Seattle: Business Retention and Expansion Program (BREP)

In 2009, Seattle’s Office of Economic Development (OED) faced serious challenges. The office suffered from a lack of balance between policy work and direct services to Seattle’s small business community. The contracts with industry sector partners were siloed and did not come together to form a cohesive strategy. In the face of a City Council proposal to eliminate the department, there was a need to reinvent core services, measure impact and do a better job of telling the story of the work and the value to the business community. Out of this crisis, OED’s Business Retention and Expansion Program (BREP) was created.

Economic development research shows that retaining and growing early-stage and existing businesses is the most effective way of supporting entrepreneurs and economic growth. To achieve the goal of growing Seattle-based companies, OED prioritized direct support to individual companies to help them access capital, expand into new markets, and navigate government. The program is focused on businesses with 5 – 100 employees and $1 million - $10 million in revenues, because companies of this size were the most likely to have the capacity for expansion and would most benefit from the kinds of services that OED could offer.

OED’s Business Retention and Expansion Program (BREP) targets meeting with 500 businesses annually, and providing 250 businesses with follow-up business services, including connecting them with opportunities to expand their markets, advice and referrals on financial and management challenges, navigating the regulatory environment, and assistance with site location. The business services portal, www.growseattle.com, has information for business owners whether they are looking to start, grow, or green their business. Targeted sectors include: manufacturing, logistics, maritime and shipbuilding, clean technology/energy and life sciences/global health, retail, professional services, and information technology. Through a competitive process, OED selected partners with expertise and relationships in these target sectors. OED used this opportunity to refocus their existing relationships with outcomes that supported broader mission and goals.

Since the program’s inception 3 ½ years ago, the team has visited over 1,500 companies. 69% of the visits resulted in some sort of action - connecting a business with resources or assisting them to navigate government. Of those items, 89% were successfully resolved. The program has three full-time staff dedicated to this work in our office, and invests $300,000 in contracts with industry sector partners for additional services.

More information available at: www.growseattle.com

“It’s amazing how much my business has grown in a short time. When I started, West Seattle Produce Company was the only location selling Doolie’s Hot Sauce, and now I am selling in 22 locations. The staff [in Seattle] are like team members, there to give me feedback and help, and they are rooting for my success. I am excited to keep growing my business and continuing to explore new opportunities, like participating in the Bite of Seattle this year.”

Abdul “Doolie” Mohamud, Founder and Owner, Doolie’s Hot Sauce

Advocate for Small Businesses with Small Business Councils or Committees

Another helpful mechanism is to form a council or committee of small business owners, entrepreneurs, and other community stakeholders that advises the city council and mayor on small business issues.
In Cincinnati, city officials took this approach by creating a Small Business Advisory Committee (SBAC). The Cincinnati SBAC provides a platform for the local small business community to advise city officials on policies and programs that impact business owners. The most critical outcomes of the Cincinnati SBAC are initiatives that helped to streamline and centralize services for small business owners. For example, the city is currently developing a one-stop centralized web portal of news and information, and has also formed “jump teams” of staff from various departments who work collaboratively to serve business owners throughout the permitting and licensing process from start to finish. Other initiatives the Cincinnati SBAC has considered are vacant property programs, loan programs, and professional development for business owners.

Cincinnati: Small Business Advisory Committee

The Small Business Advisory Committee (SBAC) was formed in April 2012 in response to several national surveys ranking Cincinnati behind its peers at providing a high-quality small business environment. Seeking to reverse this trend, the SBAC was established to act as a voice for the concerns of small businesses, advise the Mayor and City Council on the needs of the small business community, and guide city leaders on matters relating to economic development and small business services. Since then, twenty-two diverse members from the small business community have been busy guiding public policy and developing initiatives for the city to implement.

After contemplating how best to reduce the costs for start-ups and small businesses, the SBAC identified a need for a one-stop, centralized web portal. The Cincinnati community has a vast network of services and opportunities for small business but there is little coordination or a centralized location for small businesses to learn about these tools and services. After much discussion, it was determined that the government would be the most logical place to host a centralized hub for small business services. This web portal would also be used to streamline the permit process for businesses by creating a “Jump Team” in city government. The “Jump Team” would consist of representatives from all relevant departments to assist when a business is applying for permits and reduce the time it takes to get the business open. Currently this interactive web portal is in design.

Another initiative of the SBAC is the “Vacant to Vibrant” program. This program will use the County Landbank and service providers like SCORE to match businesses that are ready to own property with vacant or foreclosed properties. This would provide the businesses with an asset and the neighborhood with a viable business occupying a once vacant or troubled property. Currently the Landbank is identifying a list of properties in stable areas or areas that are seeing a resurgence of investment. Those properties will be shared with SCORE counselors to be made available to their clients. The Landbank will then transfer the properties at a minimal cost and the business will be able to redevelop the properties either with sweat equity or by financing the improvements.

Finally, the SBAC will assist the Economic Development Division in reviewing its current products and services for small businesses. The city of Cincinnati currently offers loans in partnership with the National Development Council (NDC) and their Grow America Fund. The “Grow Cincinnati Loan Fund” provides up to $1,000,000 for existing business that allows for longer terms that more closely match the asset being financed compared to many conventional commercial loans. The city also offers a microloan product through a local non-profit of up to $35,000. The city also funds the same local non-profit to provide business coaching and business classes to city businesses and entrepreneurs.

Between these current efforts and other future planned initiatives, the city is looking to make it easy for small businesses to start and grow in Cincinnati.
“Individually, small businesses may not have a large impact, but collectively they are a major driver of job creation. They populate our neighborhood business districts and provide unique products and services. The SBAC was created to identify and address the unique needs of this community, which often takes a back seat to large corporations in economic development initiatives. I am proud to work with this group of small business owners, service providers, and funders to re-focus Cincinnati’s efforts on our small business community.”

— Cincinnati Councilmember Yvette Simpson, who established and leads Cincinnati’s SBAC

Provide Platforms for Networking

Cities can also play “matchmaker” by hosting networking opportunities for businesses that connect them to local vendors and service providers. In May 2013, Mayor Ed Lee and sf.citi co-hosted “The Tech Connection: Speed Matching Event” at San Francisco City Hall as a means for connecting small business owners with the city’s tech industry to maximize collaboration between the two sectors. As a result of this business-to-business engagement, several local San Francisco restaurants are entering into contracts with local tech companies.

San Francisco and sf.citi: “The Tech Connection: Speed Matching Event”

The San Francisco Citizens Initiative for Technology and Innovation, or “sf.citi,” is a 501(c)6 organization created to leverage the power of the technology community around civic action in San Francisco. sf.citi supports innovative policies and works collaboratively with government and communities to find new solutions to historic problems facing San Francisco.

As part of an initiative to connect the city’s small business community and the local technology sector, sf.citi has taken various steps to convene and host events that engage these two economic and cultural engines of San Francisco. sf.citi created the “Tech Connection: Speed Matching Event” in partnership with Mayor Ed Lee, Supervisor Mark Farrell, the city’s Office of Small Business, the Small Business Commission, the local tech sector and various small business organizations such as the Golden Gate Restaurant Association, Small Business Network, and the San Francisco Council of District Merchants. The event, hosted at San Francisco City Hall in May 2013, paired 50 small business owners with 50 tech professionals for brief one-on-one “speed-dating” style interactions. The goal was to provide guests with the opportunity to pitch their products and services and to build customer-service provider relationships. This setting created a space for small businesses to have greater access to potential relationships with tech companies in San Francisco, as well as to learn about innovative, online tech tools to make business processes more streamlined and efficient. Tech companies were afforded the opportunity to reach out to new customers and “get off campus” by integrating with the small business community and learning about the many services and products they could provide to tech employees on a daily basis.

Among some of the tech companies who participated were Celery, AirBnB, Appallacious, Avaya, Citibank, Koozoo, Global Logic, Matrix Partners, Shopseen, Sonic.net, Square, Talus Labs, Yelp, and ZenPayroll. Among the small businesses who participated were marketing/professional services, pet sitting, event planners, food consultants, small manufacturers, hardware stores, and wellness consultants. The participants appreciated that Mayor Lee and the Board of Supervisors sponsored and supported these important business-to-business efforts.