



DATE: March 9, 2022
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 22-09
Update on Prosper Portland's Entrepreneurship Programs

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

At the March 9, 2022, Prosper Portland Board of Commissioners (Board) meeting, staff will provide an update on i.) Inclusive Business Resource Network (IBRN), an innovative program that provides community partners with critical resources to assist entrepreneurs, prioritizing people of color and women, across the city of Portland, and on ii.) Mercatus, a business directory and story archive that elevates the unique and universal narratives of entrepreneurs of color in Portland and connects the city and region with local talent, businesses, services, and products that come from diverse entrepreneurs.

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

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

Furthermore, IBRN and Mercatus exemplify 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, the entrepreneurship programs aim to shift outcomes for business owners of color, immigrants, women founders, and other underrepresented communities. Together the entrepreneurship programs address the needs of business owners in different ways. IBRN leverages the expertise of community organizations to deliver culturally relevant business technical assistance while Mercatus works directly with Black, Indigenous, People of Color (BIPOC) small business owners to amplify business marketing efforts and make strategic business growth connections.

In July 2017, staff merged various business development 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. Prosper Portland partners with and funds organizations to operate a range of programs designed to support diverse entrepreneurs across industries, growth paths, and business stages. Initially, in 2017, 15

partners were selected and awarded contracts to provide IBRN services through a competitive Request for Proposals (RFP); the number of partners has since grown to 20. A new RFP will be issued in 2022 and is described further in the Community Participation and Feedback section below.

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. Annually, the program serves approximately 1,000 entrepreneurs. Since July 2017, IBRN partners have supported more than 2,900 entrepreneurs; additional data are as follows:

Primary Racial and Ethnic Identities		Business Sectors	
Black or African American	26%	(of the 1,600 participants who provided this data)	
Hispanic or Latino/a/x	19%	Accommodation and Food Services	19%
Asian	10%	Retail	17%
Multi-Racial	6%	Health Care and Social Assistance	10%
Native American / Indigenous	4%	Manufacturing	8%
Middle Eastern	2%	Construction	7%
Native Hawaiian or Pacific Islander	1%	Professional Services	7%
Slavic	3%	Arts and Entertainment	6%
White	20%	Educational Services	4%
No race provided	9%		
Type of Service		Median Family Income	
Intensive/Long-Term (30+ hours)	813	<80% MFI	54%
Light Touch	2142	>80% MFI	8%
Both intensive and light-touch	489	No data provided	38%

An IBRN report card is now posted online at <https://prosperportland.us/ibrn-report-card>.

Expertise in managing IBRN has positioned Prosper Portland to become the go-to small business development agency. For example, in fiscal year (FY) 2018-19, Prosper Portland received Cannabis Tax Revenue Funds to support a new program to serve cannabis entrepreneurs of color. In 2020, Prosper Portland received funding to implement the Community Opportunities and Enhancements Program which provides business technical assistance for construction firms owned by people of color and women.

Mercatus began in 2016 as a business directory and storytelling platform for entrepreneurs of color. Mercatus has seen a steady increase of new directory membership, from 50-plus in 2016 to now more than 1,000 members; 20 percent of members have received advising services through IBRN. 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. Mercatus initiatives currently include:

- Member Marketing and Exposure: The Mercatus Business Directory, Picture Day, Digital Marketing Program
- Business Growth Pathways including Connect Board (Portland Means Progress Partnership), Greet and Grow (Athletic and Outdoor Partnership), My People’s Market (Travel Portland Partnership)
- Community Building including Momentous, Members Newsletter, Storytelling, My People’s Market

Following are data on businesses represented in Mercatus:

Racial and Ethnic Identities*		Business Industries*	
Black	49%	Consumer product	35%
Asian	24%	Professional Services	14%
Hispanic or Latino/a/x/e	24%	Food and Beverage	19%
Native American/ Indigenous	12%	Health and Wellness	19%
Middle Eastern/ North African (new category introduced in 2021)	1%	Creative Professional Services	14%
White	5%	Catering Services	10%
*Members may be included in multiple identities above, data may also show multiple owners for one business		Construction Services	4%
		Tech	4%
		Cannabis	2%
		*Members can select multiple sectors	

IBRN Outcomes. 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 on 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 are strong and stable
- 250 businesses achieve growth milestones
- 25 businesses scale to double or triple their size
- 100 startups launched into the market

From the program’s inception in July 2017 through December 2021, service providers reported 345 unique businesses met the following outcomes:

- 295 businesses became strong and stable
- 155 businesses achieved growth milestones
- 23 businesses scaled their operations
- 97 startups launched

This is a point-in-time measurement that will continue to increase as partners report on client milestones; 147 additional businesses have met 85 percent of the requirements to meet the strong and stable outcome; another 31 businesses have met 75 percent of requirements. At the conclusion of the IBRN five-year program term staff will evaluate final data and outcomes to inform improvements or revision to the outcome reporting for the next program period.

Mercatus provides members support in the following areas:

- Member Marketing and Exposure
- Business Growth Pathways
- Community Building and Connections

Member Marketing and Exposure. The Business Directory was the original concept for Mercatus. Each business member receives a directory listing and profile page that is ranked and searchable via Google providing companies a digital footprint. For those businesses that do not have any digital presence their Mercatus profile page allows them to be discovered online.

In 2018, Mercatus piloted the digital marketing program which provides participants one-on-one digital marketing consulting and a cash grant. Through the program, businesses develop a personalized digital marketing roadmap to inform how they will invest their grant funds. In the pilot year, the program

served nine participants, and to date the program has served 104 businesses with another 30 slated to participate before the fiscal year-end.

In 2021, Mercatus hosted Picture Day, providing free professional photography for members. The photos are given to the business owners and used by Mercatus to promote the business. To date, 60 businesses have participated in Picture Day.

When the pandemic hit in 2020, staff shifted Mercatus resources from in-person events to social media with a focus on promoting business members and maintaining a connection with the member community. The increased focus on social media community building has led to a significant increase in social media following from just over 1,000 followers in early 2020 to 5,500 followers this year. The Mercatus social media page has also helped established the Black Owned Business Guide and other cultural businesses guides as the go-to guide commanding thousands of visitors year-round with linkbacks from several notable private-sector supporters such as the Portland Trail Blazers, *Portland Monthly*, *Eater PDX*, and *Willamette Week*. The Black Owned Business Guide also inspired a series of culturally specific business guides that are launched in coordination with cultural heritage months.

Staff recently launched the Mercatus Fan Club to directly connect the thousands of Mercatus fans with Mercatus businesses. Each newsletter spotlights a few businesses that fans may be interested in supporting. The businesses that are selected for the feature relate to other social media campaigns that are active at the time. For example, when the Buy Native Guide debuted on social media in November 2021, the Fan Club showcased Native-owned businesses to compliment the campaign.

Business Growth Pathways. In 2017, Prosper Portland and Travel Portland teamed up to leverage the Mercatus Directory and expand business growth opportunities for BIPOC owned businesses in tourism; that collaboration resulted in My People’s Market. Each event hosts 75 to 150 businesses and connects business owners with regional buyers as well as thousands of shoppers.

Greet and Grow, an annual event that launched in 2020, connects small business professional service providers with other small businesses. In 2021 the event was postponed due to COVID, but staff are resuming the event in March 2022. In collaboration with the Athletic and Outdoor program and Portland Means Progress, Greet and Grow is the perfect venue to provide growth opportunities to service oriented Mercatus members. In its debut year, the event drew hundreds of small businesses to meet with 30 vendors. This year Greet and Grow is expected to host 40 vendors and upwards of 300 visitors.

Connect Board is the newest addition to the Mercatus suite of growth pathways programming. In partnership with Portland Means Progress, the Connect Board provides a bulletin of business contracting opportunities to Mercatus members. Portland Means Progress members and other programs or entities interested in more intentional purchasing can submit opportunities through the Connect Board for Mercatus members to apply. It is an ideal platform for contracting opportunities that are often considered too small for a large RFP process. To date, 34 opportunities have been shared valued at around \$323,000.

Community Building and Connections. Mercatus members share that one of the biggest benefits of being a member is the opportunity to connect with other BIPOC businesses. Community can take on many forms. On social media, for example, it can mean a business owner can see other businesses like theirs from their communities. Mercatus storytelling content is reaffirming for many Mercatus members. Nearly 100 business stories or spotlights have been featured in 2021 alone.

Connection is developed via the monthly newsletter where resources, member spotlights, and culturally specific events are shared.

Although COVID slowed the number of in-person of events, Mercatus has supported the continuation of My People’s Market through the pandemic (staff will brief the Prosper Portland Board on My People’s Market in a separate item on the March 9, 2022, agenda). The event is many things for many people, but for the Mercatus community it has become a refuge and space for community connection.

Momentous is an annual Mercatus event that connects members and showcases IBRN. Staff expects to resume Momentous in May 2022.

EQUITY IMPACT

IBRN is designed to serve entrepreneurs who are currently underrepresented as successful business owners in Portland, whether they identify as a person of color or another underrepresented identity.

In addition, IBRN providers, referred to as the Community of Practice (CoP), worked together to develop a shared equity lens. Since FY 2017-18, the CoP has participated in numerous equity trainings and workshops 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. Seventy percent of the business advisors in IBRN identify as people of color and collectively speak more than 15 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 IBRN funder and convener. As 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 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 which is now run through Mercatus and provides training and support for IBRN business advisors.

Prosper Portland partners with and funds organizations to operate a range of programs designed to support diverse entrepreneurs across industries, growth paths, and business stages. As mentioned, initially, in 2017, 15 partners were selected and awarded contracts to provide IBRN services through a competitive RFP; the number of partners has since grown to 20. Staff have employed a Results Based Accountability framework to guide the 2022 RFP design process, which is broken out into the following phases:

- Phase 1 (*complete*):
 - Gather feedback from Prosper Portland staff and existing IBRN partners on the existing program

- Gather feedback from entrepreneurs, specifically entrepreneurs from priority communities
- Phase 2 (*in process*):
 - Convene advisory/evaluation committee who will support program design and recommend awards
 - External review through a community session
 - Finalize RFP
- Phase 3: Release RFP, selection process
- Phase 4: Contract negotiations and service delivery

BUDGET AND FINANCIAL INFORMATION

Following is the FY 2021-22 budget for Prosper Portland’s entrepreneurship programs:

Revenue	
General Fund	\$1,905,843
Cannabis Tax Revenue Funds	\$348,593
Cannabis Social Equity Funds	\$420,000
Mercatus/My People’s Market Cannabis	\$453,000
Mercatus Sponsorship, fees and membership	\$52,200
Community Development Block Grant	\$570,406
Community Development Block Grant – COVID-19 Small Business Program	\$981,046
Community Opportunities and Enhancements Program	\$355,000
Enterprise Zone	\$307,734
Total Revenue	\$5,393,822

Program Expenditures	
Personnel	\$469,391
Indirect	\$95,685
Grants to IBRN Organizations (Program Delivery)	\$4,207,046
Mercatus/MPM	\$555,200
Materials & Services	\$66,500
Total Revenue	\$5,393,822

ATTACHMENTS

None.