



MEMORANDUM

TO: CITY OF RACINE FINANCE AND PERSONNEL COMMITTEE

FROM: GORDON KACALA, EXECUTIVE DIRECTOR
KRISTIN NIEMIEC, LAUNCH BOX MANAGER

DATE: FEBRUARY 13, 2012

SUBJECT: LAUNCH BOX METRICS

The purpose of this memorandum is to provide specific metrics for Launch Box in 2012 that were requested at the Finance and Personnel meeting on January 23rd.

Launch Box is designed around four challenges and is designed to be a proactive business development strategy that will focus on moving Stage One companies that are poised for growth and success into Stage Two companies.

The following summarizes the Challenges and 2012 metrics. Several of the activities detailed below are scheduled for implementation in 2013 as a result specific metrics are not included. If possible, these activities will be implemented earlier.

CHALLENGE ONE: To strengthen, revitalize and coordinate business assistance provided by the Partners for both neighborhood and high impact entrepreneurs.

Strategy A: Increase the number of Stage One companies that mature into Stage Two companies.

Activities:

1. Identify Stage One companies located in the City of Racine. **Staff has a preliminary list of Stage One companies that needs to be refined to eliminate those that are not businesses i.e. religious institutions and other non-profits. This list will be used for direct marketing and for the survey described below.**

A total of 100 businesses/entrepreneurs will be surveyed by Launch Box in 2012. The purpose of the survey is to determine the needs of entrepreneurs for space, financing, resources, etc.

In addition, a total of 100 businesses will utilize Launch Box as a resource. Of these 25 will formally establish a business (i.e. incorporate, tax identification number, etc.) and 3 will grow from Stage one to Stage two.

2. Provide assistance in determining and filling the gaps that exist in each of the assistance areas. **On November 22, 2011, nine partners signed a Memorandum of Understanding in regards to Launch Box. The partners agreed that order for this initiative to be successful, the coordination and partnerships between them needs to be strengthened and expanded to allow the public greater access to their services.**

Each partner agreed to a three-year commitment to work together and accomplish the shared Launch Box goals.

The partners will utilize the survey results to develop strategies to fill the gaps by June of 2012. This will be ongoing throughout 2012. Until the gaps are identified it is difficult to state a specific number of new programs that will be developed.

3. Create a seed loan fund for entrepreneurs. **Investigate the needs of entrepreneurs and identify existing resources for seed funding. Based on this determine the need for creation of a new a seed loan fund by September of 2012.**

The financing programs currently provided by Partners remain in place. In 2011, a total of 3 loans were made to City of Racine businesses, Launch Box will increase this to 8 in 2012.

Strategy B: The Lead Partners will focus their roles and responsibilities to market and communicate the resources and services available to entrepreneurs within the City.

Activities:

1. RCEDC will coordinate quarterly meetings with Lead Partners to share ideas and encourage continued support for the City's new strategies. **A minimum of four meetings will be in 2012. The first meeting was held on January 11, 2012.**
2. Develop a list of services and references of private professionals (i.e. legal services, accounting services, etc.). This will provide a resource list of professionals for small business owners and entrepreneurs to use when seeking assistance in these areas of expertise. **The initial list will include a minimum of 50 professionals with varied areas of expertise and be developed by April of 2012. The list will be reviewed and updated semi-annually thereafter.**
3. Develop a website and utilize social media marketing to educate the public on the resources available and as a resource for the Partners. **RCEDC is currently working with its Marketing Committee and a team from Leadership Racine to develop the Launch Box brand and gather resources to populate the website.**

The website will be launched by May of 2012 with social media marketing following by June of 2012.

4. Develop and market existing virtual training and networking opportunities for small business owners and entrepreneurs. **Together with the Partners, RCEDC will determine which programs/workshops are best to provide in an online format. The outcome will be to start hosting a minimum of one training opportunity or workshop online by December of 2012.**

Strategy C: Existing entrepreneurial services will be maintained and new programs and resources will be developed to address the gaps that prevent the starting and growing of new businesses within the City.

Existing services continue to be provided by all the Partners however in conjunction with Challenge One, Strategy A2 and the survey results programs and resources will be identified and added by June and throughout 2012.

Strategy D: Develop a Core Advisory Council to provide guidance, input and support for creating an entrepreneurial culture in the City.

Activities:

1. Designate a Core Advisory Council. **This is complete. Please see Attachment A for a list of the member of this Council.**
2. Coordinate monthly meetings of the Small Business Advisory Council to oversee the initiative. **The Council will meet 12 times during the first year of the initiative, November 2011 through October 2012. The first meeting was held on November 10, 2011**

Strategy E: Create a Small Business Enterprise center to serve as the one-stop location for all entrepreneurial and small business development services and resources.

Activities:

1. RCEDC to negotiate lease terms with property owner and establish the one-stop. **Completed by April 1, 2012.**
2. Market one-stop to the public through a series of press releases and grand opening. **Grand opening to be held in April of 2012. Monthly press releases will be issued beginning in April of 2012 for the grand opening for a total of 9 in 2012 and 12 between April 2012 and March 2013.**
3. Create and develop criteria for co-working space for entrepreneurs. **The co-working component of this initiative has been scheduled for completion in 2013.**
4. Develop marketing material to distribute to all Lead and Support Partners regarding location of one-stop and outlining services available. **This is being done in conjunction with the RCEDC Marketing Committee and Leadership Racine. Once the brand is developed, printed marketing material will be created. The goal is to complete this together with the website by May of 2012.**
5. Schedule all appropriate classroom training and off-site counseling at the one-stop center. **Upon selection of a permanent location for Launch Box, all appropriate classroom training and counseling by Partners will be held at Launch Box.**

Strategy F: Bolster the mentoring of small business and entrepreneurs, specifically for Stage One businesses moving to Stage Two and for a minimum of 2 years thereafter.

Activities:

1. Develop an entrepreneur mentoring strategy in cooperation with Partners. **BizStarts Milwaukee, Inc. already operates a successful mentoring program, Venture Track, it is the goal of Launch Box to strengthen their presence in the City of Racine rather than create a competing program. This will be completed through inter-partner referrals and marketing. A total of 2 City of Racine companies received assistance through BizStarts Milwaukee in 2011 this will increase to 10 in 2012.**
2. Develop criteria for mentor program i.e. what's expected of both the mentor and the client. **BizStarts Milwaukee already has criteria in place.**
3. Establish a network of mentors that can provide specific expertise. **The purpose of this activity is to increase the number of City of Racine mentors that are part of BizStarts Milwaukee's Venture Track program. Commitments from 5 local mentors in place by August of 2012.**
4. Increase the number of City of Racine businesses that are counseled by regional Partners, specifically UW-Parkside Small Business Development Center (SBDC) and Wisconsin Entrepreneur Network (WEN). **In 2011, a total of 20 City businesses utilized the services of SBDC and WEN. The 2012 goal is to increase this figure to 50 businesses.**
5. Gateway Technical College has many resources that are available to the businesses within the City of Racine. CATI offers technical assistance in the area of commercialization; the BizSquad is a group of students that undertake projects from logo design to accounting assistance and the Student Business Incubator that offers space to current students and recent alumni. **These services can be valuable resources to City businesses; Launch Box will refer a minimum of 10 businesses to Gateway for assistance.**
6. Utilize social media to develop a virtual network for small businesses and entrepreneurs. **Launched by August 2012.**

CHALLENGE TWO: To act as a Small Business Ombudsman that will serve as an intermediary and champion between the entrepreneur and the Partners, as well as City agencies

Strategy A: The Ombudsman will guide entrepreneurs through the network of small business development service providers to ensure their interests and needs are met.

Activities:

1. Develop assessment tool to ensure entrepreneurs are referred to the appropriate partner organization, public and/or private service provider. **Completed for internal use by Launch Box.**
2. Investigate creation of a local crowd funding site similar to Kickstarter.com or ProFounder.com. Crowd funding is described as the collective cooperation and trust by people who pool their money and other resources together to fund business ideas posted, usually via the internet, by

entrepreneurs. **Develop preliminary framework and identify a partner to manage site, if necessary, by September of 2012.**

Strategy B: The Ombudsman will review and make recommendations to the Racine Economic Development Small Business Advisory Council regarding the initiative.

Activities:

1. The Ombudsman will make recommendations to the Core Advisory Council regarding how to make the City more business friendly. **RCEDC has retained UW-Parkside Center for Community Partnerships to review the processes, rules and regulations at the City and provide the Core Advisory Council with recommends regarding this activity. The report will be completed by February 15, 2012 and will include a total of 5 recommendations with 3 priority recommendations.**
2. The Ombudsman will suggest changes to City codes and regulations that may adversely affect the local business climate. **As additional issues arise the Ombudsman will present recommendations to the Council.**

CHALLENGE THREE: To encourage more people to consider entrepreneurship as a potential career option by creating and feeding the entrepreneurial pipeline and creating an entrepreneurial culture in the City.

Strategy A: To aggressively promote youth entrepreneurship in order to make this a career option for Racine's youth throughout their adults lives.

Activities:

1. Coordinate these efforts with Junior Achievement to maximize the benefit to youth entrepreneurs. **Establish relationship by January of 2012 and begin coordination by April of 2012.**
2. Host a youth business plan or equivalent competition. **Junior Achievement current hosts a business competition for high school students however all City high schools do not participate. Launch Box will increase the number of high schools participating by 3 in 2012.**
3. Create a local youth entrepreneurship boot camp that will foster the entrepreneurial spirit in middle and high school students through a hands on experience designed to guide students in becoming business owners. The Madison SBDC currently offers a boot camp program. For more information visit: www.sbdc.wisc.edu/specialprograms/yec/default.asp. **Hold first boot camp in January of 2013.**
4. Develop a job shadowing mentor program with local businesses – providing mentoring and guidance from local business leaders. **Racine County Workforce Development Center has initiated the Career Connect program, which is designed to link students with local businesses for learning opportunities. Launch Box will refer a minimum of 8 businesses to the Career Connect job shadowing program.**

5. Identify funding source to develop a seed grant program or micro loans to youth for starting their own businesses. **Developed in conjunction with Challenge One, Strategy A for development and funding in September of 2012.**

Strategy B: Cultivate broad public support and recognition for the importance of entrepreneurship.

Activities:

1. Host a business plan (FastPitch). **This is being done together with the State of Ingenuity (SOI) Partner EIGERLab. Their business plan competition, FastPitch, will be expanded to Racine and Kenosha Counties. The winner of the local competition will then compete against the winners from the other SOI Counties. The role of Launch Box is to promote and encourage City of Racine businesses to participate in this competition. The 2012 goal is 3 City business plan submissions. Competition to be held in late July/early August.**
2. Create a Mayor's award series including Entrepreneur of the Year or New Business of the Year. **The first series of awards to be made in conjunction with the FastPitch competition. A total of 3 awards will be made from the City of Racine entries into the competition.**
3. Create an adult entrepreneurship boot camp that will foster the entrepreneurial spirit in adults (high school and up) through a hands on experience designed to guide them in becoming business owners. **Hold first boot camp in January of 2013.**

CHALLENGE FOUR: To focus on a proactive retail trade industry recruitment and growth program that will create and retain jobs as well as create tax base and increase personal income in the City of Racine. Strategy A: RCEDC will implement a targeted and proactive retail trade recruitment and growth program.

Activities:

1. Make available market data both on the RCEDC website and in hard copy that provides key demographic information necessary for retail businesses. **Completed and updated quarterly.**
2. Develop a highly detailed building and land inventory that includes buildings located in older traditional retail commercial districts. **Completed in 2011 through Xceligent and updated quarterly.**
3. Develop a strong network of brokers and developers with whom RCEDC staff has frequent contact regarding the retail trade and service industry opportunities. **This includes the recruitment of 2 new retail trade businesses in 2012.**

Strategy B: Provide staff assistance to businesses and the City of Racine that supports retail trade recruitment and expansion.

Activities:

1. Explore sources for development of an incentive/financing program specific to retail trade establishments. **Developed in conjunction with Challenge One, Strategy A for development and funding in September of 2012.**