MILE HIGH CONNECTS JOB ACCESS INITIATIVE

How do we attract/retain/grow:

- Locally-owned small businesses…
- …in high growth industries…
- …that provide middle-skill jobs…
- …in proximity to public transit?

2012 research papers on:

- Support/Technical Assistance Resources
- Public Policy/Program Resources
- Capital Resources
PURPOSE OF THIS STUDY

► Availability of capital wasn’t necessarily the issue
  • It was the lack of capacity of many small businesses to qualify for capital

► We concluded that TA delivery system in Denver:
  • Is somewhat fragmented/disjointed
  • Is fairly broad, but generally not very deep
  • Does not cater to the needs of existing small businesses

► We released an RFP and hired Mt. Auburn to:
  • Identify targeted/priority business clusters
  • Analyze the availability/effectiveness of existing TA
  • Make recommendations for a more effective system
OUR APPROACH

How can Greater Denver best attract, retain, and grow businesses with middle-skill jobs along high-frequency transit lines in the Denver region?

► Articulate priority business clusters to be served by the system
► Develop framework for small business technical assistance needs
► Assess current providers’ services and system gaps
  • Detailed Survey
  • Interviews
► Create matrix of provider services
► Develop recommendations to advance vision for regional system
TARGET CLUSTERS

Small Manufacturing
• Food and Beverage
• Publishing and Printing
• Advanced Manufacturing

Clean Tech
• Environmental Services
• Alternative Energy

Transportation & Logistics
• Trucking and warehousing
• Airport support services
• Aircraft repair and maintenance

IT/Data Processing
• Computer systems design; ISP/search portals
• Data processing

Small Professional Offices
• Professional and technical services
• Health and social service clinics and offices

Retail, Restaurants, Personal Services
Business Needs Framework

- standardized
- specialized
- customized
BUSINESS NEEDS FRAMEWORK

- **standardized** – a need common across businesses that can be delivered through training

- **specialized** – a need for which solutions and services apply to enterprises within a specific industry

- **customized** – a need for which solutions and services often depend on and need to be customized to a specific business
Individuals from all industries need to understand **bookkeeping and accounting**

**Regulatory compliance** is often applicable to an entire industry (but different between industries)

Developing a brand or improving the **efficiency of operations** is particular to each individual enterprise
TYPES OF SMALL BUSINESS DEVELOPMENT NEEDS

- Business/Strategic Planning
- Marketing/Market Development/Branding
- Business Operations
- Financial Management
- Human Resources
- Regulatory Issues & Compliance
- Innovation
- Executive Development

Many organizations offer these services in some capacity, but all these needs have components that require specialized or customized services.
Findings on Regional Small Business Technical Assistance System
KEY ISSUES ADDRESSED

► Type and intensity of existing services
► Types and sizes of businesses served
► Accessibility of system to users/service coordination
► System outcomes
► System’s major challenge
TYPE AND INTENSITY OF SERVICES

- Strong regional network of providers that deliver training and counseling services for many core business needs.

- Most assistance is not intensive with 10 hours or less of training or counseling per client.
TYPE AND INTENSITY OF SERVICES II: 
KEY SYSTEM COMPONENTS

► Effective use of SBA resources: active and well-respected SBDCs, SCORE, and Women Business Center (MiCasa)
► Active city economic development office
► Existing initiatives and incubators targeting technology-based enterprises
► Public policies & assistance targeted to support small and minority-owned construction and transportation firms
► Several providers tap into larger networks of private sector experts and mentors to support their clients
Most survey respondents reported providing specialized services to several target clusters

- Most providers not organized around clusters, but serve all businesses
- Exceptions: programs for construction/transportation, retail, and high-tech

Industry associations seen as valuable for industry specific needs

- Low survey response suggests they are not engaged with rest of system

Seven organizations reported new services in FY2013
TYPE OF BUSINESSES SERVED

- Businesses at all stages
- Particularly startup enterprises
- Particularly microbusinesses (<5 employees)
- Businesses in Denver AND beyond
- Women- and minority-owned businesses

Microbusinesses constitute at least 90 percent of the clients for SCORE, Metro Denver SBDC, MiCasa, Denver Public Library, and four other respondents.

Number of clients served per provider is growing!
Businesses’ awareness of and ability to access the right services cited as weakness

Most providers don’t proactively target who they serve, but assist any client who “walks through the door”

A strong spirit of collaboration exists within the region with openness, frequent referrals and communication among providers
Few providers had outcome data for the survey

Interviews confirmed:

- Many organizations are struggling with the best way to measure and track outcomes
- Organizations are separately developing their own metrics and approach
SYSTEM’S MAJOR CHALLENGES

► Little system-level coordination exists to address gaps and emerging needs
  • Business Support Coalition is working to play this role

► Funding cited as a problem
  • Average FY2012 budget for small business assistance is $489,000; drops to $210,000 without the largest budget

► Several TA needs are not well covered by current providers:
  • innovation, executive development, business permitting, environmental regulatory compliance, exporting, business operations, and human resources
SYSTEM’S MAJOR CHALLENGES II

- Duplication of services and training across providers
- Gaps in understanding others’ services to make good referrals
- System seen (to some) as siloed and less open
- System is bifurcated between orgs that focus on tech-based and growth-oriented enterprises and those serving minority and low-income entrepreneurs and “lifestyle” businesses
Recommendations

- Overall System
- Transit Station Linkages
OVERALL SYSTEM IMPROVEMENTS

➤ Create “governance and coordination group” to set shared agenda, advocate/implement system changes
  • Expanded Business Support Coalition can be foundation

➤ Deepen understanding of services & referral capacity
  • Identify/designate “service experts” for key functional areas and for targeted clusters
  • Convene events for providers to learn about and expand relationships with groups beyond the “usual suspects”
  • Explore certification standards for a network of “certified assistance providers” or “business advisors” in long term

➤ Create a “funders group” and investment pool to expand and improve the system over three years
OVERALL SYSTEM IMPROVEMENTS II

► Develop new programs and services targeted to firm success and growth:
  • Prepare young firms to transition to high capacity businesses
  • Build capacity for sustained growth and access to capital

► Create new competitions focused on successful growth businesses and advancing equitable growth
  • Denver Growth Challenge
  • Community Equity Challenge

► Strengthen info, marketing and outreach system
  • Web-platform with services, shared calendar, search tool

► Citywide effort to identify good prospects and connect them to technical assistance and transit station areas
LINKING BUSINESS GROWTH TO TRANSIT STATIONS

► Enhance transit-centered technical assistance services and incubation spaces
  • Deliver training and counseling around key station areas through dedicated spaces that use existing providers
  • Work with existing incubator/accelerator operators to create satellite facilities near key station areas

► Work with BIDs and property owners to establish recruitment and leasing strategies that target growing small firms with middle-skill jobs
  • Investigate need/potential for leasehold improvement financing to help small firms move near transit stations
  • Explore feasible tools to ensure space availability
Discussion / Q&A

Contact information:

Karl Seidman, Senior Lecturer, MIT
Department of Urban Studies and Planning
seidman@mit.edu
PHOTO CREDIT

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