

BUSINESS DEVELOPMENT

Technical Assistance for Start Up Businesses

Use these standards for technical assistance programs for start up businesses. Start up businesses are not established businesses but those that are in the early stages of development prior to generating income. Such programs include one-on-one counseling programs and peer mentoring.

Level 1: Program Feasibility Assessment

These basic criteria determine the feasibility of a technical assistance program for start up businesses. The focus is on the organizational and financial readiness of the program.

1. NEED

- a. Community Need
 - i. The program serves a need for start up business technical assistance.
- b. Market Study/Needs Analysis Study
 - i. The study confirms the need for, and viability of the program.
 - ii. The study informs the organization about competition, demographics of the potential entrepreneurs, and barriers to entry.
- c. Local Support
 - i. Neighbors and local community members support the program.
 - ii. The program is in alignment with local city, county, state and/or economic development goal(s).

2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do this program.
- b. The program is in alignment with the mission of the organization.
- c. The Board of Directors embraces a CED strategy and/or embraces the program as a part of the CED strategy.
- d. The organization and/or its partners have a track record of participating in similar programs.
- e. The organization has the financial and operational capacity to undertake the proposed program.
 - i. The organization can support the additional debt (if any) created by the program.
 - ii. The organization has qualified staff that can undertake the program.
 - iii. The organization has access to reliable, qualified vendors and service providers.

3. FINANCIAL FEASIBILITY

- a. Program cost
 - i. The program is affordable to the organization, and the projected cost is appropriate to the concept.
 - ii. The operator or staff providing the cost estimates is qualified and experienced with technical assistance programs.
- b. Funding sources
 - i. There are enough sources of funding for the uses.
 - ii. The organization has endeavored to secure all available competitive and noncompetitive funding sources for which the program qualifies.
 - iii. The actual disbursement of each source is timely and in sync with the needs of the program.
 - iv. The organization is aware of the compliance implications of each source.
- c. Cash flow
 - i. The program produces enough cash flow to support the proposed debt structure (if any).
 - ii. The program minimally pays for itself over time. It has a sustainable cash flow.
 1. If the program is low-cost or free, it is subsidized enough to sustain the program.

Level 2: Practical Considerations

These criteria are essential for a successful, operating TA program.

1. MARKET BARRIERS

- a. The organization understands why past programs have not worked and instead addresses prior issues in innovative and alternative ways.

2. DEVELOPMENT TEAM & PARTNERSHIPS

- a. The organization has assembled the best team for the project, including translators, outreach coordinators, counselors, trainers, and management staff.
 - b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to operate the program.
 - c. The program is supported by public sector, private sector, and community partners.
 - d. Through an open dialogue with the community, the organization has sought and incorporated community participation in the program.
3. SITE CHARACTERISTICS
- a. The location makes sense for the program and the target participants.
 - b. The project is located near or adjacent to transit.
4. PROGRAM DESIGN & OPERATION
- a. The program is run in the appropriate language(s) to the target population(s).
 - b. The program is culturally appropriate to the target population(s).
 - c. The program is tailored to the geography of the target population(s). For example, information about business licenses is in accordance with the target population's local jurisdiction regulations.
 - d. The program assists entrepreneurs with obtaining funding for initial capitalization.
 - i. The program helps participants establish credit worthiness.
 - ii. The program instructs participants on organizing financial documentation.
 - iii. The program connects entrepreneurs to funders for initial capitalization that is appropriate for start up businesses.
 - iv. The program guides participants with the application process.
 - e. The program provides information on permitting and other government requirements that are applicable to start up businesses.
 - f. The program connects entrepreneurs to potential clients, including the community and government contracts.
 - g. The program connects entrepreneurs to technology that is appropriate for start up businesses.
 - h. The program provides information on marketing that is appropriate for start up businesses.
 - i. The program provides information on developing a niche.
 - j. The program provides information on business planning that is appropriate for start up businesses.

Level 3: From Feasible to Exemplary

These criteria elevate a program to an exemplary TA program.

1. FUNDING & FUNDING REQUIREMENTS

- a. The program uses a funding program or funding source that is new and innovative.
- b. Each funding source was heavily leveraged to gain further resources.
- c. Certain features of the program were adapted to capture funding, but the program was not completely changed in order to capture one particular funding source.
- d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the program.
- e. The design of the program exceeds minimum standards required by funding sources.
 - i. The program assists more entrepreneurs than required by funding sources.
 - ii. The program assists more start up businesses than required by funding sources.
 - iii. There is deeper low and moderate income targeting than required by funding sources.

2. FUTURE PROJECTS

- a. The program strengthens the position (financial, political, capacity, experience) of the organization.
- b. Through the program, the reputation of the organization was enhanced. Issues that the staff faced were dealt with in a diplomatic manner, enabling future programs.
- c. The success of the program will enable future funding on other programs.
- d. The community is happy with the project and will participate in more/similar programs in the future.
- e. The community is more knowledgeable about start up businesses.

3. ENVIRONMENTAL IMPACT

- a. The program has an educational component that teaches participants about green features, tax incentives, and green jobs that are applicable to their start up businesses.
4. ECONOMIC IMPACT
 - a. The program will increase the independence of participants.
 - b. The program creates jobs.
 - i. Jobs created provide a living wage.
 - ii. Jobs created are for local hires.
 - iii. Jobs created are for low and moderate income individuals.
 - iv. Jobs created provide life skills.
 - v. Jobs created provide health benefits.
 - vi. Jobs created have potential for upward mobility.
 - vii. Jobs created require less funding per jobs created.
5. COMPREHENSIVENESS
 - a. The organization provides or connects to other programs that provide multiple services e.g. social services.
 - b. The program contains or connects to other programs that provide economic literacy.
6. DIVERSITY
 - a. The program serves a mixed income clientele.
 - b. The program encourages mixed age, gender, ethnic, etc. participation.
 - c. The program encourages minority businesses.
7. PUBLIC BENEFITS
 - a. The project provides a service that is needed by the community but is currently lacking.
 - b. The project stimulates long-term job creation.
 - c. The project results in other positive physical impacts.
 - d. The project results in other positive economic impacts.
 - e. The project results in other positive social impacts.
8. EVALUATION
 - a. The organization reevaluates its programs periodically and adapts to the changing needs of the community.
 - b. The program tracks its participants during and following the program.
9. REPLICABLE/SCALABLE
 - a. This program can be replicated in other communities, regions, and/or states.