that will help small businesses thrive. Proactively engaging with small business owners and acknowledging their contributions to a city’s unique character are also important methods for building a supportive small business ecosystem.

The Stages of a Growing Business

A helpful way for local governments to understand and address the needs of small business is through the “stages” framework. There are three stages of small businesses:

**Self-Employed** — These early stage businesses result from an entrepreneur’s ability to turn a good idea into a product or service. The challenges faced by self-employed business owners revolve around ensuring the survival of the business, as well as the ability to develop assets and build a marketing strategy. Cities can assist self-employed entrepreneurs by helping them legally become an entity in the community, streamlining municipal regulations, and connecting them to training programs on business model development.

**Stage One (2-9 Employees)** — These businesses are either young growth business or “mom and pop” establishments. Stage One businesses are focused on building a customer base, developing products and services, and securing external financing to expand. Cities can help Stage One businesses by creating access to mentorships programs and sharing information about funding opportunities.

**Stage Two (10-99 Employees)** — Second stage companies typically have a proven product, a niche in the market, a strong customer base, and are looking to expand production and hire more employees. The common challenges faced by Second Stage companies are finding funding to expand, and also managing the changing dynamics of a fast-growing company. Cities can support these companies by investing in “economic gardening” programs that provide businesses with targeted resources to help them grow. These resources include research on external markets where the business can expand, opportunities to connect with peers, management training courses, and information about external funding sources.

Connect Small Businesses to Information and Resources

Open communication channels ultimately help local governments to better meet the needs of small businesses. A critical role that city leaders play is to provide access to information, advice, and training that is geared towards improving the capacity of business owners. This information can be shared in a variety of ways, whether it’s online, at a business resource center, or out in the community.

In response to a need for a comprehensive listing of all business-related services, the city of Detroit developed a resource infographic for the city’s small business community. This infographic, called BizGrid, provides a comprehensive grid of information about where to find information about funding sources, legal assistance, business planning, marketing, and office space. The BizGrid information is divided into sections based on the business’ stage of development, which helps ensure that the information is targeted to the right audience. The BizGrid is available online, and hard copies are also distributed throughout the city by the 50 local organizations featured on the grid.
Detroit: BizGrid

In 2013, the Detroit Business Support Network (DBSN), launched the Detroit BizGrid, an infographic that presents the small business resources available to entrepreneurs at various stages of development. The finished product was made available electronically and in print. The project had three initial goals:

• Inform network organizations of partner services, allowing them to make targeted referrals and better serve clients;

• Promote the resources available to Detroit’s entrepreneurs and small business owners; and,

• Provide a broad view of assets and gaps in the service network, thus assisting future program development and funding decisions.

To meet these objectives, a committee of representatives from five DBSN member organizations met to establish guiding principles:

• Entrepreneurs, particularly those in early stages of ideation or business, would be the target audience.

• The information in this tool must be accurate and easily understood and must provide value.

• The tool would get entrepreneurs into the system, but they would have to do some work themselves. No tool can provide answers to every question.

When the committee was confident the result of their work would meet the original project goals, a draft was presented to philanthropic partner, New Economy Initiative for Southeast Michigan (NEI), and to a local corporate sponsor, Fathead. Fathead donated extra-large BizGrid wall decals to each DBSN member organization. NEI helped cover the cost of printing tear pads of the infographics as well as the ongoing development of an interactive web tool (www.detroitbizgrid.com).

While formal metrics are still being collected, the tool has proven to be incredibly popular. Another Network partner, Wayne State University, recently held BizGrid Live!, a networking and educational event, that attracted 39 BizGrid organizations and nearly 300 area entrepreneurs. Partners and businesses have already asked for a 2014 event. Organizations from the region continually express interest in being added to the infographic, and cities from across the state have requested help creating a similar tool.

Establish a Small Business Resource Center

Another approach many cities take is to create a business resource center that serves as a hub of information for entrepreneurs and the local small business community. These centers are typically staffed with experts who serve as mentors and liaisons to businesses in need of support or information. The