12th Annual Community Development Summit Report
Show Me the Money: A Pathway to Accessing Business Capital
Presented by the Urban Economic Development Association of Wisconsin

UEDA’s 12th annual Summit addressed one of the key issues that emerged from last year’s Summit: how to best support the growth of new and emerging businesses in the region. It’s often noted that small businesses are where the majority of job creation occurs, but the question becomes what is needed for that to happen? The obvious answer is capital. Consequently, our intent with this year’s Summit was to provide a forum for entrepreneurs, small businesses and community partners with capital and resources to make those important connections. The event was held at the Italian Conference Center in Milwaukee.

Approximately 145 attendees from throughout southeastern Wisconsin participated in this year’s event and included small business owners, community-based organizations, financial institutions, small business resource providers, civic leaders and the general public. About 21% of attendees were business owners. Of that group, 9% were in the planning/start-up phase, 27% have owned their business for less than 3 years and 45% of them have owned their business for 3+ years. During the Summit we heard from local business owners what they needed to either grow or sustain their business.

This report summarizes the ideas, questions and issues raised during the 2013 Summit, and is followed by a list of possible next steps and key strategies that emerged from the discussion.

WELCOME/OPENING REMARKS

Bill Johnson, UEDA Executive Director, acknowledged the Summit Planning Committee, Sponsors and UEDA Staff who helped make this year’s program possible.

Mayor Tom Barrett, City of Milwaukee, discussed the impact of deindustrialization and reliance on a “blue collar economy” that could be prohibiting Milwaukee from fostering innovative business growth. He noted that when the jobs are not there, we have to create them and the small business sector is a key part of that effort.

The Mayor also discussed the importance of personal networks in terms of decreasing barriers and providing resources to new business owners and entrepreneurs. The City plays a significant role in fostering connections among the public, private and nonprofit sectors both locally and regionally with the goal of fostering a culture of entrepreneurship and innovation.

Ray Allen, Deputy Secretary, Wisconsin Department of Financial Institutions, provided a broad overview of the capital environment, stating that banks and credit unions are the strongest they have been in some years, but the issue is how to access their resources. He discussed the various sources of capital now available through banks, credit unions, the SBA, micro-lending organizations such as CDFIs and Chambers of Commerce, angel investor networks, etc.

“Entrepreneurship is up in Wisconsin, but business owners need to be persistent, have a viable business plan and put themselves in a strong position to receive financing. He ended with the suggestion that we should all be looking for strategic partnerships that will help advance the growth of entrepreneurship and small businesses in Milwaukee.”

OPENING FRAMEWORK

Wendy Bauman, President/CVO, WWBIC served as MC and moderated a panel discussion on the “capital continuum,” establishing a framework for the Summit. Attendees heard from experts representing entities that provide conventional, non-conventional and alternative methods of starting and financing a business.
Panelists shared information regarding the range of loans they finance, what kind of businesses they work with and testimonials of business owners they have recently worked with to access capital. The discussion also centered around the various kinds of capital now being utilized to fund start-ups and how to attract investors or donors to new, emerging and catalytic entrepreneurial ventures that will create jobs.

The panel closed with presenters’ ideas on how to begin the financing process. Most offer an online application to start, but everyone agreed that also meeting one-on-one with a business banker or representative is the best way to continue building relationships that will lead to additional capital opportunities.

SMALL BUSINESS SHOWCASE

This part of the program featured small business owners and resource providers, to demonstrate the importance of the “three C’s” – Capital, Connections and Customers.

It began with a presentation from Greg Meier of Revolution Labs and Angela Moragne of That Salsa Lady, who shared how their unique partnership is utilizing non-traditional methods to assist entrepreneurs in launching their business. They emphasized the importance of working with customers to continually refine the business plan and develop the product, using a mentorship model, weekly contacts and tracking tools that mapped customer engagement.

During the “Show Me the Need” session a group of 10 small business owners shared a significant need (capital, resources, expertise, etc.) that’s preventing them from sustaining and growing their business. Immediately following their 30-second “elevator speech” they were connected to resource providers in the room that felt they could assist.

SPEED NETWORKING for ACCESS TO CAPITAL (S.N.A.C.)

The Small Business Showcase was followed by four 15-minute networking sessions where attendees, business owners and resource providers were able to network and make important connections that would support the growth of small businesses. The goal of S.N.A.C. was for participants to walk away with concrete connections and resources to grow and expand their business.

Since the Summit, UEDA has received feedback from a number of business owners and attendees who were able to make a personal connection with individuals and professionals who will be helping them take the next step with their business.
SUMMIT WRAP

The Summit concluded with lunch and a group discussion on potential next steps we could take to continue assisting entrepreneurs and small business owners to access capital and other resources. Below is a summary of the recommendations and feedback shared by attendees:

✓ **Explore how consulting services could be provided to businesses after they launch.** Once small business owners access the capital, they also need assistance to sustain their business operation, especially during the first 3-5 years. Increase their understanding of the “capital ladder” and business succession, or identify local, quality bookkeeping services tied to small business needs.

✓ **Work on helping people develop their capacity to tell their story, share their business idea.** There is a need to assist people with being able to answer the question “What will you do with the money once you have it?” Teach them to target their pitch for different audiences, develop “soft skills” that will allow them to take advantage of opportunities to talk to potential partners, lenders, etc.

✓ **Explore alternatives to “angel investors”** – what are the other innovative approaches to financing a business other than direct investment, i.e. crowd-funding.

✓ **Support banks to increase their activity in the community/micro-lending space.** In 2014, new data on small business lending will be available that could be used to share best practices and highlight lenders that are making an impact in small business lending.

✓ **Promote our local businesses more.** “Show them the money” with our local purchasing power.

✓ **Work on reaching more business owners at the neighborhood level.** They could benefit from networking opportunities and the resources available at the Summit. Offer more one-on-one opportunities at the event or tracks based on specific business lines (food and beverage, retail, technology, etc.) and tailor consulting services and resources.

✓ **Work on reaching more small business lenders at the branch level.** Let them know of the resources available and the community partners that could assist them to reach more small businesses.

✓ **Promote the resources available for small businesses.** Can this be done with UEDA, WWBIC, the City of Milwaukee and others through a web-based tool?

As we look towards 2014, UEDA’s Board, Staff and Planning Committee will be discussing what recommendations we are in the best position to carry forward. Your participation and involvement in this process is critical to ensure that small businesses and entrepreneurs have the resources, capital and connections they need to sustain themselves and grow.

**Interested in getting connected to the initiatives that emerge out of the Summit?**
We can help! Contact UEDA at (414)562-9904 or Kristi@uedawi.org for details.

UEDA is a 501(c)(3) membership organization dedicated to the professional development of individuals and groups working in economic and community development in Wisconsin. Incorporated in 1997, its mission is to enhance cities and their residents by focusing on housing, economic development and job creation, and emphasizing collaborative work in the areas of regional transportation, foreclosure mitigation, sustainable homeownership and regional food economy.