

# X ECOSYSTEM COLLABORATION: OVERVIEW

BSOs lack the tools to make smart referrals, but collaboration and organic problem-solving is emerging across the ecosystem

	Key findings	What we heard
Knowledge of the ecosystem is limited	<ul style="list-style-type: none"><li>&gt; Virtually every BSO wants a better understanding of who does what (well).<ul style="list-style-type: none"><li>— Most BSOs know about core providers like Temple SBDC or The Enterprise Center, but few know the scope or quality of other providers</li><li>— BSOs, especially lenders, need a map for sector-specific services</li></ul></li></ul>	<ul style="list-style-type: none"><li>&gt; “We always need help identifying where to send people – organizations are always shifting scope or adding services.”</li><li>&gt; “Who’s doing childcare right now? General business planning is one thing, but childcare work requires special licenses.”</li></ul>
Service duplication is common	<ul style="list-style-type: none"><li>&gt; The majority of BSOs admitted to competing for limited resources but would prefer to collaborate.<ul style="list-style-type: none"><li>— There is a sense that BSOs try to stay relevant rather than doing what’s best for the client</li></ul></li><li>&gt; Duplication complicates referrals – when a business owner gets multiple options, they are less likely to follow up than if the referral were more direct</li></ul>	<ul style="list-style-type: none"><li>&gt; “There’s a difference between not starting a program [that others are doing] and stopping a program you’ve been providing for a while.”</li><li>&gt; “Business owners needs clear direction. If there’s a challenge, they give up.”</li></ul>
Collaboration is emerging across and ecosystem and within microecosystems	<ul style="list-style-type: none"><li>&gt; Platforms are emerging for peer-to-peer resource sharing and influencing decisions upstream<ul style="list-style-type: none"><li>— E.g. CDCs influence PACDC policy agenda through Commercial Corridor Working Group</li></ul></li><li>&gt; Organic collaboration occurs within neighborhoods or cultural groups</li></ul>	<ul style="list-style-type: none"><li>&gt; “Learn from those who are doing the work, not just those who have a 501c3.”</li><li>&gt; “The WeChat chatter is very active. We see that small businesses are posting resources on WeChat.”</li></ul>

Source: Interviews with business service providers

# X FUNDING AND SUSTAINABILITY: OVERVIEW

BSOs do not have enough resources to meet business owner needs and lack capacity to fundraise. Available funding is severely limited

	Key findings	What we heard
BSOs are under-resourced	<ul style="list-style-type: none"><li>&gt; BSOs lack the resources to deliver hands-on TA or serve enough businesses to meet demand</li><li>&gt; Orgs need more flexible funding to innovate and to support businesses who less compliant with City regulations<ul style="list-style-type: none"><li>— Businesses who need the most help are least likely to be eligible for programs, per grant requirements</li></ul></li></ul>	<ul style="list-style-type: none"><li>&gt; “There’s a mental up and down: you’re a needed entity, businesses want knowledge and capital, but you’re undercapitalized.”</li><li>&gt; “[The Free Library branches] are too busy to deal with business owners... they literally do everything, including unclogging the toilets. They just say, ‘If you really need help with your business, go to Central.’”</li></ul>
Fundraising is a challenge	<ul style="list-style-type: none"><li>&gt; Some BSOs reported a need to skill up in grant writing; others spoke of being burdened by reporting requirements for small grants</li><li>&gt; Funding gets directed to neighborhoods or orgs that already have some infrastructure in place, but there are few resources to build new capacity</li></ul>	<ul style="list-style-type: none"><li>&gt; “There’s a bit of triage, but you can’t triage everyone out because then some communities are under-resourced forever.”</li><li>&gt; I’ve disengaged with Philly because it’s not equitable where efforts are concentrated...it looks at sections of the city and elevates them as being more important.”</li></ul>
Investment is limited, but new opportunities may be emerging	<ul style="list-style-type: none"><li>&gt; BSOs feel that insufficient funding for BIPOC business owners is available</li><li>&gt; New interest in/pathways for investment are arising<ul style="list-style-type: none"><li>— Corporations are engaging more with supplier diversity and capacity building in the wake of the civil unrest</li><li>— The CDFI network for State CARES funds represents a new channel for other funds</li></ul></li></ul>	<ul style="list-style-type: none"><li>&gt; “When you look at how much money has been made to actually target helping minority entrepreneurs in the city, it’s laughable.”</li></ul>

Source: Interviews with business service providers

# X ECOSYSTEM COLLABORATION: ROLE OF CITY GOVERNMENT

	Key findings	What we heard
BSOs want the City to be a thought partner, funding attractor, and convener – not a provider	<ul style="list-style-type: none"><li>&gt; BSOs find Commerce’s convening of TA providers to be helpful, but feel that its services are parallel to existing efforts</li><li>&gt; Commerce can act as a funnel for larger grant funding and a “lightning rod” to make Philadelphia the model city that it could be</li></ul>	<ul style="list-style-type: none"><li>&gt; “City resources are better spent in oversight than in direct service delivery.”</li><li>&gt; “Commerce should act as the single point of contact for foundations with game-changing funding.”</li></ul>
Trust limitations shape the City’s role	<ul style="list-style-type: none"><li>&gt; Many business owners associate the City with negative experiences, e.g. L&amp;I or taxes</li><li>&gt; More broadly, all stakeholders need to see intentionality and follow-through in racial equity and small business goals</li></ul>	<ul style="list-style-type: none"><li>&gt; “When they released the grant program, businesses didn’t believe that the City wanted to help anyone. Didn’t believe it until they saw grants being approved.”</li><li>&gt; “If you say you’re from the City, they think you’re there to shut them down or get info that will be held against them.”</li></ul>
Small business strategy must be thoughtfully incorporated	<ul style="list-style-type: none"><li>&gt; Small business strategy should be more clearly tied to the City’s broader equitable economic dev goals.</li><li>&gt; The City risks losing growth businesses to the suburb or other cities because of the tax structure<ul style="list-style-type: none"><li>— BSOs call for tax amnesty to help businesses get compliant without paying costs they can’t afford</li></ul></li><li>&gt; A strategy is needed to solve the issue of corridor vacancies while creating affordable retail, production, and storage space</li></ul>	<ul style="list-style-type: none"><li>&gt; “Philly taxes are the worst in the country.”</li><li>&gt; “We need to better align our community’s entrepreneurship and workforce with corridor vacancies, but we’re not equipped for retail recruitment.”</li></ul>

Source: Interviews with business service providers

# ECOSYSTEM ASSETS

Philadelphia has existing assets across stages, including the examples below, that play an exemplary role in connecting small business owners to key resources.

Overall	Start-up	Survival	Sustain	Scale
<ul style="list-style-type: none"> <li>&gt; Trusted organizations like AFRICOM and The Welcoming Center develop needs assessments for other BSOs to better serve target communities.</li> <li>&gt; The Business Lending Network gives business owners a streamlined entry point for business owners seeking capital from CDFIs, though efforts are being made to make usage more robust.</li> <li>&gt; Commerce Dept. convenes business service providers throughout Philadelphia to share info about and support each other's resources and solve problems together.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; BRIC at the Free Library assists entrepreneurs with critical market research and helps them connect to further strategic planning resources through Temple SBDC.</li> <li>&gt; The African American Chamber of Commerce is targeting emerging and potential entrepreneurs under the age of 30 to help them build networks and exposure to opportunities.</li> <li>&gt; Philly Start-up Leaders has an online guide to help entrepreneurs find and navigate service providers, funders and investors, and other key resources.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Community-based BSOs, like HACE and WPFISI, leverage trust-based relationships to connect business owners to emergency dollars and assistance programs.</li> <li>&gt; The Merchants Fund has long experience quickly dispensing grants to survival businesses, a unique infrastructure that was invaluable during the pandemic and civil unrest.</li> <li>&gt; Microlenders (e.g., WORC, Entrepreneur Works, FINANTA/CFF) use group lending programs, modeled on informal trust-based networks, to help business owners build credit.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Corridor managers meet regularly to both build technical expertise and inform policy decisions upstream based on their needs.</li> <li>&gt; PACA is working to encourage and support cooperative conversions as a succession planning model on corridors.</li> <li>&gt; West Philadelphia Corridor Collaborative partners with Drexel to build websites for small businesses.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; IOKSB creates a “stamp of approval” that allows businesses to get otherwise hard-to-access financing. The alumni network offers a space for professional service referrals.</li> <li>&gt; Economy League’s PAGE initiative is ramping up local purchasing by quantifying opportunities, building relationships, and fostering standardization of supplier entries.</li> </ul>

Source: Interviews with business service providers

# X EMERGING ASSETS OR IDEAS

Several innovative and collaborative initiatives are being developed to address identified gaps in the ecosystem, especially related to technical expertise and service delivery.

Overall	Start-up	Survival	Sustain	Scale
<ul style="list-style-type: none"> <li>&gt; Philadelphia's CDFIs are beginning strategic collaboration through weekly meetings as a result of the State CARES funding.</li> <li>&gt; Widener SBDC, a new addition to the city ecosystem, uses a design thinking approach to work with business owners as they solve a problem, rather than teaching them and expecting them to solve the problem alone.</li> <li>&gt; PACDC is developing a consistent onboarding and goal-setting program for corridor managers, as part of an effort to professionalize the role, increase capacity, and reduce turnover.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Community College of Philadelphia's emerging PHL Start-up Accelerator will connect professional services and a business development curriculum to help entrepreneurs build a strong foundation, to be rolled out in partnership with CDCs.</li> <li>&gt; The Welcoming Center piloted a locally-recruited and hosted workshop with Oxford Circle CCDA targeted to immigrant business owners.</li> <li>&gt; Temple SBDC is offering its \$200 business planning class for free to all referrals from the minority Chambers of Commerce since the pandemic, giving them a carrot to attract members.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; The Merchant's Fund is exploring a Beyond the Grant initiative to pair grantees with a coach to build a more profitable business and expand their network.</li> <li>&gt; PACDC, LISC, and Commerce are working to further a policy agenda for foreclosure/eviction avoidance for business owners.</li> <li>&gt; WPFSI/West Philly Corridor Collaborative are sponsoring a spin-off entity, The Black Squirrel Collective, to support back office needs of corridor businesses with a focus on baseline needs – licensure, taxes, reg compliance, etc.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Pilot data tool Knack is being deployed to help corridor managers track relationships and create more comparable cross-market data.</li> <li>&gt; A Temple law professor and the Philadelphia Bar Association are exploring the idea of a legal incubator for newly barred attorneys that specializes in small business needs.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; PAGE's new Procurement Prep program leverages anchor investment to ramp up capacity for Black and Brown business owners.</li> <li>&gt; The Business Center is developing the nation's first innovation center targeted toward women of color. Its first focus will be prototyping and packaging beauty and personal care products.</li> </ul>

Source: Interviews with business service providers

# X ACCESS AND NAVIGATION: GEOGRAPHIC ACCESSIBILITY

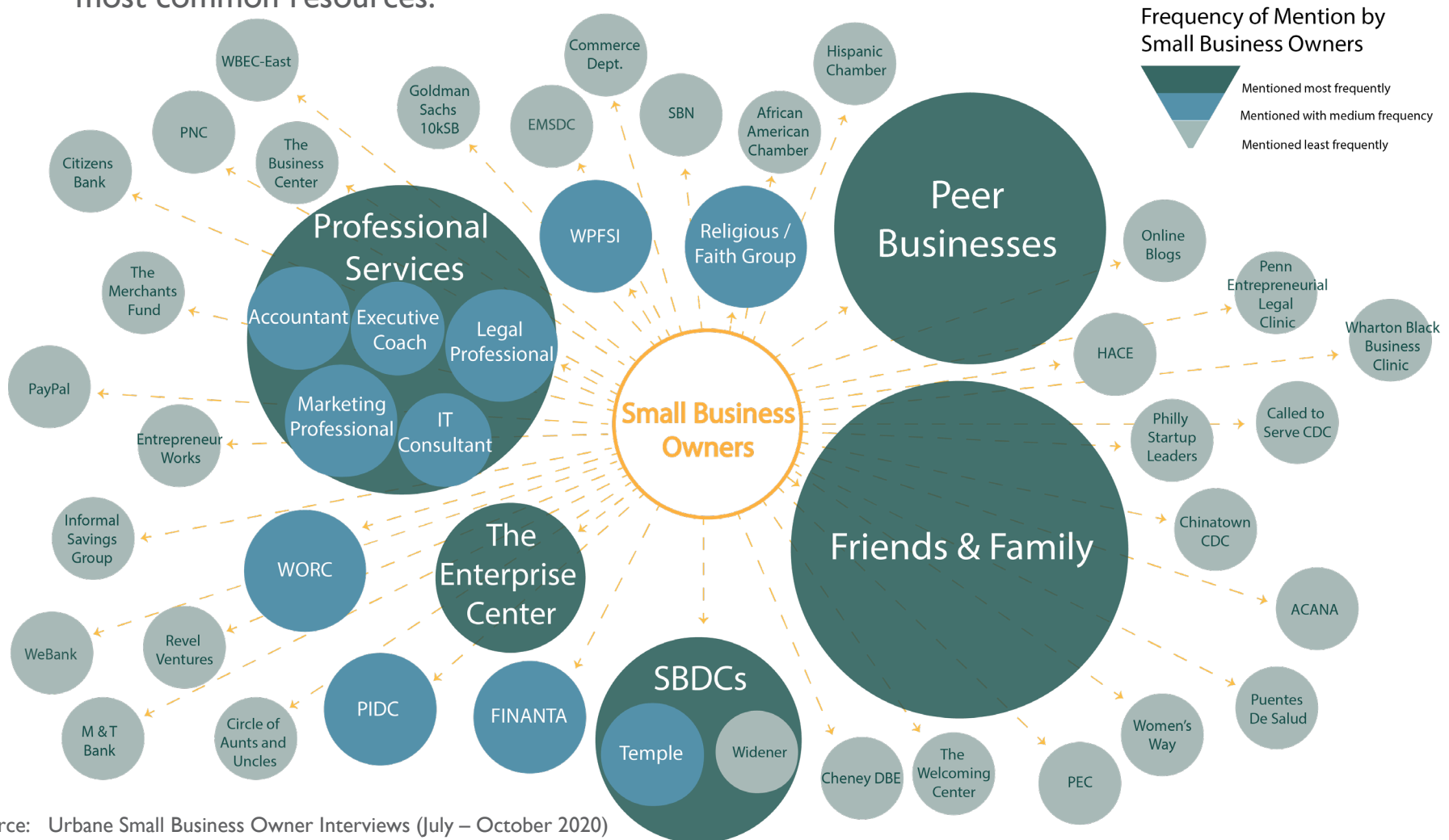
The availability, accessibility, and quality of resources in the ecosystem varies for business owners across the city

	Key findings	What we heard
Services and resources are not evenly distributed	<ul style="list-style-type: none"><li>&gt; The locations of BSOs are not reflective of their quality and scope, which varies widely<ul style="list-style-type: none"><li>— Quality and depth of service tends to depend on the experience of the individual person providing service</li><li>— CDCs have varying scopes, and corridor managers do not have consistent onboarding or training</li></ul></li></ul>	<ul style="list-style-type: none"><li>&gt; “We wish we could get the same attention and services as in Center City or Chestnut Hill or Mt. Airy.”</li><li>&gt; “The ecosystem is divided, and it will be because Philadelphia is a city of neighborhoods.”</li></ul>
Resources are inaccessible to some business owners based on geography	<ul style="list-style-type: none"><li>&gt; Services are concentrated in Center City<ul style="list-style-type: none"><li>— Business owners in outer neighborhoods lack the time or strong enough incentive to travel</li></ul></li><li>&gt; BIPOC neighborhoods are not prioritized by growth-related service providers<ul style="list-style-type: none"><li>— Growth-related services are concentrated downtown, and most also service other geographies in the region</li></ul></li></ul>	<ul style="list-style-type: none"><li>&gt; “We should have more localized TA providers, actually going to the businesses rather than the businesses coming to them.”</li><li>&gt; “We’re pretty far removed from Center City, so those resources are too far for the mom and pops.”</li></ul>
Localized communication is critical	<ul style="list-style-type: none"><li>&gt; Being on the corridor/in the community is key, but it still takes time to build trust<ul style="list-style-type: none"><li>— High turnover in corridor managers means trust often has to be rebuilt, but trust remains in long-standing orgs (e.g. SEAMAAC)</li></ul></li><li>&gt; Providers need better ways to reach business owners in emergency</li></ul>	<ul style="list-style-type: none"><li>&gt; “Even just having business owners’ cell phone numbers would have made a difference – we couldn’t get in touch with people.”</li></ul>

Source: Interviews with capital providers and economic development organizations

# ECOSYSTEM UTILIZATION: OVERVIEW

The organizations below are sized according to the number of times they were mentioned in business owner interviews and surveys. Friends/family, peers, and professional services are the most common resources.

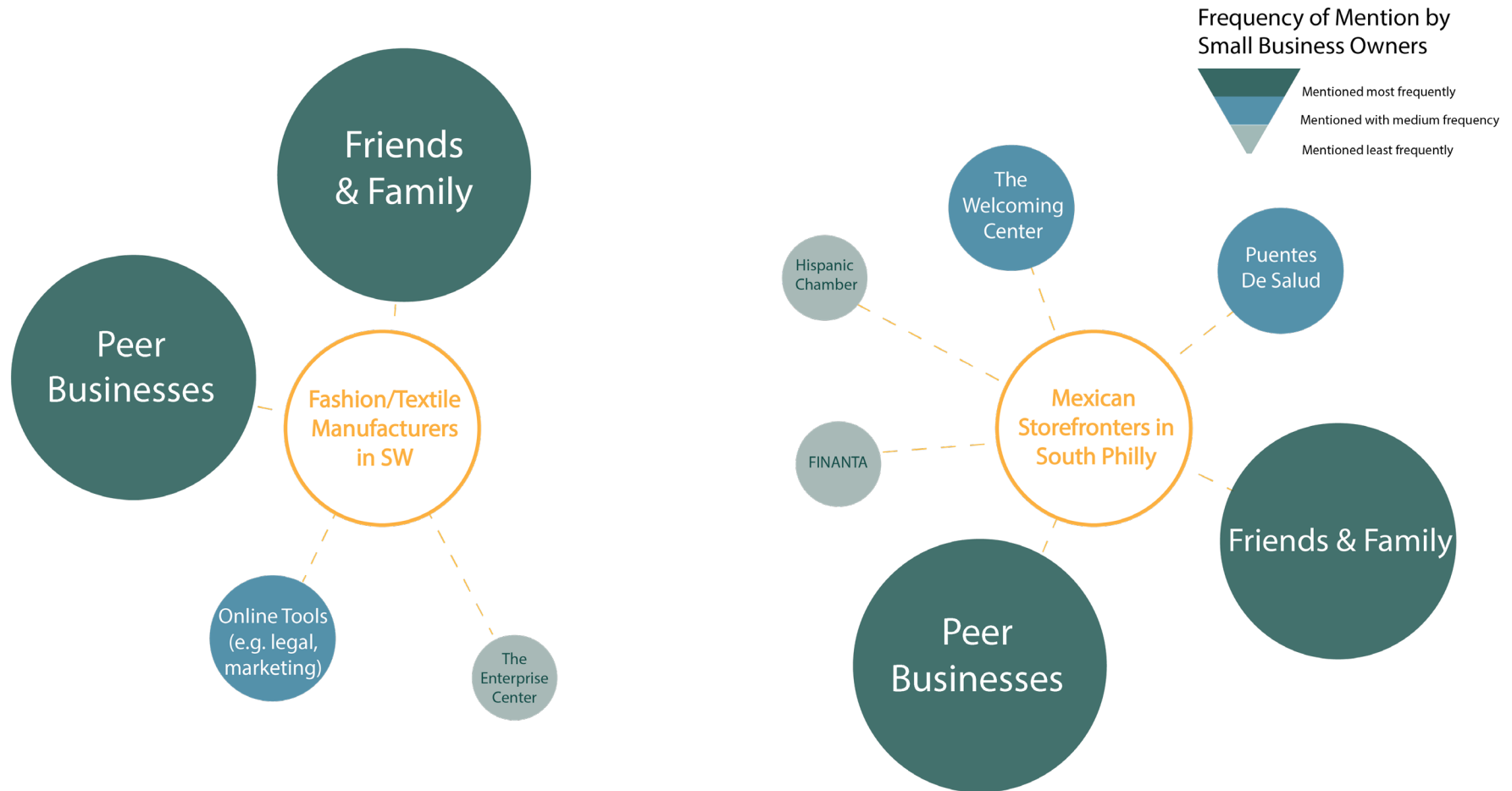


Source: Urbane Small Business Owner Interviews (July – October 2020)



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# X ECOSYSTEM UTILIZATION : ENGAGEMENT & NAVIGATION

Business owners primarily find out about business resources through word of mouth; many are left in the dark or frustrated by the difficulty of navigating the ecosystem

	Key findings	What we heard
<b>Word of mouth is the most common channel for info on resources</b>	<ul style="list-style-type: none"> <li>&gt; Most interviewees find out about resources from friends who own businesses; many do their own research</li> <li>&gt; Some interviewees who are corridor businesses have been approached by and built strong relationships with their local CDCs, who recommend resources</li> <li>&gt; Business owners often have less comfort interfacing with institutions that are not tied to their community</li> </ul>	<ul style="list-style-type: none"> <li>&gt; <i>"I find some things through Instagram or through other friends with businesses."</i></li> <li>&gt; <i>"She [corridor manager] has been a big help since I moved in. She's in it for all the right reasons. She provides different resources...funding options, things to get us over the hump."</i></li> </ul>
<b>Business owners are unaware of most resources</b>	<ul style="list-style-type: none"> <li>&gt; Several business owners said they don't know what resources are out there                             <ul style="list-style-type: none"> <li>— Including some who are actively looking for resources but face language barriers</li> </ul> </li> <li>&gt; Others find the process of navigating the ecosystem to be confusing, frustrating and overly bureaucratic</li> </ul>	<ul style="list-style-type: none"> <li>&gt; <i>"There is a lot of information out there, but we need access to it... We learn about things ourselves, with no computer or English."</i></li> <li>&gt; <i>"It shouldn't take a 30-page proposal to access a \$1000 grant opportunity."</i></li> </ul>
<b>City regulations are seen as confusing</b>	<ul style="list-style-type: none"> <li>&gt; Business owners called for streamlining process of engagement with the City</li> <li>&gt; Guidelines and related education for taxes should be clarified/improved</li> <li>&gt; Call to see intentional outreach from the City to BIPOC and immigrant business owners                             <ul style="list-style-type: none"> <li>— There is a perceived disconnect between decision-makers and entrepreneurs</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>&gt; <i>"There's so many facets that you have to deal with – Health Dept., Buildings, L&amp;I, Revenue. They need to streamline all the applications, forms, documents, running around and waiting in line."</i></li> <li>&gt; <i>"If you can send a tax bill to every LLC, you can send info about critical resources for our businesses to every LLC."</i></li> </ul>

Source: Urbane Small Business Owner Interviews (July – October 2020)