



CREATING SMALL OPPORTUNITIES WITH BIG IMPACT IN INDIANA:
MICROFINANCE AND SMALL BUSINESS INCUBATOR PROJECT IN FORT
WAYNE

By

Sherry E. Early-Aden

Southern New Hampshire University

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Melissa L. Nemon
Melissa L. Nemon, PhD

Associate Dean

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Abstract

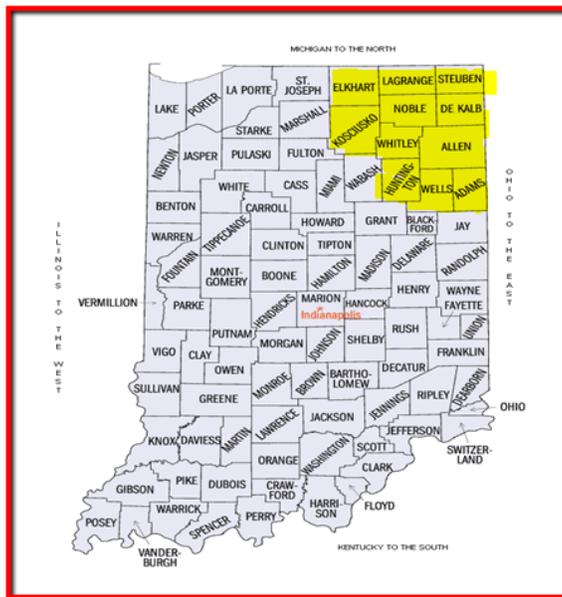
Several federally sponsored programs created specifically to help small business owners and entrepreneurs exist, but are not accessible to those that have poor or no credit. Small business workshops are offered throughout the community, but have no financial means to help once they have armed their clients with the proper tools to open and run a business. This study was conducted to examine the effects of the implementation of a microlending program on low-income Small Business owners, and entrepreneurs in Fort Wayne, Indiana. CANI launched a microlending program in 2010 to address the shortage of financial capital available to existing and startup low-income small businesses. Through the observation of the design, survey questionnaires, number of loans made, small business development training workshops, and presentation to stakeholders, a number of key findings were identified. As a result, the information provided in this thesis will present those findings and other key information about the project and community.

Community Context

Community Profile

Fort Wayne, IN, where the project will be based, is located in the Midwest region of the United States. Community Action of Northeast Indiana (CANI) of Fort Wayne will be the host agency for the proposed project. CANI has a service area that covers eleven counties in Northeast Indiana. The highlighted counties on the map below represent CANI's coverage area.

Figure 1: Coverage Area by County



Based on the 2009 U.S. Census, the Fort Wayne area population was estimated at 252,524 people, out of whom 48.5% (or 122,471 people) were male and 51.5% (or 130,053 people) were female. Fort Wayne is the second largest city in the state of Indiana and the largest city in Northeast Indiana.

According to the Community Profile generated by PolicyMap, Fort Wayne's January 2011 economic activities can be characterized as follows: 110,053 of the labor

force was employed, 13,197 of the labor force was unemployed, with a total labor force of 123,250 total number in labor force, and a 10.7% unemployment rate. Fort Wayne’s unemployment at this time was higher than the national 9%.

Fort Wayne’s age, racial characteristics, annual income, and poverty levels defined by the U.S. Census provide important information for further analysis of the broader community. Statistical information for each of the above areas is demonstrated below:

Table 1: Age Distribution of Fort Wayne, Indiana, 2010

Age	Percent of People in Age Group
Under 5	7.84%
Under 18	26.55%
Working Age (18-64)	60.85%
Aging (65+)	12.6%

In 2010, 71.37% of Fort Wayne residents were White, 18.53% were African American, 9.23% were Hispanic, 2.04% were Asian, 0.04% were either Native Hawaiian or Pacific Islander, .046% were of some other race, and 3.02% were of two or more races.

In the last ten years the Fort Wayne community has seen an influx of refugees and foreign immigrants. Immigration has had a great impact on local economic activity and business practice. The Hispanic population has risen also, creating the need for the formation of a Hispanic Chamber of Commerce. These communities are greatly underserved and would benefit from micro-lending opportunities.

The median household income for Fort Wayne in 2009 was \$43,320 compared to a state median of \$47,465 as shown on the Census’ American Community Survey. In

2010, 63.23% of Fort Wayne households had an annual income of less than \$50,000, compared to 51.37% of the people in the state (U.S. Census).

Fort Wayne in comparison to the state of Indiana had higher poverty levels in 2009. U.S. Census data states that 11.7% of Fort Wayne families and 14.7% of individuals live below the poverty level. The State of Indiana statistics reflect 9.5% families and 13.2% of individuals live below poverty level.

The statistics above reveal that there was a total (family and individuals combined) of 26.4% people in the Fort Wayne community living below the poverty level. This means that at least a quarter of the Fort Wayne population is struggling to make ends meet, and as a result has very little opportunity to build or secure assets.

Community Needs Assessment

There are many housing and social service agencies in Fort Wayne that cater to health, housing, food, and educational needs of the community. There are only two agencies in the community that cater to small business entrepreneurs and start-ups unable to receive commercial bank loans. Micro-lending in Fort Wayne is limited at best, and as a result non-traditional financing opportunities are needed. Local private commercial lenders continue to attempt to develop more flexible banking options, but still a sizeable segment of the population has no access to such services. Products that have flooded the market are typically related to credit building, including Certificates of Deposit, saving accounts, and secured credit/debit cards, to name a few. None of these products provide the needed cash a small business owner would need to start or sustain business operations.

In addition to the lack of financial opportunities for lending, there are only a few business incubators, none of which are located in highly visible places suitable for small retail businesses. Incubator office space and tech labs are available and attempt to address the need when possible, but are not designed for a typical sales related business. The importance of incubators is to provide a low cost, low risk, trial space for entrepreneurs attempting to extend their expertise to other small business owners.

Target Community for the Project

Approximately 99% of small businesses in Fort Wayne, Indiana lack micro lending opportunities, and the benefits of small business incubators, which limit their growth. One way to address this pressing issue of access to financial assistance is to establish a micro lending program that incorporates a strong educational component targeted at low-income immigrants, small businesses, and start-ups.

Problem Analysis

Problem Statement

Approximately 99% of small businesses in Fort Wayne, IN lack micro-business lending opportunities coupled with small business incubators, which limits their ability for development. There are multiple causes of this problem. These include: lack of vision from local government, lack or absence of credit, unwillingness of public-private investors, lack of demand, and State or regulatory impediments.

Local government's lack of vision is demonstrated in the absence of funding for microlending programs. Many low-income small business owners do not have the credit necessary to acquire bank financing, and consequently have trouble maintaining inventory and meeting ongoing marketing needs. Public-private investors are unwilling to invest in small businesses and start-ups because of the amount of risk involved, limited return on investment, time to return on investment, and limited possibility for exist (angleblog.net, 2010).

As a result, struggling existing businesses and un-tested start-ups are not as attractive to investors, leaving even fewer options for those needing the capital such investors can provide. Because there has been little discussion among municipal policy makers around this topic publicly, there would appear to be a dearth of demand for a microlending program. Regulatory impediments intimidate and slow down small business owners through barriers including a long application process, knowledge required outside a small business owner's field, and preexisting on-hand capital or other collateral.

If nothing is done to mitigate these realities, the problem could grow worse. Potential effects include, but are not limited to, the following: no or little business working capital, high overhead costs, no expansion capital, limited business growth, and need for more small business education. Without an effective microlending program small businesses have no or little business working capital, ultimately hindering their ability to stay open during slow times. High overhead costs can eat into a large percentage of small business revenue, reducing the amount of income generated. Business education and mentoring provide small business owners and entrepreneurs the knowledge and skills needed to generate a business concept, determine its feasibility, launch and operate a business, and develop exit strategies if so desired. Business education can greatly reduce the risk of failure (Solomon, Weaver, and Fernald, Jr., 1994).

Table 2: Problem Analysis

Effect	Little or no working capital among small business owners and entrepreneurs		
Problem Statement	Approximately 99% of small businesses in Fort Wayne, Indiana lack micro lending opportunities, and the benefits of small business incubators, which limit their growth.		
Causes	Small business owners' lack or absence of credit	Small business owners' lack of small business education	Lack of demand for small business finance assistance as a result of poor marketing about microlending program

Stakeholders

The major stakeholders connected to the microlending project are: Small Business Owners, Entrepreneurs, Community Development Corporation (CDC), Small Business

Administration, and Indiana Housing Community & Economic Development Authority.

Small Business Owners and Entrepreneurs are the key constituents of the proposed microlending initiative. It is the goal of Community Action of Northeast Indiana (CANI's) microlending program to provide both groups with the opportunity to expand business operations, build business credit, and receive technical assistance/business education. The Community Development Corporation managed by the City of Fort Wayne is an important local player because it currently offers microloans and has for many years to a similar clientele. The Small Business Administration (SBA), a state organization, is both a great source for lending capital as well as business training and counseling. The Indiana Housing and Community & Economic Development Authority (IHCDA) has already made a significant investment in CANI's microlending program, and continues to support the growth and expansion of CANI's efforts.

Neither of the above players come without their own concerns and anticipated challenges. One of the identified challenges with Small Business owners and Entrepreneurs is establishing trust that CANI can assist them in their business growth and development. CANI has yet to formulate a relationship with the local CDC, and until that happens expectations of receiving client referrals and other partner-type benefits are limited. Like the other concerns and challenges mentioned above, applying for lending dollars from the SBA could be hindered if CANI doesn't have the trust of key stakeholders.

Table 3: Stakeholder Matrix

Stakeholder	Stakeholder Interest(s) in the Project	Assessment of Impact	Potential Strategies for Obtaining Support or Reducing Obstacles
Small Business Owners	<ul style="list-style-type: none"> *Opportunity expand business operations *Opportunity to build credit *Receive technical assistance *Build credit 	A	<ul style="list-style-type: none"> Present microlending program to existing small business owners Advertise educational courses Ask agency partners to promote microfinance program
Entrepreneurs	<ul style="list-style-type: none"> *Start-up capital *Business Plan Development Courses *Incubator Space * Build credit 	A	<ul style="list-style-type: none"> Hold seminars focused on start-ups Ask agency partners to promote microfinance program
Local banks	<ul style="list-style-type: none"> *Another option for borrowers they cannot help *Opportunity to get future borrowers that have been educated and have improved credit 	B	<ul style="list-style-type: none"> Informing local banks of the microlending program and education course. Visit each bank and present to sales team.
Women's Enterprise Center	<ul style="list-style-type: none"> *Opportunity to partners in the area of education * A new options to share with clients in need of funding 	B	<ul style="list-style-type: none"> Foster relationship through joint workshops. Assist WEC clients in getting loan funds.
Community Development Corporation	<ul style="list-style-type: none"> *An option for clients they cannot fund 	A	<ul style="list-style-type: none"> Visit and inform Executive Director and loan officers about CANI program and how it might help some of their clients.
The Innovation Center (Incubator)	<ul style="list-style-type: none"> *Funding for clients using incubator *Possibility to get clients to participate in there incubator 	B	<ul style="list-style-type: none"> Establish an agreement to refer clients Negotiate use of incubator space
Small Business Administration	<ul style="list-style-type: none"> *Opportunity to establish a local lending affiliate serving the low- 	A	<ul style="list-style-type: none"> Submit funding application to SBA for revolving loan fund dollars

	income population		
Workforce One	*Opportunity for unemployed clients to think about opening a small business	B	Offer to do free information seminars on microfinance and small business development
SCORE	*A place to send clients in need of financing *Partnership on mentoring clients	B	Create Memorandum of Understanding regarding referral process
Chamber of Commerce	*A reference for Chamber members	B	Explain microlending program and encourage referrals
City of Fort Wayne Community Development Dept.	*A economic development tool that serves the same population the City is trying to reach	B	Invite City to participate in funding microlending loan pool
Indiana Housing Community & Economic Development	*Provide start-up revolving loan funds and future program support	A	Send status reports of current program success Apply for technical assistance

Assessment of Impact Legend: A = extremely important, B = fairly important, and C= not very important

Project Strengths, Weaknesses, Opportunities, and Threats

All projects have strengths, weakness, opportunities, and threats (SWOT) (angleblog.net, 2010). Microlending initiatives such as the one CANI is implementing are no different. In performing the SWOT analysis, several elements were found and explored. Identified strengths include: CANI has a pre-establish CED department with experienced lending staff, the microlending programs has been in operation for the past year, and CANI serves over 30,000 low-income people annually. Weaknesses that could possibly slow program expansion include: CANI is not known in the community for lending, marketing efforts need to be increased, CANI's program is new and has only been operating for one year, and several past non-profits engaged in some form of

lending have failed. Opportunities include: providing lending capital to small businesses and start-ups, mentoring business owners, expanding CANI's viability and community resident reach, empowering vulnerable community residents, foster new partnerships, increasing family and individual wealth, and ultimately helping small business owners establish credit. Microlending is a new endeavor for CANI and the risks associated with this new venture pose some threats. The threats that are evident at this time are: the need to find additional lending capital is always very difficult; CANI can only afford to fund the CED department at its current level for one more year; chances of not receiving CDFI certification, the challenge of increasing the number of small business loans given within the year, and the ability to offer a competitive wage to keep qualified staff.

Project Goals

Project goals for the microlending program span a ten year period. Short-term goals are those goals that can be accomplished within the first three to five years of the program. Short-term goals are focused on establishing a solid program foundation that can be built upon as the program and needs grow. During the first five years the program will train staff, create a marketing plan, increase small business and entrepreneur participation, set an educational program schedule, process at least ten loan applications per year, establish relationships with key stakeholders, generate some form of revenue to reduce agency asset subsidy, and apply for Community Development Financial (CDFI) Certification.

Intermediate goals for this program are targeted for years five through ten. By year five the program will require continued focus on much of what it did in the prior

years, with a greater concentration on loan capital generation, continuing reduction of program reliance on agency assets, locating and securing a business incubator space, and adaption to small business owners’ and entrepreneurs’ education and loan needs.

Years ten and on will represent long-term goals of the program. Within ten years CANI’s microlending program will have had a positive impact on the local community through job creation, empowered low-income marginalized community members to move out of poverty, helped clients to advance into the formal banking sector, successfully paid loans to CANI, and established a positive credit history.

Table 4: SWOT Analysis Matrix

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Microlending programs have been in operation for the past year • Have on staff trained small business instructors. Certified to teach “Foundation” a small business curriculum • Serve over 30,000 low-income people annually • Have a pre-establish CED department with experience lending staff 	<ul style="list-style-type: none"> • Not known in the community for lending. Hard for clients/loan recipients • Need to expand marketing efforts • Only in operating for one year • Past non-profits engaged in some form of lending failure
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Provide lending capital to small businesses and start-ups • Mentor business owners • Expand CANI’s viability and community resident reach • Increase CANI’s participation in CED activities • Empower vulnerable community residents • Create new partnerships • Increase family and individual wealth • Help small business owners establish credit 	<ul style="list-style-type: none"> • Finding additional lending capital is always very difficult • CANI can only afford to fund the CED department at its current level for one more year • Chances of not receiving CDFI certification • The challenge of increasing the number of small business loans given within the year • Ability to offer a competitive wage to keep qualified staff

“CEDness” of the Project

The C (Community) in community lending in Fort Wayne is comprised of minorities, immigrants, refugees, and culturally formed associations which would benefit from a non-traditional lending program. Mentoring, business education and coaching programs create opportunities for participants to contribute collectively and benefit from a common sense of community. Participants can utilize microlending to spur job growth, build financial reserves, and personal as well as business credit that support the E (Economics) of CED. Lastly, the D (Development) in CED is the building of institutions like CANI’s community lending institution that empowers marginalized community residents while assessing resources of larger society.

Literature Review

Small business viability and success have traditionally been defined by access to bank based credit (Sander, 2001, p. 1). One economic definition of small business success is “high-growth small businesses ... that provide the greatest percentage of net new jobs (Muntean, Spring 2011, p. 1).” The Small Business Administration (Administration, 2011a) defines small business as:

“... one that is independently owned and operated, is organized for profit, and is not dominant in its field. Depending on the industry, size standard eligibility is based on the average number of employees for the preceding twelve months or on sales volume averaged over a three-year period.”

According to the Office of Advocacy, in 2008 there were an estimated 29.6 million businesses in the United States. In 2006 there were 27 million firms with and without employees (6 million firms with employees and 21.7 million without employees in 2007), according to Census data. Of the 29.6 million businesses, small firms with fewer than 500 employees represent 99.9 percent (including both employers and non-employers). Moreover, most recent data show that there were approximately 18,000 large businesses in 2006 (SBA, 2011b).

In 2008, Indiana microenterprise businesses represented 85.54% of the total number of businesses in the State. Of that, 371,621 were sole proprietors, 74,503 were businesses with 1-4 employees, resulting in a total of 446,124 microenterprises out 521,547 total businesses in the entire state (AEO, aeoworks.org, 2011a).

Microfinance and micro lending have been an emerging economic development trend since the 1980's. Utilized as one of the many economic development tools to

elevate people out of poverty, microfinance and community lending institutions have grown in popularity. Microlending directly connected to microenterprise presents an option for low-income Americans, one possible route to economic self-sufficiency. In addition to individual assistance, microlending creates financial opportunities for striving entrepreneurs, and small business owners unable to obtain mainstream bank financing (Clark, Kays, Zandniapour, Soto, & Doyle, 1999).

Financial inclusiveness matters for individuals' and families' welfare, inequality, and community economic growth (Cole, Untitled, 2008). However, defining business success based on traditional credit models has been challenged. First, because there are not enough services, products, or opportunities that meet the unique needs of microbusinesses and their owners (AEO, 2011b). Additionally, credit is valuable but is only one aspect of business success. According to the AEO, underserved microbusiness owners are unable to make use of available solutions to their needs typically as a result of their lack of starting capital (AEO, 2011b). With approximately 26 million businesses classified officially as "microenterprises" in America, the lack of access to capital for such businesses is a significant challenge.

Statistics on microenterprise financing provides a clear picture of the need. The Community Development Finance Institution (CDFI) 2005 Data Project report from the Aspen Institute cites the following:

- 23.5 million businesses with five or fewer employees in the U.S. (2004)
- Accounted for over 87% of all business establishments
- 10 million microentrepreneurs are individuals who face barriers to mainstream finance and business development services

- This group is largely composed of women, people of color, ethnic minorities, the disabled, and individuals of public assistance who are interested in starting a business
- The majority of clients were women (56%) or minorities (64%)
- Low-income (80%) of regional medians as defined by HUD
- Approximately 25% of clients were in poverty at intake
- 9% reported receiving Temporary Assistance for Needy Families (TANF) benefits

In light of increased visibility of microlending as a tool, Community Economic Development practitioners, academics, and policy makers have advocated for more detailed study of the relationship between microfinance and business success (Schreiner, 2002) (Cole, 2008). Microlending programs, like credit builder loans and individual development accounts, are becoming more popular asset building tools to help individuals and families out of poverty.

Project Design/Logic Model

Project Focus

The broad focus of the microlending initiative is to provide low-income Fort Wayne residents a strategy for eliminating poverty. The objective of the initiative is to offer local low-income entrepreneurs and small business owners the opportunity to establish and build credit to support the start-up and growth of existing businesses. To accomplish this, CANI will increase community awareness through the establishment and implementation of an aggressive marketing plan. The marketing plan will include outreach to agency partners, presentations to local small business groups, and the creation of new partnerships with the local universities and area colleges. CANI has already garnered revolving loan funding to provide loan capital to low-income individuals in need of assistance. All loans made through this program will be reported to the credit bureau to help build credit, creating a valuable asset for the future. The development of a retail focused small business incubator is another powerful resource for start-ups and existing businesses looking for low-cost space and shared administrative services. The final component is education. An eight week small business development education course will be offered to individuals in the community needing training in business plan writing, market research, and cash flow projections.

Project Outcomes

Table 5: CANI Microlending Initiative Project Logic Model

LONG TERM OUTCOME	Engender a more robust low-income small business community, complete with emerging leadership and increased access to fundamentals of business sustainability.
INTERMED	10% of all low-income small businesses in Fort Wayne, IN will be

LATE OUTCOME	exposed to microlending opportunities and small business incubators within the next five years. 15% of low-income small business owners and entrepreneurs will be offered working capital through microfinance loans.				
SHORT TERM OUTCOMES	Increase Community Awareness	Provide needed financial support to low-income small business owners' and entrepreneurs	Increase small business owners' and entrepreneurs credit through credit building loans	Establish a small business incubator focused on retail sales	Provide small business education to small business owners' and entrepreneurs
OUTPUTS	*Present to 20 agencies, companies, banks, and other non-profits the microfinance program annually *Speak on NPR 2 times annually	*20 loans made per year *50 applications taken per year	*10 credit builder loans per year *30 applications taken per year	* Secure 1 building for 12 months that can accommodate 3 low-income small businesses * 3 signed leases for incubator space from low-income small businesses for 6 to 12 months *3 low-income small businesses on a waiting list for future space	* Offer 6 Foundation workshops per year * Give 20 one-on-one counseling sessions per year
ACTIVITIES	*Create an outreach plan that identifies 20 agencies to contact in addition to PSA's, newsletters etc.	*Secure additional revolving loan funding * Visit small business owners' * Develop	* Prepare loan application packets * Train staff Set-up credit bureau reporting * Offer	*Identify funding or donors to cover incubator/building cost *Seek Board support/approval to begin looking for an incubator space	*Train staff on Foundations curriculum *Send workbook to printer *Reserve CANI

	<ul style="list-style-type: none"> *Send microfinance brochures to printers *Tweak PowerPoint presentation *Rehearse 5 min. elevator speech *Contact NPR (Mid-Day Matters) to request a segment 	loan application	<ul style="list-style-type: none"> small business lending information sessions * Reserve local library community room 	<ul style="list-style-type: none"> *Find possible locations for incubator *Identify potential low-income businesses that would benefit from the use of an incubator space *Establish incubator service plan *Create marketing plan to lease space *Offer business management courses to low-income business owners 	<ul style="list-style-type: none"> conference room and computer lab *Order refreshments *Set-up any guest speakers *Order flash drives for participants
INPUTS	<ul style="list-style-type: none"> *CED Staff *Outreach Staff *Marketing Staff *Brochures *Translator *Computer 	<ul style="list-style-type: none"> * CED Staff * Office space * Computer * Lending software 	<ul style="list-style-type: none"> * CED Staff * Office space * Computer * Loan servicing software 	<ul style="list-style-type: none"> * CED Staff * Incubator facility 	<ul style="list-style-type: none"> * CED Staff * Training manual * Flash drives * Workshop facility * Computer

The short-term outcomes (STO) for the microlending initiative are intended to increase awareness of the program, as well as to provide needed financial support, credit building, establish a small business incubator, and provide small business education to entrepreneurs and small business owners. The five STO's are: increase community awareness of Community Action of Northeast Indiana's (CANI) microlending program, provide needed financial support to low-income small business owners and entrepreneurs, establish a small business incubator focused on retail sales, and provide

small business education to small business owners and entrepreneurs. The five STOs mentioned above will be the catalyst to expand the use of the program to the Fort Wayne community.

Methodology and Implementation Plan

Project Participants/Beneficiaries

The participants and beneficiaries of this project are small businesses owners and entrepreneurs in Fort Wayne that are in need of business development education, mentoring, and financial capital. A more educated, supported, and financially stable small business community has a direct effect on local unemployment rates, and the local economy as a whole.

Community Role

Partnering organizations have agreed to provide technical assistance, referrals, and to collaborate on training workshops at no cost to individuals participating in the microlending initiative. The Small Business Development Center has agreed to provide technical assistance and business plan development to potential microlending borrowers. The Innovation Center has agreed to refer borrowers that fit the microlending criteria. SCORE has agreed to present at workshops and mentor borrowers. The Women's Business Enterprise Center has also agreed to connect borrowers to mentors and provide technical assistance when needed. Local lending institutions and credit unions agree to refer the microlending program to clients they are unable to assist.

Host Organization/Group

Community Action of Northeast Indiana (CANI) is a forty-six year old Community Action agency with a mission to "Help Communities, Families, and Individuals Remove the Causes and Conditions of Poverty." CANI serves over half the

low-income residents of Northeast Indiana through traditional Community Action Programs and services that include Energy Assistance, Weatherization, Case Management, Head Start, Early Head Start, Employment Training, and Housing Choice Voucher Program to name a few. CANI hired an Asset Development Coordinator in 2009 to expand and develop new programs and services to help agency clients build and retain assets. In late 2009 that position evolved into the Community Economic Development (CED) department, focused on lending, housing development, and community engagement. CANI's CED department will serve as the implementers of the microlending initiative.

Project Staff

The CED staff will serve as the trainers, loan processors, underwriters, and recruiters for the initiative. CANI staff working on this project includes the Director of Administration and Development (project manager), CED manager, Loan Coordinator, and an IDA Coordinator. All have listed within their job descriptions the responsibility to support CED lending activities. CED staff participation in this project is directly connected to the lending goals of the department. Other partners include the Small Business Development Center, Indiana Housing and Community Economic Development Authority, SCORE, Women's Business Enterprise Center, and the Fort Wayne Innovation Center. These partners support the project by in providing technical assistance to borrowers, and mentoring.

Project Implementation

This project will be implemented through the CANI CED department. Launched originally in January 2011, this initiative will serve local entrepreneurs and small business owners through the coordination of local agencies, institutions, organizations, and business-focused community resources. The project will run through 2016, producing measurable outcomes and benchmarks.

Project Budget

*Figure 3: Community Action of Northeast Indiana (CANI): Microfinance Initiative
Program Budget, FY 2011-2012*

Revenue	Microlending Project
CSBG Subsidy	157,137
IHCDA Revolving Loan Fund	100,000
IHCDA Operating	20,000
ELF Loan Fund	70,000
1 st . Source Bank	15,000
Membership	0
Individuals	0
Fees for services	12,200
Miscellaneous	0
Incubator space rental	6,000
	0
	0
Total cash revenue	\$380,337
CDFI award	\$98,000
JPMorgan Chase Foundation	\$100,000
Total projected revenue	\$198,000
Total Revenue	\$380,337

Expenses	Microlending Project
Staff salary and benefits	
CED Manager	
IDA Coordinator	
Housing Projects Coordinator	
Loan Specialist	
Director of Administration 25% of time	19,458
Occupancy (rent and utilities)	4,254
Insurance	0
Legal, accounting	0
Equipment	0
Supplies	1,000
Printing and copying	1,000
Telecommunications	1,820
Postage	200
Travel and meetings	3,800
Marketing and advertising	1,000
Staff training/development	1,000
Contract services	13,000
Employee Moral	200
Staff Education	1,000
IHCDA Revolving Loan	100,000
ELF Loans	70,000
1 st Source Bank Loan Loss	15,000
General administration ("X" %)	0
Total cash expenses	\$232,732
In-kind	
CED Manager	17,171
Loan Specialist	10,513
IDA Coordinator	4,273
Incubator space	6,000
Total in-kind expenses	\$37,957
Total Expenses	\$270,689
Revenue over Expenses	\$109,648

The Microlending project is an initiative housed in the Community and Economic Development department (CED). CED was created and initially funded from American

Recovery Reinvestment Act (ARRA) dollars. The CED department is compartmentalized into two areas: Housing Development and a Lending Institution. One initiative within the Lending Institution is a dedicated microlending project. Now that ARRA dollars have sunsetted, the department is primarily funded by Community Service Block Grant (CSBG) dollars. In addition to CSBG, other funding has been raised/awarded from the Indiana Housing and Community Economic Development Authority (IHCDA), local bank foundations, and agency assets. The department must significantly reduce its dependency on CSBDG funding within the next year in order to continue operating at its current level. The above line-items are explained below.

Revenues for this project will come from CSBG, IHCDA, Hispanic Latino Coalition, 1st Source Foundation, fees collected from loan services, and other grants received. The CSBG subsidy is the primary funding source for the Microlending Initiative and the entire CED department. CED carryover of \$157,137 is the amount that will be taken directly from the CED department CSBG subsidy to assist in funding this initiative. IHCDA has granted the organization \$100,000 to start a revolving loan fund. 1st Source Foundation has granted the \$15K to fund a 15% loan loss reserves for the secured \$100k. Fees for services will be collected from loan applications, credit report pulls, and interest on loan payments.

Community Development Finance Institution Award (CDFI) is an award for which we will apply in November 2011. The funding will be used for operating and the revolving loan fund. In addition to CDFI we have applied to JPMorgan Chase Foundation for a grant of \$100,000. If awarded, the funds will be used as follows: \$75K for revolving

loan fund, \$10K for staff, and \$5k for staff development, and \$10K for marketing. We are currently awaiting the award announcement.

Staff salary and benefits include all staff time other than the Director of Administration, and will be rendered in-kind to this initiative and covered by the CED budget. The Director's time is expensed at 25% because she is the project manager for this initiative. Funds will be used to cover basic office supplies for this project specifically. Travel and meetings will be reimbursed to small businesses, searches for incubator space, and partner relationship building. Marketing and advertising funds will cover brochures, and partly fund ad costs. Incubator space will defray the cost of renting a space large enough for up to three commercial retail small businesses.

At present the identified in-kind expenses consist of the use of the CED staff. It is also our desire to acquire donations for half of the incubator space. It is anticipated that as partnerships are formed with other agencies, in-kind assistance will help cover other costs.

Monitoring

Monitoring Indicators

The Microlending Initiative has five specific outputs, each connected to a short-term outcome. These outcomes indicate the desirable change in knowledge or skills, and resources available to low-income small businesses and entrepreneurs in the community. Listed below are the outputs, the direct result of activities performed to achieve the intended outcome.

Table 6: Indicators of Productivity

Output 1	Present to 20 agencies, companies, banks, and other non-profits the microfinance program annually; Speak on National Public Radio twice annually
Output 2	Make 20 loans per year; Take 50 applications per year
Output 3	Make 10 credit builder loans per year; Take 30 credit builder applications per year
Output 4	Secure 1 building for 12 months that can accommodate 3 low-income small businesses within the next three years, Secure 3 signed leases for incubator space from low-income small businesses for 6 to 12 months; Establish a waiting list of 3 low-income small businesses for future space
Output 5	Offer 6 Foundation workshops per year, Give 20 one-on-one counseling sessions per year

The activities to generate the above outputs will be monitored by the CED staff and partner agencies. Multiple methods, tools, and forms will be used to measure the progress of the project.

Methods, Tools, Forms

The methods and tools used to collect and track the activities and their progress differ depending on the goal and desired outcomes. A combination of surveys, pre-and

post-testing, sign-in sheets, and database tracking are used in the monitoring and evaluation of this project.

1. *Surveys*: Surveys are given to participants that attend “How to Start a Business” seminars and those that take the Foundations business development course. The results of the surveys help improve the workshop presentations for subsequent trainings.
2. *Pre and post-testing*: A test is given at the beginning, middle, and end of the Foundations course. The first test is to assess what each individual knows about his or her business and formal business development in general. The second test is given mid-way through the eight week course to check participant’s ability and to digest the concepts and information given over the first four weeks. The third and final test is to check overall comprehension of course materials and to help staff identify areas of the curriculum that need improvement from more time spent reviewing.
3. *Reports*: Reports are generated from the “DownHome” lending software, Excel spreadsheets, and the tally of sign-in sheets. Reports will be maintained by the CED Lending Coordinator. These reports provide information on borrower demographics, credit score, payment history, and other data.

Team/Tasks

Once the data is collected it will be analyzed by CED manager and the thesis project manager to determine if the program is running as planned, or if changes need to

be implemented in order to achieve the desired outcomes. Samples of the surveys, pre, mid-term, and post-test appear in the Appendix section.

Monitoring Schedule

A monitoring chart is located in the Appendix section.

Evaluation

This project was designed to provide low-income small businesses and entrepreneurs in marginalized communities in Northeast Indiana business training, and alternative options to obtain operating capital. To achieve this, several loan products were designed to help startup and existing businesses, and CANI staff was trained to provide a business plan development course titled “Foundations.” The success of this program will be determined by the results of the evaluation conducted.

Evaluation Variables and Indicators

An independent evaluation process will be used to assess the effectiveness of the microloan program and its impact on the target community. This type of evaluation was selected to eliminate internal biases from staff and assure the Board of Directors that the program is truly viable and in need of their continued support. The primary responsibility for developing the evaluation plan, leading the evaluation, and distributing the results will be performed by an outside third party evaluator.

To determine the success of the program the evaluation will answer the following key questions:

1. How many clients/borrowers successfully repaid their loans?
2. What is the community’s level of knowledge about the program?
3. Is there still a need for a targeted microloan program for low-income marginalized small business owners, start-up, and entrepreneurs?

Of the above questions, answers to question number three will help determine the need to continue the program, and the relevance of the program, and should easily facilitate data collection. Question three is reasonable and appropriate because it directly

deals with the core goals of the program. The evaluator’s observations, analysis of surveys, and interaction with the program will provide answers to this question.

Data Gathering Methods, Tools, Forms

The methods, tools, and forms utilized to gather data will include surveys collected at microlending conferences, the feasibility study prepared by an outside consultant, analysis of responses to survey questionnaires from seminar and course participants, analysis of pre – and post-test answers from the Foundation course.

Data Analysis

Below is a list of the project’s five Short-Term Outcomes (STO), related Outcome Questions (OQs), and assigned measurement variables. A sample of the responses gathered from the pre-and post-tests taken by participants of the Foundation course appear in the appendix.

Short Term Outcome	Outcome Question	Measurement Variable
STO 1: Increase Community Awareness	OQ 1: What was the impact of marketing the microloan program?	Measurement Variable: Number of calls, web visits, attendees at orientation sessions and online webinars.
STO 2: Provide needed financial support to low-income small business owners and entrepreneurs	OQ 2: How have borrowed funds affected the target businesses?	Measurement Variable: The amount of funds disbursed the ability of sponsored companies to move more effectively in the marketplace or purchase key equipment.
STO 3: Increase small business owners’ and entrepreneurs’ credit through credit building loans	OQ 3: In what ways has participation in the program empowered participants?	Measurement Variable: To what degree did credit scores change?
STO 4: Establish a small business incubator focused on retail sales	OQ 4: How has CANI provided retail oriented solutions for small businesses?	Measurement Variable: Number of small businesses that utilized the incubator, description of solutions offered.
STO 5: Provide small business education to small business owners and entrepreneurs	OQ 5: How did CANI provide additional resources to clients that increased their likelihood of	Measurement Variable: Number of people that attended Foundation classes, specific class

	success?	details correlated to key business needs.
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The outcome questions and measurement variables that will provide key valuable information about the project’s progress and effectiveness are OQ 2, OQ 3, OQ 5 and the measurement variables that accompany them. Those selected will produce the maximum amount of data, providing the greatest opportunity to evaluate performance.

Evaluation Team/Task

The surveys for this program were designed by the CED department by combining other recommended survey questions from a microfinance consultant and questions specific to CANI’s microlending initiative.

Evaluation Schedule

An evaluation schedule was created to help keep track of progress or the lack thereof during the project implementation. Refer to the chart in the Appendix section for the table of the evaluation schedule.

Sustainability

The design of every program requires some thought about how the program will survive after the initial pilot stage. A close look at which elements make a program sustainable is important. The three essential areas are financial, political, and social, all of which can affect the sustainability of the program. Financials are often times the main driver of existence, so we will begin with it.

Financial:

One key sustainable element in this project is funding. A strong organizational commitment has been made to support the microlending program. Funding must be secured to help reduce the current reliance on precious CSBG funding. There has not been a switch by local foundations in funding priorities, but we continue to present information on microlending as an option not only to help local low-income individuals but also to create job growth. The overall economy is improving but at a very slow rate. Unemployment in Fort Wayne is currently at 8%.

Political:

Locally there continues to be more focus on helping low-income families secure credit. The Mayor recently launched the “Bank On” initiative to help reduce the barriers many low-income families have when opening and maintaining a bank account. Globally, microlending is at an all-time high and is used in developing countries like India to help low-income communities establish businesses. The Grameen Bank model, established by

Nobel Peace prize winner Muhammad Yunus, is being used throughout the United States. Indiana opened its first Grameen Bank in 2011.

Social:

As you have read above, social microlending is currently generating intense interest at the state level. Additionally, many social service agencies are attempting to either implement a program or connect clients to existing programs. Microloans as a solution to help low-income small businesses and entrepreneurs change their economic condition is becoming more acceptable in our local community.

Framework, Rationale, and Vision:

Our goal for the microlending program is to create a program that is easily aligned with stable funding sources (as far as one can see), such as the U.S. Treasury, as well as local and national lending institutions. Adding the "Foundations" classes was also important, not only to meet the need of small business owners and entrepreneurs, but to address the desire of local lenders to have a more informed and educated borrower. Our vision is to become the training wheels for new or recovering small business borrowers, in the process preparing them to apply and receive a loan from a mainstream banking institution. This model will help commercial banks see the benefit in our program and continue to support our efforts.

Key Impacts:

The sustainable elements mentioned earlier in this section all have the power to affect the growth and sustainability of microlending in Fort Wayne, IN. Key impacts of the microlending program include a change in low-income small business owners' and entrepreneurs' quality of life, a more enriched and self-sustaining community as a whole, and job growth. The lack of funding will reduce the number of borrowers we can assist. Local political support is important, but not required to implement and run a successful microlending program. Unfortunately, without strong community, (social) acceptance, and understanding of the benefits of the program, it cannot survive.

The Plan:

The new opportunity for access to capital and business development education in this program is designed to run beyond the scope and time frame on which this thesis project is based. The lending of small loan amounts coupled with education is the essence of the activities for this project. Three action steps have been identified to help ensure its' future.

1. **Diversify the funding portfolio:** We have already begun establishing relationships with the Indiana Housing and Community Economic Development Authority (IHCDA), Small Business Administration (SBA), The United States Treasury, and local Banks.
2. **Increase marketing and public awareness:** An aggressive marketing campaign is being designed to help get the word out to potential borrowers, other community-based organizations, banks, non-profits, and government agencies.

3. **Make the “Foundations” class more accessible:** Past and potential clients are being surveyed to determine what changes could be implemented to get more participants involved in taking the class.

Ultimately, this program, just like those that have come before it, must prove its viability in order to survive the pressures of financial, political, and social constraints.

The commitment and dedication of staff is powerful, but cannot alone create sustainability. The interconnectedness of funding, government, and community will continue to drive much of the program’s success.

Results

The results of the Short Term Outcomes thus far have been helpful in guiding the implementation process. Below I have listed a brief update of efforts thus far, the pros and cons, effort regarding task, and lessons learned. Overall the project has and continues to make great progress.

Short Term Outcome 1: Increase Community Awareness

- a. Marketing to the Fort Wayne community is an ongoing process. The staff continues to increase its outreach efforts. In April 2012, a volunteer joined the CED team and has increased our capacity to expand our reach through more grassroots methods. Presentations have been given to over 20 agencies private and non-profit.
- b. Pros: Marketing outreach has increased the number of inquiries about the program. More agencies are aware of the program.
Cons: Marketing got off to a slow start and as a result few loans have been processed.
- c. Staff was successful in completing all the tasks associated with this STO.
- d. Lessons Learned: The most valuable lesson learned was the need to have a marketing plan completed and ready to go before launching a program that is dependent on public awareness and involvement.

Short Term Outcome 2: Provide needed financial support to low-income small business owners and entrepreneurs

- a. Seven (7) small business loans were funded. The goal for the 2011 was twenty (20) loans.
- b. Pros: The program was able to assist seven individuals.
Cons: We did not reach the goal.
- c. All forms needed to process loan applications have been created and translated for Spanish speaking clients. Additional lending capital was applied for and awarded.
- d. Lessons Learned: Staff created a mini application that is less intimidating than a full loan application. We learned that of those interested in applying for a loan, the loan application originally used was too lengthy and discouraged applicants. Marketing, marketing, and more marketing; we lost sight of the importance of getting the word out about the program so that more people can participate. We need to tweak our screening process so that less processing time is spent on clients that are not ready to borrow.

Short Term Outcome 3: Increase small business owners' and entrepreneurs' credit through credit building loans

- a. Four (4) credit builder loans were given to entrepreneurs looking to do more research or pay to attend a workshop or training. The goal was ten (10).
- b. Pros: Borrowers' credit scores increased, and two out of four are paid-off.
Cons: We need more borrowers.

- c. Information sessions are offered almost monthly to the public.
- d. Lessons Learned: In 2012 business builder loans, and minimum as well as maximum loan amounts were increased, giving borrowers between \$700 - \$1000. This increase was made to help reduce the APR, and to give borrowers up to \$1000 rather than the \$500 that was previously the maximum.

Short Term Outcome 4: Establish a small business incubator focused on retail sales

- a. This STO has yet to be realized. One donor was identified, but they did not have a building available. As a result the CANI Board was not approached for approval at this time.
- b. Pros: Staff capacity is currently challenged with the present work load. Adding the responsibility of managing an incubator space would be too overwhelming at this time.

Cons: Not sure when or if this aspect of the project will happen.
- c. Many of the activities planned for this STO were not accomplished.
- d. Lessons Learned: It is important to realize and accept what you can successfully accomplish for the target community. Not being able to establish an incubator at this time is disappointing, but it does not hinder or harm the progress of program.

Short Term Outcome 5: Provide small business education to small business owners and entrepreneurs

- a. Staff has been trained to facilitate “Foundations,” a business plan development course. The class has been offered three times in the past year. In addition to

group courses, one-on-one counseling is offered to anyone interested in receiving help with their business.

- b. Pros: Staff has counseled over 30 people in the past year. The Small Business Development Center has agreed to teach one of the eight classes offered during the Foundation eight week series. Fifth Third Bank has agreed to subsidize the cost for five participants in 2012. This should help participation.

Cons: Recruiting participants that can afford the \$200 fee has become challenging. The fee appears to be a barrier to many who would like to participate.

- c. The activities planned to make this STO happen were all completed and have led to our ability to provide one-on-one counseling and the Foundations course.
- d. Lessons Learned: It is important to include partners in training initiatives when possible. Partners provide diversity and can help reduce the cost burden on one agency.

Conclusions and Recommendations

This thesis set out to assess the value of microlending for small business owners and entrepreneurs in Fort Wayne, Indiana. To do so, several outcomes were examined, including increased community awareness, small business education, and the supply of needed capital. This study has revealed that by making loan funds and products more widely available for this class of business leaders, local business and entrepreneurs are receiving necessary help.

Prospects of Attaining Intermediate and Long-Term Outcomes

The work done thus far has paved the way for the project to meet its intermediate and long-term outcomes. Making microlending more widely available and providing business education to small business owners and entrepreneurs is touching the low-income business community and removing barriers to financial capital in Fort Wayne. Recent project data indicates that at least 60% of all applicants were approved for funding and are expanding their small business enterprises. As long as microloans continue to be awarded, and applicants are able to sustain and grow their businesses by using this key source of capital, it is extremely likely that more small businesses will survive the economic downturn present since 2008. This will empower them to create more jobs. At the same time, without continued funding in the form of revolving loan dollars and operating dollars, the program will cease to exist.

Personal Thoughts

Although initiated by the project manager the design and implantation of the CANI microlending project was done with the support of the Executive Director, the assistance from a consultant, and the staff of the CED department. The overall management of the project is the responsibility of the project manager and the day-to-day operations of the program rest with the CED department. Championing this project was a natural fit for the project manager. The project manager did not feel isolated because of the support from Southern New Hampshire University and CANI. As interest around the microlending project grew, and the project manager's knowledge expanded, a close sense of camaraderie developed. The reporting, monitoring, and evaluation process all helped clarify the project, and identified areas for improvement. The data provided continues to help staff and the program to grow.

The role as a CED practitioner is an important one. Helping marginalized individuals and communities is at the core of what CED specialists do. Future CED practitioners, however, should pay special attention to the communities they set out to serve and the proposed assistance they plan to give. One must be aware of the financial, political, and social circumstances that exist in every community.

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Appendix

Gantt Chart

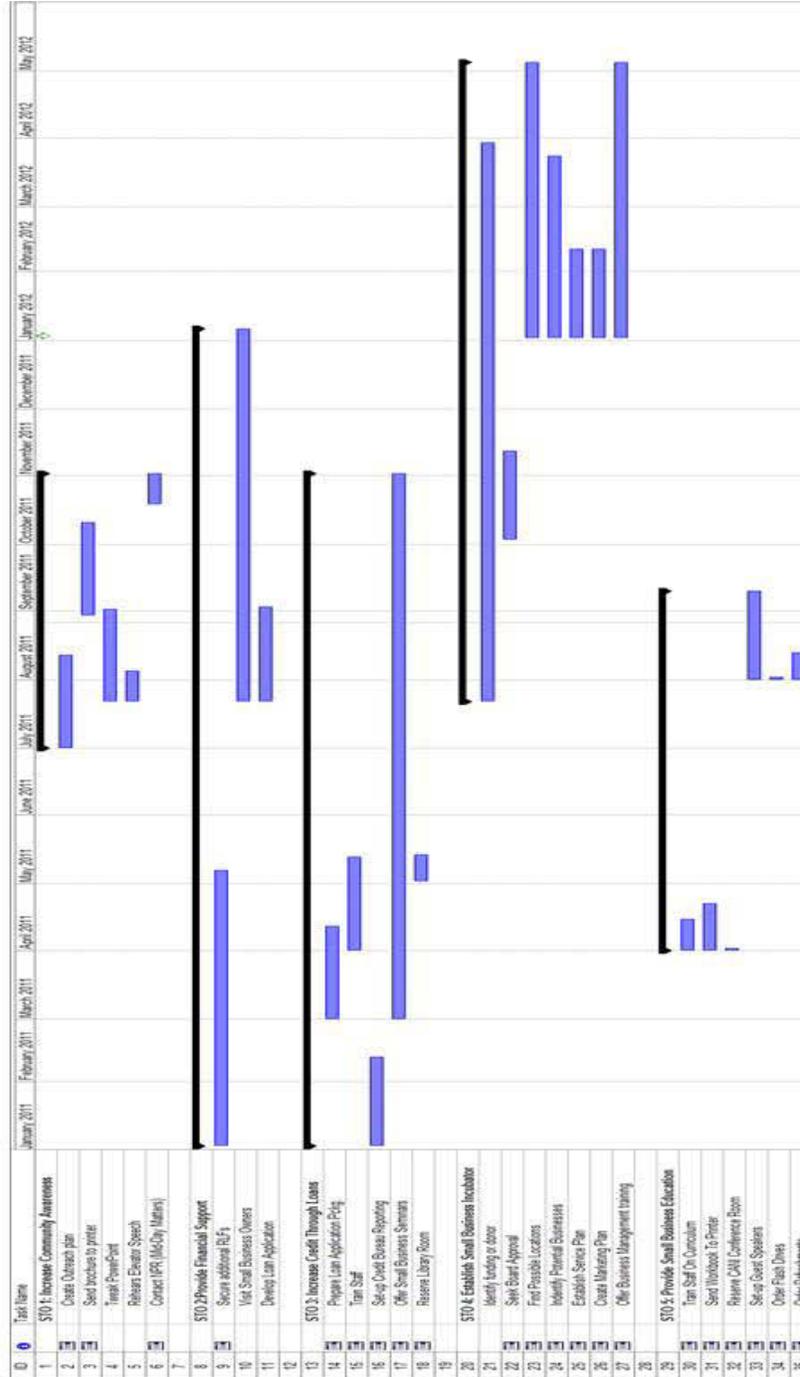


Figure 2 / Gantt Chart

Evaluation Matrix

OUTCOMES	INDICATORS	DATA GATHERING METHOD(S)	SOURCE(S)	TIMEFRAME
LTO: Engender a more robust low-income small business community, complete with emerging leadership and increased access to fundamentals of business sustainability	*Increase in number of successful small businesses *The establishment of low-income small business mentors support group *Increase in number of microloans given	*Track the number of businesses that originated from the microfinance program that remain in business for five years or more *Track the number of support group sessions *Track the number of loans given	*CED department staff * Sign-in sheets *Downhome lending software reports	Over the next ten (10) years
IO: 15% of low-income small business owners and entrepreneurs will be offered working capital through microfinance loans	*Number of small business owners and entrepreneurs contacted	*Track the number of meetings with small business owners and entrepreneurs * Sign-in sheets from information seminars	*CED department staff * Public information seminars	Over the next five (5) years
STO 1: Increase Community Awareness	*Number of organizations that are aware of CANI's microfinance program * Number of small businesses assisted	*Track the number of presentations given *Track calls and inquires about the microfinance program	*CED department staff	Over the next three (3) to five (5) years

STO 2: Provide needed financial support to low-income small business owners and entrepreneurs	*Number of small business loans given * Number of loans non-delinquent *Number of loans paid-off	* Downhome lending software	CED department staff Downhome software reports	Over the next three (3) to five (5) years
STO 3: Increase small business owners' and entrepreneurs credit through credit building loans	*Number of borrowers whose credit score increases five to seven points *Number of borrowers that reduce the amount of bad debt	*Downhome lending software	CED department staff Downhome software reports	Over the next three (3) to five (5) years
STO 4: Establish a small business incubator focused on retail sales	*Secured commercial rental space *Number of businesses that have signed leases	*Record number of leases *Track number of businesses that lease the space for the entire 12 months	CED department staff	Over the next three (3) years
STO 5: Provide small business education to small business owners' and entrepreneurs	*Number of individuals taking the course *Number of individuals that complete a business plan	*Pre and post-test *sign-in sheets	CDED department staff	Over the next three (3) years

Monitoring Reports

Title of Project: Creating Small Opportunities with Big Impact in Indiana: Micro lending and Small Business Incubator Project in Ft. Wayne

MONITORING REPORT FOR THE MONTH OF: January 2011

ACTIVITIES	DATE S	STATUS	TIMELINESS	EXPLANATION , IF DELAYED	ALTERNATIVE ACTION, IF DELAYED	ATTAINMENT OF OUTPUT
Create an outreach plan	Start: 1 Aug. 11 End:1 Sept. 11	In progress	On track	Staff completed draft at 25 Jan. 2012 kick off /planning meeting.	N/A	OUTPUT 1 Target: Present to 20 agencies and speak on NPR twice annually
Send microfinance brochures to printer Create and Rehearse elevator speech	Start: 1 Mar. 11 End: 31 Mar. 11	Completed	N/A	N/A	N/A	To date: 20 presentations given to other agencies Brochures and flyers created and printed
Contact NPR (Mid-day Matters) to request a segment	Start: 2 Feb. 11 End: 31 Dec. 11	Completed	As planned	N/A	N/A	Elevator speech completed 1 NPR noon

						talk
Visit small-business owners	Start: 1 Sept. 11 End: 1 Aug. 12	Partially completed	Slower than intended	Included in the new marketing and outreach plan drafted on 25 Jan. 2012		OUTPUT 2 Target: 20 loans made per year 50 applications taken annually
Develop loan application packet	Start: 1 Jan. 11 End: 21 Mar. 11	Completed	N/A	N/A	N/A	To date: Secured \$100k RLF \$15K loan loss reserve Submitted two grants 1) JPMorgan Chase
Secure additional revolving loan funding	Start: 1 Jan. 11 End: 31 Dec. 13	Completed	As planned	N/A	N/A	2) USDA RBAG

ACTIVITIES	DATES	STATUS	TIMELINESS	EXPLANATION, IF DELAYED	ALTERNATIVE ACTION, IF DELAYED	ATTAINMENT OF OUTPUT
Train CED Staff in	Start: 1 April	Completed	N/A	N/A	N/A	OUTPUT 3

micro-lending and Foundations curriculum	11 End: 20 April 11					Target: Provide 10 credit builder loans per year
Set-up Credit Bureau reporting system	Start: 1 Jan. 11 End: 1 Feb. 11	Completed	N/A	N/A	N/A	30 applications taken per year
Offer small business info sessions	Start: 1 Mar.11 End: 31 Dec. 11	Completed	N/A	N/A	N/A	To date: 3 credit builder loans made
Reserve training space	Start: 1 Mar. 11 End: 31 Mar. 11	Completed for the year	N/A	N/A	N/A	5 applications taken

ACTIVITIES	DATE S	STATUS	TIMELI-NESS	EXPLANATION , IF DELAYED	ALTERNATIV E ACTION, IF DELAYED	ATTAIN-MENT OF OUTPUT
Identify funding or donors to cover incubator/building	Start: 1 July 11 End: 1 Aug. 12	On hold	Delayed	Efforts were redirected to boarder agency issues	Team agreed that new search would begin late March, early April 2012	OUTPUT 4 Target: Secure 1 building for 12 months
Find possible incubator location	Start: 1 Aug. 11 End: 1 Sept. 12	Completed	N/A	Space from meeting on 17 Sept. 2011 did not work. The search for additional space was affected because efforts were redirected to boarder agency issues.	Team agreed that new search would begin late March, early April 2012	3 signed leases for incubator space 3 small businesses on a waiting list for future space
Identify potential low-income businesses that would benefit from Incubator space	Start: 1 Aug. 11 End: 1 Sept. 12	Partially completed	Delayed	Efforts were redirected to boarder agency issues. Have businesses that would like a space, but have yet to create an official list.	Establish physical list in 1 st 6 mos. Of 2012	To date: Scheduled meeting with building owner on 17 Sept. 2011
Create incubator service plan	Start: 1 Sept. 11	Completed	Delayed	Don't have a building as of yet. Location of building did	Extend completion time to coincide with	

	End: 31 Dec. 11			not work	locating a building	
Create marketing plan for incubator space	Start: 1 Sept. 11 End: 31 Dec. 11	Not started	Delayed	Staff efforts were concentrated on the loans they were processing. Boarder agency issues derailed focus.	Marketing plan to tie closer to the attainment of an incubator space	

ACTIVITIES	DATES	STATUS	TIMELI- NESS	EXPLANATION, IF DELAYED	ALTERNATIVE ACTION, IF DELAYED	ATTAIN- MENT OF OUTPUT
Set-up guest speakers for training classes	Start: 1 Jan. 12 End: 31 Dec. 12	On going	N/A	N/A	N/A	OUTPUT 5 Target: Offer 6 Foundation workshops annually; Give 20 one-on-one counseling sessions per year
Order supplies for workshops	Start: 1 Jan. 11	On going	N/A	N/A	N/A	

	End: 31 Dec. 12					To date: 3 Foundation workshops held
Send training materials to printer	Start: 1 Feb. 11 End: 1 Mar. 11	Completed	N/A	N/A	N/A	8 one-on- one counseling sessions
Hold 2 nd annual Small Business Conference	Start: Nov. 2012 End: Nov. 2012	Planning in progress	As planned	N/A	N/A	

Title of Project: Creating Small Opportunities with Big Impact in Indiana: Micro lending and Small Business Incubator Project in Ft. Wayne

MONITORING REPORT FOR THE MONTH OF: February 2012

ACTIVITIES	DATE S	STATUS	TIMELI-NESS	EXPLANATION , IF DELAYED	ALTERNATIVE ACTION, IF DELAYED	ATTAINMENT OF OUTPUT
Create an outreach plan	Start: 1 Jan. 12 End: 1 Feb. 29	Completed and under review	On track	N/A	N/A	OUTPUT 1 Target: Present to 20 agencies and speak on NPR twice annually
Send microfinance brochures to printer Create and Rehearse elevator speech	Start: 1 Mar. 11 End: 31 Mar. 11	Completed	N/A	N/A	N/A	To date: 20 presentations given to other agencies Brochures and flyers created and printed
Contact NPR (Mid-day Matters) to request a segment	Start: 2 Feb. 11 End: 31 Dec. 11	Completed	As planned	N/A	N/A	Elevator speech completed 1 NPR noon talk

Visit small-business owners	Start: 1 Mar. 12 End: 1 Aug. 12	Partially completed	List of businesses completed	N/A	N/A	OUTPUT 2 Target: 20 loans made per year 50 applications taken annually
Develop loan application packet	Start: 1 Jan. 11 End: 21 Mar. 11	Completed	N/A	N/A	N/A	To date: Secured \$100k RLF \$15K loan loss reserve
Secure additional revolving loan funding	Start: 1 Jan. 11 End: 31 Dec. 13	Continuou s	As planned	N/A	N/A	Submitted two grants 1) JPMorgan Chase 2) USDA RBAG

ACTIVITIES	DATES	STATUS	TIMELINESS	EXPLANATION, IF DELAYED	ALTERNATIVE ACTION, IF DELAYED	ATTAINMENT OF OUTPUT
Train CED Staff in micro-lending and Foundations curriculum	Start: 1 April 11 End: 20 April 11	Completed	N/A	N/A	N/A	OUTPUT 3 Target: Provide 10 credit builder loans per year 30 applications taken per year
Set-up Credit Bureau reporting system	Start: 1 Jan. 11 End: 1 Feb. 11	Completed	N/A	N/A	N/A	To date: 3 credit builder loans made 5 applications taken
Offer small business info sessions	Start: 1 Mar.11 End: 31 Dec. 11	Completed	N/A	N/A	N/A	
Reserve training space	Start: 1 Mar. 11 End: 31 Mar. 11	Completed for the year	N/A	N/A	N/A	

ACTIVITIES	DATE S	STATUS	TIMELI-NESS	EXPLANATION , IF DELAYED	ALTERNATIV E ACTION, IF DELAYED	ATTAIN-MENT OF OUTPUT
Identify funding or donors to cover incubator/building	Start: 1 July 11 End: 1 Aug. 12	On hold	Delayed	Efforts were redirected to boarder agency issues	Team agreed that new search would begin late March, early April 2012	OUTPUT 4 Target: Secure 1 building for 12 months
Find possible incubator location	Start: 1 Aug. 11 End: 1 Sept. 12	Completed	N/A	Space from meeting on 17 Sept. 2011 did not work. The search for additional space was affected because efforts were redirected to boarder agency issues.	Team agreed that new search would begin late March, early April 2012	3 signed leases for incubator space 3 small businesses on a waiting list for future space
Identify potential low-income businesses that would benefit from Incubator space	Start: 1 Aug. 11 End: 1 Sept. 12	Partially completed	Delayed	Efforts were redirected to boarder agency issues. Have businesses that would like a space, but have yet to create an official list.	Establish physical list in 1 st 6 mos. Of 2012	To date: Scheduled meeting with building owner on 17 Sept. 2011
Create incubator service plan	Start: 1 Sept. 11	Not started	Delayed	Don't have a building as of yet. Location of building did	Extend completion time to coincide with	

	End: 31 Dec. 11			not work	locating a building	
Create marketing plan for incubator space	Start: 1 Sept. 11 End: 31 Dec. 11	Not started	Delaye d	Staff efforts were concentrated on the loans they were processing. Boarder agency issues derailed focus.	Marketing plan to tie closer to the attainment of an incubator space	

ACTIVITIES	DATES	STATUS	TIMELI- NESS	EXPLANATION, IF DELAYED	ALTERNATIVE ACTION, IF DELAYED	ATTAIN- MENT OF OUTPUT
Set-up guest speakers for training classes	Start: 1 Jan. 12 End: 31 Dec. 12	On going	N/A	N/A	N/A	OUTPUT 5 Target: Offer 6 Foundation workshops annually; Give 20 one-on-one counseling sessions per year
Order supplies for workshops	Start: 1 Jan. 11 End: 31	On going	N/A	N/A	N/A	

	Dec. 12					To date: 3 Foundation workshops held
Send training materials to printer	Start: 1 Feb. 11 End: 1 Mar. 11	Completed	N/A	N/A	N/A	8 one-on- one counseling sessions
Hold 2 nd annual Small Business Conference	Start: Nov. 2012 End: Nov. 2012	Planning in progress	As planned	N/A	N/A	

Title of Project: Creating Small Opportunities with Big Impact in Indiana: Micro lending and Small Business Incubator Project in Ft. Wayne

MONITORING REPORT FOR THE MONTH OF: 24 March 2012

ACTIVITIES	DATE S	STATUS	TIMELINESS	EXPLANATION, IF DELAYED	ALTERNATIVE ACTION, IF DELAYED	ATTAINMENT OF OUTPUT
Create an outreach plan	Start: 1 Jan. 12 End: 1 Feb. 29	Completed	On track	N/A	N/A	OUTPUT 1 Target: Present to 20 agencies and speak on NPR twice annually
Send microfinance brochures to printer Create and Rehearse elevator speech	Start: 1 Mar. 11 End: 31 Mar. 11	Completed	N/A	N/A	N/A	To date: 20 presentations given to other agencies Brochures and flyers created and printed
Contact NPR (Mid-day Matters) to request a segment	Start: 2 Feb. 11 End: 31 Dec. 11	Completed	As planned	N/A	N/A	Elevator speech completed 1 NPR noon talk

Visit small-business owners	Start: 1 Mar. 12 End: 1 Aug. 12	Partially completed	List of businesses completed	N/A	N/A	OUTPUT 2 Target: 20 loans made per year 50 applications taken annually
Develop loan application packet	Start: 1 Jan. 11 End: 21 Mar. 11	Completed	N/A	N/A	N/A	To date: Secured \$100k RLF \$15K loan loss reserve
Secure additional revolving loan funding	Start: 1 Jan. 11 End: 31 Dec. 13	Continuou s	As planned	N/A	N/A	Submitted two grants 1) JPMorgan Chase 2) USDA RBAG

ACTIVITIES	DATES	STATUS	TIMELINESS	EXPLANATION, IF DELAYED	ALTERNATIVE ACTION, IF DELAYED	ATTAINMENT OF OUTPUT
Train CED Staff in micro-lending and Foundations curriculum	Start: May 2012 End: Dec. 2012	New training opportunity now available	N/A	N/A	N/A	OUTPUT 3 Target: Provide 10 credit builder loans per year
Set-up Credit Bureau reporting system	Start: 1 Jan. 11 End: 1 Feb. 11	Completed	N/A	N/A	N/A	30 applications taken per year To date:
Offer small business info sessions	Start: 1 Mar.11 End: 31 Dec. 11	Completed	N/A	N/A	N/A	3 credit builder loans made 5 applications taken
Reserve training space	Start: 1 Mar. 11 End: 31 Mar. 11	Completed for the year	N/A	N/A	N/A	

ACTIVITIES	DATE S	STATUS	TIMELINESS	EXPLANATION , IF DELAYED	ALTERNATIVE ACTION, IF DELAYED	ATTAINMENT OF OUTPUT
Identify funding or donors to cover incubator/building	Start: 1 July 11 End: 1 Aug. 12	On hold	Delayed	Efforts were redirected to boarder agency issues	Team agreed that new search would begin late March, early April 2012	OUTPUT 4 Target: Secure 1 building for 12 months
Find possible incubator location	Start: 1 Aug. 11 End: 1 Sept. 12	Completed	N/A	Space from meeting on 17 Sept. 2011 did not work. The search for additional space was affected because efforts were redirected to boarder agency issues.	Team agreed that new search would begin late March, early April 2012	3 signed leases for incubator space 3 small businesses on a waiting list for future space
Identify potential low-income businesses that would benefit from Incubator space	Start: 1 Aug. 11 End: 1 Sept. 12	Partially completed	Delayed	Efforts were redirected to boarder agency issues. Have businesses that would like a space, but have yet to create an official list.	Establish physical list in 1 st 6 mos. Of 2012	To date: Scheduled meeting with building owner on 17 Sept. 2011
Create incubator	Start: 1 Sept.	Not started	Delayed	Don't have a building as of yet. Location	Extend completion time to	

service plan	11 End: 31 Dec. 11			of building did not work	coincide with locating a building	
Create marketing plan for incubator space	Start: 1 Sept. 11 End: 31 Dec. 11	Not started	Delayed	Staff efforts were concentrated on the loans they were processing. Boarder agency issues derailed focus.	Marketing plan to tie closer to the attainment of an incubator space	

ACTIVITIES	DATES	STATUS	TIMELINESS	EXPLANATION, IF DELAYED	ALTERNATIVE ACTION, IF DELAYED	ATTAINMENT OF OUTPUT
Set-up guest speakers for training classes	Start: 1 Jan. 12 End: 31 Dec. 12	Speakers for first 6 mos. have been arranged	N/A	N/A	N/A	OUTPUT 5 Target: Offer 6 Foundation workshops annually; Give 20 one-on-one counseling sessions per year
Order supplies for workshops	Start: 1 Jan. 11 End:	On going	N/A	N/A	N/A	

	31 Dec. 12					To date: 3 Foundation workshops held
Send training materials to printer	Start: 1 Feb. 11 End: 1 Mar. 11	Completed	N/A	N/A	N/A	8 one-on- one counseling sessions
Hold 2 nd annual Small Business Conference	Start: Nov. 2012 End: Nov. 2012	First planning meeting to be held in April 2012	As planned	N/A	N/A	

Kick Off Meeting Documents

Micro Lending

Project Kick-Off Budget

The kick off meeting budget is a sub-budget of the larger project budget. Funding has been set aside for refreshments and other small meeting needs.

Task	Total
Space	Inkind
Decorations <ul style="list-style-type: none">• Welcome Sign• Table Piggy Banks• Bird House	\$100
Supplies <ul style="list-style-type: none">• Legal Pads/Dividers• Pens• Project Binders	\$50
Refreshments <ul style="list-style-type: none">• Drinks• Lunch boxes	\$150
Total Cost	\$300

AGENDA

CANI's Center for Community and Economic Development Kickoff

Location: Fort Wayne Community Foundation

25 January 2012

8:00 a.m. – 4:00 p.m.

8:00 – 8:30	Light Breakfast
8:30 – 8:40	Welcome
8:40 – 8:50	Introduction
8:50 – 9:00	Review today's agenda and goals
9:00 – 9:30	Thesis project discussion and project binder
9:30 – 10:00	Team Building exercise
10:00 – 10:15	Break
10:15 – 11:00	Department name change and new organization structure discussion
11:00 – 11:30	Review of 2011
11:30 – 12:00	Brainstorming – Topic Marketing
12:00 – 1:00	Lunch
1:00 – 2:00	Set 2012 Goals - Lending
2:00 – 3:00	Set 2012 Goals - Housing
3:00 – 3:30	Review of today
3:30 – 4:00	Questions Comments
4:05	Adjournment

Team Building Activity

Activity: Building a Bird House

Time: 30 minutes

Supplies:

Paper and pen: To write project plan

Glue

Wooden Birdhouse kit without directions

Directions:

Select a project manager

Collectively design and write a simple project plan that includes all four project life cycles.

Project Life Cycles

Project Initiation

Project Planning

Project Execution

Project Closure: Don't forget to celebrate!

Collectively construct wooden birdhouse.



Communication Plan

The following table presents project team members and all persons identified in this communications management plan. The table conveys team roles and responsibilities.

Role	Name	Team member roles
Project Sponsor	CANI Board of Directors and Executive Director	To grant permission to move forward and support the project financially
Project Manager	Director of Administration and Development	Guide the project and project team
Project Team		
CED Manager	Jose Hernandez	Supervise CED staff and project implementation
CED Specialist	Andrea Dawkins	Provide training, and loan underwriting
CED Specialist	Barb Cayce	Intake clients, loan processing, and servicing

Communications Matrix

The matrix below details communication requirements for this project. The matrix was designed to tell type of communication, objective of communication, method of communication, frequency, audience, who is responsible, and what is to be delivered as a result of that communication. This document gives team members a clear understanding of communication expectations for this project.

Communication Type	Objective of Communication	Medium	Frequency	Audience	Owner	Deliverable
Kickoff Meeting	Introduce the project team and the project. Review project objectives and discuss improvements for 2012.	<ul style="list-style-type: none"> Face to Face 	Once	<ul style="list-style-type: none"> Project Manager Project Team 	Project Manager	<ul style="list-style-type: none"> Agenda Meeting Minutes 2012 Goals
Project Team Meetings	Review status of the project with the team.	<ul style="list-style-type: none"> Face to Face Conference Call 	As Needed	<ul style="list-style-type: none"> Project Team 	Project Manager	<ul style="list-style-type: none"> Agenda Meeting Minutes
Monthly Project Status Meetings	Report on the status of the project to management.	<ul style="list-style-type: none"> Face to Face Conference Call 	Monthly	<ul style="list-style-type: none"> Project Manager Project Team 	Project Manager	<ul style="list-style-type: none"> Agenda Meeting Minutes
Project Status Reports	Report the status of the project including activities, progress, costs and issues.	<ul style="list-style-type: none"> Email 	Monthly	<ul style="list-style-type: none"> Project Sponsor Project Team Project Manager 	Project Manager	<ul style="list-style-type: none"> Project Status Report

Evaluation Forms



COMMUNITY ECONOMIC DEVELOPMENT

FOUNDATIONS

MIDWAY EVALUATION FORM

Thank you for participating in Foundations. We want to make sure that we are providing you with useful information about starting a business. Please take a few minutes to fill out this evaluation so that we will know how we are doing. Thank you!

Date: _____

1. The Foundations course has been:

Very useful	Somewhat useful	Not useful at all
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. The assignment sections are:

Very useful	Somewhat useful	Not useful at all
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. The length of the sessions is:

Too long	Just right	Too short
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. I would refer another person to Foundations:

Yes, I would	Maybe	No, I would not
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. In your opinion, what is MOST helpful about Foundations?

6. In your opinion, what is LEAST helpful about Foundations?

7. What other information would you like to know about CANI's Microloan Initiative?

8. Do you have any other comments? If necessary, please use the back of this page.