

Maximizing the State Small Business Credit Initiative in the Appalachian Region

Education · Advocacy · Research · Resources · Networking

Hosted by:

Appalachian Regional Commission

Council of Development Finance Agencies



February 3, 2022

Speakers

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Agenda

- ▶ SSBCI updates and resources
- ▶ Update from the U.S. Department of the Treasury
- ▶ Presentation: *New report on SSBCI and manufacturing*
- ▶ Review: *Multi-state and regional collaboration*
- ▶ Open Conversation: *Small business Technical Assistance*



Updates and Resources

- ▶ Deadline Extensions for Tribal Government
 - ▶ May 11, 2022: Deadline to finalize Capital Programs applications
 - ▶ July 11, 2022: Deadline to submit Technical Assistance applications
- ▶ *SSBCI 2.0: A New Capital Tool for Revitalizing and Diversifying Manufacturing*
 - ▶ The Century Foundation
 - ▶ Urban Manufacturing Alliance



Updates and Resources

- ▶ ARC resources
 - ▶ State Program Managers
 - ▶ Capital funding sample projects
 - ▶ Capitalizing Revolving Loan Funds
 - ▶ Investing in equity funds
 - ▶ TA to capital funds and entrepreneurs
 - ▶ Entrepreneurial ecosystem building



U.S. Department of the Treasury



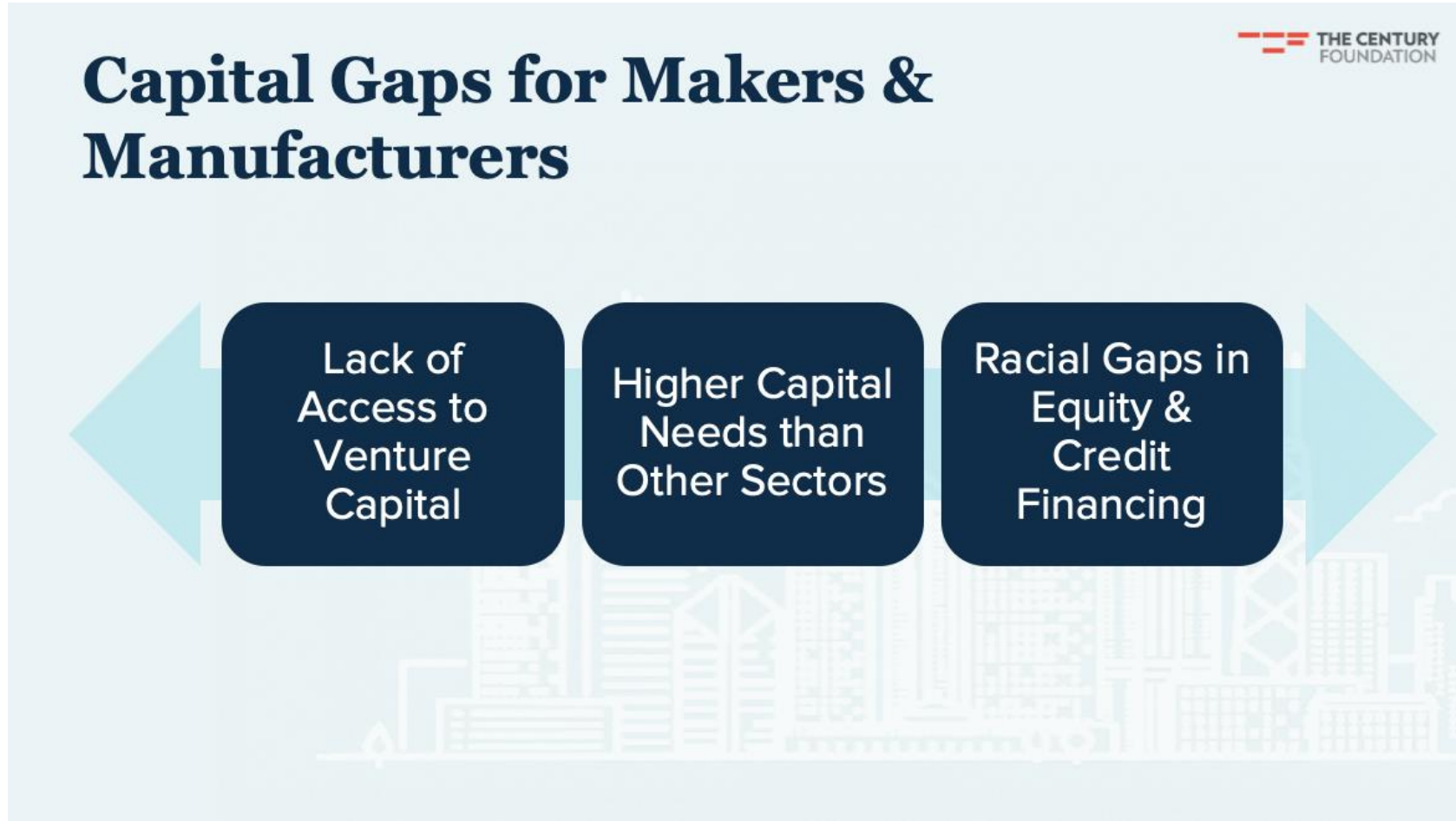
SSBCI for Manufacturers



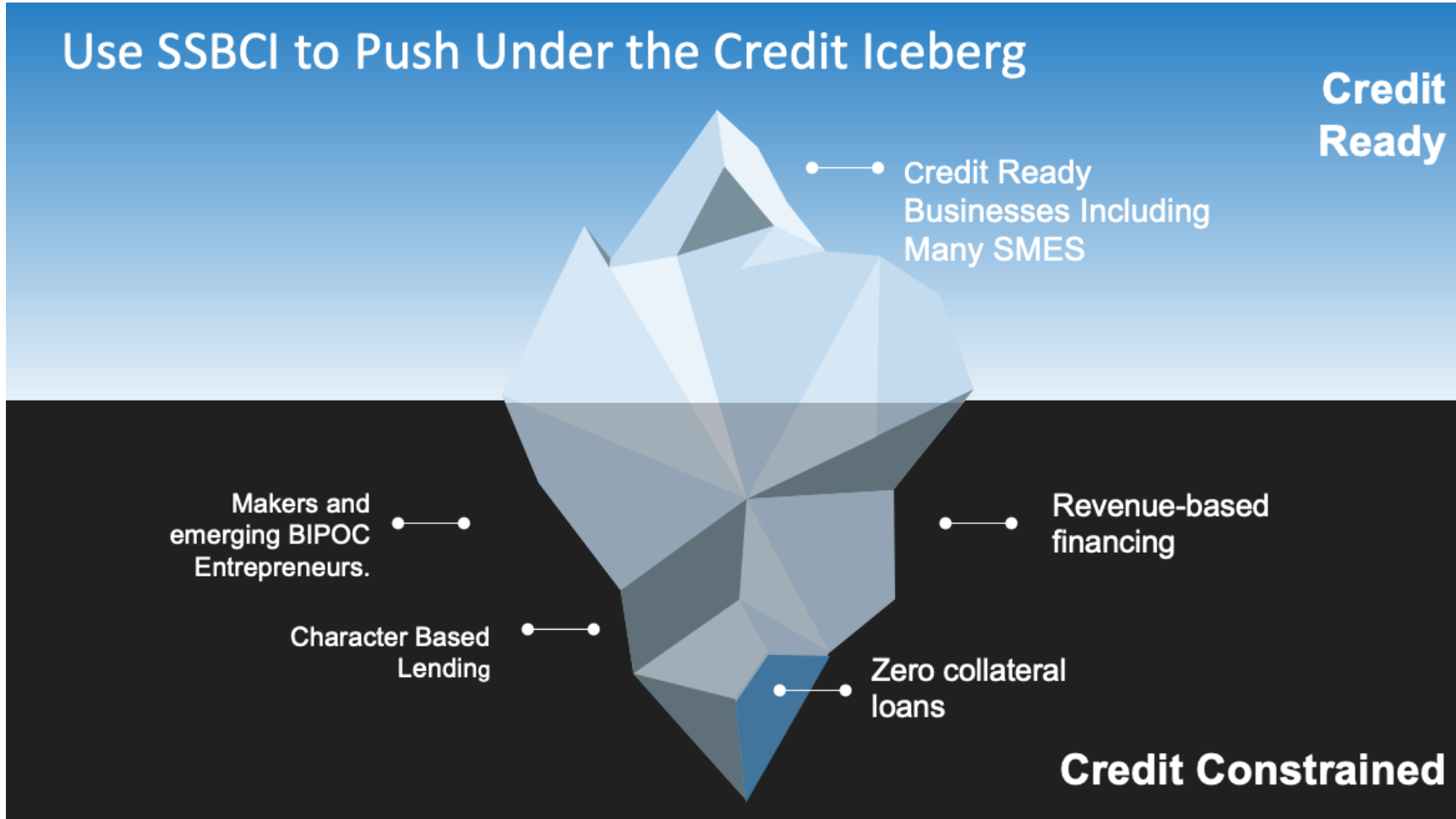
SSBCI for Manufacturers



SSBCI for Manufacturers



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SSBCI for Manufacturers

**mountain
bizworks**

CDFI founded in 1989 focused on developing businesses in Western North Carolina

- + **Mountain Community Catalyst Fund:** loan guarantee product seeded with funding from the city and county. Protects against default on loans to business owners with less collateral



- + **NEW: Multicultural Catalyst Fund:**

“the Multicultural Catalyst Fund is designed to increase equity within the landscape of startups and early growth funding for entrepreneurs of color with the hopes of encouraging entrepreneurs of color to enter into industries that have higher rates of growth and success”



SSBCI for Manufacturers



Use SSBCI to Build an Equitable Manufacturing Capital Ecosystem

- + Encourage your state to take an explicit sectoral approach in its plan and involve MEP/Made in X orgs.
- + Make foundational investments in the CDFI sector
- + Go further than treasury regs to focus on BIPOC owned businesses
- + Establish or support public Venture Development Organizations to invest in scalable manufacturing companies



SSBCI for Manufacturers



Resources:

SSBCI Report:

<https://bit.ly/3KqhP6J>

Black Paper on Inclusive Capital:

<https://www.inclusive-capital.us/>

Pathways to Patient Capital:

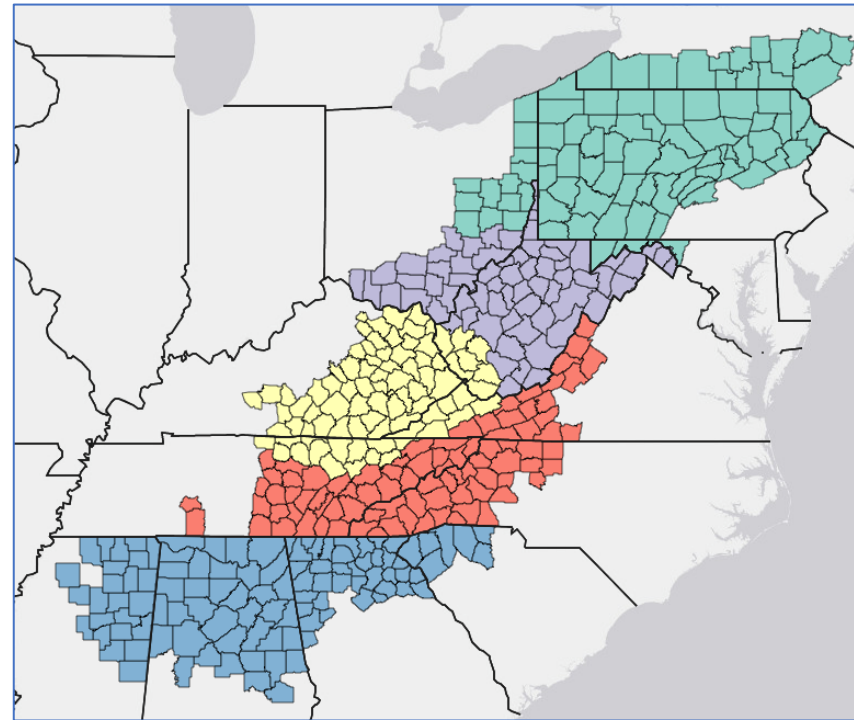
<https://bit.ly/3KDyeFc>

Follow up! audra@urbanmfg.org / stettner@tcf.org



Multi-State and Regional Collaboration

- ▶ Strategies for consideration
 - ▶ Align program terms to appeal to regional or national lenders/investors.
 - ▶ Establish programs focused on industry sectors that cross state boundaries.
 - ▶ Work with the same TA provider and ecosystem stakeholders across multiple states.



Multi-State and Regional Collaboration

- ▶ Align program terms to appeal to regional or national lenders/investors.
 - ▶ Standardize SSBCI program characteristics to increase uniformity across states.
 - ▶ Use similar enrollment forms for financial institutions and fund managers.
 - ▶ Use similar enrollment forms and due diligence standards.
 - ▶ Set the same rules for permissible borrowers and eligible business activity.



Multi-State and Regional Collaboration

- ▶ Align program terms to appeal to regional or national lenders/investors.
 - ▶ Standardize the 1) amount of borrower and lender payments to the CAP reserve fund, 2) participation terms for LPP, etc.
 - ▶ Establish a uniform reporting form and align reporting periods.
 - ▶ Use similar forms to document the recovery of any loan losses from the CAP reserve fund, and document write offs for OCSPs.



Multi-State and Regional Collaboration

- ▶ Establish programs focused on industry sectors that cross state boundaries.
 - ▶ Build Back Better Regional Challenge Initiatives (examples)
 - ▶ AgriTech – Kentucky
 - ▶ Renewable Energy and Manufacturing – West Virginia
 - ▶ Digital Healthcare – Kentucky
 - ▶ Advanced Manufacturing – Ohio
 - ▶ Cybersecurity – Maryland



Multi-State and Regional Collaboration

- ▶ Establish programs focused on industry sectors that cross state boundaries.
 - ▶ Build Back Better Regional Challenge Initiatives (examples continued)
 - ▶ Advanced Manufacturing – North Carolina
 - ▶ Robotics and Artificial Intelligence – North Carolina
 - ▶ Electric Vehicles – Alabama
 - ▶ Transportation and Logistics – Virginia
 - ▶ Defense and National Security – West Virginia



Multi-State and Regional Collaboration

- ▶ Work with the same TA providers and ecosystem stakeholders across multiple states.
 - ▶ Multiple states could sub-contract with the same TA provider.
 - ▶ Create a regional collaborative of Small Business Development Centers or other TA providers with sub-contracts to deliver assistance.



Multi-State and Regional Collaboration

- ▶ Work with the same TA providers and ecosystem stakeholders across multiple states.
 - ▶ Work with community intermediaries and business membership associations that have a multi-state footprint and can support marketing, outreach, and pipeline development regionally.
 - ▶ Chambers of Commerce
 - ▶ CDFIs
 - ▶ Trade organizations



From the Field: TA Planning Considerations

TJ Eveland, PhD, Founder

Technical Assistance

SBC Advising

- Sorry About Commercial – But Let Me Build a Little Street Cred
- Region's Largest Consulting/TA Provider for CDFIs, SBDCs, Municipalities, etc.
- Centralized TA/Consulting: All Skills, All Clients, One Invoice, One POC
- ~800 Small Businesses Helped in Last Year



Technical Assistance

All Consultants Are/Were Women or Minority Entrepreneurs

- Business Planning
- Website Creation
- MBE/WBE Certification Support
- CIC/Neoserra Data Entry
- QuickBooks Setup/Training
- Marketing, Social Media, Sales Growth
- Federal & State Grant Applications



Technical Assistance

Common Challenges in Large Scale TA Programs

- Outreach, Partners & Referral Processes Not Defined
- Intake Will Make or Break Your Program
- Define Scope, Data Collection, and Data Flow Early and Often
- Consider a Soft Launch to Test Technology, Processes, and People
- TA Providers Should Know Partners' ROI *Documented Impacts*



Technical Assistance

Feel Free to Reach Out

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Open to helping with planning or sitting on committee.

Willing to share our referral, intake, consulting, and impact collection flow chart and form if helpful.



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