

LOS ANGELES CITY COLLEGE FOUNDATION
U.S. SMALL BUSINESS ADMINISTRATION CONGRESSIONAL EARMARK PROGRAM 59.XXX
FISCAL YEAR 2010
TECHNICAL PROPOSAL

ABSTRACT

Los Angeles City College Foundation will use its Congressionally-directed grant of \$150,000 for the development and implementation of the East Hollywood Entrepreneurial Training and Small Business Program, through its on campus WorkSource Center, to provide bilingual (English/Spanish) small business training, technical assistance and access to capital for micro-enterprise owners(\$50,000 to \$4 million), as well as entrepreneurial training that principally targets youth and laid-off workers in the 31st Congressional District. The two main goals of this program are to: 1) encourage the development of new entrepreneurial business ventures by furnishing an entrepreneurship assessment, blended on-line and classroom-based training, one-on-one technical assistance and access to capital start-up financing to youth and laid-off, older workers, who meet the LISIL low-to-moderate income rate, as a means of generating alternative self-employment opportunities; and 2) support the survival and growth of micro-enterprises by providing the owners with blended on-line and classroom business and management training, technical assistance in developing marketing and finance plans, and access to capital through Small Business Administration and American Recovery and Reinvestment Act lending programs. As a result, the East Hollywood Entrepreneurial Training and Small Business Program will create a minimum of 20 jobs, expand minority businesses' access to capital, and maximize the potential of innovative micro-businesses to succeed in the current challenging economy for underserved residents in the 31st Congressional District. This program also will establish a stakeholder board with the overall purpose of supervising and implementing the program's performance objectives, conducting additional outreach to other key leaders and stakeholders in the community and developing a sustainability plan to insure the permanent nature of this new entrepreneurship program in the area.

PROGRAM DESCRIPTION

Goals & Measurable Objectives

Goal One: To encourage the development of new entrepreneurial business ventures by furnishing an entrepreneurship assessment, blended on-line and classroom-based training, one-on-one technical assistance and access to capital start-up financing to youth and laid-off, older workers, who meet the LISIL low-to-moderate income rate, as a means of generating alternative self-employment opportunities.

Rationale: The current unemployment rate in Los Angeles for youth ages 18 to 25 years old is at 12.4 percent, while the estimated unemployment rate for older workers is in excess of 25 percent.

Consequently, more and more individuals realize the opportunities that exist for people who have their own businesses and the benefits that such small businesses provide to the surrounding community. Indeed, entrepreneurs drive America's economy, accounting for the majority of our nation's new job creation and innovations. According to the U.S. Census Bureau's 2002 Survey of Business Owners, self-employed individuals who have no paid employees operate three-fourths of U.S. businesses. In addition, nearly 80 percent of would-be entrepreneurs in the United States are between the ages of 18 and 34. A 2005 poll from Junior Achievement found that 68.6 percent of the teenagers interviewed wanted to become entrepreneurs, even though they know that it would not be an easy path.

Therefore, the East Hollywood Entrepreneurial Training and Small Business Program will provide blended on-line and classroom-based training, one-on-one consulting services and access to capital start-up financing (SBA Community Express Loans and Patriot Express Programs for Veterans) to help furnish viable self-employment opportunities for out-of-work District residents and "recently separated veterans" (RSVs). Indeed, studies by the Aspen Institute have shown that these types of business training and consulting services help move the working-poor out of poverty. When women, immigrant, and minority populations have the opportunity to become successful, self-supporting business people that cater to the needs of their individuals communities, local areas are revitalized and entire states can benefit. As a result,

the larger community goal for this program will be to provide for high-road entrepreneurship development as a viable income generating alternative for those unemployed, under-employed or expecting unemployment, by assisting in the development of effective business opportunities to generate income as soon as possible.

Measurable Objectives: The specific measurable objectives for Goal One of this program will be to 1) conduct at least five community outreach presentations to recruit youth and laid-off workers from the District for entrepreneurial training; 2) enroll 50 low-to-moderate income prospective entrepreneurs in two cohorts for participation in this training program; 3) insure that 40 participants complete this certificate program; 4) develop business plans and SBA loan application packages for 30 program graduates; and 5) create at least eight new jobs in the first year of this program.

Goal Two: To support the survival and growth of micro-enterprises by providing the owners with blended on-line and classroom business and management training, technical assistance, and one-on-one consulting in developing marketing and finance plans, and access to capital through Small Business Administration and American Recovery and Reinvestment Act lending programs.

Rationale: Micro-enterprises or micro-businesses are small, often home-based businesses that can mean self-sufficiency to those traditionally left out of the economic mainstream. These small businesses are the backbone of every community, and in this difficult economy they generally are the source of the majority of new jobs being generated. Warren Buffet stated that the economic recovery will be dependent on hard-working small business owners across America who will create the jobs that America needs. However, many micro-business owners in the 31st Congressional District are monolingual or Limited-English speaking, and generally do not have the internal management resources, access to consultants or knowledge of federal, state and community resources necessary maintain and grow their businesses during the present recession. That is because successful business ventures are about organizational

effectiveness and access to resources, and do not involve acts of “derring-do” as much as forming resource alignments and reducing the need for capital.

Consequently, this Entrepreneurial Training and Small Business Program will provide these micro-businesses with a strong foundation for organizational effectiveness, allowing their owners to set strategic goals and work towards economic revitalization for their local communities, by furnishing them with business and management training, technical assistance in developing marketing and finance plans, and access to capital through Small Business Administration and American Recovery and Reinvestment Act lending programs that they need to grow their companies and create more jobs in their communities.

Measurable Objectives: The specific measurable objectives for Goal Two of this program will be to 1) conduct five community outreach presentations to recruit prospective micro-business owners for participation in the technical assistance and loan packaging services available from this program; 2) enroll 10 micro-business owners to receive business assessments, technical assistance one-on-one consulting from this program; 3) develop business plans and loan packages for 10 micro-businesses; 4) enable at least two micro-businesses to increase their profits by two percent; and 5) create or retain 12 jobs in the first year of this program for the residents of the 31st Congressional District.

Outcomes & Benefits

The implementation of the East Hollywood Entrepreneurial Training and Small Business Program will achieve the following important outcomes. In accordance with the Small Business Administration’s mandate of 1) expanding access to capital; 2) providing tax incentives to encourage job creation; and 3) maximizing the growth potential of innovation small businesses, this program will provide micro-businesses and prospective entrepreneurs, who meet the LISIL low-to-moderate income level, with entrepreneurial training in business management and administration and one-on-one consulting and technical assistance to help them develop viable business and marketing plans. In addition, because this program is geared to assist those individuals and small business owners in the 31st Congressional District who normally do not

have access to capital and are ineligible to receive loans in the eyes of most major lending companies, this program will help 10 micro-businesses and 30 entrepreneurs with access to financing through the development of loan packaging and other applications for federal, state and local resources that will help them grow their business ventures. Also in accordance with the Small Business Administration (SBA) Certified Development Company statutory goal of creating and retaining small business jobs, this program, through its work with micro-businesses and entrepreneurs, will create a minimum of 20 jobs in the underserved areas of East Hollywood surrounding the College.

Moreover, this program's assistance to local micro-businesses and aspiring entrepreneurs will benefit the East Hollywood community through the development of new products and services for the area. These new products and services, in turn, will contribute to local economic revitalization and promote innovation and resilience in the community's economy. Finally, because this program specifically targets youth, laid-off workers and other marginalized groups from the impoverished neighborhoods surrounding the College, the training and technical assistance it offers will allow these economically disadvantaged individuals, regardless of their background, a real chance for alternative employment and success.

Program Management

In October of 2007, the Hollywood WorkSource Center opened on the campus of Los Angeles City College. This new WorkSource Center was the first of the City's network of WorkSource Centers to be relocated onto a community college campus as a best practices model for enhanced partnerships between the LACCD and the City of LA Workforce Investment Board system. The purpose of this new partnership was to tap into the education and training programs already available at LACC and create employer-driven courses and skills certificates for job seekers using the resources of the WorkSource Center. Additionally, this new collaboration supplies workforce literacy, job readiness, hospitality and retail and customer service training for the economically disadvantaged communities surrounding the College.

As a result, Los Angeles City College Foundation, in conjunction with the Hollywood WorkSource Center, will work together to develop and implement this entrepreneurial program. Staff members from the WorkSource Center will run the outreach, recruitment, classroom training, technical assistance, and one-on-one consulting for the development of the business plans and loan packaging. Specifically, Philip Starr, the Executive Director of Managed Career Solutions, which runs the Hollywood WorkSource Center, will focus 25 percent of his time supervising the implementation of this program on the Los Angeles City College campus. He will be assisted by Yvonne Torres, Managed Career Solutions' Case Manager, who will focus 25 percent of her time helping with recruitment presentations, participating in classroom activities, providing one-on-one consultations and collecting data for program reporting.

The Los Angeles City College Foundation will manage stakeholder coordination, along with contract reporting and fiscal management for this program. Specifically, David Ambroz, Executive Director, and Gail Scanlan, Associate Director, of the LACC Foundation will supervise the report monitoring and fiscal management of this program.

Finally, a Stakeholder Board will be formed with the main purpose of overseeing and advancing the performance objective of this program through continued outreach to other key community leaders and stakeholders, as well as by developing a long-term sustainability plan to insure the permanence of this important business creation program in the District. Potential members of this Stakeholder Board will include, but will not be limited to the following individuals, representatives and organizations: the Executive Director of Los Angeles City College Foundation; the Executive Director of Managed Career Solutions; a representative from Congressman Becerra's Office; a representative from City Council District 13; the Dean of LACC's Economic and Workforce Development Department; a representative from the Youth Policy Institute; the Hollywood Enterprise Zone Manager; and local banking representatives.

Implementation Activities & Timeline

The implementation of this project will begin August 15, 2010 with the finalization of outside consultant contracts for individuals assisting with entrepreneurial training and one-on-one consultations. It is important to note that work already has been conducted on determining and recruiting members of the Stakeholder Board for this program. This Board will meet on a quarterly basis (please see the Chart of Milestones) in order to oversee and advance the program's performance objectives, work on continuing outreach to other community leaders and stakeholders, and develop a long-term sustainability plan to insure the programs' permanence in the East Hollywood community.

Community outreach for recruiting participants for this program will begin September 20, 2010 for the first cohort of entrepreneurs and micro-businesses, and will be conducted through an established network of partners, including: the Hollywood Chamber of Commerce, the Los Angeles Chamber of Commerce, the Latino Chamber of Greater Los Angeles, the Latin Business Association, the Los Angeles Business Assistance Program (LABAP), the Hollywood FamilySource Center (operated by the Youth Policy Institute), Hollywood WorkSource Veterans Employment Assistance Program (VEAP), the State of California Employment Development Department, Korean Churches for Community Development, the First African Methodist Episcopal Church (FAME), and numerous other community and faith-based institutions. The particular outreach tools used to attract prospective entrepreneurs and micro-businesses for program enrollment will include, but will not be limited to: staff presentations at partner sites; print, internet and social media advertising; and brochures and flyers.

Once outreach presentations for the entrepreneurial training have been concluded, 50 potential enrollees will be given a two-day program orientation that will include a business skills assessment. This assessment will help to determine the participants' suitability for the program by testing their basic math and reading literacy and risk tolerance, performing a survey of the support systems available to them, and developing a history of their efforts to date in establishing their business. Certificate classes, then, will

begin for the entrepreneurial training program for the first cohort of 25 enrollees on October 25, 2010.

These participants will receive 20 hours of classroom training using the Small Business Administration's Alpha Entrepreneur curriculum.

It is expected that 20 participants will complete the 20 hours of training, take the post-entrepreneurial skills questionnaire, and receive a graduation certificate, while 15 participants will go on to complete 10 hours of one-on-one technical assistance to develop a business plan and submit SBA loan applications. From this first cohort of prospective entrepreneurs, it also is anticipated that four new jobs will be created in the community, in the first year of the program.

A second cohort of 25 entrepreneurs will be recruited in January of 2011. The program orientation and classes for this second cohort will begin in February 2011 with the same results as stated above of: 20 certificate graduates; 15 business plans and loan application packages developed and submitted; and four new jobs created.

As mentioned previously, recruitment for micro-business owners will begin on September 20, 2010, but will continue until 10 micro-businesses are enrolled in the program. Once an owner has been enrolled they will receive a business skills assessment and an overall needs assessment for their current business. It is expected that these business owners will receive 20 hours of classroom training in the areas of finance management, marketing, technology, E-commerce, human resources and networking. In addition, they will receive 40 to 60 hours of one-on-one consultation to develop a full business, marketing and finance plan, along with loan application and business tax-credit submissions. Finally, the training and technical assistance offered to these 10 micro-businesses will generate another 12 new jobs (for a total of 20 jobs for the entire program) in the first year.

Evaluation Plan

As part of the evaluation process, this program will have each potential enrollee fill out a questionnaire to determine the demographic breakdown of each program cohort, with collected information

to include: age; race; gender; family income (including measurement against poverty guidelines); language spoken in the home; English language learner status; veteran status; and neighborhood of residence. An attempt also will be made to collect certain information on a voluntary basis such as: ex-offender status; homelessness; substance abuse; and disability issues.

Potential enrollees for this program, whether for the entrepreneurial training or the micro-business assistance sections, also will be given a pre-entrepreneurship skills assessment that would include: basic math and reading literacy, risk tolerance, a survey of the support systems available to them, and a history of their efforts to date in establishing their business to determine their suitability for this program and furnish baseline information on the participants skill levels. A post questionnaire will be administered to each enrollee at the end of the training and/or technical assistance component to measure curriculum retention and skills improvement.

Ongoing data collection will take place among the participants as they proceed through the program, including: the number of participants oriented; the number of participants enrolled; the number of participants who complete the training certificate; the number of participant who develop business plans; the number of participants who complete loan packaging and submission; the number of participants who obtain financing; the number of participants who start their business ventures; the number of businesses that improve their profitability; and the number of jobs created in order to evaluate the overall success of the program. Finally, a year-end evaluation report discussing the “best practices” discovered during the process of developing and implementing the East Hollywood Entrepreneurial Training and Small Business Program at Los Angeles City College’s Hollywood WorkSource Center.

East Hollywood Entrepreneurial Training and Small Business Program
CHART OF MILESTONES
 August 2010 to August 2011

ID	Task Name	3rd Quarter			4th Quarter			1st Quarter			2nd Quarter			3rd Quarter		
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
26	Evaluation Plan															
27	Initial business skills assessment for Entrepreneurial Cohort 1				◆											
28	Follow-up skill assessment for Cohort 1						◆									
29	Monitoring of Cohort 1 progress in financing & establishing new business															
30	Initial business skills assessment for Entrepreneurial Cohort 2								◆							
31	Follow-up skills assessment for Cohort 2										◆					
32	Monitoring of Cohort 1 progress in financing & establishing new business															
33	Initial management assessments for recruited micro-businesses															
34	Follow-up management assessment for participating micro-businesses															
35	Development & submission of the evaluation report for the Entrepreneurship Training and Small Business Program															

Project: Entrepreneurship Chart of Milestones Date: Tue 11/1/11	Task Milestone	Project Summary External Tasks	External Milestone Deadline
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