

THE NORTH END and
CITY OF MILWAUKEE

**BUSINESS
CAPACITY
BUILDING
PROGRAM**



*Department of Administration
Business Operations Division
Office of Small Business Development*

Content Outline

- Background
- Program Overview
- Milestones/Successes
- Next Steps
- Lessons Learned

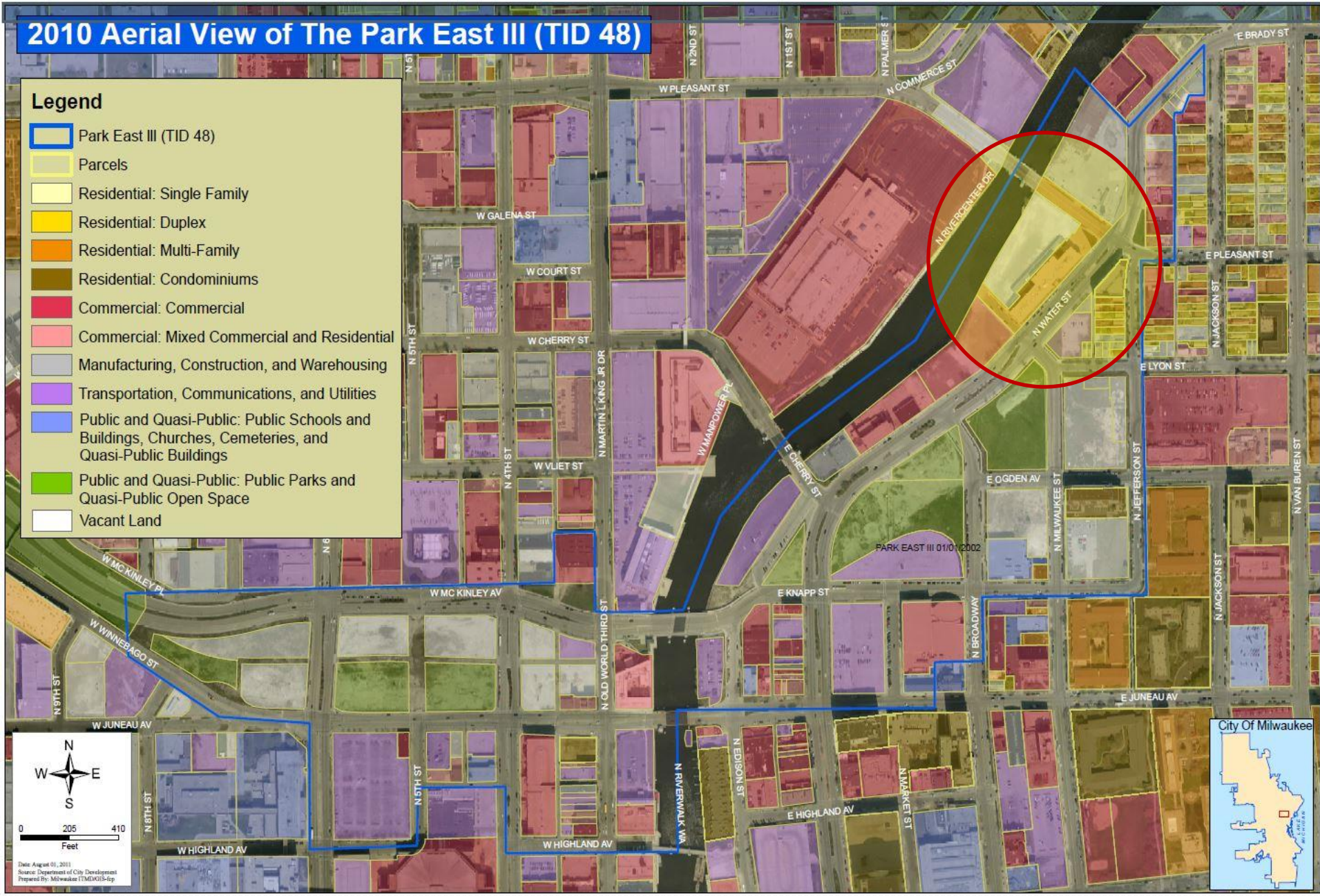
Background

- In 2008, the Common Council, via File No. 071618, authorized DOA to develop a program to build the capacity of SBE firms and/ or provide workforce training on Phase I of the North End Development project.
- DOA delayed implementation until Phase II after the Milwaukee Urban Entrepreneur Partnership, a key partner, closed its doors.
- During Phase II, DOA continued their work and began working on the implementation of the Business Capacity Building Program (BCBP) and engaged MAWIB to link local residents to job training opportunities.
- SBE firms qualified and certified with the City's program to assist with BCBP design and implementation were interviewed. Woo Connections was selected.
- DOA launched the BCBP with 5 SBE subcontractors performing on the North End.
 - F&H Drywall
 - John Ranson Construction
 - JCP Construction
 - PL Freeman
 - Maures Development Group

2010 Aerial View of The Park East III (TID 48)

Legend

-  Park East III (TID 48)
-  Parcels
-  Residential: Single Family
-  Residential: Duplex
-  Residential: Multi-Family
-  Residential: Condominiums
-  Commercial: Commercial
-  Commercial: Mixed Commercial and Residential
-  Manufacturing, Construction, and Warehousing
-  Transportation, Communications, and Utilities
-  Public and Quasi-Public: Public Schools and Buildings, Churches, Cemeteries, and Quasi-Public Buildings
-  Public and Quasi-Public: Public Parks and Quasi-Public Open Space
-  Vacant Land



Date: August 01, 2013
 Source: Department of City Development
 Prepared By: Milwaukee ITMDXIS-EP





Milwaukee River

Future Street

Broadway

Milwaukee Street

B3

B2

Existing "ONE"

Water Street

Pleasant Street

Kewaunee Street

Program Overview

Business Capacity Building Program Mission

To assist SBE firms, which already possess specific job and technical skills, with management skills, business development support, and access to capital resources.

The mission will be accomplished by surrounding selected SBE entrepreneurs with business and professional support that will be provided by experienced technical advisors.

The goal is to further the development, growth and expansion of these firms so they are capable of earning larger contracts during their participation in The North End project and future development projects.

Program Overview

- **Participant Requirements**
 - Contractual relationship with North End project
 - Annual gross sales less than \$300K
 - SBE certified
 - Completed pre-screening application process
- **May 2012 – June 2013 Intense programming**
 - Orientation
 - 11 Monthly Sessions
 - 6 Workshops
 - 4 Networking Events



Business Capacity Building Program

Program Scope & Impact

- **BCBP Program Scope (Assessed by Rubric)**
 - Business & Personal Coaching and Monthly Leadership Sessions
 - Business / Strategic Plan
 - Personal Action Plan
 - New Relationships Initiated or Deepened
 - Staffing and Sustainability Plan
- **Program Impact / Outcomes (Assessed by Performance Measures)**
 - Combined Revenue Growth
 - Total Number of New Opportunities Identified by Participants
 - Combined Employment Growth

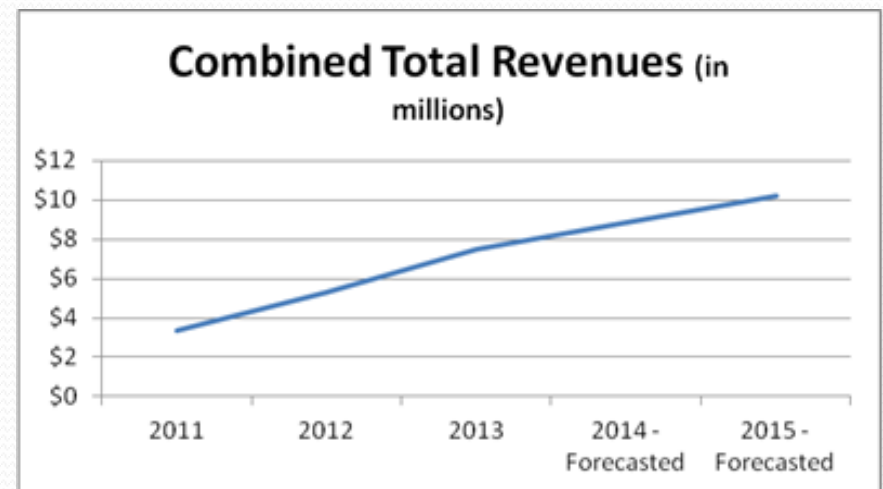
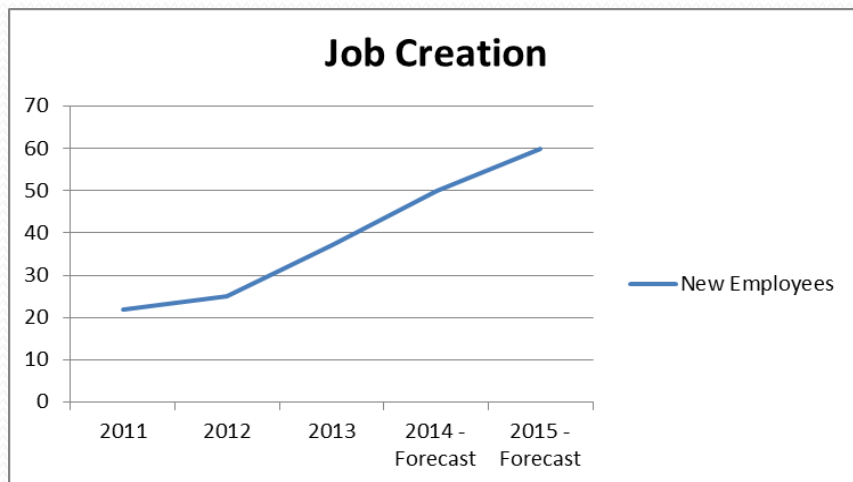
Milestones/Successes

- Achieved over 95% program participation.
- 5 new employees hired
- Projected 15 new hires by 2015
- Projected 14 new contracting opportunities by 2015
- Business and Personal Coaching was effective
- Program cost savings of approximately \$25K!

Milestones/Successes

Combined impact of BCBP on Participating Companies

- Job Creation reflects the 15 projected new jobs created as a result of practices implemented while in the BCBP.
- Combined Total Revenues reflects the projected 14 new contracts valued at \$7 million as a result of practices implemented through the BCBP.



Budget & Expenditures

Business Capacity Building Program	Cost	% of total
Forgivable Revolving Loans (4 @ up to \$30K)	\$ 120,000	48%
Business Program Management <i>(Program Creation, Administration, Action Learning, Tool Development)</i>	\$ 60,000	24%
Evaluation Tool(s) <i>(Pre and Post Business and Program Evaluations)</i>	\$ 14,000	6%
Industry Specialists & Professional Service Providers	\$ 23,317	9%
Monthly Meetings & Workshops	\$ 5,877	2%
Marketing Materials and Supplies	\$ 1,946	1%
Final Program Cost	\$ 225,140	90%
Total Projected Budget	\$ 250,000	100%
Cost Savings	\$ 24,860	10%

JCP Construction

NORTH END WORK EXPERIENCE

- JCP Construction is a general contracting and construction management firm that focuses on self performing selective demolition, cast-in-place concrete and carpentry projects.
- JCP Construction was awarded \$623,951 to provide specified contractual services on the North End construction: panels, green roof, finished carpentry and selective demo to the North End construction.
- Of the total hours worked on the North End, the firm achieved 37% RPP participation.

BUSINESS CAPACITY PROGRAM OUTCOMES

- Hired a new estimator as a result of Action Learning Session
- Secured two new contracts while in the program
- Upgraded entire computer network using one of our technology speakers
- Purchased new Foundations estimating software as a result of our Action Learning sessions
- Developed a business plan which projects doubled profits within the next three years as a result of the tools gained in the BCBP.

Maures Development Group

NORTH END WORK EXPERIENCE

- Maures Development Group is a development firm specializing in tax credit transactions and the development of affordable housing complexes.
- Maures Development Group worked on the North End as an apprentice to the Mandel Group to diversify their development transactions to include mixed market and new market tax credits.

BUSINESS CAPACITY PROGRAM OUTCOMES

- Hired a new Project Manager
- Increased business capacity from real estate development to now include property management.
- Moving from affordable housing developments to include market rate housing and retail.
- Developed a strategic plan to identify and guide new business opportunities.

PL Freeman

NORTH END WORK EXPERIENCE

- PL Freeman is a HVAC firm with specialties in plumbing, controls, electrical and roofing.
- PL Freeman was awarded \$950,000 to provide HVAC design and install services on the North End.
- Of the total hours worked on the North End, the firm achieved 38% RPP participation.

BUSINESS CAPACITY PROGRAM OUTCOMES

- Hired an AutoCAD draftsman and estimator to his team.
- Developed a new branding and marketing identity for the company.
- Received fire protection certification which allowed the firm to expand their business to also offer fire protection.
- Relocated to a larger office with other similar businesses.
- Expanded his office space to include a pre-fabrication facility.

John Ranson Construction

NORTH END WORK EXPERIENCE

- John Ranson Construction is a general contracting firm who specializes in finished carpentry, masonry and concrete.
- John Ranson Construction provided finished carpentry services on the North End.
- Of the total hours worked on the North End, the firm achieved 25% RPP participation.

BUSINESS CAPACITY PROGRAM OUTCOMES

- Hired a part-time estimator.
- Worked with other participants in BCBP to fulfill his workload on the North End when he was no longer able to.
- John Ranson Construction's residential business has increased.
- The firm was able to identify their strengths and weaknesses and shift their business model to avoid going out of business.

Next Steps

Program Accountability & Recommendations

- Quarterly Action Learning Sessions
- Quarterly Strategic Plan Assessments
- Milestone Tracking
 - six months
 - one year
 - two years
- Final program report out with actual data June 2015
- Use additional program 'cost savings' (\$25k) to provide additional working capital to the program participants

Next Steps

Potential Options for Strengthening Business Capacity Development and Job Creation (\$250k)

- Replicate the next Business Capacity Building Program on Phase III
- On-the-Job Training for BCBP participant new hires
 - OSHA Training and Certificate Upgrades
 - Skill upgrades and/ or workforce development training

Lessons Learned

- Innovative approaches like the BCBP directly spark –
 - Job Creation
 - Revenue Generation
 - Business Growth and Capacity Building
 - Leadership Development of Business Owner and Staff
 - Clearing for Future Success
- Policymakers should consider -
 - Shifting more resources into innovative types of approaches like the BCBP
 - BCBP participants served hold most promise for creating jobs for residents in distressed neighborhoods
 - Establishing the BCBP as the model for future TIF projects – IT WORKS!

Questions?

The North End Business Capacity Building Program

Department of Administration

Business Operations Division

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Sept. 17, 2013