

Interise Business Plan 2010-2013 Executive Summary

Interise is an economic development non-profit organization focused on helping established small business owners create new jobs and generate wealth in historically underserved communities. As we enter our sixth year, Interise is transitioning from a program-based organization to a network of members. To better reflect this new approach, we changed our name. For our first five years, we were known as InnerCity Entrepreneurs or I.C.E. Our new name, Interise, recognizes the key role small business plays in the economic revitalization of lower income communities. We define Interise as “together, we rise.” While our name has changed, our mission and core values remain the same.

Mission & Model

Interise stimulates economic revitalization in lower income communities. We provide a diverse group of small business owners with entrepreneurial education, new networks, and access to markets so they can create jobs, grow businesses, and develop as community leaders.

Our model was developed after research from Boston University found that small business programs tend to devote the vast majority of their support to aspiring entrepreneurs and start-ups, leaving surprisingly little for existing businesses seeking to grow. Yet, according to research by the US Small Business Association, less than thirty-three percent of startups are in business after four years and instead, established, small employer firms create new jobs, generate wealth, and otherwise contribute to the community in ways that lead to significant poverty alleviation. To address this imbalance, our approach is to give existing small business owners the knowledge, know-how, and connections they need to

grow and create new jobs in lower income urban areas.

Interise’s successful model has been recognized for its significant impact in growing existing urban small businesses and creating local jobs. In 2008, the first year that non-profit organizations could compete, Interise won an Innovation Award from the Smaller Business Association of New England.

Interise also won a competitive bidding process to become the national instructional provider for the U.S. Small Business Administration’s (SBA) Emerging Leaders/e200 Initiative, a nationwide small business executive education initiative. Two hundred entrepreneurs in ten cities around the country were introduced to our hands-on learning approach and signature curriculum, StreetWise Steps to Small Business Growth™. In late 2008, SBA notified Interise that due to our initial success the program expand to five additional cities in 2009: Dallas, Denver, Detroit, Jacksonville, and Portland. In 2010, deepening our SBA partnership, we will offer our signature curriculum to entrepreneurs in 22 cities around the country, including urban-based Native American-owned small businesses in 12 locations. In 2011, the contract was renewed and again expanded.

Based on the success of this program, we are expanding our program reach by licensing our curriculum to additional qualified partners around the nation.

Interise is excited to both deepen and broaden our reach to established small employers in the coming years. Our evaluation data shows that entrepreneurs who remain engaged with each other continue to grow their businesses and create new jobs. So, in 2010, we will launch our member network, the StreetWise Network, and develop new, related programming to keep our

entrepreneurs engaged and learning with one another.



Creating and Measuring Change

To create the change we seek, we have learned that we must implement processes that encourage Interise members, not only to engage in our curriculum, but also to actively adopt professional behaviors that improve their overall ability to grow their businesses. The behaviors that make small business owners successful during the start-up phase are not the same as those needed to continue growing. Through their joint experiences as members, Interise entrepreneurs continue to reinforce new behaviors for each other and hold each other accountable to their use and impact.

Interise members engage with our signature curriculum and member network through our selected partners and our managed sites. Our managed sites serve as our learning lab and allow us to develop, test, and evaluate our programs and methods. When our partners license our signature curriculum, we provide their staff and instructors with comprehensive support to ensure that they can maintain the same high level of service that we provide at our managed sites. Our partners are trained to replicate our best practices and comply with our standards

and performance measurement requirements.

We offer potential partners a “shovel-ready” program that is proven to create jobs, and is both cost-effective and efficient. Over a three-year contract, the average annual cost to extend the program to a new partner site is around \$48,000. To demonstrate our cost-effectiveness and efficiency, we can look at our initial measures of the E200 Initiative 2008-2009 contract. These figures reveal that participants created 773 net new jobs at a salary level of \$35,000 or higher. At an overall cost of \$950,000, the average cost per job was only \$1,230. We estimate that annually, each job generates approximately \$7,000 in federal taxes at a 20% individual tax rate, or \$5.70 in taxes for every \$1 spent on our program.

Interise partners eliminate the hassle of crafting an effective program from scratch, increase the speed at which they can offer content, and reduce costs since they do not have to dedicate resources to developing an effective curriculum but can focus on recruiting eligible business owners.

Our evaluation process is top quality: our evaluation standards are validated on the national level, and data analysis and reporting are conducted independently of our partners. Recently, we undertook a comprehensive review and revision of our evaluation system to ensure that our reporting was robust and complied with federal government standards. We invest heavily in evaluation as we are committed to continual data-driven improvement. A comprehensive review of our performance is always available online in our annual Report Card.

Scaling Our Impact

At Interise, we believe that our competitive advantage is strongly linked to our relationship-based model, our consistent record of delivering high quality programming, our focus on a data-driven approach, and our lasting dedication to being strong advocates for small business owners in lower income urban communities. We are dedicated to the field leadership and our team is moving quickly towards tying our research findings to effective regional and national policy.

\$10M and at least one employee on payroll. Our typical participants display strong leadership skills and exhibit aspirations for growth. They are motivated to grow their businesses but lack the know-how and/or financial resources to take their businesses to the next level.

Our evaluations show that past program participants create an average of 1.5 new jobs per small business per year. For our partners, a 15-person class has the potential to generate 22 new jobs at cost

ORGANIZATIONAL GROWTH	2010	2011	2012	2013
Number of Partners	2	7	14	18
Yearly Member Enrollment	404	645	750	900
Anticipated Number of Jobs Created	576	990	1147	1485

There is a significant opportunity for Interise to build partnerships with new and repeat licensees or contractors. To achieve our growth potential, we need to keep our curriculum up-to-date and relevant to our target members. We must also continue to invest in curriculum revisions, comprehensive relationships with our partners, and ongoing evaluations.

In the next few years, our staff will grow to complement our projected growth in members and partners. By 2013, Interise will increase its base of partner organizations from 2 to 18. In that year, through our partner and managed sites, we will have almost 1,000 entrepreneurs enrolled as members and add approximately 1,000 new members to our existing roster. By 2013, Interise will have trained more than 3,000 small business entrepreneurs in our organization's lifetime, and we will be capable of training at least new 1,000 Interise members annually.

Interise target participants are entrepreneurs who own small businesses that have been operational for over three years with annual revenues of \$250K-

of \$2,180 per job. In one year, assuming a salary of \$35,000 per job, each class can potentially create \$154,000 in federal taxes and \$38,500 in state taxes at a 5% tax rate.

We constantly seek ways to more effectively deliver our curriculum and create lasting jobs in lower income communities, and we evolve our approach based on feedback from our members, partners, and other stakeholders.

In this critical stage of growth, we must increase our level of fundraising from foundations and corporations from \$267K in 2010 to \$700k for 2013 to accommodate our growing staff, program, and operating expenses. But by 2013, our fundraising from these sources will level off, when we project increasing our license fee and materials income to over \$500K.