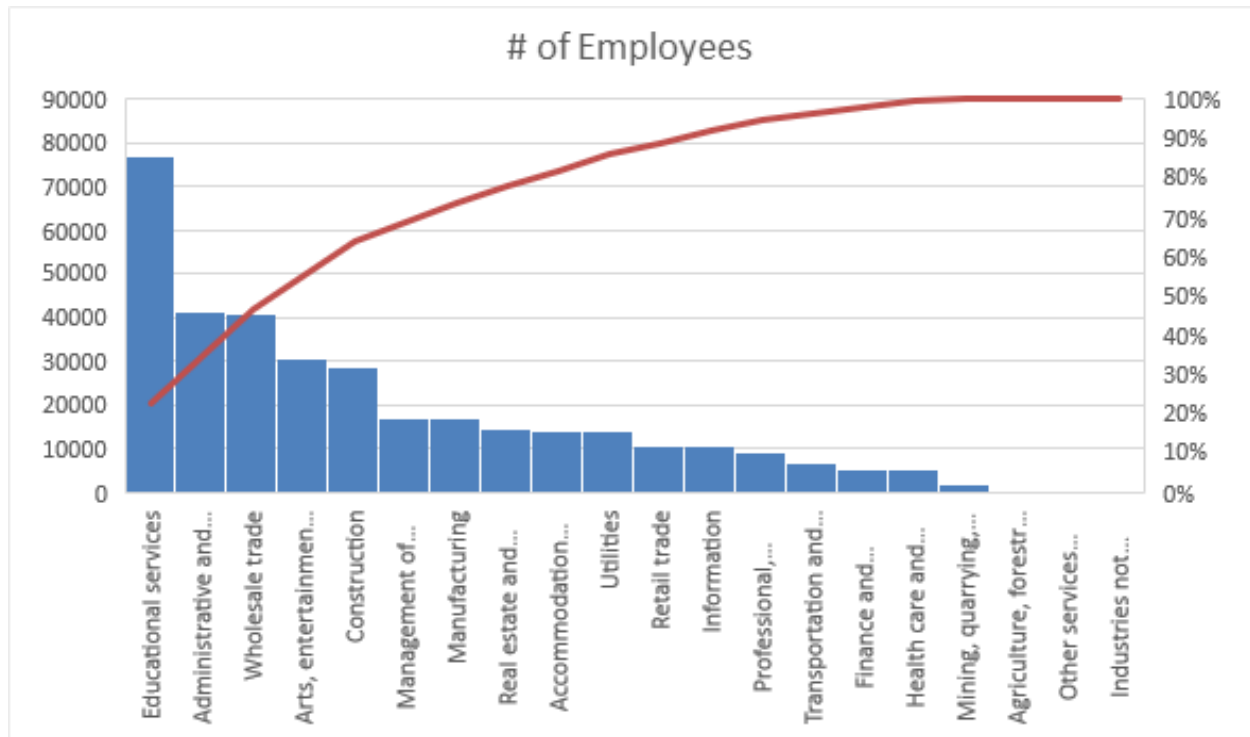


Source: United States Census Bureau. "All Sectors: County Business Patterns, Including Zip Code Business Patterns, by Legal Form of Organization and Employment Size Class for the U.S., States, and Selected Geographies: 2019." (2019).

<https://data.census.gov/cedsci/table?q=Small%20Business&g=310M400US35300&tid=CBP2019.CB1900CBP&hidePreview=true>.

Appendix A: New Haven Regional Data

Chart A3. Number of Employees by Industry in Greater New Haven

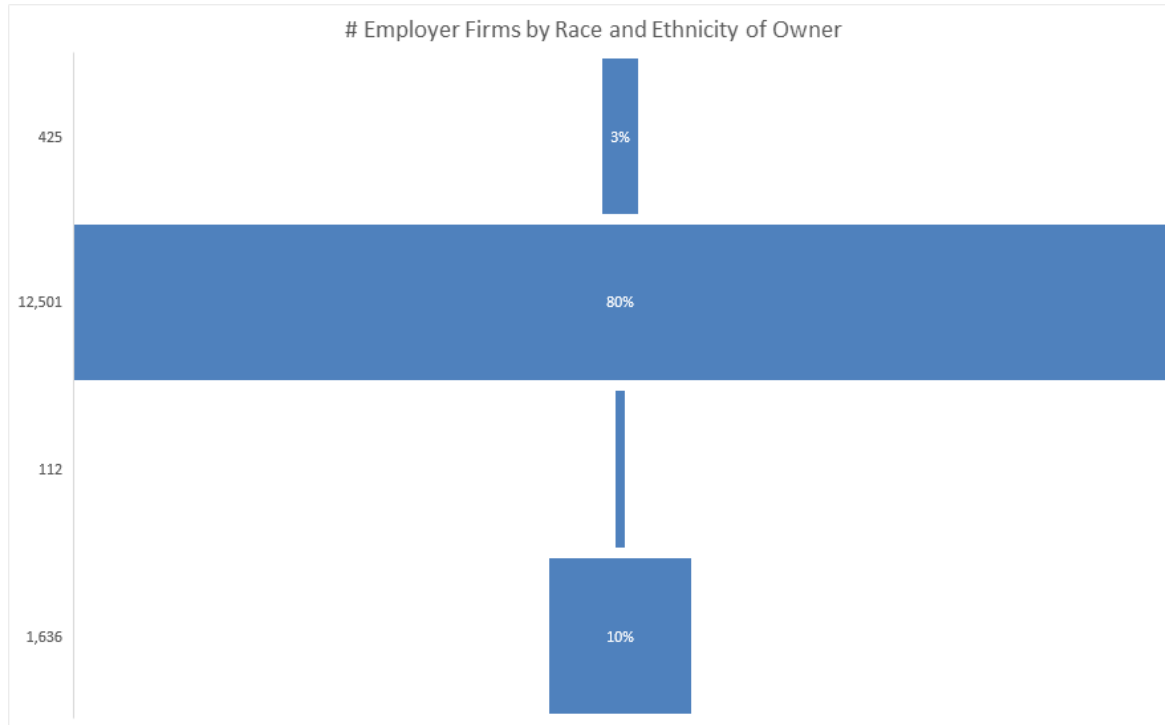


Source: United States Census Bureau. "All Sectors: County Business Patterns, Including Zip Code Business Patterns, by Legal Form of Organization and Employment Size Class for the U.S., States, and Selected Geographies: 2019." (2019).

<https://data.census.gov/cedsci/table?q=Small%20Business&g=310M400US35300&tid=CBP2019.CB1900CBP&hidePreview=true>.

Appendix A: New Haven Regional Data

Chart A4. Number of Employer Firms by Race and Ethnicity of Owner in New Haven-Milford Metro

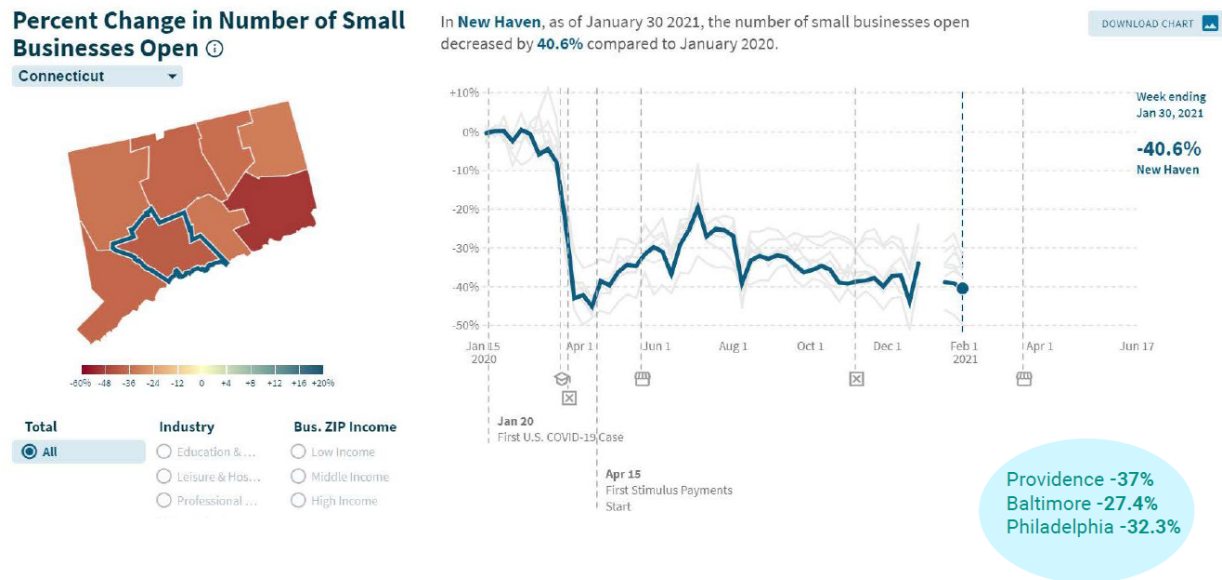


Source: United States Census Bureau. "All Sectors: County Business Patterns, Including Zip Code Business Patterns, by Legal Form of Organization and Employment Size Class for the U.S., States, and Selected Geographies: 2019." (2019).

<https://data.census.gov/cedsci/table?q=Small%20Business&g=310M400US35300&tid=CBP2019.CB1900CBP&hidePreview=true>.

Appendix A: New Haven Regional Data

Figure A1. Percent Change in Number of Small Businesses Open, New Haven

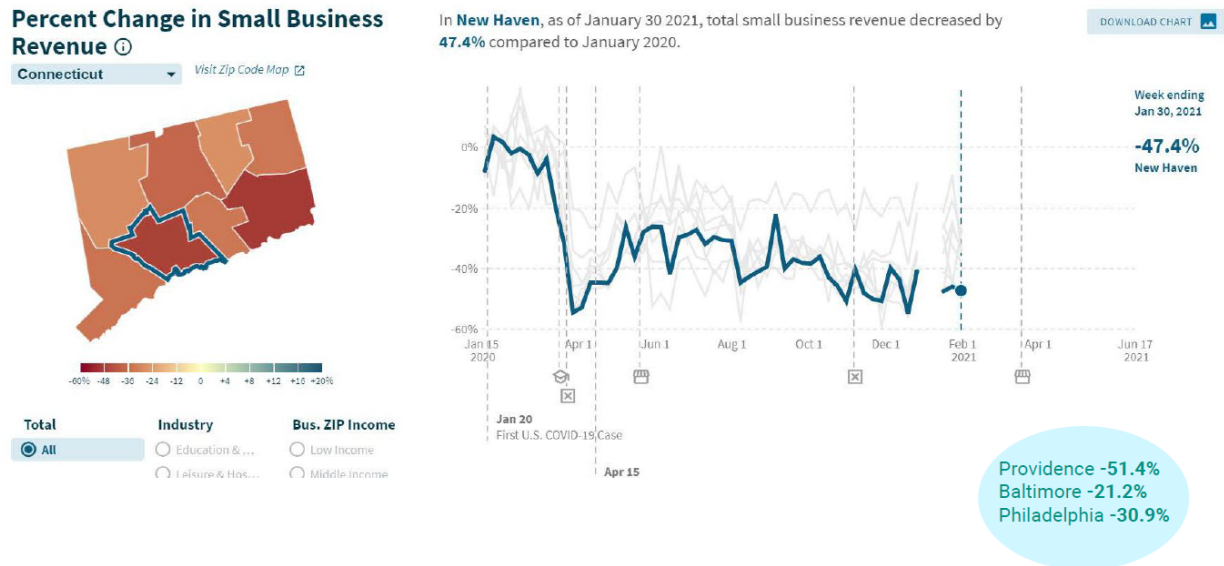


Covid-19 Benchmarks-New Haven County

Source: Raj Chetty et al, "Track the economic impacts of COVID-19 on people, businesses, and communities across the United States in real time," *Opportunity Insights*, July 1, 2021. <https://www.tracktherecovery.org>.

Appendix A: New Haven Regional Data

Figure A2. Percent Change in Number of Small Business Revenue, New Haven



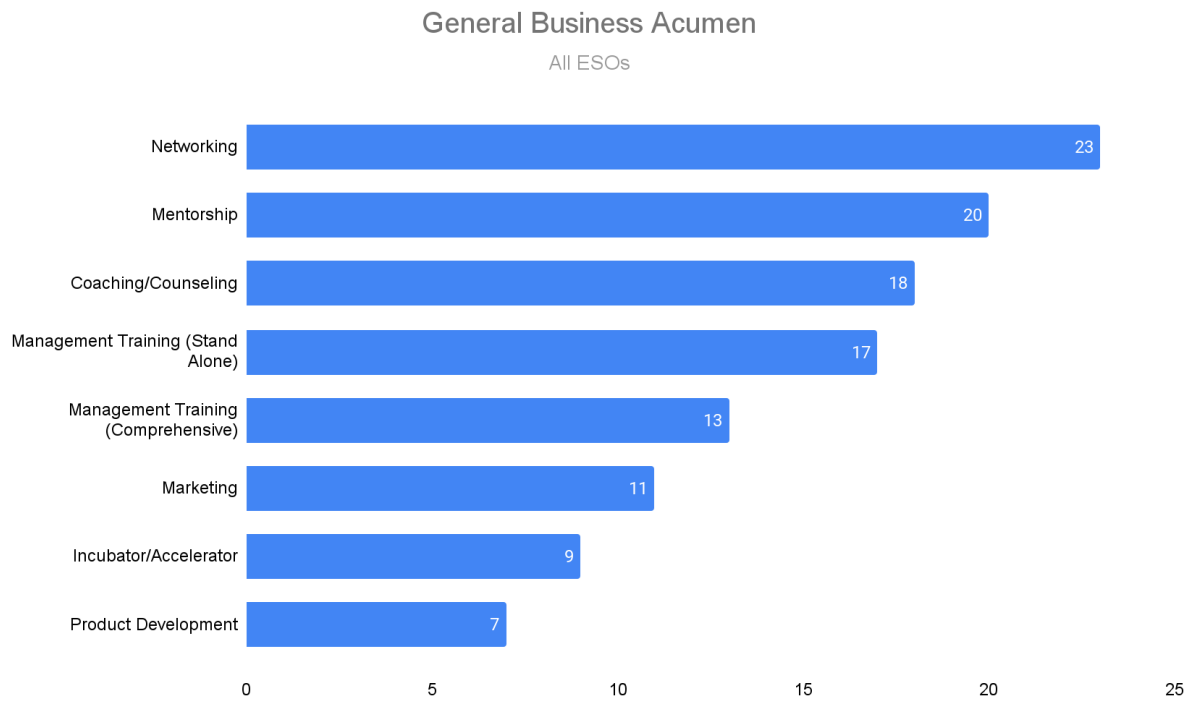
Covid-19 Benchmarks - New Haven County

Source: Raj Chetty et al, "Track the economic impacts of COVID-19 on people, businesses, and communities across the United States in real time," *Opportunity Insights*, July 1, 2021. <https://www.tracktherecovery.org>.

Appendix B: Forward Cities Data Analyses

Appendix B: Forward Cities Data Analyses

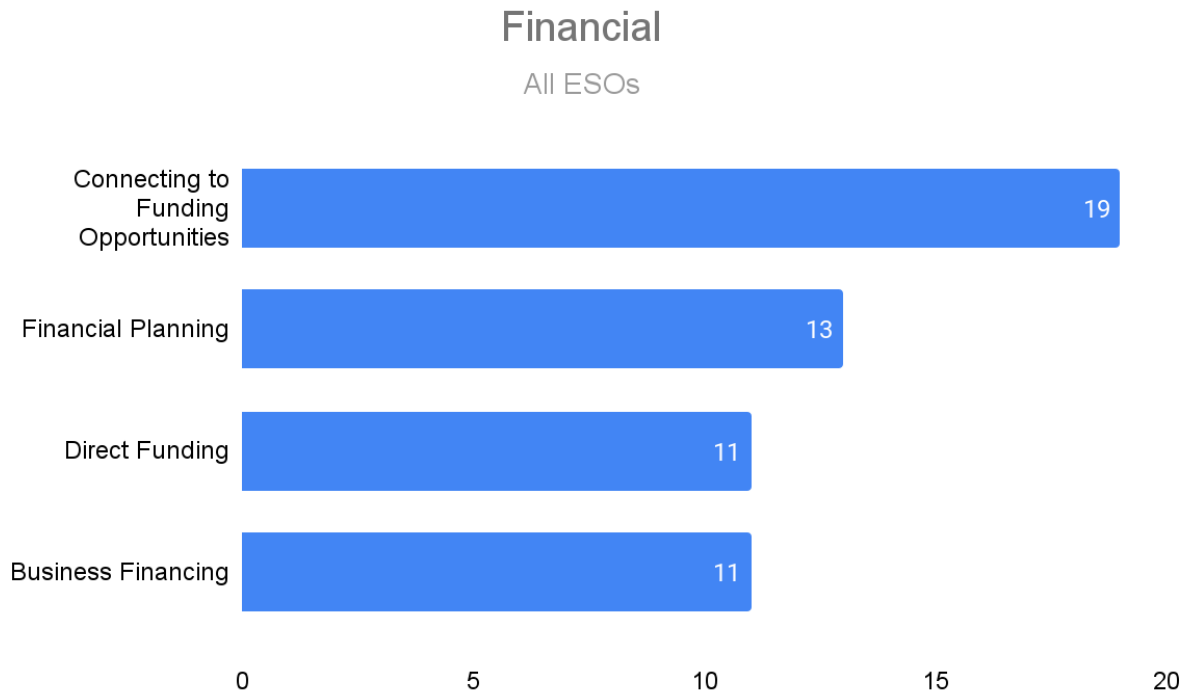
Chart B1. Number of ESOs Offering General Business Acumen Services, By Service Type (n=30)



Source: New Haven, CT Services Summary Report. Forward Cities (2021).

Appendix B: Forward Cities Data Analyses

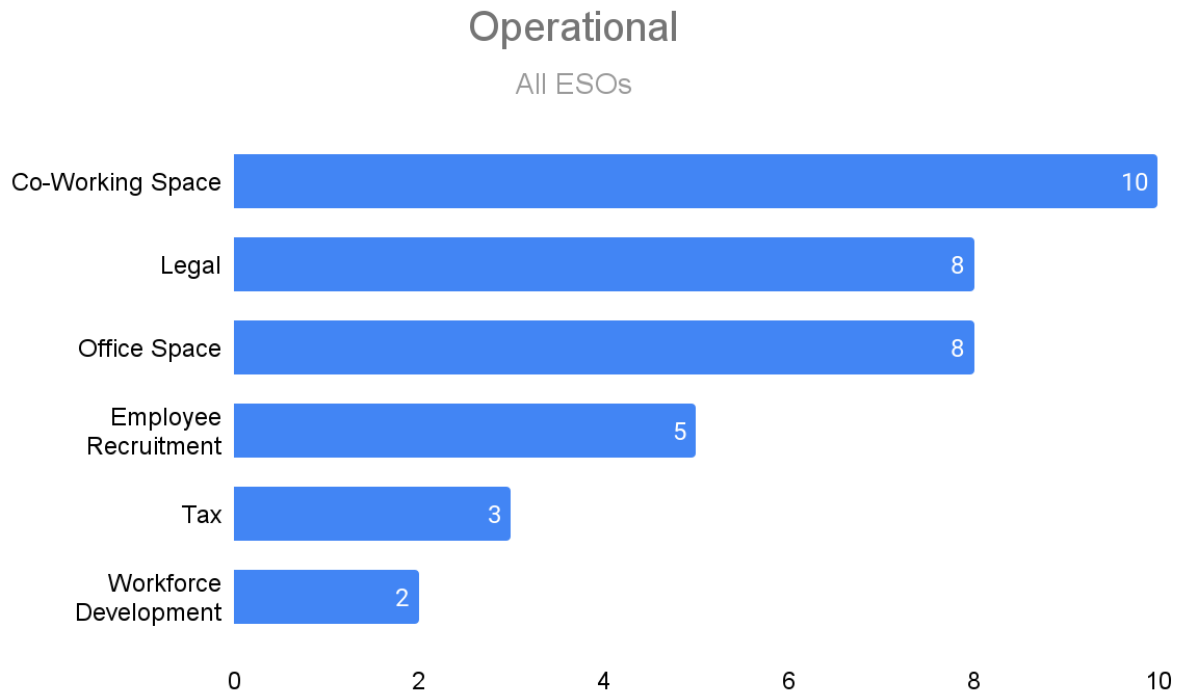
Chart B2. Number of ESOs Offering Financial Services, By Service Type (n=30)



Source: New Haven, CT Services Summary Report. Forward Cities (2021).

Appendix B: Forward Cities Data Analyses

Chart B3. Number of ESOs Offering Operational Services, By Service Type (n=30)



Source: New Haven, CT Services Summary Report. Forward Cities (2021).

Appendix B: Forward Cities Data Analyses

Table B1. Forward Cities Data, by 6 Focal ESO Case Studies

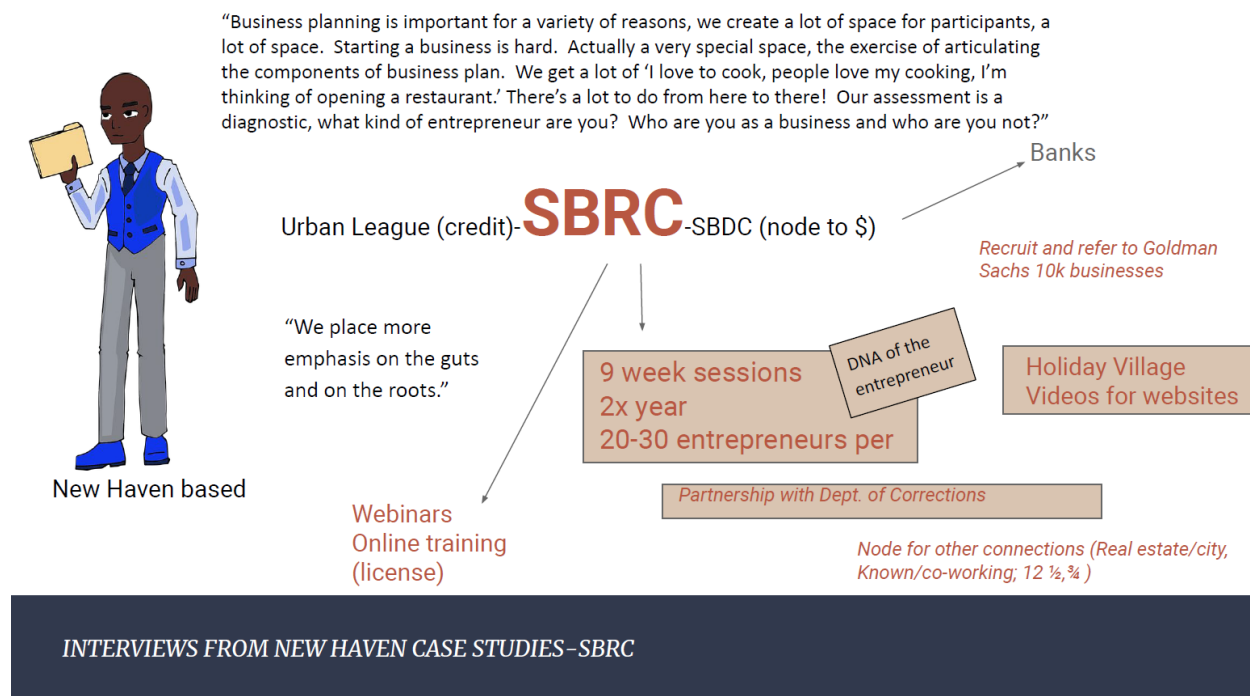
	Mentoring	Finance/ Legal	Capital	Management (multiple)	Management (stand alone)	Product	Incubator	Physical Space	Workforce
BBA	✓	✓	✓	✓	✓	✗	✗	✗	✗
SBRC	✓	✓	✓	✓	✓	✗	✓	✗	✗
Collab	✓	✓	✓	✓	✗	✓	✓	✗	✗
SBDC	✓	✓	✓	✓	✓	✓	✗	✗	✓
HHH	✓	✓	✓	✓	✓	✓	✓	✓	✗
KNOWN	✓	✓	✗	✗	✓	✓	✗	✓	✗

Note: The above categories were formed by combining similar Forward Cities-designated categories of service, like different types of mentoring combining to become “Mentoring” and all financial and legal services combining to become “Financial/Legal”.

Appendix C: Graphic Slides for 6 ESOs & Full Case Study Write Ups

Appendix C: Graphic Slides for 6 ESOs & Case Studies

Figure C1. Small Business Resource Center (SBRC)



Small Business Resource Center (SBRC)

SBRC Known as the "City's leading Entrepreneurship Clearing House," led by Executive Director Cathy Graves, Small Business Counselor Gerry Garcia, and Community Outreach Coordinator Anna Nieves-Winn, the Small Business Resource Center (SBRC) is a place "where new entrepreneurs and current business owners can obtain services that will support business start-ups and growth." Cathy Graves assumed leadership of the SBRC in 2017, and, as they say, "the team put it on steroids. We took a very academic approach, we looked at what was there, and asked how can we improve it?"

POINT OF ENTRY: The entry point to the SBRC is a request for a consultation form on the website. The SBRC begins by assessing what the entrepreneur needs. "Some people come in and are not actually looking to be an entrepreneur, they are looking for a job." Others on the entrepreneurial path may need to talk through their ideas to land on the right direction; "we help them think through, do you really want it, are you committed? Some of our entrepreneurs are 40-55 years old, they are caught in 'you're too old'; 'Not hiring at the time' and 'I can really do this on my own'; we work with them and help them cultivate support for the next level" of

business development. The two members of the leadership team interviewed for this case study bring a wealth of experience to these counseling sessions, both in New Haven and at state level, and also from the private sector⁷⁴. They find that the needs of those who are on the entrepreneurial path can be very different. "For a lot of our entrepreneurs, they are ready to go, the timing is right, and the program accelerates their business. Others determine after taking the course, that this is too much for them right now. That's also a good outcome because they don't have to spend two years and thousands of dollars to figure that out." In the COVID-19 crisis, differences materialized: some businesses were ready with their back office in order, but others were not able to access relief programs due to the fact that their taxes were not up to date. In an echo of New Haven's Promise Program's motto of "to, through, and back," SBRC aims to match the entrepreneur with the resources they need from that first point of contact, and to remain a point of contact for assisting with a new combination of resources at future moments as entrepreneurs face different challenges or opportunities.

DNA of the ENTREPRENEUR: Along with standalone training, and course access, the heart of the SBRC offering is a 9-week program called "DNA of the Entrepreneur" designed to move an early stage entrepreneur through the "nuts and bolts of launching a business and get on a path to success." Components include incorporation, financing, business planning, marketing, social media and go-to-market strategies and networking with other entrepreneurs in the class. "Business planning is important for a variety of reasons. We create a lot of space for participants. Starting a business is hard. It is an important exercise to articulate the components of a business plan. We get a lot of 'I love to cook, people love my cooking, I'm opening a restaurant.' It takes a lot to go from here to there!" SBRC leverages the community of highly educated and experienced professionals in New Haven to teach in the DNA program. "We have relatable, successful professionals," many with experience in large multinational, publicly held companies, in such sectors as food, retail and the music industry, who bring a level of expertise to the SBRC curriculum. Further, "every person teaching in our program is a volunteer. Or not paid by us to be there. This creates a special commitment, because they are passionate about being here." Prerequisites: entrepreneurs must have a 600 credit score. Milestones: leave with a business plan. Key stats: 300 touches a year, 50-60 apply for 2 cohorts, 15-23 graduates per cohort. **PARTNERSHIPS:** SBRC provides services to small businesses, defined by the SBA as firms up to 4 million in revenues, privately held. SBRC recognizes that there are differences in business needs across that revenue range from start-ups through the growth of existing companies. The team looked at what SBRC could do across the spectrum. With a budget of \$40k/year, a key resource deployed by SBRC to do this is strong partnerships. As a city program

⁷⁴ Cathy Graves spent 8 years as a Vice President of Finance, Investments and Administration for the CFGNH and 11 years as the VP of Marketing at the Bank of Ireland. She has been the Principal of Just a Thought, LLC since 2013. Gerry Garcia began his career at the Anti-Defamation League, served as Board of Aldermen in New Haven and COO of the Department for Consumer Protection, as well as running for state-wide office. Garcia also has private sector experience, as an associate at the People's Bank, as an Investment representative at Lehman Brothers, Managing Director at Whitmarsh Capital Advisors among other firms in the investor services industry.

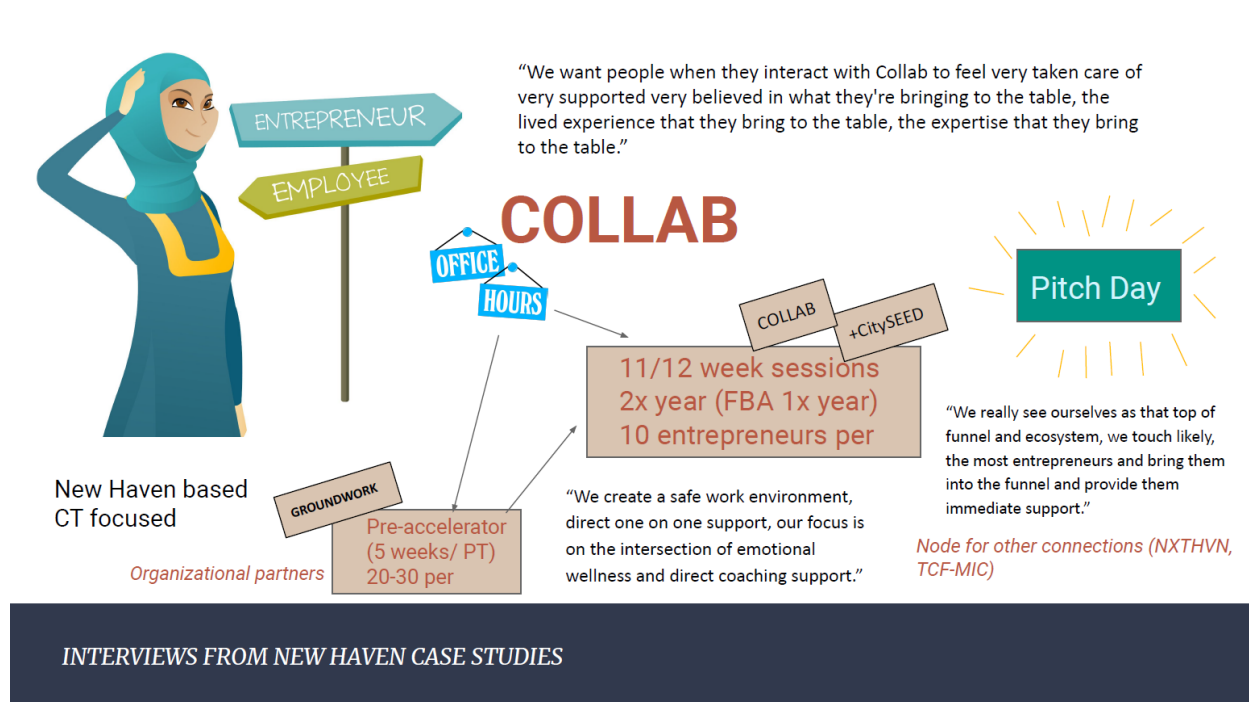
within the Economic Development Department (EDD), they can coordinate with other EDD functions in the office, including assisting entrepreneurs with business location and real estate. Additional partnerships include: a referral relationship to the Urban League of Southern CT for credit score rehabilitation, and a tight partnership with the Small Business Development Center in CT (SBDC in CT) where DNA graduates are referred, business plan in hand, assigned a financial advisor and led through the applications for bank loans or other sources of financing. For businesses that have completed the DNA program or that are further along, the SBRC created a pipeline to the Goldman Sachs 10,000 Small Businesses course in New York and online. Prerequisites for Goldman's program include: 1 year in business, 1 employee and revenues of 75k. "The interview process to enroll is intense. Entrepreneurs must show financials and taxes. It is a very intensive program but the promise is 60x growth." SBRC hosts a once a month recruiting event for the program.

ITERATING: The SBRC team works to meet the needs of entrepreneurs and the city region as they evolve; "We enjoy iterating." One example is the Holiday Village, inspired by an event in Bryant Park, NY and replicated first in an empty storefront and then on New Haven Green with a beautiful display of mini greenhouse stalls, lights and holiday cheer in 2019. "We realized a lot of people are running their businesses out of their homes and they don't get the foot traffic." The Holiday shopping was moved online during COVID-19 lock downs and "each new thing we try reveals additional needs and issues. We learned not everyone had a website to post for the video promotion. Not all had online ordering." Another example of iteration is iHaven, now housed at HealthHavenHUB, which is an innovation incubator designed to create cross-university start up teams to launch companies and retain more of the student population in the city, post-graduation. This program has launched three companies and is now in its 7th cohort. "Part of our strategy is to create opportunities for students to experience each other and New Haven in ways that would not be possible in the silos of their schools. Of course, some will still move to Boston, NY and San Francisco. But if we can tip the scales a bit, it can have a profound impact long term." Another example of SBRC's ability to act quickly to develop solutions to fill a need is the Partnership Loan Fund. The Partnership Loan Program was created through a public-private partnership among The Community Foundation Mission Investments Company (TCF-MIC), the City of New Haven, the Amour Propre Fund and HEDCO, Inc using Community Development Block Grant (CDBG) dollars, which secured 1.5 million for minority and women owned businesses. **METRICS:** #Graduates per cohort, Demographics (mainly minority and often majority women), Funding secured & Amount (in aggregated), Census tract and ward, Jobs created and if job has insurance. "We're the government, we need to be inclusive. Tax dollars are for all residents. Our diversity numbers are actually off the charts. We do it without targeting any section of the city." New Haven has 30 wards and SBRC has entrepreneurs from all 30 wards participating in their programs.

BOTTOM LINE: "We keep it real. For us, this is serious work. It's not an academic exercise. We're working with adults who have visions and ideas, and we want to help them realize their dreams."

Appendix C: Graphic Slides for 6 ESOs & Case Studies

Figure C2. Collab



Collab

Collab is an entrepreneurship accelerator, founded in 2017 by co-directors Caroline Tanbee Smith and Margaret Lee, both Yale College class of 2014 who stayed in New Haven post-graduation and have made the city their home. Previous to launching **Collab**, both were part of the Yale affiliated section of the New Haven entrepreneurship ecosystem, Margaret participated in the student ventures program at the Yale Entrepreneurial Institute (YEI) and Caroline worked at SeeClickFix (a local start up by a Yale graduate). The two were inspired to "bring the Yale and New Haven communities closer together, to build more spaces where students and residents can connect and meet on mutual ground." The idea for Collab came out of a series of human centered design workshops aimed at bringing Yale students and residents together to work on different problems that local organizations were facing. "We kept on hearing from participants that they were really excited about these workshops and found them really valuable. There were ideas that stood alone that could be their own ventures or nonprofit organizations." After conducting dozens of interviews with entrepreneurs in 2016, Collab was founded to fill a gap in the landscape of the entrepreneurship ecosystem where "there was a fair amount of later stage capital once you had an idea and had an established business and a fair

amount of one-off workshops or mentoring opportunities, but right in the middle for early stage entrepreneurs there was not a whole lot.” Collab is structured to address specific barriers to accessing the ecosystem described by entrepreneurs in the interviews such as childcare, language accessibility and transportation. The founders have developed a curriculum that is also responsive to the psychological barriers described by entrepreneurs, illustrated in the interviews by comments like: “folks who are in front of the room don’t look like me” and “I’m not sure if entrepreneurship can belong to me.”

ORGANIZATIONAL STRUCTURE: Collab is a fiscally sponsored project of the Economic Development Corporation and is on track to becoming incorporated as a stand-alone 501c3. The organization is primarily funded through donations and grants from CTNext (through the New Haven Innovation Collaborative), TCF-MIC, among others and its board includes a former entrepreneur, a former New Haven public official and a Yale University Law School faculty member. Including the two founders, there are 4 staff members.

ENTREPRENEUR PROFILES: Collab focuses on early-stage entrepreneurs, with the most typical being an entrepreneur that has revenue but may not be breaking even, making between \$500 to several thousand a year, entrepreneurs who are “starting on that path,” have “been trying for a little bit” and are at a stage where Collab “can really help them” move to the next level. “We really see ourselves as that top of funnel and ecosystem, we likely touch the most entrepreneurs and bring them into the funnel and provide them immediate support.”

POINT OF ENTRY: Collab holds information sessions where they “invite people to come and learn about the program,” posts actively on social media and invests time in outreach that is “relationship based.” The founders have “formed deep trusted relationships with different organizations in the community who help to spread the word” about Collab’s programs. With “about 65 on our list now,” Collab is always actively cultivating more community connections, for example they are currently “exploring churches and other nodes where we could do a lot of outreach.” The team reaches out actively, by presenting at meetings in the community “where people invite us or we ask to come and present.” Collab holds office hours every Thursday and Friday afternoons, as “a place for folks to land if they want to interact with Collab.” The 30 minute appointments provide “a space that is welcome to anybody so they can get free advice and consultation.” Collab keeps in touch with a mailing list and social media, Facebook, Twitter and Instagram. Entrepreneurs can access training through three pathways: the GROUNDWORK pre-accelerator program, a general ACCELERATOR, and a food industry ACCELERATOR done in partnership with CitySeed, the nonprofit that coordinates the City of New Haven’s farmers markets. The GROUNDWORK program is the newest offering and Collab is experimenting with partnerships with other organizations to deliver the content, as detailed below.

GROUNDWORK: Prerequisites: none. **Time:** 5 weeks, 1x week. **Milestones:** “really fundamental concepts around business modeling, 101 vocabulary, how to define your customer, how to learn more about your customer, how to communicate what you are trying to do—basically the lean startup model in a simplified version” focusing on getting “experimental,”

“also cover how to remain resilient in the journey of entrepreneurship.” **Key stats:** 20-30 per cohort, currently in pilot phase (2 concurrent cohorts) and launching organizational partnerships with Arts and Cultural Affairs Office New Haven for an Entrepreneurship for Creatives cohort, New Haven Healthy Start (2 cohorts in Newhallville/Dixwell), and New Haven Public Schools (3 cohorts for high schoolers).

ACCELERATOR-general: Prerequisites: “value proposition that is compelling, initial customer validation, evidence that there is a need, financial sustainability potential, team and skill sets bringing to the table, and fit.” Determining fit “is slightly more complex,” requiring “thoughtfulness about the slot that is most impactful for this group” and takes into account “access to other resources they already have” (which steers Collab away from accepting students with access to university resources, for example). They also look for businesses “at the right stage” ruling out those with a “good idea but haven’t really done much at all” and those that are “just a little bit too far ahead.” Which criteria matter the most? “Customer validation, value proposition, and team, in that order.” Collab serves both For Profits and Nonprofits **Time:** 11 weeks, 1x week, 2 cohorts per year; **Milestones:** “depends on the goals of the venture” “start with 1:1 weekly support to mark their 4-5 goals and keep track of these through coaching.” All leave with 1-“ability to communicate really clearly and know internally for themselves their vision and their values and their mission” 2-“focus a lot on emotional wellness and support so a lot of the communities that go through our program leave feeling more confident” “just a fundamental feeling of more self-worth and the understanding of self-care for business” 3-“some ventures leave having developed their product more fully and they’re ready to host their first pop up” “some create a more thorough marketing plan or marketing strategy and that they’re able to deploy to increase their customer base” or “a website or a social media strategy” and “some do leave with at least the majority of if not their full business plan.” Their current curriculum includes value propositions, customer segments, lean startup, marketing 101, legal 101, accounting 101, and “financial reporting”, “unit economics,” the components of the business plan, “basic familiarization with financial statements”, “a profit and loss statement”, “the cash flow statement,” “a break even analysis,” with the goal of “demystifying a little bit so that, as they grow, they can feel a little less intimidated by those topics.” The team is working with Social Venture Partners (SVP) and McKinsey consultants to develop their curriculum further and will be adding content related to business self-awareness and market research, financial reporting and projections, and strategic decision making especially around growth. The Collab founders describe themselves as having “curriculum and organizational humility” and have brought in outside reviewers to develop actionable insights about how to best serve the entrepreneurs they recruit; “we are honest about our curriculum and therefore I think that puts us in a good position to iterate and improve on it.” **Key stats:** Anywhere from 30-70 apply, approximately 10 enroll per cohort, 2x year. **FOOD ACCELERATOR:** Very similar to general accelerator “but tailored to support around food” (including access to commercial kitchen space, food-specific workshops, connections to food-specific legal supports, a food-specific mentor network, etc.) **Key stats:** 30-70 apply for each accelerator, approximately 10 enroll per cohort. **Timing:** 1 x year, 12 weeks in the Fall.

CONNECTIONS: “Collaboration feels extremely important to us and we're always trying to think about how to build healthy relationships with all the players in the ecosystem.” Collab strives to be embedded in the community and, prior to COVID-19, hosted all of its programming at the NHFPL or onsite of partner organizations. Collab hosts a large Pitch Night celebrating the graduates that double as community events and host roundtables with alumni from their accelerators that are open to the public. A growing network of capital providers are tapped for 1:1s with the Collab businesses as they exit their accelerators and more formal capital pipelines are under development. In addition to the partnerships listed above, Collab is planning on moving into NXTHVN’s co-working space and collaborating closely.

METRICS: # Graduated, Demographics, Funding secured & Amount, Jobs created and growth, Satisfaction. Over 100 entrepreneurs served at Collab since 2017, annual report posted on website. **VISION FOR THE FUTURE:** “A really resourced set of technical service providers and ESOs building community relationships, training folks up with a lens for equity. Forming an ecosystem wide relationship with the set of funders that are excited about investing in those entrepreneurs.”

BOTTOM LINE: “We want people when they interact with Collab to feel very taken care of, very supported, very believed, in what they're bringing to the table, the lived experience that they bring to the table, and in the expertise that they bring to the table.”

Appendix C: Graphic Slides for 6 ESOs & Case Studies

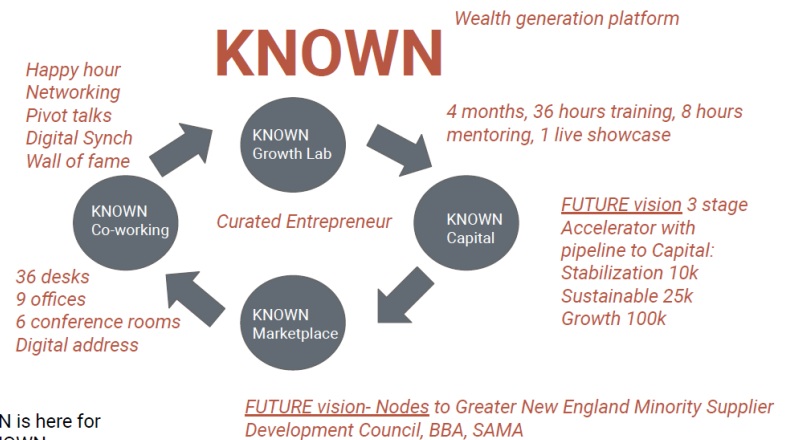
Figure C3. KNOWN



New Haven based

"In a nutshell KNOWN is here for turning emerging KNOWN entrepreneurs into star performers."

"It is called KNOWN because I think people first connect with people and they get to be known and as a consequence of that things happen, serendipity kicks in."



INTERVIEWS FROM NEW HAVEN CASE STUDIES

KNOWN

KNOWN is a new entrepreneur support organization in New Haven that opened in Fall of 2019 "with a little bump in the road from COVID-19 just 5 months after we opened our doors!" Juan Salas-Romer, the founder, is a real estate developer and investor in New Haven. Arriving in the U.S. twenty years ago from Venezuela, Salas-Romer has entered the co-working and entrepreneurship ecosystem inspired to focus on providing onramps and pathways for BIPOC entrepreneurs. In part, he is inspired to jump into this work from watching Venezuela as "one of the richest countries in the world go through a downward spiral," observing that "a big part of this is due to the elimination of the middle class." For Juan, with KNOWN, he sees an opportunity to join the co-working trend pioneered by We Work but aims to combine that "with a purpose to bring people who are left on the periphery of the system to incorporate back into society and to uplift them, to give them hope and energy and access to capital and access to markets." KNOWN aims to be a platform for wealth creation for BIPOC entrepreneurs based on four elements: the KNOWN Co-working space and the KNOWN Growth Lab combining networking and accelerator curriculum with access to Capital and the Marketplace.

ORGANIZATIONAL STRUCTURE: Currently KNOWN inhabits 2 floors of a historic building in 9th square New Haven, located just behind City Hall. KNOWN is connected to the

development arm of Salas-Romer's real estate firm, which is a for profit, and as of now, not structured as a separate entity. In this way, revenues generated for the co-working space are revenues that flow back to the developer. "Right now I am the landlord and I'm the renter." In the future, as things evolve, Juan will consider spinning off KNOWN into a separate organization if it makes sense but given that the ESO is primarily "helping people who have no means really or very little to pay for some of the work that we do" it doesn't make sense to do that now. "When there is more talk about KNOWN as an institution and less talk about a program then that will be the inflection point." Salas-Romer compares the project to a typical startup, needing a runway of about 3 years. "The way I see it, we're probably going to take about 18 months to stabilize in terms of our private revenue and take about three years to really to have a meaningful following. As of right now, the problem is how to grow right and how to scale and how to manage all those processes." Juan envisions that KNOWN even "could become something scalable, but this remains to be seen, if it is scalable then it might become something that you could bring private equity into, but at this point we are in the minimum viable product (MVP) phase." In addition to membership fees and rentals, KNOWN has received grants from the City of New Haven, Elm City Innovation Collaborative, and The Community Foundation of Greater New Haven. The organization has a set of 19-20 mentors and instructors, that are a mix of full time and part time. Aside from the mentors and instructors, KNOWN employs 2 part time operations staff, 1 part-time program manager, one part-time social media person, a part-time accountant and 1 part time community director.

CO-WORKING: Day passes and monthly passes are available for a fee. Over two floors, and 6,000 square feet, KNOWN features 36 desks and 9 offices in addition to 5 conference rooms, including a media room for live streaming, 5 phone/zoom booths, a kitchen, a coffee/tea bar and a great room for after-hour events and a Growth Lab Office dedicated to KNOWNpreneurs. General offerings include: pivot talks featuring entrepreneurs and thought leaders, Digital Media Synch livestream and in person bring entrepreneurs to all the tools they need to advance their businesses in the Digital World and regular happy hours. **GROWTH LAB:** A 16 week program **Curriculum:** 32 hours of general business training covering topics such as goal setting, budgeting and fund sourcing as well as minority certification, insurance, productivity tools and self care (see Appendix D for ESO curriculum comparisons), 8 hours of mentorship, entrepreneurs in the Growth Lab give a KNOWN live business showcase and have multiple networking opportunities, structured into their curriculum. Our Digital Media Synch livestream and in person shows bring entrepreneurs to all the tools they need to advance their businesses in the Digital World." Milestones are set in the first two weeks in a 1:1 interview. KPIs are agreed upon and the mentor works closely with entrepreneurs to meet those KPIs. **Key stats:** First cohort 30 applications and 13 selected, 11 graduated. **Cost to entrepreneur:** "Free, it's absolutely free" **Mentors and Instructors:** Paid, available for 16 weeks and provide two hours per month, per business

ENTREPRENEUR PROFILES: For the accelerator, in its inaugural run, KNOWN focused on entrepreneurs that are already selling and generating revenue. Businesses selected to the accelerator were "getting some traction, starting to prove there is a market" businesses that are

“good at what they do, clear on what they want to do but need some business foundational structure and tools,” businesses that are at the phase where they “need to really understand the different components of running a business.” The sweet spot for selection to the accelerator is “\$50k to half a million dollars in sales, probably lean more toward \$50k to \$200K, with a clear path for growth and a demonstrated business leadership in what they do.” Part of the rationale for this criteria is to consider where entrepreneurs could plug into the ecosystem after the accelerator. Juan noted that “The New England Minority Supplier Development Council has a cut off point that starts at \$500,000 in sales, and they connect entrepreneurs with Fortune 500 companies” For Juan, he wants the KNOWN accelerator to be a place where entrepreneurs can “connect the dots” from one part of the ecosystem to another and feels that the more he understands about the ecosystem, the more his accelerator can be tailored to do this connective work.

INDUSTRY FOCUS: To kick off KNOWN’s accelerator programming, Juan says “we’re casting a wide net” but in the future, he can imagine segmenting the industries, “today we’re not, I’m pretty sure tomorrow we will.” There are scalable benefits of doing this “specificity helps you rally resources and creates an end to end channel,” and while New Haven is known for “biotech, health and food” Juan is “particularly interested in what’s going to happen in manufacturing, a lot of interesting forces are happening now, the reshoring of manufacturing to the U.S., and the new technology that has emerged recently through the use of additive manufacturing.” Additionally, with KNOWN’s focus on BIPOC entrepreneurs, Juan finds that “there are also advantages in segmenting the market based on ethnicity, because there are certain things that happen when you do that--to bring in people who have been at the periphery be able to feel welcome and be able to be part of this journey of entrepreneurship, it helps to provide other colleagues (in the space, in the accelerator), that have the same situation and also instructors from the same demographic. It promotes empathy while lowering the psychological barriers that oftentimes get in the way of progress. Juan also imagines the downstream effect of investing in BIPOC entrepreneurs for the region; “studies show that BIPOC entrepreneurs are more likely to hire people from their own demographic thereby bringing equity and income up in segments of the population that have been disinvested in for decades.” KNOWN sees its role as an ESO serving the BIPOC population as doing essential work “to integrate and connect talented individuals to the economy, build social equity, diversity and inclusion.”

BUILDING A CONTINUUM: Juan imagines branching off the accelerator into three stages, where businesses can enter at the beginning and move to growth stage in three years. As he builds out his vision, Salas-Romer has two clients in mind: both the entrepreneur and the capital providers. Each stage aims to develop curricular elements, mentorship, technical assistance and network building such that the entrepreneur is ready to link to a network of capital providers at each stage. **Stabilization stage** with a \$10k range grant that would assist the business purchase a key piece of technology or business asset that can take their business to financial sustainability as they are “not yet in the black”. Capital providers targeted for this stage include: Public/Private grants, SBA loans and Mission investments. The second stage is the **Sustainable stage** where capital needs are approximately \$25k for purchasing inventory, some additional support. Capital

providers targeted here include Banks and Retail investors. For the **Growth stage**, the capital loan or investment would be about \$100,000 from private equity or VC. Over three years, KNOWN could take a business from A to C, with 50% moving from first to second stage and 50% of those moving to the third stage. **LOOPING PATHWAYS:** The KNOWN platform is building multiple looping pathways for entrepreneurs as they grow. These pathways create what KNOWN refers to as “curated entrepreneurs” ready for investment. In this context, funding organizations will partner with KNOWN for de-risking mission investments/loans that are oftentimes quite risky.

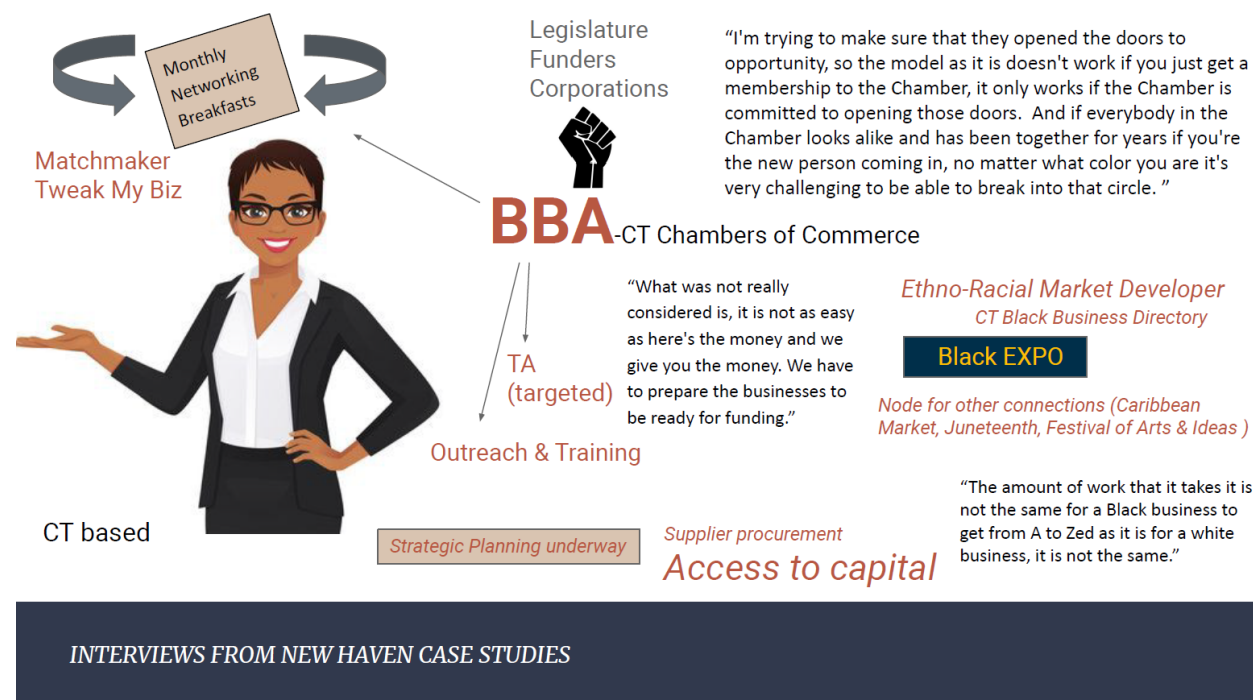
THE KNOWN Model: The KNOWN model has four bubbles: the Co-working space, Growth Lab, Capital and Marketplace. There are pathways from the co-working space to the Lab and back to the co-working space again. Post-graduation, each entrepreneur who graduates the program will have a photo, company logo, description and contact information on the second floor, “the wall of fame.” During the program, the co-working space is free “you can come to the space and work at a desk whenever you want from 9am to 5pm, and if you want a virtual address for your business, you can have it for free for the first four months. After the first four months KNOWNpreneurs are acclimated to working from KNOWN as they participate in the happy hours, show and tell business events, and other activities and may want to stay. As graduates of the Growth Lab at KNOWN, their membership can be extended for another 6 months at a 50% discount. Keeping the entrepreneurs connected through these looping pathways is key for the co-working space to harness “all the exchanges of talents and skills and opportunities--that happen in the space” so that when all those four bubbles are established and working well together “what we have in the middle is like a village for curating entrepreneurs through all those processes, which promotes a flywheel effect.”

METRICS: Three big ones are “revenue growth, employment or subcontracting and capital raising.” Goals for the program are 12 months post-graduation targets where “we hope that at least 20% of the cohort are able to employ one person or more full time and we wish to see at least 20% growth in revenue. As we improve our process and build funding alliances we aim for at least 20% to 1/3 of participants able to raise debt or capital.”

BOTTOM LINE: “I think if at the end of this journey we create this venture capital, or whatever you want to call it for this specific segment of the market and we're able to bring all these different organizations together and create a track over a three-year period the impact will be substantial to bridge the racial equity gap and perhaps New Haven will be a model for the rest of the country.”

Appendix C: Graphic Slides for 6 ESOs & Case Studies

Figure C4. BBA



BLACK BUSINESS ALLIANCE (BBA)

BBA is a business association founded in 2014, established to function like a Chamber of Commerce with a membership structure. BBA is a “hybrid model” in that it functions as a business membership association but also provides services, which is “not at all like a chamber.” Based in New Haven, BBA’s focus is statewide. BBA aims to be a “primary collaborative entity for local and statewide Black and minority business to create a culture of mini ecosystems to build self-worth, capacity building and community inclusion.” Since 2014 BBA has “outreached to over 1600 business owners and professionals through events, seminars and business education workshops. Currently BBA has locations in New Haven, Hartford and Fairfield.”

ORGANIZATIONAL STRUCTURE: Founded as a 501c6, nonprofit, BBA is funded primarily by the state of CT, the Department of Economic Community Development (DECD), and through membership dues. BBA is part of the Minority Business Initiative “put in place five years ago to provide a pool of funds to support minority serving organizations.” As a nonprofit, the BBA has a board of directors; “comprised of all Black business owners” and the organization is an entirely “Black run organization.” After serving as a consultant to the Board, Anne-Marie Knight stepped into the Executive Director role early in summer of 2021 and is developing strategic direction for the BBA in the post-2020 landscape. The organization is growing and the staff is “up to seven now, all over the last three months.” **TARGET BUSINESS:** BBA’s mission

and purpose statement focuses on “small and medium sized Black and minority businesses throughout the state.” Anne-Marie noted that in practice, they “serve every business as long as it’s a Black business” but for services, she finds that “a high category number of those” fall into two buckets: “single business owners” and “very experienced and long-term business owners.” Knight noted a recent uptick in new businesses; “there’s an increase in the number of startups that are coming to our door.”

CHAMBER SIDE: On the chamber side of the BBA hybrid model, BBA is currently experimenting with new approaches to brokering “**access to opportunities**.” One piece of this work is “doing a lot of legwork with other chambers of commerce around the state and corporations to answer the question--how do we open the doors to opportunity for Black owned businesses?” Anne-Marie is aware that the current approach is insufficient: “the model as it is doesn’t work. It does not work to just get a membership to the traditional Chamber of Commerce, it only works if the Chamber is committed to opening those doors.” A new model BBA is pioneering is one where if you join the BBA, you automatically receive a membership at the Greater New Haven Chamber of Commerce. Based on this approach, BBA is “in talks with Chambers in Hartford, Waterbury, and Norwalk, and Milford folks are reaching out.” “I don’t want to say it’s an old boys network but it’s a lot about the relationships that you have and who you know. And if everybody in the Chamber looks alike and has been together for years, if you’re the new person coming in, no matter what color you are it’s very challenging to be able to break into that circle. So we’ve designed a program where the BBA business owner receiving reciprocity to a city or town Chamber will have a point person at that Chamber.” The point person will meet with the BBA business leader “before they ever enter the Chamber,” find out “who do you need to meet, who do you want to meet, who would it be helpful for your business to meet and then help them make those appointments, so that they start with relationships intact.” Another part of the work BBA does is **advocacy**. This advocacy work focuses on “trying to make sure that the environment is right for Black businesses.” On the political side, this might take the form of a political roundtable between BBA members and Senator Blumenthal. BBA is building up advocacy on the service side as well, “for example, the access to capital piece has always been the missing link.” Rather than remain in the old dynamic where “organizations know what the issues are” but the “discussion doesn’t happen,” BBA is shifting gears to lead these discussions. “Now we’re leading and being very direct about having that dialogue (about what is needed) and pushing for infrastructure change.”

SERVICES: On the services side, technical assistance is the core of the work that the BBA offers to members. **Technical Assistance:** 1:1 counseling on a case-by-case basis, with a focus on financials and accounting. BBA retains two consultants to do this work. All TA is free. BBA is launching a number of new initiatives as well. “The way we do TA is being refined.” One new program is ‘Main Street and Beyond,’ which uses a “group learning model,” putting together cohorts by geography (primarily) and “bringing folks together in smaller groups so they can learn from each other.” This will allow for targeted technical assistance as well—for example, all startups might be grouped together in a small group. BBA is working with a group of vendors in Hartford that are selling at the Capitol Flea Market, many of them just starting out,

“making their wares, soap, lotion, shampoo, whatever it is, but they don't really know anything else about how to do business beyond that or how to successfully do an online business, so we will be grouping those businesses in categories and providing a group service.” BBA “might provide \$2,500 as a grant to seed that business and then provide the technical assistance after the grant to help them use the seed money to grow the business.” Undergirding the Main Street and Beyond initiative is a partnership with a group of experienced business advisors out of New London (the Mentoring Corps for Community Development). BBA “recognizes that we can't do everything ourselves, so we'll do the outreach, we will bring folks into the group, and we will structure the groups, but work with partners to bring their expertise to the table to be able to help in those groups.” Anne-Marie is excited about the potential of the flexible cohort model of technical assistance; “this is the beautiful thing...it can be so flexible, (in addition to geography), the groups can be arranged by common problems that folks may have. Maybe everybody's having marketing issues...that can be a group. We're looking forward to seeing how that new program is going to move forward.”

Funding superhighway: With funding from CTNext and other partners, BBA is developing an initiative that combines specialized technical assistance with capital access, in order to build a “funding superhighway.” The access to capital is central, and BBA wants to “kick open the door” in that regard. The initiative aims to serve “businesses with some education and coursework, but that still don't know how to make the jump to get funding.” BBA has an underwriter on staff who will work with these businesses “so, by the time they get to the funding door, we know they are 90% down the path of getting funded, because we have assisted in created a bankable package, we know their rules and regulations, we've discussed it and have covered all of the bases before we get to the funder's door.” Capital sources include: Hedco, CT Investment Corp, DEDC, Hartford EDC, other CDFIs and alternative lenders, Key Bank and Liberty Bank. The range of vendors will expand overtime. When asked if BBA members are looking for other forms of investment, Knight says, “Right now we don't have a lot of firms who are ready for venture capital.” BBA is looking to establish a range of capital products that target what the businesses need. While acknowledging that CDFIs often have funding for small businesses, Knight would like to develop “capital more specific to the needs of our community.” While CDFI's are important in this segment, “the programs are not always as flexible as they need to be.” Specific needs include: “capital for equipment and vehicles,” lines of credit and “a large pool of money for grants.” The vision is to create a runway where a business would “start with grants, meet goals, then be in line to receive loans.” The grants in the mix would function in a similar way to the friends and family support, but for businesses without access to friends and family wealth.

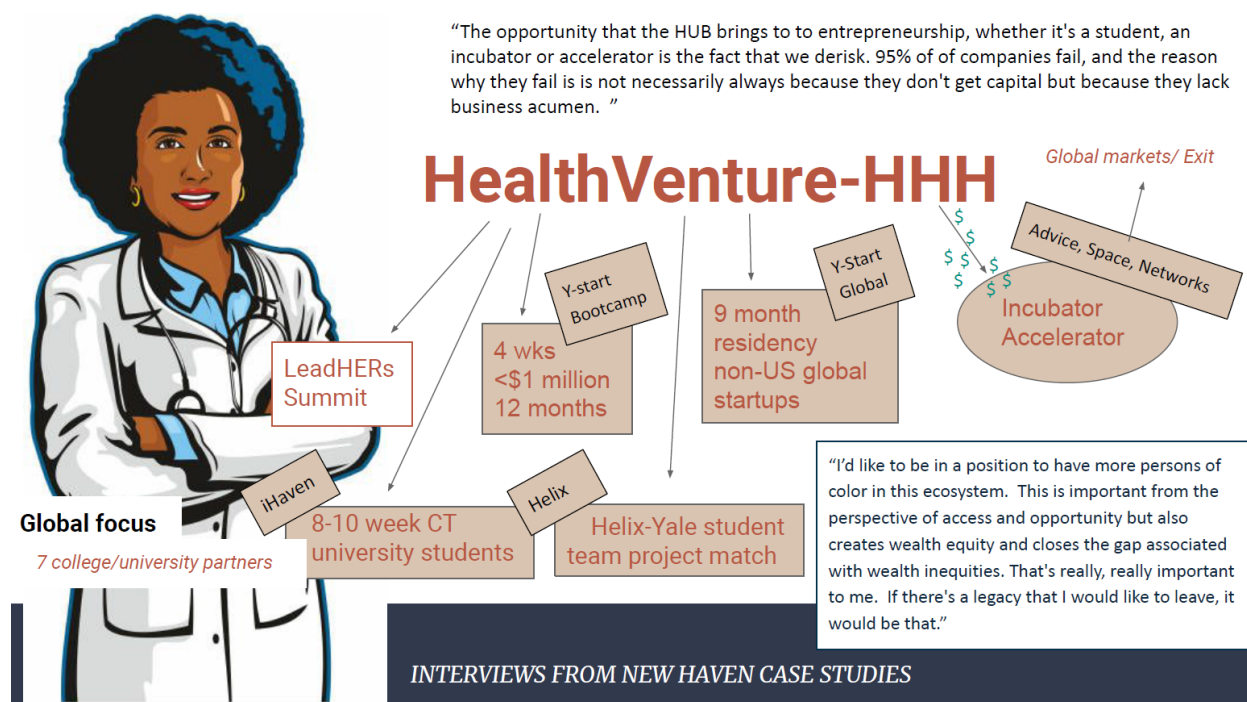
Outreach and Triage: BBA's outreach team, “new in the last several months” reaches out to businesses to see what services might be needed and makes referrals. These businesses “might not need BBA technical services but maybe they need a Collab class, we can refer to Collab.” It's about driving into BBA for connection “but not necessarily for services”—we are on the “front end” acting in a triage role but also refer to others, and then also operating on the “back end,” taking from other programs into the funding super-highway. BBA also serves as a point organization for events such as The Festival of Arts and Ideas, Juneteenth celebrations, CT Barber show at Mohegan Sun, craft fairs, and the Caribbean Fair in New Haven. Festivals might call “and ask if we know of businesses that would like to participate, or if we have a set of a certain kind of businesses like for the CT

Barber show” and BBA also attends these events to get the word out. Outreach can also be informational, for example during COVID, BBA offered virtual sessions, sometimes 1-2 times a week, to provide information about relief programs to “push information into the community who didn’t have the information or didn’t trust the information.” **Partnerships:** BBA works closely with the CT Black Chamber of Commerce, and is building bridges to the ecosystem after some of these bridges were burned under the last director. Budding connections in the New Haven ecosystem include: Collab, ConnCORP and KNOWN. **METRICS:** BBA tracks outreach engagements, # TA sessions, community referrals, # businesses, # new businesses. “In May we had 42 in the pipeline for TA” up from 12 in March due to outreach. BBA is also positioning itself as a point organization for information and statistics about Black owned businesses. *Metrics wishlist:* What is length of time between outreach and engagement, what is length of time between TA and funding, how much funding do they get and where do they get their funding from?” “There are so many things I would love to be able to see, but I need tools to do that. We need to be able to tell our story and the stories of the businesses we serve.”

BOTTOM LINE: “Excellence. Circulating the money. And, this is not just about building your business and your family, it's also about: what are you doing to build the community? We operate with the collective in mind.”

Appendix C: Graphic Slides for 6 ESOs & Case Studies

Figure C5. HealthVenture



HealthVenture

HealthVenture is a global venture capital firm connected to **HealthHavenHub** (“HHH” or the “HUB”), a digital healthcare incubator accelerator operating a number of bootcamps and educational programs at the intersection of healthcare and digital in New Haven, CT. Founded in 2018, co-directors Donna Lecky and Sri Muthu have a combined expertise in technology and legal, treasure and tax backgrounds; “it’s a great marriage” of skills for incubating firms. Donna Lecky can come in and play the CEO or the CFO and Sri Muthu can serve as a CTO as the firms in their incubator enter the runway. At the same time, the HealthVenture co-directors have “learned each other’s trades quite a bit” and so, for example, Sri can support the operations side of an organization as well.” In addition to their incubator accelerator offerings, the team also offers advisory consulting services for those companies not in their portfolio; “it’s not just creating the APP, it’s not just helping strategize and think through this market;” HealthVenture advising can also help founders think about their “plan on scaling, on branding, and set up with investors who are interested in the innovation.” HealthVenture offers a full suite of offerings to get founders “investment ready and innovation ready.”

ORGANIZATIONAL STRUCTURE: HealthVenture is a C-Corp connected to HealthHavenHub, a nonprofit. The for profit side largely supports the HUB, although HHH has received support for some of their student-facing educational programming from Connecticut Department of Economic Community Development and CTNext. Additional partners include: Bankwell, Carmody, Torrance, Sandak & Hennessey, Marcum, LLP, Peoples United Bank and Webster Bank. These grants are not ideal for the longer term as some of them are not long term and in some cases they require “a match”, however the initiative is a start up and so the founders paid out of pocket to launch. Because it is not designed to be fee generating or to receive an ROI, the team is exploring more sustainable sponsorship for the program. In addition to the founders and interns, HHH employs between 7 to 10 additional people situated here and around the world in places like India, and Malaysia, Australia as part of the global team.

ENTREPRENEUR PROFILES: The HUB is focused on “digital healthcare early-stage companies” such as a “physician who has an innovation” who could go through the accelerator which will take them “from ideation to an MVP, from MVP to actual development and design of the digital product.” In addition the HUB hosts two student focused entrepreneurship accelerators, **iHaven** and **Helix**. Helix-Yale “is a little bit different that the typical incubator where a student has an innovation and they develop, incubate or accelerate it”, instead “physicians pitch to students and through Helix are able to essentially create a team of students that have various disciplines of study and backgrounds to help the physician advance their innovation.” Donna noticed that the students were “a very homogenous group, very few women, very few people of color” and began working with the SBRC on the iHaven initiative. Five local colleges and universities included Quinnipiac, Albertus Magnus, Gateway and Housatonic Community Colleges, Southern Connecticut State University, the University of New Haven joined in to support and recruit student teams to an interschool entrepreneurship program designed to launch student companies and root the entrepreneurs locally. Yale did not participate in the iHaven initiative. Donna creates opportunities for the Helix-Yale student entrepreneurs to mix with the iHaven student entrepreneurs by hosting overlapping programming on Thursday nights and providing opportunities to network and share ideas as young entrepreneurs studying advanced degrees in New Haven. **iHaven** is comprised of “students who may have an idea, but they don't have the baseline of how to move the idea forward.” Some iHaven student entrepreneurs may have developed business ideas past the ideation stage, “but it's very rare that they do.” **Incubator/Accelerator:** Entrepreneurs coming in for the incubator accelerator, “already have an idea, and it's been developed to a certain phase. The incubator is roughly the same thing, but for entrepreneurs who are not as far along, so we need to accelerate the entrepreneur.” 8-10 teams are accepted to the accelerator per cohort, offered 3 times per year.

PORTFOLIO: Prerequisites: assess “the financial model,” “the trajectory for growth,” “exit strategy”, and “the team” which Donna believes is “one of the most critical pieces of this, what are their backgrounds, credentials; are they serial entrepreneurs, are they familiar with the process what is their level of commitment? What's the innovation, of course, does innovation make sense?” **Key stats:** The HealthHavenHub touches 400 to 500 companies a year. Of those, approximately 20% are the student teams participating in what is mainly an education program.

Of the remaining 80%, about 15-20% of those go through the actual due diligence process. The due diligence takes about two months. “We conduct due diligence on each of these companies before we even invite them to become part of our portfolio. It costs maybe \$40k to \$75k to investigate a company.” **ADVISORY:** “For those companies who are not in our portfolio, they may have certain aspects, they may already be in an MVP phase. They may have already surpassed the point where they are now looking at development design, and so we determine their needs and figure out how we can help support as an advisor charging a fee for services.”

GLOBAL: HealthHavenHub runs a 9 week residency accelerator for non-US firms looking to enter U.S. markets. “We are a global firm. Before COVID-19 hit, I was spending a lot of my time in China, in Dubai, in England, and in India. And, as a consequence I'm able to really understand what types of innovations I'm seeing around the world.” “More likely than not I see that a lot of these entrepreneurs have very similar innovations, they were just in different stages of the innovation. So part of what we've done is to create an international ecosystem as well. Our last boot camp in July, 2020 we had 45 teams, 11 of which were from different parts of the world, folks from Turkey, from India, from Dubai, from Switzerland, from Australia.”

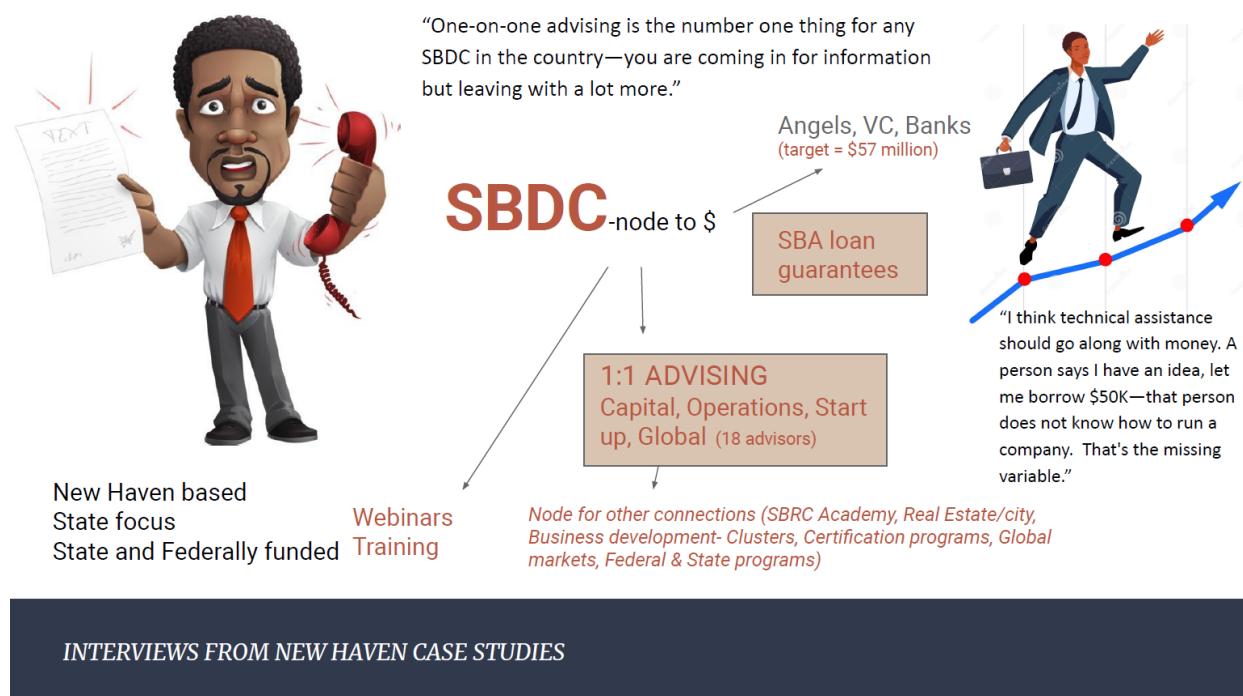
OUTREACH: Bootcamps are advertised on social media, “instagram is the best” and over time the HUB has built a network for recruiting companies. “Initially, it was Yale and then it was New Haven, and then it branched out to the global.” As the VC network connected to HealthVentures grows, and the mentors and coaches and trainers, these connections also steer founders and companies to participate in the HUB's offerings.

CAPITAL: Raising capital for the Venture Fund that focuses on female founders and entrepreneurs of color can be a challenge, especially as a woman of color in an industry that is almost homogeneously White and male. “I stopped going out to everybody to raise capital, because I was finding that oftentimes it falls on deaf ears. They listen but then they're too afraid to take it to their management levels or they're really afraid to do something that's different. What I've done differently is I'm only interested in working with those few that are aligned with our principles, our values and mission. Because then there is nothing to have to explain, we just have to execute.” **METRICS:** three x multiple; 4 portfolio companies and 34 program alumni; “the metric that I'm really focused on is really strong innovators that are people of color. And not only from an educational perspective, but from a business acumen perspective, how do you talk to a VC, how do you interact with one, how do you identify VCs, how do you identify folks that you want to target to raise capital.” **IMPACT SEEKING:** The team is focused and intentional about shifting the demographics on entrepreneurship and investment. “Of the 69 trillion that's out there for purposes of investment White men run/manage about 98% of that number and that's what we're looking to change.” Donna is not only iterating on the program side with initiatives like iHaven toward this goal but also on the fund side and is actively seeking out partners in her broader network to join in shifting these numbers. Conversations include “the president of the Goldman Sachs Foundation—very interested in what we are doing with Black and Brown entrepreneurs,” “the new president of Morehouse—discussions around connecting with Spelman, Clark Atlanta, and Morehouse to create an ecosystem of fund managers.” She also “contacted Howard University,” her alma mater for law school, and

“provided them with the curriculum to get more lawyers into this field.” There is a sense of urgency underlying these conversations; “I’m concerned that since the events of 2020 you’ve got all this money out there but when I talk to people, they are not getting it. My concern is whether that money’s going to be redirected back to the White communities because there are so many new organizations being created as a result.” Donna is also concerned that the changes will only go so far. “The Kauffman Foundation has an education curriculum for investors and they teach investors how to really go out there and do it. They’re in their 26th cohort or something like that. They were happy to announce that they have added new Black leadership but if you look at the number of Black men and women who have been accepted and successfully gone through the program over the past 26 years, it supports the theme that there is a lack of access. Kauffman and organizations like it need to do something radically different. For example, what if, for the next 10 years, they flipped the statistics and trained cohorts that were 98% Black and Brown people and 2% White people? Don’t throw \$50 at a million dollar problem.” **BOTTOM LINE:** “I’d like to be in a position to have more persons of color in this ecosystem. This is important from the perspective of access and opportunity but also creates wealth equity and closes the gap associated with wealth inequity. That’s really, really important to me. If there is a legacy that I would like to leave, it would be that.”

Appendix C: Graphic Slides for 6 ESOs & Case Studies

Figure C6. Small Business Development Center in CT (SBDC in CT)



Small Business Development Center (SBDC) in CT

The **SBDC in CT** is one of 63 Small Business Development Centers located around the US that Congress established 40 years ago as an extension of the SBA. The network is funded by an annual allocation from Congress of about \$135 million per year, with additional funding on top of that from the state. The SBDC in CT receives additional funding at the state level through DECD. Each governor chooses which university will host the SBDC, in CT that university is the University of Connecticut. Across the 63 centers nationwide, there are approximately 1400 business advisors who can be thought of as the “consultants for the government.” The main role of the advisors is to work 1:1 with small business owners to connect them to state and local resources available and to provide hands-on, guided, technical assistance. “We are the one stop of all things knowledgeable for small business,” says Joe Williams, head of the Capital access team at the CTSBDC. On the capital side, SBDC is involved with two central functions of the SBA—helping small businesses secure loans and guarantees through the 7a and 504 program and disaster relief. During the pandemic, Williams notes that SBDC “has to be at the front lines.” This includes explaining the different programs and assisting with accessing the funding. “We are the ones telling the public how to fill out PPP (Paycheck protection program), EIDL (Emergency Injury Disaster Loan Fund), that explains how a restaurant fills out the RRF (Restaurant Revitalization Fund), or how the Shubert Theatre fills out the venue application or

set up the pro forma—we are the ones who tell them how to do that.” SBDC works with CT Innovations, CT Next, Angels Forum, StartUp Grind, “you name it! Any accelerator, any matchmaker, any type of venue, we as advisors probably have clients that are participating in them or have sent clients to them.” Joe Williams is one of the group of 18 advisors in the state who are assigned to the City of New Haven. Sitting in one of the urban areas of the state means that he will end up interacting with a lot of CT’s businesses run by entrepreneurs of color, Williams says.

ORGANIZATIONAL STRUCTURE: The SBDC reorganized in the last year. Historically, the 18 advisors in the CTSBDC were assigned to territories. “If you sat in New Haven, you would handle 15-20 towns around New Haven, that would be your territory.” The reorganization put the advisors into 4 teams: Capital Team, Business Acquisition Team (marketing, sales, exporting, procurement), Operations Team (business planning, business plans), Pre-Ventures Team (all things start up, they deal exclusively with the 165 start-ups). During the Pandemic, SBDC decided to have “specialists specialize” rather than having all advisors perform a full range of advisory services. For the client, this means they may work with 2 or 3 CTSBDC consultants at a time, across the different functions, to address their business needs. “One might be handling marketing, one handling the capital.” Joe Williams heads the Capital Team. On average there are 3-4 advisors on each team, with the capital team, “the biggest team,” hosting 6 advisors. The Capital team is responsible for the largest share of the capital allocation (\$41 of the \$57 million) and the other three teams handle the \$16 million that is left. **BY THE NUMBERS:** On a yearly basis, CTSBDC will see about 2400 businesses, 165 startups. About 600 of the 2400 are minority-owned businesses.

POINT OF ENTRY: Banks and other organizations working with small businesses can access advising assistance for business owners by calling a 1-800 number or filling out a request on the website. Joe Williams notes that the restructuring “has worked out from a strategic standpoint, because we’re able to be more business development oriented, to actually engage bankers, attorneys, accountants, people of that nature” by going out and “actually look for the business” instead of waiting for them to come to the SBDC. “That’s another way we are extending ourselves to the community.” Williams works closely with the Chamber of Commerce, the Economic Development unit of the city and attends many of the events of local ESOs.

1:1 ADVISING “One on one advising is the number one activity of any SBDC in the country.” The SBDC has software that can aid with many of the analysis and business documents required at key capital and growth stages. There is software for firms exploring an acquisition that will provide a valuation for a business under consideration, as well as review if the target business is paying bills, invoicing on time and compare their performance to industry averages. There is a software program the SBDC owns called Growth Wheel that can assess out of a list of 20, the key pain points a business is experiencing and focus the advising on the top 3-4 top issues. Using IBIS world, the SBDC can provide for free market research and data for business plan writing. An SBDC advisor can provide all the financial statements a small business needs to send to a bank: the balance sheet, income statement, the profit and loss statement, “I have

software that can do it right here in an hour or so.” Williams uses these statements to teach cash flow management. “Main takeaways I teach are to pay bills on time and know how much revenue a business will take in a year. The rest you just need to understand enough to explain it to the bank.” “You are coming in for information but leaving with a lot more.” Some clients receive advising for years. “We tend to grow with them.” As seasoned advisors, through the SBDC, a small business can be connected to a host of resources they will likely not be able to access or even know about on their own. “I can make decisions for you based on what I know about the ecosystem. I might refer to the SBRC Academy (the DNA of the Entrepreneur 9 week program). Or call over to a person in the city economic development department who has a list of vacant commercial properties.” In addition to face to face advising, the CTSBDC hosts a number of webinars available on demand through the CTSBDC website.

BUSINESS DEVELOPMENT: Advisors at the SBDC not only help with current challenges but also can help businesses think 5 levels ahead of where business currently is—for example, if a business wants to sell a hot sauce in grocery but currently has a food truck, Williams and colleagues will begin helping them think about labeling, consumer protection hoops, and begin making introductions, not just on the capital side, but also with buyers on the grocery side. The SBDC is a link to Federal and State programs that assist with marketing and exporting internationally to global markets. They are a node to all of the minority and women certification programs. Their state and federal network position gives them a vantage point from which advisors at the CTSBDC know about big projects coming down the pike, such as the Port Development in New London, other DOT projects in CT and NY, where businesses might plug in and bid.

INITIATIVES: In addition to the federal and state mandates governing their work at the CTSBDC, each of the advisors take on a number of initiatives, “such as initiatives focusing on veterans or minorities,” sitting on boards or developing pilot initiatives with partner organizations. Joe Williams, working with a previous director of the SBRC developed the Academy training program out of the City of New Haven that is currently run as the DNA of the Entrepreneur. “The curriculum was a SCORE curriculum” that over the years Williams continued to work on, “perfecting it,” and during the pandemic, “digitized it” so it could be taught online. “Many of the businesses, especially on Dixwell and Whalley avenues came through the Academy in recent years.” Joe Williams and Valeria Bisceglia (another business advisory at the SBDC) teach in the SBRC DNA of the Entrepreneur academy curriculum, bringing in an outside attorney, a marketing person from the chamber, and micro lenders or bankers such as HEDCO CDFI. Williams is the first and last speaker in the curriculum, which offers a seamless transition for the entrepreneur over to CTSBDC advising after graduation. There is a second level of training, a curriculum that has been running in Middletown, CT for the past 20 years, called “From Side Street to Main Street” for businesses that have been in business for several years, a program described as “very intensive” to get current businesses to the next level. The SBDC purchased this curriculum and is bringing it to New Haven. Also in the past, the SBDC partnered with various organizations in New Haven to offer the “ICE HOUSE”, a youth focused entrepreneurship training program using a curriculum developed by the Kauffman Foundation. SBDC is trained by Kauffman in the curriculum and is one of the few organizations in CT that can deliver it. It can be adapted for a 16-week curriculum, an 8-week curriculum and

even a 5-week version. Williams oversaw an iteration taught as a five-week program for high schoolers in New Haven, which included a “shark tank” at the end. It is tailored for the youth “students wanting to learn about entrepreneurship at a basic level.” Instead of having them do a full business plan, they do a business canvas where they identify a problem, identify a solution, and then test the solution out, the pricing, and so on.” During the Harp administration, when Jackie James served as Deputy Economic Development Director, ICE HOUSE student projects included establishing receptacles on the New Haven Green and putting advertising on the side of the bins to pay for them. The ICE HOUSE curriculum features business lessons through an extended case study that “takes place in the 1900s in Mississippi in the Jim Crow South. There is a Black man named Uncle Cleave, and the nephew is telling the story of the lessons he learned from working with his Uncle, delivering ice into the deep rural south. The Uncle owned a gas station, a repair shop, and ice delivery business, but he could not go to the bank. It takes you through the scenarios of different aspects of the business, common sense scenarios and how to solve them.” This modality offers an accessible entree into entrepreneurial thinking, dealing with the challenges of doing business in a racialized society and Williams has found that the narrative structure of learning from an Uncle’s Cleave family stories to be very effective with the youth he’s mentored through the program. SBDC is not really set up to fully host the ICE HOUSE training, but would love to partner with a nonprofit to offer it. Currently Gateway Community College is considering adopting. SBDC can assist with teaching some of the sessions. As part of the three legs of Federal government sponsored small business assistance, which includes SCORE (volunteers of the Federal government—retired executives help with individuals who have an idea, they will help flesh it out), SBDC (paid consultants of the government) and the Women’s Development Center—CT-SBDC is an important resource partner of the SBA.

CONNECTIONS: In the Capital Team role, Joe Williams and the other advisors keep track of the various capital networks of Angel capital, bank mergers, philanthropic funds and venture capital affecting the business environment for CT entrepreneurs. On the advising side, the CTSBDC is embedded locally, but acts with a state and federal set of goals and directives in mind. Acting in tight coordination with colleagues at the state and federal levels, the CTSBDC advisors operate with a wealth of relational connections to key actors throughout the government. Taking an approach that aims to demystify the business trajectory and provide technical expertise with relatable stories and long-term guidance is central to forming the trust bonds that allow for the work to progress productively. **METRICS:** # businesses served, jobs supported (right now, over 9000 jobs), during the pandemic over 5000 businesses served, \$57 million dollars is a mandate, track SBIR, track change of residence, want to know the growth of our businesses, the SBA gives the mandate.

BOTTOM LINE: “Stumbling early on business will leave you with nothing but debt. And that's what we're really trying to mitigate. We want to mitigate the failure rate for small businesses. This will probably be a lot higher among the minority small business owners because we're undercapitalized most times and we have a lack of understanding of how to run a business. No one's really taught how to go with the business for themselves in school.”

Appendix D: ESO Curriculum Comparison

Appendix D: ESO Curriculum Comparison

Table D1. ESO Curriculum Comparison

BBA	Starting Your Business	Business Plan Writing	Customer Retention & Service	Sustaining Your Business	Financial Statements	Full Business Plan	Resume Writing	Usages of Funds	Cash Projections
KNOWN	Goal Setting & Accountability	Budgeting & Financial Statements	Non-Traditional Funding Sources	Minority Certifications	Capability Statement	Business Barriers for Minorities	Insurance	Social Media	Website
	Productivity Tools/Strategies	Self-Care	Strategic Plan	Marketing	Scaling	Presentations			
HHH - iHaven	Perfecting the Investor Pitch	Understanding Your Role in the Landscape	Business Development	Choosing a Legal Entity	Intellectual Property Fundamentals	Product Management	Sourcing Your Client Base	Accounting & Financial Models	Fundraising 101
	Design Thinking	Building Your 1st Financial Model	International Opportunities	Doing Business in New Haven & CT	Investor Panel	Startup Showcase			
HHH - Y-Start	Digital Health	What to Expect Post-Due Diligence	Digital Marketing	Legal Strategies	Sales & Distribution	Healthcare as a Client	Healthcare Innovation Ecosystem	Equity 101	Building a Team
	Scalable Product Strategy	Non-VC Fundraising Strategies	Product Design						
SBRC	Business Planning	Business Basics	Marketing	Basic Numbers	Financing	The Web & Social Media	Incorporation	GTM Strategies	
Collab - Entrepreneurship Decoded	The Most Important Thing is You	Entrepreneurship Decoded	Putting Yourself Out There	Starting from the Inside Out	Understanding Your Expertise	Your Business, Your Community			
Collab - Entrepreneurship Decoded	The Most Important Thing is You	Entrepreneurship Decoded	Putting Yourself Out There	Starting from the Inside Out	Understanding Your Expertise	Your Business, Your Community			
Collab - Regular Accelerator	Customer Discovery	Value Propositions	Business Planning	Legal 101	Accounting 101	Marketing 101			
Collab - Groundwork	Orientation & Your Why	Building a Business Idea	Understanding Your Customers	Intro to Business Modeling	Culture of Entrepreneurship				

Note: The above analysis of offerings is based on the titles of workshops and program session titles listed on ESO websites, and was not member checked. The analysis may not reflect changes to curriculum and offerings. Findings limited by fact that some website descriptions are more fully developed than others. The boxes in red highlight elements of the curriculum that appear to be unique across each ESO's offerings.

Appendix D: ESO Curriculum Comparison

Table D2. BBA Workshops and Technical Assistance Offering vs. Other ESO Offerings

BBA	Starting Your Business	Business Plan Writing	Customer Retention & Service	Sustaining Your Business	Financial Statements	Full Business Plan	Resume Writing	Usages of Funds	Cash Projections
Collab - Groundwork	3/5 same						2/5 distinct		
SBRC	3/8 same				5/8 distinct				
Collab - Accelerator	2/6 same			4/6 distinct					
KNOWN	4/16 same		12/16 distinct						
HHH - iHaven	3/15 same		12/15 distinct						
Collab - Entrepreneurship Decoded	1/6 same	5/6 distinct							
HHH - Y-Start	11/11 distinct								

Note: The above analysis of offerings is based on the titles of workshops and program session titles listed on ESO websites, and was not member checked. The analysis may not reflect changes to curriculum and offerings. Findings limited by fact that some website descriptions are more fully developed than others. Further, the green “same” category reflects a shared workshop topic or accelerator session topic, but the way ESOs teach the topic may vary considerably. This variance about how a topic is taught and the specific skill building elements of the curriculum within each unit is not reflected in the analysis above. For the BBA comparison, is it important to note that the comparisons is in many ways an apples to oranges comparison in that BBA offers webinars, ongoing technical assistance and cohort support as part of their membership model rather than a multi-session accelerator curriculum from which entrepreneurs graduate, as is the case with the ESOs with which they are compared here. The boxes in red highlight elements of the curriculum that appear to be unique across each ESO’s offerings.

Appendix D: ESO Curriculum Comparison

Table D3. KNOWN Growth Lab vs. Other ESO Offerings

KNOWN	Goal Setting & Accountability	Budgeting & Financial Statements	Non-Traditional Funding Sources	Minority Certifications	Capability Statement	Business Barriers for Minorities	Insurance	Social Media	Website
		Productivity Tools/Strategies	Self-Care	Strategic Plan	Marketing	Scaling	Presentations		
BBA	7/9 same							2/9 distinct	
Collab - Accelerator	4/6 same					2/6 distinct			
SBRC	5/8 same					3/8 distinct			
HHH - iHaven	8/15 same				7/15 distinct				
Collab - Entrepreneurship Decoded	3/6 same				3/6 distinct				
Collab - Groundwork	2/5 same			3/5 distinct					
HHH - Y-Start	3/11 same		8/11 distinct						

Note: The above analysis of offerings is based on the titles of workshops and program session titles listed on ESO websites, and was not member checked. The analysis may not reflect changes to curriculum and offerings. Findings limited by fact that some website descriptions are more fully developed than others. Further, the green “same” category reflects a shared workshop topic or accelerator session topic, but the way ESOs teach the topic may vary considerably. This variance about how a topic is taught and the specific skill building elements of the curriculum within each unit is not reflected in the analysis above. The boxes in red highlight elements of the curriculum that appear to be unique across each ESO’s offerings.

Appendix D: ESO Curriculum Comparison

Table D4. HHH-iHaven vs. Other ESO Offerings

HHH - iHaven	Perfecting the Investor Pitch	Understanding Your Role in the Landscape	Business Development	Choosing a Legal Entity	Intellectual Property Fundamentals	Product Management	Sourcing Your Client Base	Accounting & Financial Models	Fundraising 101
	Design Thinking	Building Your 1st Financial Model	International Opportunities	Doing Business in New Haven & CT	Investor Panel	Startup Showcase			
Collab - Accelerator	5/6 same								1/6 distinct
SBRC	6/8 same							2/8 distinct	
Collab - Groundwork	3/5 same					2/5 distinct			
BBA	5/9 same					4/9 distinct			
KNOWN	6/16 same			10/16 distinct					
Collab - Entrepreneurship Decoded	2/6 same			4/6 distinct					

Note: The above analysis of offerings is based on the titles of workshops and program session titles listed on ESO websites, and was not member checked. The analysis may not reflect changes to curriculum and offerings. Findings limited by fact that some website descriptions are more fully developed than others. Further, the green “same” category reflects a shared workshop topic or accelerator session topic, but the way ESOs teach the topic may vary considerably. This variance about how a topic is taught and the specific skill building elements of the curriculum within each unit is not reflected in the analysis above. The boxes in red highlight elements of the curriculum that appear to be unique across each ESO’s offerings.

Appendix D: ESO Curriculum Comparison

Table D5. HHH-Y-Start vs. Other ESO Offerings

HHH - Y-Start	Digital Health	What to Expect Post-Due Diligence	Digital Marketing	Legal Strategies	Sales & Distribution	Healthcare as a Client	Healthcare Innovation Ecosystem	Equity 101	Building a Team
	Scalable Product Strategy	Non-VC Fundraising Strategies	Product Design						
SBRC	2/8 same		6/8 distinct						
Collab - Groundwork	1/5 same		4/5 distinct						
KNOWN	3/16 same		13/16 distinct						
Collab - Accelerator	1/6 same		5/6 distinct						
BBA	1/9 same	8/9 distinct							
Collab - Entrepreneurship Decoded	6/6 distinct								

Note: The above analysis of offerings is based on the titles of workshops and program session titles listed on ESO websites, and was not member checked. The analysis may not reflect changes to curriculum and offerings. Findings limited by fact that some website descriptions are more fully developed than others. Further, the green “same” category reflects a shared workshop topic or accelerator session topic, but the way ESOs teach the topic may vary considerably. This variance about how a topic is taught and the specific skill building elements of the curriculum within each unit is not reflected in the analysis above. The boxes in red highlight elements of the curriculum that appear to be unique across each ESO’s offerings.

Appendix D: ESO Curriculum Comparison

Table D6. SBRC DNA of the Entrepreneur vs. Other ESO Offerings

SBRC	Business Planning	Business Basics	Marketing	Basic Numbers	Financing	The Web & Social Media	Incorporation	GTM Strategies
Collab - Accelerator	6/6 same							
BBA	6/9 same						3/9 distinct	
Collab - Groundwork	3/5 same					2/5 distinct		
KNOWN	9/16 same				7/16 distinct			
HHH - iHaven	6/15 same			9/15 distinct				
HHH - Y-Start	2/11 same	9/11 distinct						
Collab - Entrepreneurship Decoded	1/6 same	5/6 distinct						

Note: The above analysis of offerings is based on the titles of workshops and program session titles listed on ESO websites, and was not member checked. The analysis may not reflect changes to curriculum and offerings. Findings limited by fact that some website descriptions are more fully developed than others. Further, the green “same” category reflects a shared workshop topic or accelerator session topic, but the way ESOs teach the topic may vary considerably. This variance about how a topic is taught and the specific skill building elements of the curriculum within each unit is not reflected in the analysis above. The boxes in red highlight elements of the curriculum that appear to be unique across each ESO’s offerings.

Appendix D: ESO Curriculum Comparison

Table D7. Collab Groundwork vs. Other ESO Offerings

Collab - Groundwork	Orientation & Your Why	Building a Business Idea	Understanding Your Customers	Intro to Business Modeling	Culture of Entrepreneurship
BBA	4/9 same				5/9 distinct
SBRC	3/8 same			5/8 distinct	
HHH - iHaven	5/15 same			10/15 distinct	
KNOWN	4/16 same			12/16 distinct	
HHH - Y-Start	1/11 same	10/11 distinct			

Note: The above analysis of offerings is based on the titles of workshops and program session titles listed on ESO websites, and was not member checked. The analysis may not reflect changes to curriculum and offerings. Findings limited by fact that some website descriptions are more fully developed than others. Further, the green “same” category reflects a shared workshop topic or accelerator session topic, but the way ESOs teach the topic may vary considerably. This variance about how a topic is taught and the specific skill building elements of the curriculum within each unit is not reflected in the analysis above. The boxes in red highlight elements of the curriculum that appear to be unique across each ESO’s offerings.

Appendix D: ESO Curriculum Comparison

Table D8. Collab Entrepreneurship Decoded vs. Other ESO Offerings

Collab - Entrepreneurship Decoded	The Most Important Thing is You	Entrepreneurship Decoded	Putting Yourself Out There	Starting from the Inside Out	Understanding Your Expertise	Your Business, Your Community
KNOWN	4/16 same		12/16 distinct			
HHH - iHaven	2/15 same	13/15 distinct				
SBRC	1/8 same	7/8 distinct				
BBA	1/9 same	8/9 distinct				
HHH - Y-Start	11/11 distinct					

Note: The above analysis of offerings is based on the titles of workshops and program session titles listed on ESO websites, and was not member checked. The analysis may not reflect changes to curriculum and offerings. Findings limited by fact that some website descriptions are more fully developed than others. Further, the green “same” category reflects a shared workshop topic or accelerator session topic, but the way ESOs teach the topic may vary considerably. This variance about how a topic is taught and the specific skill building elements of the curriculum within each unit is not reflected in the analysis above. The boxes in red highlight elements of the curriculum that appear to be unique across each ESO’s offerings.

Appendix D: ESO Curriculum Comparison

Table D9. Collab Accelerator Curriculum vs. Other ESO Offerings

Collab - Regular Accelerator	Customer Discovery	Value Propositions	Business Planning	Legal 101	Accounting 101	Marketing 101
BBA	6/9 same					3/9 distinct
SBRC	5/8 same					3/8 distinct
HHH - iHaven	5/15 same		10/15 distinct			
KNOWN	5/16 same		11/16 distinct			
HHH - Y-Start	1/11 same	10/11 distinct				

Note: The above analysis of offerings is based on the titles of workshops and program session titles listed on ESO websites, and was not member checked. The analysis may not reflect changes to curriculum and offerings. Findings limited by fact that some website descriptions are more fully developed than others. Further, the green “same” category reflects a shared workshop topic or accelerator session topic, but the way ESOs teach the topic may vary considerably. This variance about how a topic is taught and the specific skill building elements of the curriculum within each unit is not reflected in the analysis above. The boxes in red highlight elements of the curriculum that appear to be unique across each ESO’s offerings.

Appendix E: ESO Interview Analyses-Full Write Up with Unattributed Quotes

Appendix E: ESO Interview Analyses-Unattributed

Assessment of the ecosystem. The interview guide included questions soliciting the ESO leaders perspectives on entrepreneur needs, the opportunities and challenges for collaboration in the ecosystem, vision for next level ecosystem, and views of funders. Each interview transcript was coded by theme and coded transcripts were compared across transcripts by theme. This section describes the main themes from this analysis and features a selection of representative quotes, unattributed by name. Across the 6 ESO interviews, we noted the passion, strategic capabilities, the strong partnership orientation and active leadership exhibited across the entire cohort. The interview quotes below show that the ESOs share a sense that this is a critical moment to strengthen the connections between the organizations in the ecosystem and make the most of the current moment to build on the momentum in the city and the post-COVID recovery to build a foundation for business development and wealth building that is specifically aimed at providing culturally competent services, a flexible set of capital products, strong mentorship and guidance, in a well-resourced, aligned ecosystem with technically skilled providers to allow small business and new entrepreneurs to thrive. The quotes below illustrate their sense of where the ecosystem is now, the gaps at the ecosystem level, and challenges and opportunities for building a more equitable ecosystem to support diverse entrepreneurs.

Sense of passion and energy for ecosystem building. Many noted that the ecosystem is growing and there is a sense of energy and enthusiasm for the work.

“I think there's been more investment and more excitement.” (ORG 1)

“In general - there appears to be a renewed sense of passion and energy to support and build the ecosystem” (ORG 2)

“Now what I see happening is, on the favorable side, I think that there appears to be much more collaboration than before.” (ORG 3)

“I think these local trends are happening at the right time and also this huge force that is happening technology wise, all of which is contributing to the different ecosystem that we have now. Not to mention the democratization of capital through The Jobs Act and more recently with fintech AI platforms that will improve access to capital to people who were denied before.” (ORG 4)

“Lots of passion and a lot of great thinking” (ORG 5)

“This may be the greatest time probably in my lifetime that entrepreneurs and minorities have the opportunity for real wealth attainment if they have the skills and are prepared to take advantage of the opportunities.” (ORG 6)

Desire to learn more about other ESOs and work together more systematically. Among the ESO leaders, there is a desire to work with each other more systematically and to know more about each other's capacity and plans. Knowing more specifics about what each other are doing helps ESOs work better with the entrepreneurs, some of whom are utilizing multiple ESO services.

"I'd love to see higher efficiency, a road map so I know where to get what. What do I need to get different resources? Also, where everyone focuses on what they are really good at. Recognize who has the strengths, that would be the idea." (ORG 5)

"I think that information of where (co-working spaces) are located—that needs to be disseminated. So I know how they can join up. It can be difficult for them to find all that information. I wish that we would pull all that information in one area-- on certain websites such as the Chambers website, places that people think to go to get information. That would definitely be very helpful." (ORG 6)

"(Other ESOs) have been sending people to our cohort program and we're also been recommending some applicants who are not really ready for our program to other organizations.. Now, I think what comes next is to see if we can formalize that in a way that is very clear...I want to know more about what those other organizations really do, what their process looks like and where they start and where they end. More importantly, I want to learn from what works. What is really working that I could use or partner with." (ORG 4)

"Well, I think we should do more. I think we should meet more, honestly. I think the ecosystem, should be better defined. Everyone needs to know everyone's capacity, we all should know what everyone is doing, what we are all capable of, or what we really want to do. That's going to be helpful, and then I think we should bring some synergy collectively, you know because we have accelerators, we have some matchmaker things. But what does all this mean for the entrepreneur? That's what we have to talk about. I don't think we've had that total conversation." (ORG 6)

Danger of the gaps. ESO interviews stress the importance of building more connections between organizations and a recognition that a single organization serving the entrepreneur, especially newer ESOs still making connections, may not be able to connect entrepreneurs to the range of resources that exist in the ecosystem and that are needed by the entrepreneur.

"(I see the other programs and the training they get and am excited by the enthusiasm of the graduates but then think...) Wait a minute...there's a gap here. They're getting this level of training, but what happens when they finish and graduate from the program? Great graduation ceremony but there's no next steps, so as we're getting to know organizations we're seeing where the gaps are as well." (ORG 2)

"We have a certain expectation about the work that has been done before us with other organizations, and if they haven't done things well, they are playing with people's livelihoods." (ORG 5)

Need for leadership and clearly defined structure for the work. Interviews pointed to the need for leadership to help the ESOs work on initiatives at the ecosystem level. Respondents also expressed a desire for more transparency and sense of direction to the NHE3 and broader ecosystem building work. Interviews mentioned the tension between individual agendas and ecosystem level agendas. Several noted that the NHE3 council work got off to a bumpy start with the use of multiple vendors and the lack of communication about why. The interviewees expressed a desire that the work of the council be purposeful and action oriented--more than just talk.

"I think it should be a continuum. How are we going to make that happen? I just think that right now we think that having an organization that guides and aligns resources towards the end goal is key, such has been the effort of TCF, acting as the "adult in the room," is very helpful. Without that, it is very hard for the ecosystem to simply happen. Need someone to nudge everyone to think through what that would do, to motivate each other's participation and to enjoy progress in a clearly defined path." (ORG 4)

"In order for [NHE3] to be successful, less of the "me" focus. It works better when we focus on question of how can we help strengthen brand new entrepreneurs? Everyone wants to be on stage and be a star." (ORG 5)

"There's a perception of a lack of leadership. And there's also a perception that they really don't know what they're doing, especially when you have (one vendor introduced), now you don't...And then you just sort of try to cobble things together and Stevie Wonder can see. You're going to lose credibility real fast, if you don't pull this together quickly. It's not going into a room and asking people if you are a flower. We are business people, let's get down to work, tell us what we are going to get out of this effort." (ORG 3)

"We can have the conversation, we keep having the conversation, we've been having this conversation 25 years and probably beyond my time. But, then the needle doesn't move, right?" (ORG 2)

"It's just a nice political talk and everybody talks about it a lot. I want to see measurable results, I want to see what success means." (ORG 4)

"I enjoy having the conversations and the dialogue, I get frustrated when I'm not sure where it goes after this. Because I've been involved on different levels, not with the entrepreneur ecosystem, but we've done this in different systems around New Haven for years, so this has to be more than talk. So I'm looking forward to seeing the action plan. And everybody's role in the action plan." (ORG 2)

Scarce funding leading to competition and tension. Many ESO leaders remarked on the competition for organizational funding. The lack of clarity about how the funding flows, why some ESOs are funded one year and not the next, and a sense of secrecy about how ESOs are supported creates some trust issues, and fear about having intellectual property taken by others. It is noted that the competition for scarce funding undermines the ecosystem building collaboration effort and also limits the learning that could come from a more open collaborative environment.

“There is still competitiveness between organizations. That lack of trust extends to organizations and leadership within organizations and, partly I think it's the environment in the system. There's a pool of money. And everybody has to scratch each other's eyes out to get the money at the table and so that doesn't really create the opportunity for collaboration. Not true collaboration, sometimes the collaboration is because it just makes sense for us to be able to access the funds. That's not a true win, win. I think that's part of the issue. I don't see that that has necessarily changed that much over the years, I think the language is more sophisticated, but I think it's the same issues under the surface.” (ORG 2)

“We're all sort of like competitors, but we competitors are also collaborators. For us, we've always viewed other ESOs as value adds to the community, because we get so many more entrepreneurs than we could possibly serve...If I had to share like one difficult piece of engaging with other players in the ecosystem it has been about stepping on toes and how to really gracefully navigate that and to always center the entrepreneurs experience and come together. Because, at the end of the day, we are all trying to serve our entrepreneurs and we can do it better together, but I think sometimes it takes a little bit to get there; and that makes sense, we live in a city with scarce resources...so I think a lot of it is super normal. But that is an experience, I think that all of us have had.” (ORG 1)

“From the perspective of the grant money and the money that's available, I feel like it's always a moving target. I feel that the funds go to people that people know-it's sort of like friends and family with folks helping each other out. And it is just not clear to me as to why. There is enough to spread the wealth. Especially when you're getting turned down for money, it's like seriously? We're doing exactly the work that you're saying that you want us to do, what you need to have happen. Maybe you're trying to spread the wealth? I don't know. So that's been discouraging.” (ORG 3)

“Lots of passion and a lot of great thinking, but there is also a sense of inauthenticity, a reluctance to collaborate; what we are concerned about is who will take what and run with it in a different way.” (ORG 5)

“Trust amongst the ESOs, The Community Foundation and all others who do this work is important. We share ideas and our intellectual property, which should be respected and not acquired.” (ORG 3)

“There are so many pieces to this, but the trust aspect, somebody has to deal with the trust aspect. And then, if we're not going to deal with the trust aspect, at least be real enough to say that this is about the money and how we're going to divide the money and everybody just needs to claim this stake and we keep moving forward.” (ORG 2)

“It seems very disparate, it is sort of all over the place and when it's sort of all over the place like that it doesn't allow the learnings that could come out of what the ecosystem actually in fact needs.” (ORG 3)

Notion that overlap in offerings are not necessarily bad. Interviews noted that as new ESOs join the ecosystem, there is a tendency to replicate existing general education offerings by new ESOs, perhaps with small iterations, but that this is not necessarily a negative thing. Also a desire that all programs have their fundamental generalist training in the basics executed well.

“I get excited about a continuum of support. Overlapping services is OK. I think it's “both and.” I think that it will be really, really great for more ESOs to feel really connected to each other to pass entrepreneurs on and it's okay if there's redundant services because there's so many entrepreneurs that need to be served. Overlap is okay. We can do both of that and, obviously, we want to be sensitive to redundancy, but, to me an ecosystem that's really healthy has multiple organizations that can be doing some of the same stuff and also be attentive to working really closely together.” (ORG 1)

“The way the ecosystem will work well, especially in New Haven, is transparency number one, number two, groups working together. Because we're seeing some of the same people, we have to understand that! And it's that ladder I call it, you know in philanthropy you have to have so many touches before you can land \$1 from someone in philanthropy. In business, there's a ladder of success, some things you have to do consistently all the time in order to be successful here. That is the bottom line. You have to learn it somewhere within this ecosystem.” (ORG 6)

"All programs should ensure entrepreneurs have basic competencies and the basic tools they need to run a business successfully. " (ORG 5)

Entrepreneur needs-Specialized services & sector specific pathways. The overlap in the general entrepreneurship training offered among ESOs leaves a gap, interviews pointed out, in more specialized services, such as a bench of experienced professionals ready to assist with hands-on assistance and business development pathways into specific clusters of regional or national economy or programs to assist service business get ready for growth opportunities.

“When ready to move to the next level, we'd love some partners to fill in the gaps: build around us. Let's grow this. We are limited here. We can provide the foundation. Let's build a bridge out from here.” (ORG 5)

"The next level of services support would include: marketing support: low cost or no cost web presence, training on social media, hands on training for how different tools work together. Some entrepreneurs are afraid to utilize social media tools." (ORG 5)

"A mentoring program to plug into—haven't had a lot of luck with that. We would want mentors that have been in the trenches...cultural competency would be good, somebody willing to lend an ear." (ORG 5)

"We identified about 20% or so, who are interested, who have products that could scale more regionally or nationally, like a drink line or a hot sauce line that have ambitions to be larger and scale outside of the Connecticut market. But, for example, if a company wants to be a hot sauce brown that grows beyond New Haven, grows beyond even the State? Can they have an understanding of the bottled goods industry, the consumer packaged goods industry? Can they understand where they fit in and how they might think about that level of growth in the future? That's a gap." (ORG 1)

"Many businesses in New Haven are service businesses. Within the ecosystem there is definitely a need for expertise on how to help service businesses. It's one thing to say I have a product that is tangible, easy to see and touch. It's different trying to provide services because that deals with how do you price? Is it fair? Am I overpricing, underpricing? How do I grow? How do I navigate competition? All the way up to procurement, federal procurement, GSA schedule. If I'm in the construction trade, I have to be certified...As Congress considers a multi-trillion dollar infrastructure bill, our companies really should be thinking how they would take advantage of this. Hopefully, we have the ecosystem needed to come together quickly to be able to address the opportunities that are before us." (ORG 6)

Entrepreneur needs-Business acumen, alignment with funders and readiness to grow. In considering the areas where entrepreneurs could use more assistance and development, the interviews identified a large subset of the entrepreneurs coming through their programs as needing more assistance with basic business knowledge, ability to incorporate the classwork into confident pitches and sense of themselves as business people, rather than just people good at what they do (cooking, construction, etc). For some ESOs, the investors in their networks are looking for signals of that business acumen as part of their evaluation for funding. Other ESOs point out that the skills transfer must occur in a way that acknowledges that some of the barriers may be at the level of mindset as well.

"Telling the financial story is something that is lacking. So yes, they know what a profit and loss statement is, but can they really work with one? Are they tracking all of their expenses in revenue? And do they have a good understanding of the different financial levers that they need to push and pull to grow and be sustainable?" (ORG 1)

"Sometimes they are missing the very basics, we had a client asking "how do I communicate what I do, because I do everything from my heart, how do I communicate it the right way for the funders?" When we ask about how much capital is needed, she couldn't say." (ORG 4)

“We've seen a gap on where our ventures leave our program and what level of investment and kind of investment those funders are interested in and where the ventures need to be in order for the funders to feel comfortable to invest. Based upon some of those exchanges that we've had in conversations with funders, we've been, not exclusively but sort of, changing and adapting our programs, to make sure that our ventures who do need that level of funding or do need loans or different kinds of investments can be better equipped to navigate those conversations with more ease. Especially with the financial picture and the marketing plan and growth plan of what they're trying to do.” (ORG 1)

"Cash flow, financials, and a business plan that is where the real work needs to be done." (ORG 5)

“Some of the competencies that I clearly see are lacking is financial capacity...understanding finances and understanding how that applies in your business. But it's deeper than that, one of the things that we're working on is building a Black financial literacy program. There are education programs of a technical nature, all over the place. How to do your cash flow, or how to use Quickbooks in your business, those classes are everywhere right now. But what if in my mindset I don't feel good about handling money, because my history is not good with money. Or I don't think that I deserve money. What if I have a fear of money, and in that case, my mindset isn't correct, so I won't even open the bills because I'm afraid of what my bills will look like. We've got to deal with that mindset piece first and there's a Black psychology that I'm interested in really digging into. To understand how we see money, how we think about money, what are the blockages, how do we remove those blockages. And then, once we can get there, then we can look at your personal finances. Start there and then you build the technical skills into your business skills.” (ORG 2)

Entrepreneur needs-Back office and generally being set up for growth. Moving beyond bootstrapping to growth is a big constraint to scaling up many businesses in the ecosystem identified across interviews. Interviews stressed the importance of building interventions in the ecosystem to help a bootstrapping business, started with a little savings and family loans, into a fully functioning business, with a business account, taxes in order, bookkeeping systems and timely invoicing, payroll management, etc. Interviewees felt that the COVID-19 relief program statistics showing entrepreneurs of color were less able to access relief highlight the need for more back office technical assistance. At the same time, the funding flowing into the ecosystem for COVID-19 relief represents an opportunity to develop an ecosystem-wide initiative to build capacity in this area.

"There were funds that businesses lost out on because they did not have the banking relationship that we stressed, they used alternative institutions rather a traditional bank" (ORG 5)

“What was not really considered is, it is not as easy as here's the money and we give you the money. We have to prepare the businesses to be ready for funding. To get somebody ready, you'll say bring back your business plan, let's look at your business plan, and it could take them six months to come in the door. Then you find out, they didn't have a business plan, so now we

have to work with them one on one. Sit down with them, chapter by chapter, literally hand holding. So this is not A, B, C, D and then you're done!" (ORG X)

"There is an enormous disparity between who understands what among the businesses on our list...Need to get a loan, can't get a loan, we ask why couldn't you get that? Can't find your taxes or didn't file your taxes? Well, you have to have at least done that. Or we have successful businesses, but they are undocumented. Don't have the right to work or the right to own a business, and have no access to financing." (ORG 5)

"There are tax issues, I do run into a lot of those. So sometimes you're not eligible for funding because maybe you have to make a payment arrangement on your taxes, and that will knock you out of a potential funding." (ORG 2)

"I have found many Black and minority contractors lacking the skills to handle their back office. For example, filing corporate taxes on time, bookkeeping, contract estimates, and the paperwork necessary to access capital." (ORG 6)

"(With Federal contracts) "can you be audited, do you have a system in place to do that, and are you ready? That is a big deal with the Feds." (ORG 6)

"It takes work, effort and expertise, not complaints for the lack of resources. There is a lack of experience in taking a contract and using it to set up a line of credit, securing bonding at the right level, ensuring capitalization levels for that 60-90 day reserve period. That's just common sense to me. Some don't think that way. They think, someone is getting over, someone is taking advantage of me, and I'm like, no! You are just not in the best position you can be. Why don't you have a higher bond than you have? Why are you waiting until the last minute? Why don't you have a credit line established? You've been in business five or ten years. Who's fault is that? These are the things I question them with—not trying to beat over head with it, but these are the facts. And now that we know the facts, let's address them. That is what the ecosystem can really do that will make systemic change in this area. We need to really address the problems that minority businesses are facing. For the majority of them, it is not an issue of getting the work, it is what follows after the work. Having enough funding to pay employees, keeping inventory levels up, and the paperwork that follows contracts, especially at the municipal, state and federal levels. Things like that. I realize some of these guys have a skill but never became businessmen. Those who did, excel. Those who don't, are complaining and still struggling. If I look deeply into your company, I can see the problem. And the problems are not just with one company. They are across the board and that's why I know it needs to be addressed." (ORG 6)

"Access to capital is one of the biggest problems for small business, especially for minorities and women, who find themselves many times undercapitalized. They don't have money for back office set up and support and in some cases are barely keeping the lights on. Many minority business owners bootstrap their businesses, borrowing money from the little savings they have and family and friends. We are asking ourselves the question, how do we move these businesses from the bootstrap stage to fully scaled. That is the problem. How do you transition?" (ORG 6)

“I think there should be a coordinated effort and TCF should spearhead that as the fiduciary and then work with others to provide the technical assistance. We can help new businesses, that's great. But I think we should shore up our businesses that already exist. Find out the problems that they're having and address those problems. I think that's what's going to help. It's going to strengthen our neighborhoods, it's going to strengthen our city overall. We have to do it.” (ORG 6)

Entrepreneur needs-Capital. ESO leaders all pointed to access to capital as an important area of need for the entrepreneurs they work with in their programs. Most highlighted the need for businesses at the early to middle stages of growth, particularly given the wealth disparities in the population. Respondents emphasized a need for small grants or low cost loans out of revolving loan pools and flexible products, like small lines of credit that could be utilized by brick and mortar, office based and home based businesses. Respondents also emphasized the need for scale up as well as start up funding. Support to invest in the systems to prepare the business for scale up growth is identified as a need. ESO interviews also highlighted the higher levels of support that would be required for an entrepreneur to work on their startup full time.

“Pools of capital everywhere from \$5000 to \$30,000 for entrepreneurs who can't take on as much risk don't have as many assets. So I think that overall there seems to be a gap in the ecosystem in smaller amounts of loan opportunities and products and then also grants for entrepreneurs to get started, no strings attached, just the ability to start things off and have the funding to be able to do so.” (ORG 1)

“The primary barrier is always going to be the capital. If you want to start a business, you have this beautiful dream and you've got less than \$3,000 in most cases to put into it. You're working a part time job or full time job and still have to get your kids and you're trying to do it at night at the kitchen table. You know those are still the barriers and, in our case, that hasn't changed. You can talk about the wealth gap and all those kinds of things, but we do not have a history of family members who passed away and left a legacy to start a business with, that is not our history. For the most part, we don't start with \$100,000 or \$200,000. We don't have folks who pay for our college education, because grandparents and parents planned and had that all set aside, we just don't have that. So when you take those factors you're starting on a smaller scale, to start with.” (ORG 2)

“(Capital that is most needed) is in the beginning to the middle stages of growth, the startup phase, and then the scaling phase. These businesses are providing a living for people and there can be a survival mode mentality. I look at their behavior and think why don't you spend money on your back office? But it's because they spent money on that utility bill for that new light bill. Or my insurance is due, so. they didn't buy the latest software and didn't go out and learn how to estimate the right way.” (ORG 6)

“What kind of capital do they need? They need flexible financing to be able to grow their businesses. I've had a number of businesses that potentially could have contracts, if they could

have some money up front, to be able to invest in equipment or invest in inventory. And then they can get the contract, or something to tide them over until the contract gets paid.

Low interest, giving them time to pay, maybe zero interest for a while.” (ORG 2)

"Have grants more readily available, more money needed that is easier to get. Micro grant fund: \$5-10K." (ORG 5)

“Low interest revolving loan fund” (ORG 5)

"There is so much forgivable stuff for big guys, but they hold the small business person to a different standard.“ (ORG 5)

"We say we are a second chance city, sanctuary city, can we provide funding for undocumented business owners?" (ORG 5)

“Usually it is the credit that is the issue...If you have a 650 or higher I can take you to a commercial bank. If you can get to 636, 625 I'll open up the phone and make some calls because we pre-sell you to the bank. Anything less than 650 you are in the micro lending world.” (ORG 6)

“There are still a lot of folks with credit issues, but the issue with that is on two sides. So one, yes, you do need to get some help to fix your credit. But while you're building your credit, on the other side of the fence, funders need to look at something other than just a credit rating, to be able to help connect to capital.” (ORG 2)

“A lot of our entrepreneurs already have full time jobs that are sustaining them and their families. Just getting \$15,000 doesn't sustain their salaries, and so they feel a lot of risk leaving a job that they already have. And so, in that case, the need is quite large. If we could get the kind of capital that a venture would need to give themselves a living wage while they enter into and work through some of those early phases, like startups coming out of Yale get, that could be really transformational for a lot of our ventures.” (ORG 1)

Providing technical assistance at the right time, or in the right combination with other supports. Respondents noted technical assistance and business development services should be combined with capital rather than a model where general education is followed by capital acquisition. Interviews stressed that technical assistance linked to capital gives support at the very moment the entrepreneurs need it. Similarly, interviews suggest that business development, which can be described as helping the entrepreneur think five levels ahead of where they are now, is valuable in combination with helping an entrepreneur take on debt to invest in back office systems, since there can be a mindset dimension to making that transition from bootstrap to scaled business.

“I think technical assistance should go along with money. So it's one thing, a person says, I have an idea, I need \$50,000, but they don't know how to run a company. You're really setting them

up for failure at that point. To me, that's what's missing. The transition is important. We have accelerators helping entrepreneurs to take the business idea, give some formalized training, but you can't just leave them there! You have people that have never worked for themselves a day in their life, now all of a sudden they're responsible for everything, you know, the payroll, the bills, taxes, keeping the lights on, making the food, whatever it is. You've got to give them something there. That's a missing variable.” (ORG Y)

“To be able to scale from there, I think you know a lot of businesses and entrepreneurs are just happy if they've got enough money to take care of their families and it's enough to put food on the table. There isn't always the thought about growing that business and scaling that business. We have scaled the business adding employees and they're just happy to eat. But that's again a part of that mindset. So you've got this business now, do you have any dreams about the next level? What are your dreams? Unpacking all of that doesn't happen a lot in this environment. There's a psychology- business disconnection somewhere. I don't know what it is, but I'm very intrigued to try to dig in and find out.” (ORG 2)

“In the (training and advising), we ask from where you are now, you want to take five levels beyond. Because they have to get them to that mindset to think bigger and to be open minded to think out of the box. It's a paradigm shift.” (ORG 6)

Entrepreneur barriers and strengths. Interviews noted that some of the entrepreneurs they work with are juggling quite a bit, may have histories of trauma, and might even be working more than one job. Strengths identified include grit, passion, resilience, a knowledge of their community and creativity. Young people were identified as a generation with ambition, a desire to make money through entrepreneurship and to combine entrepreneurship with pro-environmental activities.

“It's like a double edged sword, there's sides to it, it can produce resilience and but the system is oppressive, especially for a lot of people of color and women, and so a lot of entrepreneurs come our way and they're single moms and they just have a lot going on, they may face specific kinds of traumas. They may be working multiple jobs, and those are real barriers to being able to start something and to be able to have the time, the capacity, the emotional capacity. And I think it's a real part of the experience that our entrepreneurs face in trying to start something. Their familial circumstances or just the circumstances of their lives, whether it's related to their occupation or their family situation, often can come up.” (ORG 1)

“In low income sectors, many people are working more than one job to make a living not only for themselves, but also for their extended families as well. They don't have access to daycare facilities or transportation, so it is really admirable to see when low income BIPOC founders make it.” (ORG 4)

“This is an extremely creative and resilient group, if I could make a blanket statement, I will start there. In general, no matter what happens and gets thrown their way, they find a way to struggle and claw their way out of it and come out on top, at some point. That's one of the things I love

about this job in this role, because that's the type of people that I get to work with every single day.” (ORG 2)

“The millennials, generations Z, X, they know nothing about (Jim Crow era, Civil Rights era). They barely know about typewriters, let alone pagers or beepers. They are used to just picking up their phone and having things done automatically. They think business works like that too. But they don't fully have all the tools that they need. But what they do have is they have an author mindset, because they have a technology mindset and they're always looking to work less. But make more money. That is the new mindset of young people.” (ORG 6)

“Career Highschool has a Shark Tank. They have a competition, I've judged that in the past. Some of the kids have interesting ideas. For example, one young man took old sneakers. And they repurpose them and they paint them, design them. I'm like what?! You are charging how much? A lot of money too! What else do you guys do? Things that we take for granted, they're finding businesses for. A lot of repurposing, when it comes to the environment, green, nutrition, they are into all of that!” (ORG 6)

“I'm seeing an uptick in the number of Blacks in technology businesses and that's an exciting group, what kind of support do they need? How do we get venture capital to that group? That's a whole thing that I think is brewing and growing and could be something.” (ORG 2)

“They come to us with a lot of passion and energy and grit. They're really good at sort of like being in front of people, talking to people, meeting people. They have a knowledge of their community and their customer base, based on their own experiences, as well as stories from their communities around who are the people not being served right now, or the market needs or community needs that are not being filled. And they have the guts to say, I'm going to fill it.” (ORG 1)

What does it mean to design an inclusive ecosystem? In terms of considering the work at hand, how to build an inclusive ecosystem, several ESO leaders expressed a desire for a process that will truly allow more marginalized voices to have a say, not to just sit at the table. ESO interviews highlighted the systemic nature of the work of building equitable ecosystems; it is not just about bringing more entrepreneurs into the pipeline but creating the conditions so that entrepreneurs can receive trusted guidance from a diverse network of service providers and investors. Interviews revealed that diverse leadership is very meaningful to the entrepreneurs and investors in the space. Respondents noted that there is a history to the distrust that can imbue the current work. The interviews contained a sense of urgency about acting in a transformational way and conveyed the sense that now is the moment to think big.

“We have these beautiful events and we come together and we say what can we do to fix the system. We'll bring in consultants and they get paid a whole lot of money (that's another whole subject!) but the needle barely moves. Because we've never dealt with what is below the surface of this. Not in a realistic way. And in many cases, we still have not heard from those who have

been left out...marginalized. What are we doing to make sure that those whose voices have not been heard are really heard, not just at the table, but have voices of power somehow.” (ORG 2)

“It's not just about the entrepreneurs and finding sourcing entrepreneurs, it really is about creating the true networks, that's what is lacking.” (ORG 3)

“The people who make the decisions, the people who are involved, are not the ones who are at risk and have stakes. They are not involved in making the decisions.” (ORG 2)

“I want to make a comment to make a point to you and I don't want you to take this personally. Yale University has not been a trusted group with Black people in New Haven. It is not a hidden fact that's how people feel. Whatever the reasons are, over the years, even though it may have gotten better, as a group, there is not a lot of trust in Yale and yet when this kind of thing happens they put Yale in the seat to be able to ask the questions, and lead the research again. Right, so if you were listening to us (not you personally) if they were listening, they might start the conversation by really hearing us. If we don't trust Yale, why would you put Yale in the seat of asking us the same questions? Point is, folks don't really listen to each other. And they keep moving forward with their same agenda. Without hearing. And that is the problem.” (ORG 2)

“And, to be honest with you, people like it when I show up. When they see me, they see a person of color in this role, I can't even tell you...the expression on their faces. I get people coming up to me after the pitches or the events and they say, you know, you are so inspiring, just to see you there is so inspiring. And that makes a difference for the entrepreneurs, even for investors...seasoned investors. They say, wow... because a lot of them are afraid to bring people who look like me to the table.” (ORG 3)

“I try to tell it like it is. Every day is not a good day. You are going to have bad days, some days you're not going to make money, some days you are not going to get paid. I'll tell them from my own experience. I've been an entrepreneur since I was 22 years old. The real life stories are meaningful to them. Don't look at me today, look at me when I was broke, homeless...when I failed in this business, but I started another. Or some of the former graduates we bring in. They tend to gravitate to them because they can see themselves in their shoes. And it's not a professor and they're way over here and you don't relate to them. We come to them on their level. I know what it is to hire my first employee, and my 10th employee. I know how it is to meet that payroll when I didn't have all the funds and I needed to figure out how to do it.” (ORG 6)

“Connecticut really wants to be on the map. Because, you know, they think, oh we're between Boston and New York and we're this quiet little gem and there's so much available. No, it isn't. When they have these think tank meetings, in Stamford, Greenwich...The last meeting I attended, there were maybe 70 to 75 people, of those maybe seven were women. There were only two Black people in the room.” (ORG 3)

“When we have this discussion about inclusion in the ecosystem...the conversation doesn't bubble up from people of color. It always comes the other way. It's a flawed premise, to start

with, so how can we all get along? That sometimes feels like more of the question, how do you want to get along? We have to look at that. Trusting and that really means that you have to be your authentic self and you have to be honest about what your real goals are and what you're hoping to achieve, and I have to be as willing to be as honest about what my goals are and what I'm hoping to achieve. And when I sit at the table and say that it's important for us to have, for example, our own pool of funding, that it is not to be offensive to you. It is just a reality for our community and folks have to be able to step back and say yeah, how can we support that rather than how do we not make that happen because it's going to mean that I might lose a funding stream.” (ORG 2)

“And I think for me, being Black and living here, it's easy for some people to relate to people that look like them...that have had the same experiences. I think that's important because it's a trust factor. With the pandemic vaccine... well if you didn't give us smallpox, if you didn't give us syphilis, in Tuskegee, Alabama in the early 1900s, maybe we would take this vaccine. But because you have a history of treating people badly. That's why in Mississippi, Louisiana, Alabama we have 30% vaccinated, while the rest of the country is getting too close to the 70s, the level the President wants. You know this is a prime example of problems we have in our country when it comes down to entrepreneurship. The problem is every time we were successful, whether it was Black Wall Street, whether it's a Black community in Florida, you destroy it. So, every time people come up, you try to destroy it.” (ORG 6)

“I would want to be able to have the input from the governor, I would want to have the input from other political leaders, I would have input from aligned business firms and corporations. And again, not just to say we have a diversity and inclusion program. Because what people have to realize is in 2035, I think that's the year that the demographic of how we look will be changed. And it scares me because I wonder, are we going back to somewhat of an apartheid kind of situation? I don't mean like you know necessarily to that extreme, but the worst thing you could have is a minority population that looks one way and a majority population who are the laborers. We need to do something radically different. That's how it looks to me, it just can't be these one offs.” (ORG 3)

View of funders to the ecosystem. Interviews contained many positive reviews of funders supporting the ecosystem, describing them as supportive, accessible, and good listeners. Areas identified for improvement include: longer term funding, a sense that there are tight pockets, that the criteria for funding is not always clear, seems like friends and family or usual suspects always getting the money, and that funders don't always move at speed want them to move.

“We love working with Drew. He's extremely accessible, he's not distant, is honestly hands on, he's good about just clearly caring about our work. He is hands-on enough, but he isn't very interested in getting into the minutia or like micromanaging the work that we do. And he gives us really good strategic advice when we ask. It feels amazing to have a connection at The Community Foundation, the largest philanthropic institution, specifically on the venture side who we feel so close to—we don't take that for granted, it's not a given that someone like Drew and his position is just so relational and accessible. So that's amazing.” (ORG 1)

“I was privileged to talk to the CFO of TCF four or five times about models and all that and geek out about all these exciting models and vision. And I was like oh my God, this is so great, I have enjoyed the whole journey.” (ORG 4)

“I’ve always been impressed with TCF’s willingness to listen from the ground up. But having said that, they also sometimes don’t move at the speed that we need them to move. And the other thing about TCF, or funding organizations in general, is they have their own agenda.” (ORG 2)

“One particular major funder wants to see explosive job growth and they’re more like sort of what you would consider more traditional entrepreneurship and startup focused, so they want to see growth, they want to see job growth, they want to see investments being raised. And they haven’t quite figured out what it means to support small businesses who might, in the short term, maybe support one or two employees. So you know this particular funder asked for a lot of metrics around that on a quarterly basis, so we track everyone and it’s fine, right, we do it, we know it’s important and we’re grateful for their support, but I think it’s not always totally aligned and what they want to see. But the work that we do still satisfies them and makes them intrigued and they continue to fund us. So I think it’s kind of a mixed bag, I guess, with them, we are not really aligned at a fundamental level, but still get along great right, and then we do what we need to do to give them the metrics they want on it and they’re like thank you. I think they’re just not thinking about small businesses, and I think those are just the metrics they use.” (ORG 1)

“They’ll put out an RFP and expect that you can provide the data, the charts, be able to describe yourself in certain ways and for small organizations, they don’t have that internal capacity. So we don’t even get to the gate to start with. And I wish that they would recognize that and maybe tier their services. If you’re in a tier one organization, and you don’t have a certain capacity, then, maybe your grant application is slightly different or maybe it’s partially based on your relationship with the director, or what they’ve done, but in a different way, or how they tell their stories. I don’t know creative ways to provide financing that’s not just about an application. And how well you score on an application, and of course the question for me always is who scores the applications? What’s your matrix to start with on your rubrics?” (ORG 2)

“I think what would be effective, if you’re looking at allocating grant money, make it for a period of years. Do a four or five year gift, give organizations an opportunity to have a runway, right? Really think about it from the perspective of a period of years, as opposed to, you know, one and done, and you have to apply again.” (ORG 3)

“The legislators approve funds for the funding organizations and ESOs and they want to see transformational impact but oftentimes only provide support for a 4 month cohort while asking to track progress for 1-3 years. I am hopeful about the effort that the Community Foundation through the NHE3 is doing today to align resources to provide a roadmap for effectively deploying capital.” (ORG 4)

“It seems as if the pocketbooks are so tight in terms of giving funds yet it’s sort of been the same, usual suspects getting the money.” (ORG 3)

“We had a conversation with a legislator, there was one of the legislators asking someone in the biotech industry saying ‘hey, we’ve been backing you for so many years and you’re still not making money and I’m so concerned. And this person from the biotech industry said ‘biotech needs to be funded indefinitely because these things take so many years to really happen.’ Well, why don’t we have the same conversation for the poor sectors in the community? Why don’t we have that same conversation? Biotech takes forever, okay, how about this? The narratives are just so contrasting because biotech is so sexy. And I don’t want to put one against the other, what I wanted to point out is the narrative. The narrative is something that we need to really examine.” (ORG 4)

“One challenge that I think funders have is tying in the non-institutional with institutional money world which for the most part is a question of scale. Institutional capital is at its best in years when it comes to supporting the BIPOC population. The question is, how do we build bridges so that this capital flows downstream and also upstream? These are structural issues and enabling technology to bridge the gap is part of the goal in reducing the asymmetries in income and equity.” (ORG 4)

“I do like the fact that the Foundation is thinking outside of the box. They have their own money, their own funding pool, with the Mission Investment Fund, they should have done that a long time ago. Glad they are doing it now. Coming at a key time, there is money coming down the pike, someone has to be responsible, someone has to be the fiduciary on it, someone has to have the bandwidth. Good thing about TCF is that they have the bandwidth. That will attract other donors, other dollars, and could become a model throughout the country. I’m all for it. When it comes down to unifying the efforts of the ecosystem, I’m all for it. How you go about it, is still a question.” (ORG 6)