



DATE: February 10, 2021
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 21-04
Update on the Inclusive Business Resource Network

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

At the February 10, 2021, Prosper Portland Board of Commissioners (Board) meeting, staff will provide an update on the Inclusive Business Resource Network (IBRN), an innovative program that supports partner service providers with critical resources to assist minority and women business owners and entrepreneurs across the city of Portland.

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

Implementation and funding of IBRN supports Prosper Portland's goals of widely shared prosperity and collaboration with our partners to build an equitable economy. Specifically, IBRN supports the advancement of entrepreneurs from underrepresented populations and encourages thriving businesses that provide wealth creation opportunities for Portlanders of color and other underrepresented entrepreneurs.

Furthermore, IBRN exemplifies Prosper Portland's collaboration with partners to build an equitable economy. Delivering comprehensive business assistance requires an extensive network of partners with a range of cultural competencies, skills, and specializations to fully address the needs of underrepresented entrepreneurs.

BACKGROUND AND CONTEXT

Through focused resources, collaboration, and client-centered services, IBRN seeks to drastically shift outcomes for business owners of color, immigrants, women founders, and other underrepresented communities. For the decade prior to the creation of IBRN, Prosper Portland developed and managed multiple programs to support minority and women entrepreneurs and business owners. In some instances, Prosper Portland managed contracts with organizations providing technical assistance (such as the Microenterprise and Small Business Development programs); in other cases, Prosper Portland ran the programs in-house (such as Increase Project and Startup PDX Challenge).

In July 2017, staff combined these various programs to create IBRN, a portfolio approach to delivering services. Capitalizing on Prosper Portland's strength as a convener, IBRN offers a more holistic and effective service delivery system for underrepresented entrepreneurs in Portland. In this new approach, Prosper Portland no longer operates programs in-house but rather partners with and funds organizations to operate a range of programs designed to support diverse entrepreneurs across industries, growth paths, and business stages. Prosper Portland issued a Request for Proposals (RFP)

and through this competitive process awarded 15 service providers with contracts. This number has since grown to 20 providers.

The IBRN approach has more efficiently leveraged funds to serve nearly triple the number of clients in comparison to the number served through entrepreneurship programs prior to 2017. In fiscal year (FY) 2019-20, IBRN served more than 1,050 businesses, of which approximately 500 received long-term support (at least 30 hours per year). Seventy-four percent of clients were people of color and 58 percent identified as women or gender-expansive¹.

IBRN and Mercatus, a business directory and storytelling platform for entrepreneurs of color, leverage the strengths of each program. Mercatus has seen a steady increase of new directory membership, from 50-plus in 2017, its launch year, to now more than 780 listed members. As IBRN has allowed Prosper Portland to work more closely in partnership with community organizations, Mercatus has strengthened Prosper Portland's relationship with business owners in underserved communities. The Mercatus program not only hosts the business directory but also publishes an annual magazine that includes the full directory of participating businesses. The directory and magazine are tools to help connect members with business growth opportunities and provide increased exposure. Mercatus also hosts events to bring business owners together for growth opportunities like institutional purchasing opportunities and networking/resource events like Momentous and My People's Market which is now in its fourth year.

By nature of its experience delivering the IBRN program, Prosper Portland has become well positioned to manage other business technical assistance programs funded by the City of Portland (City). For example, in FY 2018-19 Prosper Portland, in collaboration with the City, issued a RFP for a new program to serve cannabis entrepreneurs of color. In 2020, the City's Office of Management and Finance, Office of Equity and Human Rights, and Prosper Portland entered into an IGA for Prosper Portland to implement the Community Opportunities and Enhancements Program which provides business technical assistance for construction firms owned by people of color and women.

IBRN service providers focus on supporting businesses from startup through growth and ensure technical assistance leads to wealth creation. Partners track IBRN outcomes through an online system and report annually through a badge system for business owners receiving support network-wide. With its partners, Prosper Portland committed to achieving the following outcomes from FY 2017-18 through FY 2021-22:

- 1,000 businesses strong and stabilized
- 250 businesses achieving growth milestones
- 25 businesses scaling to double or triple their size
- 100 traded sector startups assisted to launch into the market

From the program's inception in July 2017 through FY 2019-20, service providers reported the following outcomes:

- 227 businesses became strong and stable
- 108 businesses achieved growth milestones
- 7 businesses scaled their operations
- 68 traded sector startups launched into the market

¹ Gender-expansive includes those that identify as transgender or non-binary or those who prefer to self-describe their gender in other ways.

This is a point-in-time measurement that will continue to increase as partners report on client milestones. Staff now know that these five-year goals will not be achieved. The goals were based on certain assumptions that have not come to fruition including:

- The way in which clients navigate through the system: Generally, staff assumed clients would begin their journey working toward the Strong and Stable badge and advancing to the Growth badge over multiple years of service. The pipeline assumptions to obtain Growth and Scale badges were incorrect in terms of the length of time it took for a client to obtain a badge and number of businesses in the pipeline to obtain a badge.
- The intensity at which clients prefer to receive services: Staff assumed that more clients would want intensive navigation services. Data that go into badge attainment calculations are only required by providers who offer intensive services.
- An unanticipated pandemic: When the pandemic began, staff worked with providers to pivot services toward more light touch, so that more businesses could be supported. This further exacerbated the lack of data collection for light-touch services.

Additionally, the COVID-19 pandemic impacted the ability of businesses to meet key milestones to obtain badges, and staff anticipate minimal badge attainment in FY 2020-21.

All of these assumptions and additional elements of the IBRN program are being assessed as staff prepare to issue a new RFP in early 2022 for services beginning in FY 2022-23. This RFP process is discussed in more detail in the Community Participation and Feedback section below.

Another way of measuring the IBRN's effectiveness is through an annual client satisfaction survey. Staff were in the middle of modifying the program's client feedback mechanism when the pandemic began, and therefore have not conducted a client satisfaction survey since the FY 2018-19 survey. Staff plan to engage community in focus groups as part of the RFP process described below.

EQUITY IMPACT

IBRN is designed to serve entrepreneurs who are currently underrepresented as successful business owners in Portland, whether they are low-income or identify as a person of color or other underrepresented identity. To date, IBRN has served 1,933 clients, 68 percent of whom are people of color and 56 percent of whom identify as women or gender-expansive.

In addition, IBRN providers, referred to as the Community of Practice (CoP), have been working together to develop a shared equity lens. Since FY 2017-18, the CoP has participated in five days of equity training emphasizing racial equity and tools for business advisors to be better prepared to coach their business clients in a culturally competent way.

Prosper Portland staff convene the CoP monthly to build trust and share best practices. More than 60 percent of the business advisors in IBRN are people of color and collectively speak more than 20 languages. Advisors can often speak the client's first language and add the value of shared experience with business owners of color.

COMMUNITY PARTICIPATION AND FEEDBACK

Prosper Portland plays a dual role of funder and convener of IBRN. As a convener, Prosper Portland staff believe the CoP model is essential to IBRN's success because it supports an environment of trust building, learning, and client-centered collaboration. Periodic surveys of IBRN organization staff provides greater understanding of whether the CoP model is accomplishing its goals and how staff might improve their experience.

IBRN partners inform and help shape the program in multiple ways: monthly CoP meetings, one-on-one check-ins with contract managers, and topic-specific committees including Marketing/Outreach, Professional Services, Equity, Outcomes, and Program Managers.

This collaborative approach gives Prosper Portland staff real-time feedback in order to identify gaps, areas for iterative improvement, and ideas to pilot. For example, as a result of recommendations and ideas from IBRN partners, staff piloted a business tax support program in FY 2018-19 and were able to secure ongoing General Fund resources to continue that program. Staff also piloted and grew a digital marketing support program along with trainings and a digital marketing roadmap for IBRN business advisors.

In calendar year 2021, staff are undertaking a program review with stakeholders to assess the program and implement changes for the 2022 RFP process. This project will implement a Results Based Accountability framework to guide the design. Program review, potential redesign, and RFP process will happen in the following phases:

- Internal Review (January – February 2021): Gather feedback from Prosper Portland staff and existing IBRN partners on the existing program.
- Entrepreneur Feedback (March – May 2021): Gather feedback from entrepreneurs who have participated in the program, particularly entrepreneurs from priority communities.
- Assess Feedback and form Evaluation & Design Team (June – July 2021): Draft a summary of feedback and convene the Evaluation and Design Team to review feedback. The Evaluation and Design Team will serve as the external advisory body for potential program redesign and final selection of providers.
- External Review and Design (August – October 2021): Convene public workshops with interested proposers, entrepreneurs, Evaluation & Design Team, and other entrepreneurship ecosystem stakeholders to evaluate different options for program redesign.
- RFP Process (November 2021 – May 2022): Issue RFP in or around January 2022 and work with Evaluation and Design Team to select providers.
- Contract Negotiations (May – July 2022): Draft and execute contracts for FY 2022-23.

Centering entrepreneur feedback in the program redesign and inviting community partners to take part in an iterative redesign process are critical aspects of this process.

BUDGET AND FINANCIAL INFORMATION

The IBRN FY 2020-21 budget is shown below.

Revenue	
General Fund	\$1,603,400
Cannabis Tax Revenue Funds	\$337,140
Cannabis Social Equity Funds	\$420,000
Mercatus/My People’s Market Cannabis	\$101,300
Community Development Block Grant	\$570,406

Community Opportunities and Enhancements	\$417,346
Enterprise Zone	\$514,000
Total Revenue	\$3,963,592

Program Expenditures	
Personnel	\$445,796
Indirect	\$77,661
Grants to Organizations (Program Delivery)	\$3,291,335
Materials & Services	\$148,800
Total Revenue	\$3,963,592

ATTACHMENTS

None.