



## **ENTREPRENEURIAL DEVELOPMENT SERVICES PROPOSAL**

**The following programs and activities from the Inland Empire Center for Entrepreneurship (IECE) at California State University San Bernardino will provide resources and support for entrepreneurs and small business owners located in Riverside County.** The goal is to aid aspiring and existing small business owners through business counseling and specialized business assistance programs to help them recover from the pandemic and build sustainable resilience to navigate and survive future economic challenges.

The proposed activities and services will be delivered by our premier programs – the Inland Empire Small Business Development Center (SBDC), Women’s Business Center (WBC) and State Trade Expansion Program (STEP) – and in addition to providing new services and programs, will leverage our existing infrastructure, staff, faculty and funding support (of \$1.5 million). Thus, the County and City is investing in a well-established program and leveraging a wide range of State and Federal funds currently invested in the IECE. In addition, the School of Entrepreneurship at CSUSB is a collaborative partner in one of the initiatives, leveraging its expertise and resources as one the top ranked Entrepreneurship programs globally by the Entrepreneur Magazine and The Princeton Review.

**Total Number of Initiatives Supporting Entrepreneurship/Ecosystem Building: 2**

**Total Funding: \$1,725,000 (annual cost - \$575,000)**

**Funding period: 3 years**

### **1. Entrepreneurial Resource Center (ERC)**

#### **Project Overview**

Historically there has been a lack of coordination among the roughly two dozen organizations working to support entrepreneurship in the Inland Empire. While some of the smaller entities leverage the programs and resources of larger, better-established organizations, most work in relative isolation and lack the capacity to meet the changing needs of entrepreneurs as they move from initial idea to business launch. These coordination deficits result in duplicative efforts and disjointed programming that can be difficult to access and navigate.

**The Entrepreneurial Resource Center (ERC) will provide a centrally located and easily accessible hub for small business training and technical assistance.** The ERC will bring together a wide range of entrepreneurial support organizations to provide a complete set of training, technical assistance, and access to resources for small business owners and entrepreneurs in the general service area of the location. It will improve access to resources for all aspiring and existing entrepreneurs, increase the rate of business creation, and foster greater success and long-term sustainability for local small businesses.

The ERC will be anchored by the IECE—one of the largest university-based Centers for Entrepreneurship in the world and the most experienced and comprehensive entrepreneurial technical assistance provider in the Inland Empire—and the globally recognized SoE, which remains the first and only school of its kind in the state. The extensive array of entrepreneurial support programs offered by the IECE and SoE encompasses every stage of company formation and growth. Together the IECE and SoE will work with partner entrepreneurial support organizations to set clear objectives, develop programming, and deliver services with tangible results. The key partners collaborating with the IECE-SoE to develop and deliver the ERC include the Riverside County Office of Economic Development, City of Temecula, City of Murrieta, Impact SWRC, and the Murrieta/Wildomar Chamber of Commerce.

For many years, entrepreneurial support organizations in the region have worked largely in isolation, though a small number have focused on leveraging the programming and resources of larger, more established organizations. The ERC will convene these actors in order to create a well-defined and well-coordinated continuum of services capable of supporting businesses across their entire lifecycle. It will also work with the County of Riverside to connect local Latino and Black vendors to contract-readiness programming and procurement-focused sales opportunities.

### **Key Objectives of the ERC**

- Ensure that all current and aspiring small business owners have consistent access to the resources they need to start and grow their businesses.
- Provide long-term small business support that ensures sustainable success.
- Address disparities in small business ownership and entrepreneurship through a deliberate focus on Latinos and others from underrepresented groups.

- Increase coordination and collaboration among entrepreneurial support organizations working within the region in order to establish a clear and easy-to-access continuum of support for entrepreneurs and small business owners.

### **Location, Size and Scope**

The target location for the ERC is the Temecula Valley Entrepreneurs Exchange (TVE2).

Facility size: approximately 14,456 sq ft square feet, to include:

- Private office space: 5,000 square feet
- Training rooms: 3,000 square feet
- Storage / shipping: 1,500 square feet
- E-commerce digital media room: 1500 square feet
- Reserve training/coworking space: 2,500 square feet
- Specialized space / equipment needed for training, consulting, private offices, digital media room, retail space, shipping/receiving

Number of people working in the facility (including administrative staff): 10-15

Cohort-focused programs: 50 per cohort, offered quarterly in English and Spanish

Foot traffic (drop-in public events, use of meeting space, etc.): 2,500 served each year, 10 percent of which will be drop-in traffic.

### **Program Components**

The ERC, at its core, will provide both short and long-term business counseling and training services from programs such as the Inland Empire Small Business Development Center (IESBDC), Inland Empire Women’s Business Center (IEWBC) that will assist business owners at every stage of development, from startup to growth. In addition, we will provide a range of specialized programs and services such as:

- Marketplace Program – Assists entrepreneurs as they move from initial idea to microbusiness launch with tracks for farmers market / craft fair

sales (IE Made), e-commerce (California Shop Small-Amazon), wholesale (procurement network), and exports.

- SBDC Eats Program – Six-week program that prepares participants to start and run a food-based business (includes follow-on counseling).
- Catapult Business Growth Network – 50-hour intensive for small business owners focused on key concepts and tools proven to drive and manage business growth (includes peer mentoring network).
- Financial Fitness Boot Camp – Four-day workshop for small business owners focused on financial literacy and financial management basics.
- Main Street Digital Program – Assists brick-and-mortar businesses interested in having an online presence.
- SBDC Center for Contracting – Helps small businesses with contract readiness and securing contracts.
- Mini-MBA in Entrepreneurship for Veterans.
- UpStarters Discovery Program – Introduces middle and high school students to entrepreneurship fundamentals.
- Startup programs and workshops delivered in Spanish – delivered by Association de Emprendedor@s.
- Boots to Business (B2B) entrepreneurial training program – delivered by Murrieta/Wildomar Chamber of Commerce
- Incubation and Co-working space.
- (If applicable at the selected location) Commercial food kitchen and commissary for food-based companies. The focus will be on the creation of a “food lab” to highlight local food businesses - established restaurateurs and food entrepreneurs can share a state-of-the-art space and provide additional dining options for local residents and businesses.
- Other entrepreneurial support programs and services based on need/demand.

**We envision that more than 2,500 small businesses will be served annually through the ERC, with small business owners receiving access to free business counseling, training and mentoring programs.**

### **Cost**

To create the ERC and ensure a minimum operating period of 3 years will require an investment of approximately \$1.5 million (approximately \$500,000 per year). This will leverage the IECE and SoE current annual investment of \$1.5 million in small business technical assistance resources (staff and programs) and allow for establishment of the location, performing necessary facility improvements, and ongoing space costs, deploying additional staff resources necessary, and support for partner organizations.

A sustainability plan is in place that will allow the ERC to operate indefinitely. In addition to seeking ongoing funding through various grants, the intent is to have the planned farmers market; co-working space, incubator and commercial food kitchen/food lab (if applicable) generate sufficient revenue at maturity to cover the annual operating costs.

In collaboration with the IECE, Riverside County will be the first location in the Inland Empire to implement this innovative program.

## **2. Veterans Entrepreneurship Program - Mini-MBA for Veteran Entrepreneurs: An Apprenticed- based Program for Entrepreneurship Warriors**

### **Program Overview**

Entrepreneurship is one of the most flexible options for veterans, military service members, and their families to effectively transition from the military environment to civilian life. Via self-employment, veterans, service members, and military spouses are empowered to create their own working environment, which can be significantly easier transition than adapting to the American Corporate culture – something they have limited experience with. Entrepreneurship studies also have shown that veterans, service members and military spouse are much better business owners as compared to the general population. Nevertheless, the veteran/military entrepreneurship rate remains low, as this group of entrepreneurs, or potential entrepreneurs, face a set of unique challenges such as the lack of business skills, knowledge and education, resources, and business network. Most importantly, being heavily cultivated in the order-based military culture, veteran/military entrepreneurs struggle to adjust to the entrepreneurial mindset.

This program aims to solve these challenges specifically for veteran/military candidates and thus facilitate them to better perform as an entrepreneur. More specifically, the program aims to (1) provide entrepreneurial education to participants, (2) Develop entrepreneurial skills and competencies via an apprenticed-based approach, (3) provide access to business resources to the participants, (4) teach participants to effectively transit between the orderly-based mindset to an entrepreneurial mindset.

We plan to achieve these goals with a three-staged, apprenticed-based approach education program. The first stage (1) is ideation, which consists of the course introduction, ideation exercises for participants to generate ideas, and mindset priming sessions to help participants to shift to an entrepreneurial mindset. The class meets in person for two 4-hour workshops during the weekends, followed by 1 – 1 coaching on business ideations for the next two weeks. The total duration of the first stage is one month.

The second stage (2) is business idea experimentation. In this stage, participants will use the business idea they have developed from the first stage (1) and further transform it into a feasible business opportunity via industry/economic climate analysis, consumer discoveries, and a pilot business model run. The cohort will spend a total of four-months in this stage, with a total of 7 group meetings on the weekend and weekly individual coaching sessions with the professor(s) and/or business consultants.

The program's third and last stage (3) is transitioning into business organizing and scaling. Participants will learn how to perfect their business model to deliver the most value to consumers, and/or maximize their profit margin, and how to expand their business beyond the existing business barriers such as geographic locations, industry categories, and thus be able to transform into a highly scalable business model. The duration for this stage will be one month.

### **Target Audience**

Our target audience is the existing and/or potential entrepreneurs who have at least one of the following statuses – veteran, active duty, or military spouse. According to data from the California Department of Veteran Affairs, Riverside County has one of the largest population of veterans in the state with over 120,000 individuals.

We will be recruiting our participants via four (4) main channels. First, via a network of military career counselors and the military transition assistance program (TAP), who are the gatekeepers for military retention, we will be able to identify service members who are exiting the force and thus recruit them into our program. Second, to recruit

veterans who have already exited the service, we will recruit participants via multiple Online Facebook Military and Veteran groups in which our lead faculty member, Dr. Anna Long, is an established member. Third, we will reach out to business owners who have founded their businesses using an on-base address in the Southern California region via the Inland Empire Center for Entrepreneurship (IECE) business dataset, which captures the business population in the Southern California region. Lastly, we will work with existing entry level veteran startup programs such as Boots to Business (B2B), to provide the next level of training needed for participants in that specific program.

### **Program Goals and Evaluation Plan**

We plan to have one cohort every year, and each cohort will have 40 participants. Each year, we aim to have 30 businesses created (75% of the cohort), 20 of these businesses will be able to provide self-employment and/or create additional jobs, and 80% of the total started companies will receive funding via equity or loans. In addition, we aim to have 70% survival rate in the next three-year period for the new venture started, and 30% of the firms in the technology or non-service industry will be scalable.

There are four (4) key evaluations in the program which we use for outcome and performance measures. First (1), in each stage of the program (ideation, experimentation, and organizing/scaling), we conduct pre-and post-test for various entrepreneurial indicators. The goal is to see significant changes in those indicators between pre-and post-tests. Our research team will collect data and use advanced econometrics to study the effectiveness of the program. Second (2), we measure how many ventures will be created from each cohort. Our goal is to ensure 75% of the cohort will formulate business entities. Third (3), we record the actual firm performance, such as revenue, firm size, market share, etc., via quarterly coaching sessions with the experts. Subsequently, we compare the actual performance with the prior collected data on a participant's expected firm performance to see if a participant has achieved their goal. Lastly (4), our research team will conduct qualitative studies, for example, via individual interviews and focus group meetings annually at the award dinner to understand a participant's experience in the program and identify areas for improvement.

### **Program Cost**

This program is delivered through a collaborative effort between the IECE and the CSUSB School of Entrepreneurship, the first and only School in the state of California. Annual cost to deliver the program is \$75,000. In collaboration with the IECE, Riverside County will be the first location in the Inland Empire to implement this innovative program.