

*Celebrate & Discover*

**PROJECT 500**

*Washington, D.C.*

# Mayor's Working Group on Jobs, Benefits and Wages

Melissa L. Bradley, Curator, Project 500

# About Project 500

- **MISSION**

- Project 500 will help five hundred disadvantaged, small businesses in the District grow in revenue and size over the next three years.

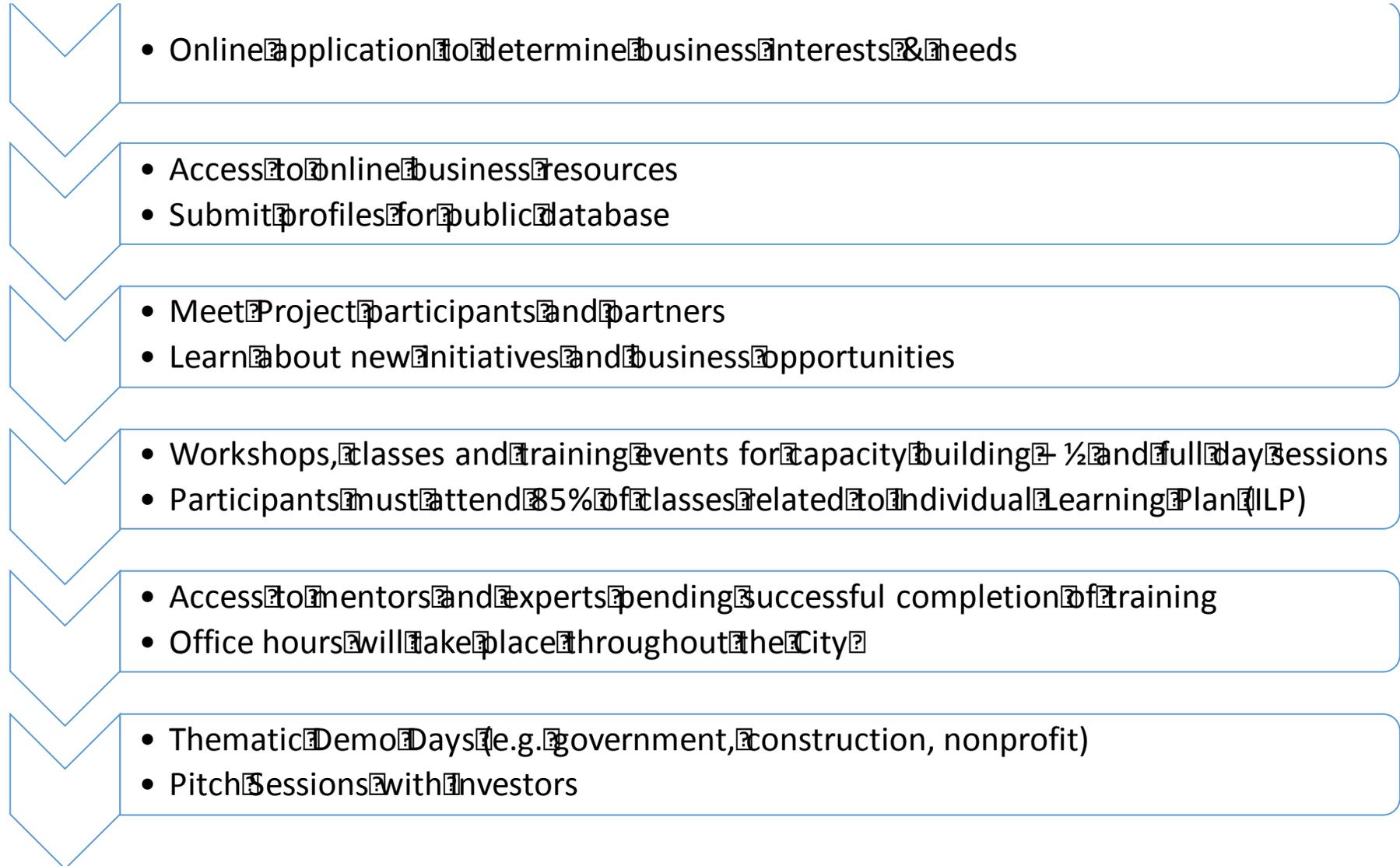
- **GOALS**

- Through the provision of training and support, with a laser focus on business and financial capacity, the program will seek to catalyze business growth in the city, with preference for Wards 7 and 8.
- The program will work to leverage policy levers and eradicate related barriers to help bridge the gap between start up and growth stages; a place where many businesses cease to exist.
- The program will help identify existing programs, as well as develop new products and services that can be used to help fledgling businesses obtain needed space (e.g. retail space) and startup ventures access critical social and financial capital.

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## Project Pathway



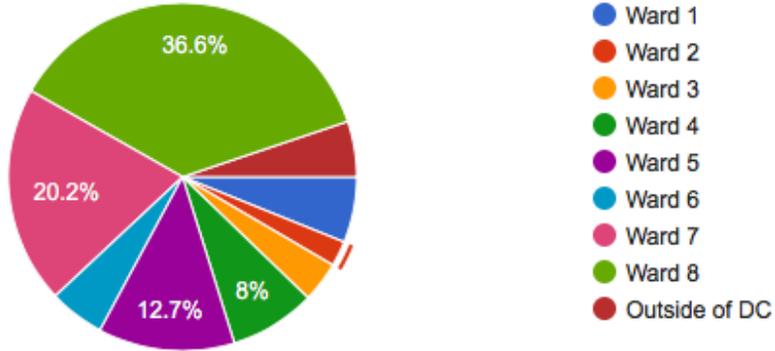
# Competitive Advantages

- Project 500 leadership is very clear that there are many programs throughout the city designed to support businesses. However, after extensive research of the various programs we found the following challenges:
  - They are not they are not coordinated with each other and have significant duplication of services, while missing critical training components for small businesses.
  - They are homogenous and do not cater their training to the specific needs of a business. Many programs offer “one size fits all” training which often does not address the unique needs related to scale.
  - They are not scalable as they usually lack access to adequate capital for themselves.
  - They are usually offered during business hours when many sole proprietors are unable to attend due the financial opportunity costs it would cause their businesses.
  - The current programs are not designed for outcomes but rather outputs as their business model is tied to quantity not quality of the programming provided.
  - They are costly and do not address or market to the needs of marginalized entrepreneurs.
  - They are often not staffed by experienced entrepreneurs or small business owners and therefore lack the hands on experience, along with the cultural competency for these businesses in DC.

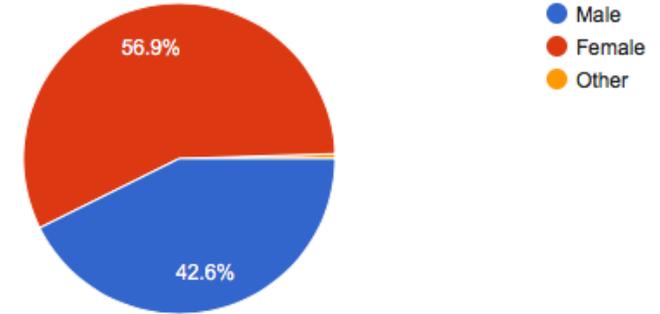
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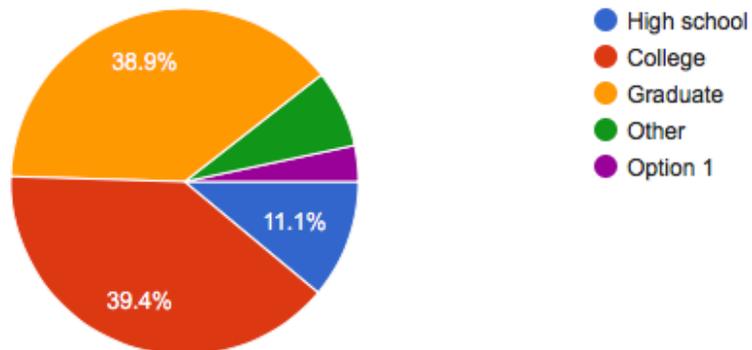
Ward (213 responses)



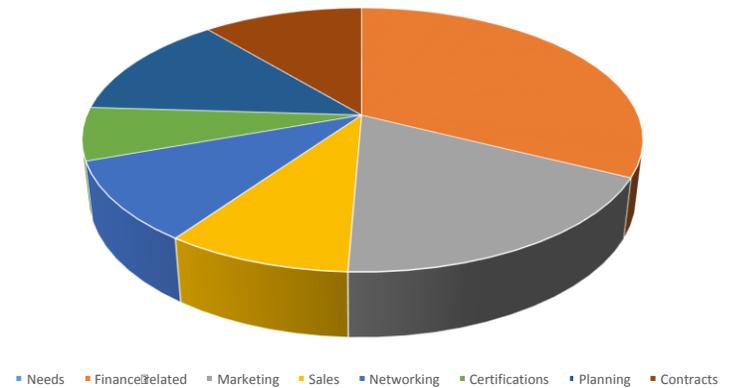
Gender (204 responses)



Highest Educational Degree Achieved (208 responses)



Areas of Need



# Inputs to Recommendations

- Survey Results
  - Results reflect over 100 responses from Project 500 Participants at Intake
- Benchmarking against regional governments and agencies
- Participation in National Advisory Council for Innovation and Entrepreneurship
- Prior experience in Presidential Administrations (Clinton, Obama)
- Examination of academic and practitioner research in areas such as economic and community development, entrepreneurship, innovation, urban policy, etc.

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# Recommendations for the Working Group

# Building a DC Innovation Ecosystem

- With a laser focus on **Preserving Resident Owned Businesses**, the Mayor should create an innovation ecosystem that can:
  1. Increase Financial Support for Small Businesses
  2. Improve Regulation and Receptivity
  3. Enhance Infrastructure Access
  4. Support Human Capital Development

# Increasing Financial Support for Small Businesses

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- **Invest in providing subsidized capital – directly or indirectly – to small business owners**
  - Require financial ***and*** social ROI in exchange for the use of city dollars
  - *Create microloan or Demonstration Fund to unlock capital for small business – estimate \$10-\$20k per business*
  - *Develop a City based early stage venture capital fund, such as CIT GAP Fund*
  - Leverage city cash deposits to catalyze investments in resident owned businesses
  - Seek outside funding – public, private and philanthropic – to leverage DC’s own investments
  - *Create a Chief Engagement or Philanthropic Officer position in City leadership*

# Improving Regulation and Receptivity

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- **Be a leader in support small business in DC**

- Create a visible and meaningful *“Small Business Council”*
- *Implement prior commitment to participate in Commerce’s “Startup in a Day” Program*
- Leverage technology to streamline and automate business startup tasks
- Develop “open source” data policies and access to access information for research and commercial purposes
- *Support a data-driven culture to measure outputs, outcomes and performance management*
- Mandate rigorous outcomes for business support organizations via Council
- Support worker benefit agreements
- *Introduce legislation to enable the creation of “hybrid” corporations, such as L3C*
- Revise CBE process and enforce participation of resident owned businesses
- Remove onerous requirements for small business such as bonding requirements for construction related entities
- *Support the collection and reporting of baseline data for small businesses through research and knowledge sharing (e.g. Startup Community Maturity Model by Techstars)*
- Launch a targeted social media strategy to showcase what is working in DC, with a focus on resident owned businesses

# Enhance Infrastructure Access

- **Improve the quality of life for small business entrepreneurs**
  - Identify policies and subsidies to manage costs related to commercial venues
  - *Insure city dollars subsidize equitable participation of resident owned businesses*
  - Support access and inclusion of resident owned businesses to incubators and accelerators
  - Create incentives and waivers for the partnership of large contractors with resident owned businesses
  - Examine the development of “work-live spaces” for small businesses
  - Review and revise federal designations, such as HUBZone
  - *Launch an “Open for Business” Roundtable process to identify and resolve administrative and regulatory burdens that prevent small businesses from scaling*
  - *Consolidate business related agencies – at minimum provide uniform presence and online portal*
  - Allocate portion of agency budgets to be spent with resident owned businesses

# Support Human Capital Development

- **Maintain access to relevant talent and leadership to support small businesses**
  - Identify culturally competent and relevant mentors and success stories
  - *Lead with, and leverage, a racial equity lens*
  - Develop and support competitions and challenges to identify new talent
  - *Focus on the creation of quality jobs – living wage, basic benefits, career building opportunities, etc.*
  - Establish *public sector procurement strategy* as a means to outsource city services, such as data management, online procurement, document automation, records management, etc.
  - *Develop and maintain standards for training and engagement with small business owners; create voucher program for training and development*

# Making DC A Highly Functional City

- “It is not population or territorial size that drives world-city status, but economic weight, proximity to zones of growth, political stability, and attractiveness for foreign capital. In other words, connectivity matters more than size. Cities thus deserve more nuanced treatment on our maps than simply as homogeneous black dots.”
  - Parag Khanna, Global Strategist
- **In America, the Boston-New York-Washington corridor and greater Los Angeles together combine for about one-third of America’s GDP.**
- The rise of emerging market megacities as magnets for regional wealth and talent has been the most significant contributor to shifting the world’s focal point of economic activity.
  - McKinsey Global Institute research suggests that from now until 2025, one-third of world growth will come from the key Western capitals and emerging market megacities, one-third from the heavily populous middle-weight cities of emerging markets, and one-third from small cities and rural areas in developing countries. *There are far more functional cities in the world today than there are viable states.*