

MANCHESTER MICROENTERPRISE DEVELOPMENT CORPORATION
CED PROJECT

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A. DEFINITION OF PROBLEM:

The problem that exists within the public housing community in Manchester, New Hampshire is that there is no comprehensive small business training program available to residents who want to start their own in-home businesses. Results of an informal door to door survey indicated that there were a number of individuals who had special skills or talents that were interested in starting their own microbusinesses. Lack of basic business knowledge combined with no access to capital, would make it impossible for them to start their own businesses even on a small scale.

Though there are organizations such as the Small Business Development Center and Small Business Administration who help entrepreneurs get started, these groups fail to address the specific needs of our targeted population.

Public housing residents who wish to become self-employed not only need to acquire business skills, they need to develop confidence in themselves in order to become successful entrepreneurs.

Most public housing residents have very little money and lack access to the capital they need in order to finance the start up of their own business.

PROJECT GOALS

TO DEVELOP AND IMPLEMENT A MICROENTERPRISE PROGRAM THAT WOULD
ENABLE PUBLIC HOUSING RESIDENTS TO INCREASE THEIR INCOME
THROUGH SELF-EMPLOYMENT.

Minimum Objectives:

Motivate Residents so that they will develop a desire
to become self-sufficient.

Increase resident awareness of the self-employment
opportunities available to them.

Develop a comprehensive Microenterprise Training
Program.

Establish a revolving loan fund which would provide
small business start up loans for public housing
residents.

Maximum Objectives:

Residents complete the requirements of the Microenterprise Training Program and start their own small business.

Residents complete the requirements of the Microenterprise training Program and make a reasonable choice to not start their own small business.

Residents obtain small amounts of capital to start their own microbusiness.

Residents successfully secure work contracts with The Manchester Housing and Redevelopment Authority and other private companies within the community.

C. METHODS:

Funding for the project was made available by the Manchester Housing and Redevelopment Authority through a Public Housing Drug Elimination Grant.

Resident Business Group

Flyers were sent throughout the family public housing community to see if there was any interest among residents in starting their own business. Eight residents responded out of approximately 220. Five became our Resident Business Group. The Group met each week to discuss possible business ventures that they could work at collaboratively. A laundromat, cleaning company and retail store were among the ideas that were explored. Over time the group came to realize that all working at one venture would be difficult. Even if the business itself was profitable, each resident would not be making enough money.

It was at this point where the group made the decision to each start their own individual businesses.

Research:

Members of the Resident Business Group looked at two Microenterprise Development Programs which offered small business training and start up financing. They visited a program in Burlington, Vermont which is run by Diana Carminati. One resident visited Project REAP in Tampa, Florida to see their self-employment program for public housing residents there.

The Resident Business Group formed a nonprofit corporation called Manchester Microenterprise Development Corporation and work began for the development of a business training curriculum.

D. RESULTS:

In April of 1992, the Manchester Microenterprise Development Authority was formed by a group of public housing residents. The goals of the organization were to assist in the development of small businesses within public housing by offering residents small business training and access to small amounts of capital through a revolving loan fund.

HOME BASE TRAINING PROGRAM

Before the Home Base Training Program was designed, a door to door survey was conducted throughout the three family public housing developments. A sample of 60 residents was used to determine resident interest in the program and to identify special skills and talents of each. Our survey concluded that 79.5% of the individuals surveyed had some interest in starting their own business. (See Appendix A) At that point we moved forth to develop a training program that would best meet the needs of our targeted population.

We met with the head of Community Education at The New Hampshire Technical College who agreed to help us design the curriculum and would provide the instruction for two fifteen week sessions. (See Appendix B)

By July of 1992, the training program was designed and an Orientation was planned for August. All family public housing households (approximately 220) received notice of the Orientation. Fifteen residents attended and out of that 9 enrolled in the Home Base Program.

Classes began on October 2, 1992. Eight people actually attended and have continued to attend throughout the fifteen weeks. Seven participants will be receiving certificates of completion at the Awards Ceremony scheduled for January 29, 1993. (See Appendix C)

Home Base Training Program

Structure

- Assessment

To determine whether or not individuals should pursue self employment

- Personal Development

To assist individuals in developing behavioral skills that will enhance their personal and professional lives

- Business Training

To assist individuals in developing the skills necessary for the successful operation of a micro-business

Development of a business plan

Assessment

- Basic Math Testing
- Personal Development
- Evaluation of Trade Skill Levels
- Evaluation of Business Idea to Determine Viability
- Identification of Barriers to Achieving Success
(Social, Economic, Family)

Personal Development

- Self-Esteem Building
- Dressing For Success
- Communication
- Time Management
- Stress Management
- Motivation

Small Business Training

- Develop Business Idea
- Design Business Cards & Flyers
- Pricing
- Knowing Your Competition Through Market Research
- Recordkeeping & Taxes
- Cash Flow
- Develop a Business Plan

Five businesses have evolved since October. Out of these five, 3 have generated revenue from their businesses. The others are coming along at a slower pace.

The Home Base Training Program is a 15 week business training program designed for Public Housing residents who wish to start their own in-home businesses. Classes for Home Base are held each Friday evening from 6:00 until 9:00 at the Springfield College facility in Manchester. There is no charge for the classroom space. Childcare is provided free of charge for the children of the students.

The Program is comprised of three parts. They are:

Assessment

Personal Development

Business Training

Assessment

Most of the Assessment Phase is presented at the Orientation. It consists of a combination of questionnaires and skill surveys that are used by both the applicant and interviewer to assess whether self-employment should be pursued. (See Appendix D) The applicant completes

this material and sends it back for evaluation.

What we hope to discover from this information is whether the individual possesses entrepreneurial traits, what their personal goals are, what their business idea is and the viability of that business. The Skill Assessment identifies weaknesses in writing and math. Tutors are assigned to work with those individuals who need help in these areas.

All of those who applied for the first session were accepted.

Personal Development

The Personal Development Phase assists the individual in developing behavioral skills that will enhance their personal and professional lives. Personal Development segments are offered throughout the program through video presentations, lectures and small group work. Students learn how to deal with stress, manage time more effectively and learn how to communicate in the business world. Motivation and self-esteem development make up most of the personal development component.

Business Training

The Business Training component is assist individuals in developing the skills necessary for the successful operation of a micro-business. The participant develops his/her own business plan. Students conduct their own market research. Through this process, students learn how to price their goods and how to present them in the marketplace. Students are also given the chance to design their own business cards and flyers. The Manchester Microenterprise Development Corporation provides the flyers and business cards at no charge to the participant.

Recordkeeping and tax information is also presented to the students. While keeping accurate records is important for

all small business owners, it is even more critical for those who receive AFDC benefits. Welfare recipients need to be able to prepare profit and loss reports which must be submitted to their caseworkers each month.

REVOLVING LOAN FUND

The Manchester Microenterprise Development Corporation has received 20,000 dollars to start a revolving loan fund for resident entrepreneurs. This fund will be administered by the Manchester Housing and Redevelopment Authority and The MMDC Loan Committee. Criteria for lending has not yet been established.

CONCLUSIONS

The Manchester Microenterprise Development Corporation Project has been very successful. It now appears that the Manchester Housing and Redevelopment Authority recognizes microenterprise development as a viable strategy for promoting self-sufficiency within the public housing community. The MHRA will continue to fund MMDC through various grants including Public Housing Drug Elimination grants.

In a years time, the MMDC has accomplished the following;

Formed a nonprofit organization

Completed 501 (c) (3) Application

Formed a Board of Directors

Developed a Microenterprise Training Program.

Established a lending fund.

(See Appendix E for organizational structure and corporation documents)

There is still so much to do. The following lists the problems that will be addressed in the months ahead;

The curriculum for The Home Base Training Program needs reworking.

An ongoing support system needs to be created for the entrepreneurs who have completed the training program.

A Revolving loan fund program must be implemented.

LESSONS

1. When designing a program for public housing residents, do not make assumptions about what you think they want. Go out and ask. Do a survey. Bring the survey door to door.
2. Market your program to your targeted population. Use Newsletters, Community Center Bulletin Boards, Direct mail and word of mouth to get your message across.
3. Do not force people to participate in the program. If people are coerced, they will end up dropping out.

4. Bring successful entrepreneurs from the community into your program. Invite them as guest speakers.

5. Do not do the work for the program participants. They have to do it all themselves in order for them to understand the process.

6. Do not let the participants believe that they will earn 25,000 dollars their first year in business. They must understand that becoming self sufficient through self employment is a gradual process.

7. Do not get caught in the trap of writing memo after memo requesting equipment, storage, etc for the resident entrepreneurs. They can easily pick up the phone and ask for it themselves.

8. If your project is not working, do not try to patch it. Start in another direction.