



Office of the City Manager

INFORMATION CALENDAR

January 21, 2020

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Eleanor Hollander, Office of Economic Development

Subject: Referral Response: Small Business Retention Programs

SUMMARY

In 2019, in response to a City Council referral, the Office of Economic Development (OED) launched Small Business Retention Programs to support and retain small businesses in Berkeley that are at risk of displacement or closure. OED conducted an RFP and engaged two organizations, Uptima Business Bootcamp and Project Equity, to implement programs. In this report, OED provides an update on the status and progress of the programs one year into implementation.

CURRENT SITUATION AND ITS EFFECTS

The Small Business Retention Programs launched in January 2019 with the goal of providing business support services to help the City retain its diverse small businesses and organizations and provide resources for them to thrive and boost their profitability and sustainability.

Outreach and Recruitment

Any existing independently-owned small businesses and non-profit based in the City of Berkeley were eligible as long as they fit the following criteria:

- Potentially at risk of displacement or closure
- Have the potential to retain existing jobs or create new jobs in Berkeley
- Need business support to stay in place or relocate elsewhere in Berkeley
- Can commit the time and effort to put in place a plan to maintain and grow their business
- Interested in converting to a worker ownership business model

OED and its partners have conducted extensive outreach to prospective clients, including door-to-door outreach, physical mailings, e-mail blasts, workshops, and tabling at community events. Uptima partnered with YaVette Holts of Bay Area Organization of Black-Owned Businesses (BAOBOB) to conduct focused outreach to businesses owned by people of color. OED worked with Project Equity to conduct a strategic mailing to businesses that are most likely to be interested in conversion to worker ownership. The partnership with Project Equity has already benefited from local media coverage, which supports outreach efforts.

Below is a brief summary of the work each organization completed during the first year of the program. For the complete annual report and additional information provided by Uptima and Project Equity, please refer to the report attachments.

UPTIMA BUSINESS BOOTCAMP

Uptima Business Bootcamp is an innovative member-owned business accelerator dedicated to providing entrepreneurs with greater access to hands-on education, resources and community to create thriving businesses. They offer in person programs at their locations in Oakland and San Francisco, and at a variety of locations in throughout the East Bay; and they also offer online programming.

Uptima has been engaged to provide direct services to at least 20 small businesses and non-profits over the course of two years. Uptima's business advising services include intake and analysis of the client's strengths, weaknesses, opportunities, and threats; the development and implementation of an action plan that is focused on increasing profitability and sustainability; and assistance securing business financing. Since the program's launch, Uptima has reached 215 small business and non-profit leaders in Berkeley, and has enrolled 13 small businesses and non-profits in the program. Uptima has provided 317 hours of business advising, which has helped retain 12 of those 13 businesses. And the businesses that have been retained have a ripple effect of \$4.96 million in revenue and are supporting 49 jobs and 118 other small businesses and independent contractors.

Summary of accomplishments to date:

- Uptima and BAFOB have collectively spent 103 hours on grassroots, face-to-face outreach to small business owners and non-profit leaders across Berkeley.
- Outreach activities have reached 215 small business owners and non-profit leaders.
- 13 small businesses and non-profits enrolled in the program, 5 of which were located in South Berkeley.
- Uptima has provided 317 hours of business advising services to support these 13 businesses in creating their action plans, renewing their lease or relocating, accessing funding, and implementing their plans.
- 12 out of the 13 small businesses and non-profits have been retained. One business was lost due to an inability to identify affordable kitchen space to accommodate its growth in Berkeley.
- Small businesses and non-profits that have been retained through the program have an economic impact of \$4.96 million in revenue, 49 jobs, and 118 other small businesses and independent contractors.

Implementation findings include:

- Legacy organizations have expressed frustrations with working with the City and the outreach and advising through this program allows them to feel heard and valued.
- Creating an effective retention program requires substantial trust-building, which takes some time in the outreach phase but pays off in advising outcomes.
- A key leverage point for business retention is the business owner's relationship with their landlord and knowledge of the landlord's potential moves for the property.
- Because business owners and non-profit leaders are stretched for time and are not able to work on their plans outside of advising sessions, the advising scope was shifted to be more hands-on with stakeholder engagement, planning, and financial analysis.
- One of the biggest differentiators of this program versus other advising programs is Uptima's ability to weave the technical skills and emotional intelligence to support the business owners and non-profit leaders in breaking down their barriers to moving the business forward.
- Working one-on-one with business owners and non-profits over a longer timeframe increases their confidence in their plans and ability to maintain their business in Berkeley.
- Participants appreciate the long-term advising relationship and see it as unique selling point for Berkeley's economic development.

Support for and Engagement with the Berkeley Flea Market

The summary of outputs and accomplishments above includes the direct support that Uptima and BAOBAB provided to Community Services United (CSU), the nonprofit organization that manages the Berkeley Flea Market. For over four decades, the Berkeley Flea Market has operated on Saturdays and Sundays in the Ashby BART Station northwest parking lot. The market is comprised of approximately 100 independent vendors offering a wide variety of items and goods. On February 26, 2019, City Council adopted a referral to the City Manager to provide material and strategic assistance to the Berkeley Flea Market to sustain and enhance its ability to serve both merchant participants and the community at large.¹

Staff from OED and the Department of Planning and Development have been working directly with CSU board members to develop and implement strategies to sustain the Berkeley Flea Market. As of December 2019, Uptima Business Bootcamp has provided 112 hours of business advising services to CSU, with a focus on governance, financial analysis, communications, and strategic planning. As a result of this support, CSU has over the past ten months achieved the following:

- Completed and adopted a new Strategic Plan (see Attachment 3).

¹ [Ensuring the Sustainability of the Berkeley Flea Market](#), Item 15, Berkeley City Council Meeting, February 26, 2018

- Formed an advisory board of 20 volunteer vendors and community members to support planning and execution of the market revitalization.
- Transitioned a majority of board of directors seats to be held by vendors.
- Applied for and received a \$5,000 grant from OED to increase public communications through social media, email blasts, and media appearances.
- Submitted the paperwork to restore the IRS tax-exempt status.
- Formalized staffing plans, including appointment of general manager, outreach events coordinator, social media manager, and market support and security personnel.

PROJECT EQUITY

Project Equity, a nonprofit organization that is dedicated to advancing worker cooperatives, provides technical aid to businesses looking to transition to a worker-ownership model.

Project Equity has taken a multi-phase approach to support Berkeley businesses interested in the worker cooperative ownership model. First, they conducted a business retention data study, which provided a better understanding of which of the City's businesses are at risk of closure and may be candidates for conversion to worker ownership. Second, they performed broad outreach and direct engagement to educate business owners about the worker cooperative model. OED then subsidizes the cost of working with up to four businesses to transition to worker ownership, including a feasibility study and transition plan. To date, one business, Adams and Chittenden Scientific Glass, has completed the feasibility analysis and is on their way to completing the transition to a cooperative.

In addition, Project Equity prepared a communications plan, outreach and intake materials, educational materials for economic development professionals and regulators, and training for City staff on the worker cooperative model. In February 2019, OED and Project Equity hosted a free training for staff from the City of Berkeley, neighboring municipalities, and other partners on providing support for worker cooperatives and how traditional businesses can convert to coops. Particular attention was paid to succession planning for business owners who are wishing to retire and may want to sell their business to their employees.

Summary of accomplishments to date:

- Completion of detailed data analysis, well-attended staff training and [public release](#) of data summary.
- Significant positive press highlighting Berkeley's investment ([San Francisco Chronicle](#), [East Bay Express](#), [Daily Californian](#), [Nonprofit Quarterly](#), [Huffington Post](#)).
- Personal engagement with over 250 Berkeley businesses.
- Hands-on employee ownership technical assistance to four Berkeley businesses, with demonstrated interest from several more.

- Project Equity worked with the Sustainable Economies Law Center helped the Loan Administration Board (LAB) amend the terms of the City's Small Business Revolving Loan Fund to expand access for worker cooperative businesses and create a 10% lending target for cooperatives.
- Successful event that feature two Berkeley employee-owned businesses: Sun Light & Power and Adams and Chittenden.

Contract expansion

Staff is finalizing contract revisions with Project Equity to increase funding by \$100,000 through October 2021 to achieve these shared objectives, in partnership with the Sustainable Economies Law Center:

1. Continued support for succession and employee ownership transitions (TA and legal)
2. Support for start-up worker cooperatives
3. Training and advice on worker coop topics

The Small Business Retention Programs are aligned with the City's Strategic Plan goal to foster a dynamic, sustainable, and locally-based economy.

BACKGROUND

There are approximately 5,000 small businesses in Berkeley. Small businesses are a critical part of our local economy: they provide access to essential goods and services, create jobs and economic opportunities, and make essential contributions to Berkeley's vitality and distinct character. In recent years, the viability of small businesses has been threatened by a broad range of issues including the increasing costs of doing business, physical conditions of commercial districts, competition from the Internet, and difficulty engaging with the City of Berkeley.

In April 2017, City Council referred to the City Manager the development of a package of policies and programs to support the establishment of new, and sustainability of existing, small and/or locally owned businesses.² Subsequently, during summer and fall of 2017, OED staff conducted outreach to and research on Berkeley's small businesses and compiled its findings in a work session report and presentation to council in January 2018.³ The report concluded with a commitment to implement five policy and programmatic initiatives to support small businesses by June 2019. Each initiative relates directly to the feedback received by small business owners and managers, and to items identified in City Council's original small business package referral. One of the five initiatives was to pilot new small business retention programs, which was the impetus for the Small Business Retention Program currently underway.

² [Small Business Support Package](#), Item 41, Berkeley City Council Meeting, April 25, 2017.

³ [Economic Development Worksession: Small Business Support](#), Item 1, Berkeley City Council Meeting, January 16, 2018.

In summer 2018, OED issued a request for proposals to provide assistance to small, locally-owned, independent retailers that are at risk of displacement or closure. Of the five submissions, Uptima Business Bootcamp and Project Equity were selected to implement the program.

ENVIRONMENTAL SUSTAINABILITY

Small businesses often contribute to sustainable transportation choices by providing opportunities for residents to shop locally in neighborhood commercial districts that are accessible by foot, bicycle and transit. Successful initiatives that support small businesses in turn promote both environmental and economic sustainability.

POSSIBLE FUTURE ACTION

The Small Business Retention Programs are funded through the end of Fiscal Year 2021. The City Council could, during the budget process for Fiscal Years 2022-2023, consider providing additional funding for the continuation of the programs.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

OED will continue to implement the programs described above with existing staff and budgetary resources. Small businesses are important contributors to General Fund revenues through sales tax, business license tax, and property tax. To the extent that the new policies and programs encourage the development and expansion of small businesses in Berkeley, the fiscal impacts are beneficial, but difficult to estimate.

CONTACT PERSON

Jordan Klein, Economic Development Manager, 510-981-7534
Kieron Slaughter, Community Development Project Coordinator, 510-981-2490

Attachments:

- 1: Uptima Business Bootcamp Small Business Retention Program 2019 Annual Report and materials
- 2: Project Equity Small Business Retention Program 2019 Annual Report and materials
- 3: CSU Strategic Plan for the Berkeley Flea Market



**Berkeley Business Retention Program
Program Evaluation Report
2018-19**



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1. Executive Summary

The Berkeley Business Retention Program (the “Program”) is a collaboration between the City of Berkeley’s Office of Economic Development (“OED”), Uptima Business Bootcamp (“Uptima”), and Bay Area Organization of Black-Owned Businesses (“BAOBOB”) to support small businesses and non-profits that are at risk of displacement or closure in Berkeley. The Program launched in January 2019 as a 2-year pilot to help the City of Berkeley retain its diverse small businesses and non-profits and provide resources for them to thrive by increasing their profitability and sustainability. Through the Program, the City of Berkeley aimed to provide direct service to at least 20 small businesses and non-profits over the course of two years.

This report documents our findings related to the implementation of the Berkeley Business Retention Program and participant outcomes in the first year of operations. In developing this report, we collected data from several sources, including event reports, pipeline reports, and participant surveys, and reviewed program materials and participant advising files.

Key outcome findings include:

- BAOBOB and Uptima have collectively spent 103 hours on grassroots, face-to-face outreach to small business owners and non-profit leaders across Berkeley
- Outreach activities have reached 215 small business owners and non-profit leaders
- There have been 13 small businesses and non-profits enrolled in the Program, 5 of which were located in South Berkeley
- Uptima has provided 317 hours of business advising services to support these 13 businesses in creating their action plans, renewing their lease or relocating, accessing funding, and implementing their plans
- The Program has helped retain 12 out of the 13 small businesses and non-profits – only one business was lost due to the lack of affordable kitchen space to grow in Berkeley
- Small businesses and non-profits that have been retained through the Program have an economic impact of \$4.96 million in revenue, 49 jobs, and 118 other small businesses and independent contractors

Key implementation findings include:

- Legacy organizations have expressed frustrations with working with the City and the outreach and advising through this Program allows them to feel heard and valued
- Creating an effective retention program requires substantial trust-building, which takes some time in the outreach phase but pays off in advising outcomes
- A key leverage point for business retention is the business owner’s relationship with their landlord and knowledge of the landlord’s potential moves for the property



- Because business owners and non-profit leaders are stretched for time and are not able to work on their plans outside of advising sessions, we had to shift the advising scope to be more hands-on with stakeholder engagement, planning, and financial analysis
- One of the biggest differentiators of this Program versus other advising programs is our ability to weave the technical skills and emotional intelligence to support the business owners and non-profit leaders in breaking down their barriers to moving the business forward
- Working one-on-one with business owners and non-profits over a longer timeframe increases their confidence in their plans and ability to maintain their business in Berkeley
- Participants appreciate the long-term advising relationship and see it as unique selling point for Berkeley's economic development

Based on the evaluation, we propose the following recommendations to strengthen the Program and increase City of Berkeley supports for business retention:

- Continue building on the trust we have engendered in the Berkeley business community by extending Program outreach activities for another year
- More intentionally utilize Program information sessions as networking opportunities for small businesses and non-profits in need of support
- Use Program outreach activities to bring more awareness to City services relevant to business retention
- Increase visibility of City's new small business and non-profit marketing programs and consider additional supports for marketing collaborations among small business owners
- Review City funding options for small businesses and non-profits to ensure there are programs that align with business retention needs
- Review the City's level of enforcement around ordinances related to long-term parking, cleanliness of sidewalks and streets, and safety to make Berkeley commercial corridors more welcoming for customers and businesses



2. Introduction

Launched in January 2019, the Berkeley Business Retention Program is a 2-year pilot program to support up to 20 small businesses and non-profits that are at risk of displacement or closure in Berkeley. The Program is collaboration between the OED, Uptima, and BAOBOB to conduct outreach and provide one-on-one business advising and workshops to help business owners and non-profit leaders create an action plan, find funding, and implement their plans to keep their small businesses in Berkeley.

Since its launch in January 2019, the Program has reached 215 small business and non-profit leaders in Berkeley, and there have been 13 small businesses and non-profits enrolled in the Program. Uptima has provided 317 hours of business advising, which has helped retain 12 of those 13 businesses. And the businesses that have been retained have a ripple effect of \$4.96 million in revenue and are supporting 49 jobs and 118 other small businesses and independent contractors.

As the Program comes up on its first anniversary, we conducted an evaluation to document the implementation and outcomes of the Program. The Program evaluation had five goals:

- Document Program operations including business owner profile and outreach and enrollment mechanisms;
- Describe stakeholders' and participants' experiences with the Program;
- Identify best practices associated with outreach, enrollment, and business advising services to develop trust and support participants in creating a plan to keep their business in Berkeley and have confidence in implementing that plan;
- Assess Program outcomes, including the business owner's ability to retain their business in Berkeley and barriers to business retention in Berkeley; and
- Develop recommendations to improve the Program and provide additional supports for business retention.

This report documents our evaluation findings related to the implementation of the Program and participant outcomes. Drawing on the information collected from the review of Program materials, event reports, pipeline reports, participant advising files, team feedback, and participant surveys, this report documents the implementation of the Program, assesses Program outcomes, synthesizes implementation strengths and challenges, and presents recommendations for refinements of the Program and other City supports for business retention. Specifically, this report is divided into the following sections:

- A description of the Program, including historical background and context of the Program and key characteristics of the target businesses, outreach activities, enrollment process, and advising activities.
- An overview of the evaluation methodology, including the data sources and data collection and analysis methods.



- A description of the key outcomes achieved by Program participants.
- A summary of the implementation findings related to the implementation strengths and challenges.
- A set of proposed recommendations for modifications and refinements to the Program as well as additional City supports for business retention.



3. Program Background

In April 2018, the City of Berkeley issued a request for proposals (“RFP”) from qualified firms and individuals to pilot new small business retention programs in the City of Berkeley. The City sought to assist small, locally-owned businesses that are at risk of displacement or closure, with a particular focus on independent retailers.

Uptima partnered with BAOBOB to respond to the RFP with a proposal to provide outreach and business advising services to support up to 10 black-owned businesses that were at risk of displacement or closure in Berkeley. In the proposal, Uptima recommended a 16-month engagement with each business to develop a plan, access capital, and implement the plans.

In summer 2018, OED informed Uptima that its proposal had been selected and asked to modify its scope of services to support retention of up to 20 small businesses and non-profits over a 2-year period. OED asked Uptima to focus on existing small businesses and non-profits that are traditionally underserved or serve traditionally underserved neighborhoods in Berkeley, and to provide these organizations with support to bolster their business model, access capital, and/or identify a legacy plan to maintain and grow their operations Berkeley.

Uptima amended its scope for approval at the first City Council meeting after the summer break. In September 2018, City Council approved the contract with Uptima. And after completing necessary contract paperwork in the fall, Uptima was given a notice to proceed with the Program in December 2018.

3.1 Program Description

The Program is a collaboration between the OED, Uptima, and BAOBOB to support small businesses and non-profits that are at risk of displacement or closure in Berkeley.

The business assistance part of the Program is provided by Uptima. It includes free one-on-one business advising and workshops to help business owners and non-profit leaders create an action plan, find funding, and implement their plans to keep their small businesses in Berkeley.

Eligibility. Existing independently-owned small businesses and non-profits based in the City of Berkeley that:

- Are potentially at risk of displacement or closure;
- Have the potential to retain existing jobs or create new jobs in Berkeley;
- Need business support to stay in place or relocate elsewhere in Berkeley; and
- Can commit the time and effort to put in place a plan to maintain and grow their business or non-profit.



Services. We offer free customized, one-on-one business advising to help business owners and non-profit leaders maintain and grow their organizations in Berkeley.

Create an Action Plan	<ul style="list-style-type: none"> • Develop strategies to increase sales and profitability • Prepare to renew an existing commercial lease or relocate • Research costs to upgrade, relocate or expand • Plan for retirement by developing a succession plan
Find Funding	<ul style="list-style-type: none"> • Learn what funding options are available and how to access them • Prepare the business to raise money • Connect with potential funders • Get assistance in navigating the funding process
Implementation	<ul style="list-style-type: none"> • Create or enhance the business' online presence • Improve the business' operations, finances and administration • Mitigate business disruption before, during and after relocation • Transition ownership of the business

3.2 Program Goals

The primary goals of the Program as outlined in the marketing and outreach plan are to:

- Inform and educate the Berkeley small business and non-profit community on the Program, its benefits, and requirements;
- Enroll at least 20 Berkeley-based independent small businesses and non-profits that are at risk displacement or closure in the Program;
- Demonstrate the City of Berkeley's commitment to retaining its diverse small businesses and non-profits and providing the resources for them to thrive; and
- Demonstrate the City of Berkeley as a welcoming place for small businesses and non-profits.

3.3 Outreach Activities

We recognized the importance of engaging Berkeley small businesses and non-profits to build trust and demonstrate our commitment to helping them keep their businesses in their community. As such, we designed our marketing and outreach plans to focus on engaging Berkeley small businesses and non-profits primarily through grassroots, face-to-face efforts and referrals from business partners, and to supplement face-to-face efforts with digital and print communication tools.

Primary marketing efforts include:

Business Owner Meetings. The bulk of our outreach efforts focus on one-on-one meetings with business owners. BAOBOB would lead door-to-door outreach to existing small businesses and non-profits to inform them of the Program, its benefits, and any upcoming information sessions, and to determine if the small business or non-profit is qualified for an initial consultation with Uptima.



Information Sessions. Uptima and BAOBOB would hold a series of 2-hour information sessions that provide Berkeley small businesses and non-profits with the opportunity to learn more about the Program and its benefits, receive tips and tools to help them keep their businesses in their community, and network with other Berkeley small businesses and non-profits.

Berkeley Events. Uptima and BAOBOB would attend and set up informational tables at various Berkeley small business events, street fairs, and festivals. These events include Sunday Streets, Juneteenth Festival, Solano Avenue Stroll, among others.

Business Partner Meetings. BAOBOB would attend regular BBDN meetings, and Uptima and BAOBOB would lead one-on-one meetings with representatives from Berkeley business districts, the Berkeley Chamber of Commerce, and business support, legal support, capital access, commercial real estate partners, and financial planners to provide information about the Program and its benefits and seek referrals of Berkeley small businesses and non-profits that could benefit from the Program.

Supplemental digital and print communication tools include:

Website. Uptima would establish pages on its website with basic information about the Program and upcoming information sessions, detail on the structure of our business advising services, and an inquiry form. BAOBOB would also include language about the Program on their website. And, we recommended that OED add Uptima as a resource under its Technical Assistance page and add a new section on the Technical Assistance page describing the key elements of the Program.

Print Collateral. Uptima would ensure that printed postcards and flyers describing the Program are available for one-on-one meetings with business owners, business districts, and business support providers. Uptima and BAOBOB would ensure that flyers are periodically distributed to public places throughout Berkeley.

Email Marketing. Uptima would utilize its email marketing list of 3,800+ subscribers and BAOBOB would utilize its email marketing list of 650+ subscribers to promote the Program, its benefits, and any upcoming information sessions in at least one newsletter per month. We encouraged OED to include language about the Program and upcoming information sessions in any regular email newsletters to the Berkeley community. In addition, we would provide our business support and capital access partners with a social media toolkit to encourage them to include the Program in their email marketing from time to time.

Social Media Marketing. Both Uptima and BAOBOB would run at least one social media post per month advertising the Program, any upcoming information sessions, and link to the inquiry form. We recommended that OED request that the Program's social media posts be placed in the City of Berkeley social media feed from time to time. In addition, we would provide our business support and capital access partners with a social media toolkit to encourage them to include the Program in their social media posts.



In early January 2019, OED, Uptima, and BAOBOB met to review the above marketing and outreach plans and marketing collateral for the Program. It was anticipated that Uptima and BAOBOB would conduct outreach activities from January 2019 – November 2019.

3.4 Enrollment Process

When a qualified lead is identified through outreach activities, Uptima schedules an initial hour consultation and assessment with the small business owner or non-profit leader. In this initial meeting, Uptima focuses on understanding the current situation, goals, challenges, risk of displacement and closure, and assess if the Program is a good fit for their needs.

In general, we seek small businesses and non-profits that have been traditionally underserved or that serve traditionally underserved populations, with their primary location in the City of Berkeley, that meet the following criteria:

- Are potentially at risk of displacement or closure;
- Have the potential to create new jobs and other positive community impact in the City of Berkeley;
- Need business support to bolster their business model, access funding and/or develop a legacy plan to stay in place or relocate elsewhere in the City of Berkeley;
- Are able to commit the time and effort to put in place a plan to bolster their business model, and if relevant, apply for funding and/or implement their legacy plan; and
- Are open to receiving structured support to develop their business.

When a lead is identified as a good fit for the Program, Uptima makes a recommendation to OED to enroll the small business or non-profit in the Program. If OED approves the recommendation, Uptima creates an individual business advising plan and reviews it with the business owner. The small business owner or non-profit leader is expected to sign an advising agreement that outlines the individual advising plan and advising expectations. To ensure participants are taking full advantage of the Program, each participant enrolling in the Program is required to sign off on their commitment to:

- Attending their scheduled one-on-one business advising sessions with their Uptima advisor;
- Completing assigned business development activities in between sessions and sharing those activities for review by their Uptima advisor;
- Providing timely and professional responses to communications with potential funders and other resource providers that have been introduced to them by Uptima; and
- Allowing Uptima to share the status and challenges with small business or non-profit with the City of Berkeley.

It was anticipated that Uptima would enroll up to 20 small businesses and non-profits in the Program from February 2019 – November 2019.



3.5 Business Advising Services

Small business owners and non-profit leaders enrolled in the Program are assigned an Uptima advisor. The advisor is matched with the small business owner or non-profit leader based on the industry, stage, challenges, and individual business advising plan.

We anticipated that a advisor would work with each participant in two phases over a 16-month period.

Phase I – Planning. In Phase I, it was anticipated that advisors would work with each small business owner or non-profit for up to 4 months to help them bolster their business model, evaluate lease renewal or relocation options, prepare for funding, and/or identify a legacy plan. During this phase, it was anticipated that the advisor and small business owner or non-profit leader would meet for 1 hour weekly or bi-weekly plan to review the previous session’s work and assist with any questions or additional resource needs. In between sessions, the business owner or non-profit leader would complete business development activities and share them with their advisor. Also during this time, Uptima would leverage its relationships with legal support providers, marketing services, funders, commercial real estate partners, financial planners, and other resource providers to support planning, access to capital, and physical space needs.

Phase II - Implementation. Based on our experience working with small business owners and non-profit leaders, we know the need for support does not end when they receive funding, renew their lease or relocate, or have a legacy plan. To nurture stronger small businesses and non-profits in our communities, we saw a need for ongoing advice and mentorship to implement plans. As such, we proposed providing up to 1 year of wrap-around business advising services to each business owner or non-profit coming out of Phase I. We anticipated that each business owner or non-profit leader would continue to work with the same Uptima advisor they built a trusting relationship with during Phase I of the Program. During Phase II, it was anticipated they would meet with their advisor for up to 30 minutes each week by phone or in person to receive ongoing advice and connections for implementing their plans.

It was anticipated that Phase I of business advising would occur from February 2019 – December 2019 and that Uptima would provide up to 330 hours of business advising to at least 20 small businesses and non-profits during this phase.



4. Evaluation Methodology

Using a multi-method approach, we conducted an implementation and outcome evaluation for the first year of the Program's operations. We collected quantitative and qualitative data to:

- Document Program operations including business owner profile and outreach and enrollment mechanisms;
- Describe stakeholders' and participants' experiences with the Program;
- Identify best practices associated with outreach, enrollment, and business advising services to develop trust and support participants in creating a plan to keep their business in Berkeley and have confidence in implementing that plan;
- Assess Program outcomes, including the business owner's ability to retain their business in Berkeley and barriers to business retention in Berkeley; and
- Develop recommendations to improve the Program and provide additional supports for business retention.

Specifically, the Program evaluation set out to answer the following questions:

Participant Profile: Who participates in the Program? What are their common characteristics?

Outreach Activities: What are the most effective ways of reaching business owners and non-profit leaders to inform them about the Program? What does it take for qualified candidates to take the first step in getting support from the Program?

Enrollment Process: What are qualified candidates' experiences with the enrollment process? Does the enrollment process adequately assess participants' challenges and needs? How is the experience of hand-off from enrollment consultation to business advisor?

Business Advising Services: What are participants' experiences with the one-on-one advising provided by the Program? Is the advising effective in helping them develop plans and connect with resources to keep their businesses and non-profits in Berkeley?

Outcomes: What types of outcomes does the Program seem to help participants achieve (e.g., improved business model, relocation of business, transfer of business ownership)? What impact does the Program have on the Berkeley community (e.g., job retention and creation, key partnerships)?

Perception of Berkeley Business Services: How does the Program impact participants' perception of the City of Berkeley as a place to maintain and grow their businesses? What other business retention supports do participants want to see from the City of Berkeley?

To help answer these questions, we used a multi-method approach, collecting and analyzing qualitative and quantitative data from multiple sources, as described in the following table.



Table 1: Evaluation Data Sources

Source	Description
Program Materials	Review of Program materials, including Program marketing collateral, enrollment process documentation, standard advising agreement, and reports to OED
Event Reports	Analysis of administrative data on workshop registrations and attendance and sign-ups at tabling, as well as qualitative feedback on workshop content
Pipeline Reports	Analysis of administrative data on number of hours spent on business owner outreach, number of business owners reached through outreach activities, number and source of qualified candidates, number of enrollment consultations, and conversions of qualified candidates to Program enrollments
Participant Advising Files	Review of participants' advising files, including enrollment consultations, individual advising plans, number of advising hours spent with each participant, and weekly progress reports from business advisors
Team Feedback	Unstructured feedback on program activities and outcomes through weekly meetings with outreach and business advising team members
Participant Surveys	Structured one-on-one interviews with participants to collect responses to annual survey questions around enrollment process, business advising, business plans, satisfaction with Program, and satisfaction with City's overall business services



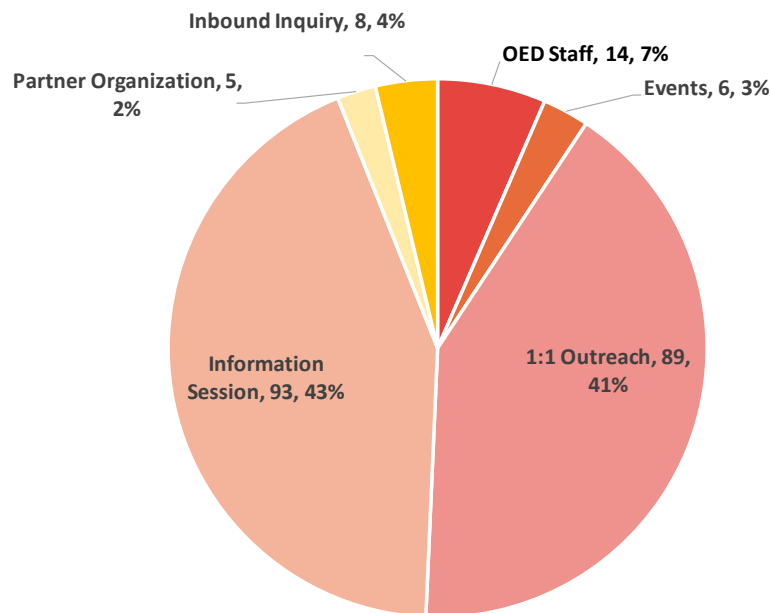
5. Key Outcomes

Based on information gleaned from the analysis of administrative data, review of participant advising files, and feedback from team members, we describe below the key outcomes of our outreach activities, enrollment process, business advising services, and retention of small businesses and non-profits through the Program.

5.1 Outreach Activities

From January 2019 – November 2019, BAOBOB and Uptima have been conducting outreach activities in accordance to the marketing and outreach plan provided to OED. As of November 2019, we have reached 215 small business owners and non-profit leaders through our outreach activities across Berkeley.

Figure 1: Business Owners Reached by Lead Source as of November 2019





Business Owner Outreach. As of October 2019, BAOBOB conducted 103 hours of one-on-one outreach that reached 89 business owners and non-profit leaders within the following commercial corridors:

- South Berkeley: Lorin Business District x 4; Sacramento Street corridor
- West Berkeley: University Ave. from San Pablo Ave. to Eighth St.; San Pablo Ave. south of University Ave. to Bancroft Way; Fourth St. between Channing Way and Virginia St.; Seventh St. between Ashby Ave. and Dwight Way; Eighth Str. between Heinz St. and Dwight Way
- North Berkeley: San Pablo Ave. north of University Ave.; Solano Ave. from The Alameda to Colusa Ave.; Hopkins St. east of Sacramento St.; North Shattuck Business District
- East Berkeley: Elmwood Business District
- Central Berkeley: Telegraph Ave. from Ashby Ave. to Dwight Way; Shattuck between Bancroft Way and University Ave.

Information Sessions. From January 2019 – November 2019, Uptima and BAOBOB scheduled 11 information sessions and held 10 of them. The final one was cancelled as both the host and presenter were ill. While attendance at information sessions was on average 30% of registrations, the advertising for the sessions led to a total of 93 leads. The following table shows a report of information session registration and attendance by location and topic.

Table 2: Program Information Sessions

Date	Topic	Location	Registered	Attended
1/28/19	Healthy Business Checklist	Adelines Lab	17	6
2/28/19	Commercial Lease Basics	KC's BBQ	12	3
3/25/19	Website Basics	CoWorking with Wisdom	7	2
4/29/19	Social Media Brush-up	University Press Books	4	2
5/20/19	Business Planning	Cassave Restaurant	5	0
6/24/19	Fund Your Business	Afikomen Judaica	22	5
7/29/19	Financial Forecasting	The Office: Berkeley	9	4
8/26/19	Refine Your Business Model	Black Repertory Theater	6	3
9/30/19	Worker Cooperatives	Pegasus Books	4	1
10/28/19	Strategic Planning for Small Business	Metro Lighting	5	1
11/18/19	Retention Success Stories	Smoke Berkeley	2	Cancelled
Total			93	27



We chose the host locations to showcase businesses that have been successful, those that have expressed risk, and those who are a part of the Program. We chose information session topics that are helpful for maintaining a thriving business. To deliver content, we engaged the Uptima network, including business advisors who have been working in the Program, freelancer marketing service providers, and other resource providers, such as Lawyers Committee for Civil Rights, Kiva, Working Solutions, Pacific Community Ventures, and Project Equity.

Berkeley Events. Uptima and BAOBOB attended 8 Berkeley business and community events from November 2018 – September 2019. While we received sign-ups at our information table at all the community events, most were not Berkeley based businesses or non-profits and therefore we did not include them in our leads. The 6 leads that we counted from events came from the Small Business Forum and Berkeley Chamber Holiday Fair. The following table shows a report of the Berkeley community and business events we attended.

Table 3: Attendance at Berkeley Events

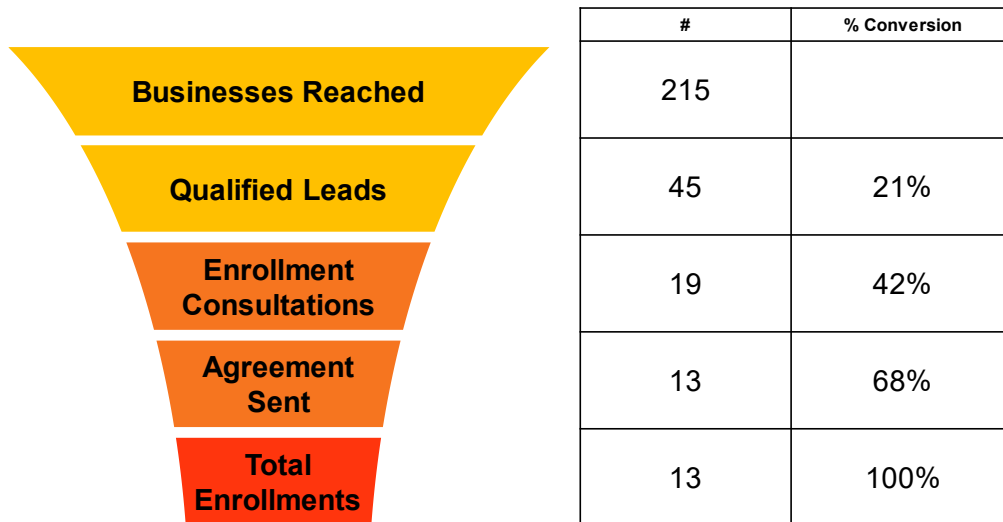
Date	Event	Type of Event
November 2018	Small Business Forum	Berkeley Business Event
December 2018	Berkeley Chamber Holiday Fair	Berkeley Business Event
June 2019	Sunday Streets: Telegraph	Berkeley Community Event
June 2019	Sunday Streets: North Berkeley	Berkeley Community Event
June 2019	Juneteenth Festival	Berkeley Community Event
July 2019	Sunday Streets: Downtown Berkeley	Berkeley Community Event
July 2019	Berkeley Chamber Mixer	Berkeley Business Event
September 2019	Solano Avenue Stroll	Berkeley Community Event

Business Partner Meetings. Uptima and BAOBOB were invited to present the Program at the first Berkeley Business District Network meeting of 2019. BAOBOB continued to attend regular BBDN meetings throughout the year. Through the BBDN meetings, we were invited to present at meetings of the Lorin Business Association, North Shattuck Merchants Association, and Berkeley Cultural Trust, and have been approached to attend future meetings of the Solano Avenue Merchants Association and newly forming South of University Merchants Association. In addition, we shared the Program in regional network meetings of the California Association for Microenterprise Opportunity, San Francisco Economic Development Alliance, and Alliance for Community Development, and had one-on-one conversations and shared information about the Program with local business support organizations and microlenders. Lastly, Kieron Slaughter from OED, Rani Langer-Croager from Uptima, and YaVette Holts from BAOBOB have all been invited to present the Program on panels at economic development ecosystem gatherings, such as the Coalition for Black Excellence Conference in February 2019 and Alliance for Community Development BACCXI Conference in September 2019.

5.2 Enrollment Process

Through outreach efforts from January 2019 – November 2019, we identified 45 qualified leads for the Program. Of those qualified leads, 19 scheduled enrollment consultations with us. The following figure shows the pipeline of enrollment activity from January 2019 – November 2019.

Figure 2: Enrollment Pipeline as of November 2019



From January 2019 – October 2019, we spent a total of 39 hours on the enrollment process. This represents an average of about 2 hours per enrollment consultation. This includes the time to schedule a consultation, conduct the consultation to understand the business' current situation and needs, make a recommendation to OED, and follow-up with an advising plan and agreement.

5.3 Business Advising Services

As of November 2019, a total of 13 small business owners and non-profit leaders had enrolled in the Program. The following figures show some basic demographic information about the small businesses and non-profits enrolled in the Program.

Figure 3: Advising Clients by Location

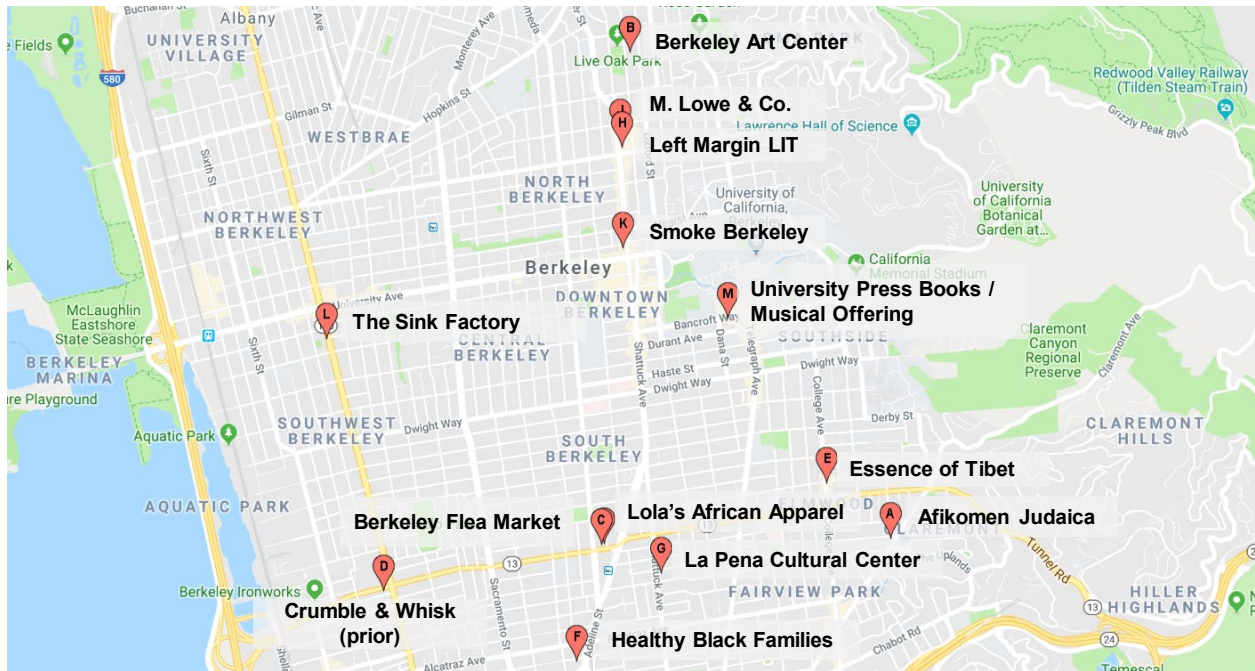
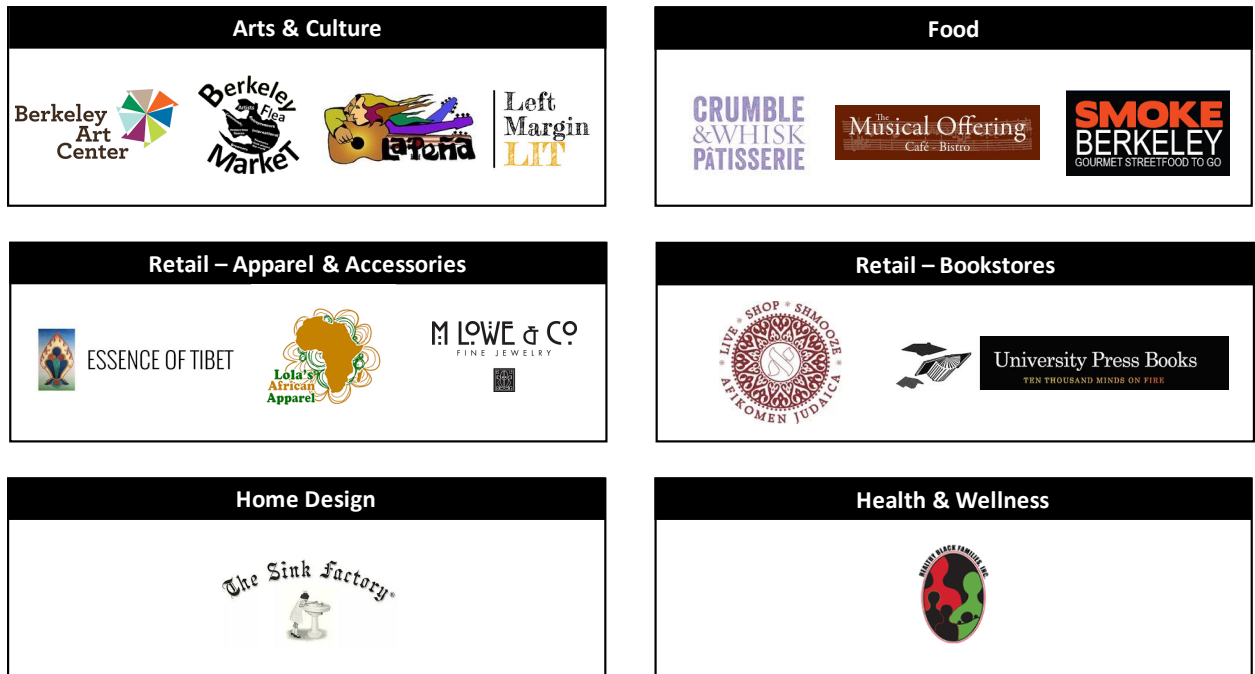


Figure 4: Advising Clients by Industry



From January 2019 – October 2019, we delivered 317 hours of business advising. The table below is a summary of key business advising activities by client.



Table 4: Advising Activities by Client

Client	Tenure (Months)	Advising Hours	Activities				
			Action Plan	Lease Renewal / Relocation	Access to Capital	Implementation Support	Additional Resources Provided
Afikomen Judaica	8	27.3	Developed business plan and financial forecast	Not yet – will need to renew lease	In progress	In progress	Kiva, Working Solutions, Pacific Community Ventures
Berkeley Art Center	6	22.8	Reviewing strategic plan and developing budget	Not applicable	In progress	In progress	
Berkeley Flea Market	10	111.2	Engaged community to develop strategic plan	Assistance with Adeline Corridor Plan responses	\$5K grant received from OED	In progress	Berkeley Civic Arts Grants, organizational development consultant
Crumble & Whisk	2	9.7	Worked on business plan and financial forecast	Unable to find space to grow in Berkeley	Not applicable – agreement terminated as client relocated to Emeryville		Runway Project Friends & Family Loan Program; business brokers
Essence of Tibet	2	2.0	Developing marketing plans	Assistance with downsizing plan	Not yet	In progress	Merchandising consultant
Healthy Black Families	3	6.3	Developing budget	Evaluation of relocation alternatives	Support Giving Tuesday campaign plans	In progress	LCCR, EBCLC
La Pena Cultural Center	3	5.6	Analysis of primary earned income strategy	Negotiation of lease with tenant restaurant	Not yet	In progress	LCCR, OED around ABC license and signage
Left Margin LIT	6	22.5	Strategic plan and budget	Renewed lease	Not yet	In progress	Fiscal sponsors, social media consultants
Lola's African Apparel	1	3.8	Developing staffing plan for maternity leave	Not yet	Not yet	In progress	
M. Lowe & Co.	1	4.0	Developing marketing plans	Not yet – will need to renew lease	Not yet	In progress	Social media and SEO consultants



			Activities				
Client	Tenure (Months)	Advising Hours	Action Plan	Lease Renewal / Relocation	Access to Capital	Implementation Support	Additional Resources Provided
Smoke Berkeley	5	19.3	Developed financial forecast	Evaluated alternatives; assisted with Spats negotiation	\$10K Kiva loan	Completed advising engagement	Berkeley Revolving Loan Fund, Kiva, Working Solutions, business brokers
The Sink Factory	4	17.3	Developing marketing plans and financial forecast	In discussions about new space	Working on loan package	In progress	Branding and social media experts
University Press Books / Musical Offering	6	43.3	Engaged staff to developed restructuring and transition plan	Assisted with lease renewal negotiations	Not applicable – agreement terminated due to disagreement among owners		Branding and social media experts, Berkeley Revolving Loan Fund



In providing the business advising services, Uptima has deployed 3 of its 12 business advisors. The following advisors have been working in the Program.

Rani Langer-Croager. Rani founded Uptima to address the challenges of traditional entrepreneurship programs and business accelerators in providing accessible education and mentorship to a diverse group of entrepreneurs. Rani has drawn on more than 15 years of experience advising organizations on strategic and financial planning, capital raising and mergers and acquisitions to develop the model for Uptima. Prior to co-founding Uptima, Rani was a member of the founding team and vice president at Altius Education where she raised over \$30 million of capital to fund development of the company's educational ecosystem. Rani began her career as a successful investment banker and has led and participated in over 30 financing, merger, acquisition and joint venture transactions, representing over \$15 billion in value, for leading technology companies. She has extensive experience supporting very early stage entrepreneurs as an organizer, coach and judge for numerous hackathons and startup challenges. Rani has been advising Afikomen Judaica, Berkeley Flea Market, Crumble & Whisk, Healthy Black Families, Smoke Berkeley, and University Press Books / Musical Offering.

Sarita Evans. Sarita mentors in Uptima's Creating a Business Roadmap course in Oakland. Sarita Evans has over 30 years of training, public service and entrepreneurial experience. She began her first business venture at the young age of 23, when she started a Hair Care and Beauty Supply company. Currently, Sarita is the owner of the system wide #1 ranked Ladies Workout Express, a women's fitness center, located in Pinole, CA, which she began in 2003 and serves over 800 women. Most recently, Sarita founded and designed Move Around Fitness, a conscious focused corporate wellness program which features a uniquely designed mobile fitness studio that comfortably accommodates small group fitness classes and allows targeted fitness activities to be conducted on site. Sarita also served as a consultant and trainer with Women's Initiative for over nine years, where she combined her love of teaching and entrepreneurial expertise to support women to start their own businesses and become financially self-sufficient. Sarita was previously a founding partner of Women's Independent Cinema, an organization dedicated to the empowerment of women through entertainment and she is a licensed California Real Estate Broker and real estate investor. Sarita has been advising Essence of Tibet, Lola's African Apparel, and M. Lowe & Co.

Mike Gabriel. Mike teaches in Uptima's Building Operational Capacity course in Oakland. He is an experienced investment and strategy professional with over 10 years in the social enterprise sector. Mike is an Associate CFO for SoProCFO, scalable CFO and accounting services for high growth, high impact social enterprises. Prior to SoProCFO, Mike created and managed RSF Social Finance's Regenerative Economy Fund, which deploys flexible and innovative financing to social enterprises that are working to accelerate the transition to an economy based on circular economic principles. Previously, Mike served as the Asia Regional Manager for Grameen Foundation's capital markets team, focusing on providing financing and financial advisory services to microfinance institutions and other businesses focused on alleviating poverty. Mike has been advising Berkeley Art Center, Left Margin LIT, and The Sink Factory.

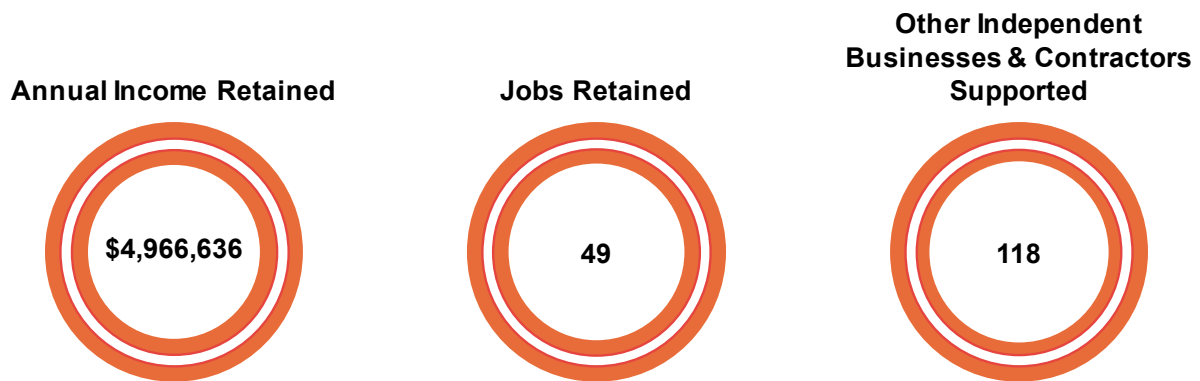


5.4 Business Retention Outcomes

Of the 13 businesses enrolled in the Program, 12 have remained open for business in Berkeley. Crumble & Whisk was the only business that was not retained, and they relocated to Emeryville due to the lack of affordable and actionable kitchen space to grow their business in Berkeley.

The following graphic shows the economic impact of the 12 businesses that have been retained in Berkeley through the Program.

Figure 5: Economic Impact of Businesses Retained





6. Implementation Findings

As part of our annual review of the Program, we surveyed participants to evaluate the implementation and perceptions of the Program. This survey, together with feedback from business owner outreach meetings and team members and review of participant advising files, reveals the strengths and challenges in the implementation of the Program.

6.1 Annual Survey Results

We designed and conducted a participant survey to gather feedback on the enrollment process, business advising services, and overall perception of the Program, as well as recommendations for improvement of the Program and additional business retention supports.

In November 2019, we reached out to all past and present Program participants to conduct the survey by phone. Of the 13 participants, 12 scheduled phone calls and completed the survey by phone. Only one participant, Rahwa Neguse from Healthy Black Families, declined to complete the survey by phone due to her meeting schedule, and she completed the survey online. The following table shows the participant survey results.

Table 5: Annual Survey Results

	Disagree Strongly	Disagree Somewhat	Neutral	Agree Somewhat	Agree Strongly
Enrollment Process:					
I received value in the initial enrollment consultation. (n=13, mean=4.85)	0%	0%	0%	15%	85%
Communications in the enrollment process for the business retention program was timely and clear. (n=13, mean=4.85)	0%	0%	0%	15%	85%
The hand-off from enrollment process to business advisor was smooth. (n=13, mean=4.85)	0%	0%	0%	15%	85%
Business Advising Services:					
My advisor was knowledgeable about issues related to business retention and was able to guide me through developing a plan to keep my business in Berkeley. (n=13, mean = 4.92)	0%	0%	0%	8%	92%
My advisor was supportive and connected me with the resources to help me retain my business in Berkeley. (n=13, mean=4.92)	0%	0%	0%	8%	92%
I am satisfied with the advising that I've received through the Berkeley Business Retention Program. (n=13, mean=4.85)	0%	0%	8%	0%	92%



	Disagree Strongly	Disagree Somewhat	Neutral	Agree Somewhat	Agree Strongly
Business Plans:					
I have a solid plan for maintaining and growing my business or non-profit in Berkeley. (n=12, mean=4.17)	0%	8%	17%	25%	50%
With the plans I've developed, I feel confident that I will be able to maintain and grow my business or non-profit in Berkeley. (n=12, mean=3.92)	0%	17%	17%	25%	42%
With the plans I've developed, I believe I can achieve a satisfactory work life balance. (n=12, mean=3.92)	0%	8%	17%	50%	25%
Overall:					
I would recommend the Berkeley Business Retention Program to other business owners without reservation. (n=13, mean=4.85)	0%	0%	8%	0%	92%
I am satisfied with the overall support that the City of Berkeley is providing around business retention. (n=13, mean=3.69)	8%	15%	8%	38%	31%

6.2 Key Strengths & Challenges

Drawing information collected from the business outreach meetings, participant survey, team feedback, and review of participant advising files, we describe below the key strengths and challenges in the implementation of the Program. The following section lists each key finding in bold followed by a summary description of the key finding.

The Program Supports Legacy Organizations in Feeling Heard and Valued

In our initial outreach conversations with legacy small business owners and non-profit leaders, we have noticed some skepticism about the City of Berkeley's commitment to supporting them. Oftentimes when we first approach a legacy organization with the Program offering, they express their frustration about how their requests and expressions of need to City of Berkeley departments and officials have gone without action. As an independent and confidential third-party, we are able to take the time to deeply listen to their frustrations and challenges without judgment. This enables them to set aside their distrust of the City for a moment and allow us to assess their needs and translate them into actions for working with the City and other partners more effectively.





“[This Program has impacted my business] by affirming the value of the business in the Berkeley community and committing practical support to ensure its sustainability going forward... [It has] referenced back to me the value of my business and underscores the value of many small businesses that have been in the community for a long time and have found it difficult to be sustainable in the current marketplace but have a big community impact.”

- Chaim Mahgel-Friedman, Afikomen Judaica

It Takes Time for the Berkeley Business Community to Trust the Program

For legacy organizations, it requires substantial trust-building throughout the process of outreach and enrollment. It takes more than one touchpoint for them to take action on the Program. They may hear about the Program from BAOBOB’s canvassing, attend an information session, see us at events, and hear about the results of the Program from other businesses before committing to an enrollment consultation. BAOBOB’s approach to conversations and continual follow-up has been able to engender trust, allow for deeper conversations and connection, and prepare organizations for what is required of them in the Program. Because the hand-off from BAOBOB to Uptima is seamless in the flow of information about the organization’s challenges, we have been able to keep trust throughout the arc of the organization’s participation in the Program. This process of trust-building with legacy organizations may take several months of regular conversations, which extends our outreach period.

Berkeley Small Businesses & Non-profits Face Financial Challenges

The small businesses and non-profits we have been working with have been operating on a thin financial thread. Legacy small businesses have been held together because owners have sacrificed their own financial future by not taking salary or owner draws to support themselves and/or moving money around through bank debt and credit cards to keep the businesses afloat. Newer small businesses have been bootstrapped as owners don’t have the confidence in their business skills and the overall business environment to undertake financing. And, many small non-profits lost their reserves during the last recession and are struggling to rebuild and diversify income streams. Our business advising supports a shift in mindset around money, development of business acumen, and assists with financial analysis to build confidence in their numbers.

Relationship with Property Owners is Key to Retention Success

It’s important that small business owners and non-profit leaders are in regular and good communication with their landlords about their physical spaces. Without this communication, there is often little advanced notice about the landlord’s future plans for the space and how it will affect the business or non-profit. From our experience over the last year, businesses that are in good communication with their landlords have a greater ability to plan their business activities around their space needs, and renew their leases on favorable terms or relocate if necessary.



Business Owner Time Constraints Shifts Advising Scope

Because many of the small businesses and non-profits we work with have been under-resourced for so long, the owners or managers are wearing too many hats. This creates a challenge for them to carve out the time to work on their business' strategy, prepare for succession, and implement their plans. We have found they are able to make appointments, but often not able to complete work outside of appointments. We believe this a temporary issue while they work on gaining the resources and staffing they need to improve the business. We have had to mitigate this challenge by shifting the business advising scope from our original two-phased structure to include assisting them with employee and community engagement, financial analysis, and documenting plans outside of the scheduled business advising sessions.

Successful Advising Requires Breadth of Technical Skills and Emotional Intelligence

Running a small business or non-profit is deeply personal – it is a substantial part of the owner's or manager's life and livelihood. As a result, any major challenges that are experienced in the business have deep personal and family relationship impact. This emotional side of the business can often create barriers to developing future plans and implementing them. Our business advising weaves together the technical side of creating and implementing plans with an understanding of how the business impacts the whole person. Our biggest differentiator versus other advising practices has been our ability to address the fears and anxieties around the unknown, failure, and financial issues, in order to support the business owner or non-profit in moving forward with a new plan to revitalize and grow their organization.



"We're such a small organization coming through a major transition where we almost shut down and now trying to move into growth. The advising has been very critical emotional support and practical support to check my own understanding of what's going on and what needs to happen."

- Daniel Nevers, Berkeley Art Center

Length of Advising Engagement Directly Impacts Outcomes

At the time of this report, the average tenure of our clients was 4.4 months, and ranged from 1-10 months. Based on survey results, those who were early in their tenure with us had less confidence in their business plans and ability maintain their business or achieve work-life balance. We know from all our experience working with business owners on developing plans, it usually takes several months to create a realistic set of goals, action plans, and financial forecasts. We've found that that this timeframe is extended when a business is at risk and the owner is juggling the day-to-day challenges of trying to stay in business. As a result, we've had to adjust our two phased approach to advising in order to address urgent issues alongside planning and implementation.



Having a Long-Term Advising Relationship is Extremely Valuable

Turning around any business in jeopardy, especially a legacy business, requires a long view approach. The businesses and non-profits we are working are facing a myriad of challenges without adequate staffing, mentorship, and Board support. Matching each business owner or non-profit leader with an advisor who will work with them for up to up to 16 months has been pivotal in maintaining momentum in creating and implementing their plans. Participants have expressed how unique and valuable this long-term advising relationship has been versus other programs they have experienced or known about.



“What’s interesting about this program, is that it is a longer term consultant-based program... Having a long-term partner to us is super valuable and a huge resource... This is very innovative. I’m very pleased that the City of Berkeley has taken on this initiative... Kudos to the City of Berkeley for taking this on.”

– Natalia Neira, La Pena Cultural Center



7. Recommendations

The key program outcomes, implementation successes and challenges, and stakeholder perceptions present opportunities for further refinement of the Program and consideration of additional City of Berkeley supports for business retention. Drawing on these findings, we propose the following recommendations for strengthening business retention services in the City of Berkeley:

Continue Outreach to Business Owners

As indicated in the implementation findings, it takes time to build trust with busy small business owners and non-profit leaders and enroll them in the Program. With our outreach activities in the first year, the foundation has been laid with a number of legacy businesses and non-profits that we know are at risk, and we continue to field calls from businesses finding themselves newly at risk largely due to redevelopment. We recommend adjusting the scope of the work to continue one-on-one outreach efforts in the second year of operations.

Increase Networking Opportunities Among Business Owners

Small business owners and non-profit leaders in the Program expressed an interest in more networking opportunities outside of the Berkeley Chamber and merchant association events. As such, we recommend adjusting the scope of the work to continue the Program's monthly information sessions. We also recommend refining them for more structured networking activities and rotating them to businesses that we know are in need of support.

Improve Visibility of City Services that Support Business Owners

In the annual survey, many Program participants indicated a lack of awareness of other existing City services that are available to support their businesses. We recommend working with OED to create a single, concise handout with available City resources relevant to business retention (e.g, planning, revolving loan fund, retention programs). We could provide that resource list to business owners and non-profit leaders in our outreach and advising activities.

Increase Marketing of Small Businesses & Non-profits

Program participants expressed a need for more city-sponsored marketing programs to promote small businesses and non-profits in Berkeley. Marketing programs like Discovered in Berkeley are in their early stages, and there is opportunity to increase the visibility of those programs among the small business and non-profit community. Also, there may be an opportunity support the organization and funding of grassroots marketing collaborations among business owners both through merchants associations and more informal groups.



Create Additional Funding Options for Small Businesses & Non-profits

Small business participants were reluctant to apply for the revolving loan fund because the criteria involved being declined by a bank, which would negatively impact their credit scores, and concern over a slow approval process. They also expressed interest in the smaller amounts of funding for marketing, signage, etc. We recommend the City review its revolving loan criteria and process to be more sensitive to the business owner's needs and to consider establishing a small grant fund for marketing and façade improvements.

The non-profit participants were grateful for access to the Civic Arts grants, but indicated that the amounts were small for organizations. Many of them have a higher need for rebuilding their reserves and starting capital improvements. We recommend reviewing the City's funding opportunities for non-profits and to consider establishing a larger grant fund for specifically for capital improvements.

Improve City Services in Commercial Corridors

Many small business owners who we have reached out to as well as some participants in the Program have expressed frustrations over long-term parking issues, cleanliness of sidewalks and streets, and safety of themselves and their customers. They have asked for more attention to enforcement of current and future public works ordinances that affect small business commercial corridors, so they are more welcoming to customers and other businesses. We recommend that the City take this feedback into consideration and review the level of enforcement.

City of Berkeley Business Retention Program

Keep your Small Business or Non-profit in Berkeley



Apply for a one-on-one
consultation today

optimabootcamp.com/apply

What is it?

The Berkeley Business Retention Program is a collaboration between the City of Berkeley's Office of Economic Development, Uptima Business Bootcamp and Bay Area Organization of Black Owned Businesses to support small businesses and non-profits that are at risk of displacement or closure in Berkeley.

The business assistance part of the program is provided by Uptima Business Bootcamp. It includes free one-on-one business advising and workshops to help you create an action plan, find funding and implement your plan to maintain and grow your business in Berkeley.

Who's eligible?

Existing independently-owned small businesses and non-profits based in the City of Berkeley that:

- Are potentially at risk of displacement or closure
- Have the potential to retain existing jobs or create new jobs in Berkeley
- Need business support to stay in place or relocate elsewhere in Berkeley
- Can commit the time and effort to put in place a plan to maintain and grow their business

How do we help?

We offer free customized, one-on-one business advising to help you maintain and grow your business in Berkeley.

CREATE AN ACTION PLAN

- Develop strategies to increase your sales and profitability
- Prepare to renew your existing commercial lease or find new space
- Research costs to upgrade, relocate or expand your business
- Plan for retirement by developing a succession plan

FIND FUNDING

- Learn what funding options are available and how to access them
- Prepare documentation to raise money
- Connect with potential funders
- Get assistance in navigating the funding process

IMPLEMENT YOUR PLAN

- Create or enhance your online presence, including e-Commerce and online ordering options
- Improve your operations, finances and administration
- Mitigate business disruption before, during and after relocation
- Transition ownership of your business

ABOUT THE PARTNERS



City of Berkeley's Office of Economic Development assists businesses, entrepreneurs, artists and community organizations to access services, feel welcome in Berkeley and thrive. Visit: cityofberkeley.info/oed



Uptima Business Bootcamp is a member-owned business accelerator dedicated to providing entrepreneurs with greater access to hands-on education, resources and community to create thriving businesses. Visit: optimabootcamp.com



Bay Area Organization of Black Owned Businesses is a membership organization committed to connecting, promoting, informing and representing black-owned and led businesses and nonprofits throughout the Bay Area. Visit: baobobdirectory.com

CONTACT

Rani Langer-Croager, Program Director
Co-Founder & CEO,
Uptima Business Bootcamp
Tel: 510.227.7027
Email: info@optimabootcamp.com

YaVette Holts, Business Outreach
Founder, Bay Area Organization of Black Owned Businesses
Tel: 510.736.0996
Email: yavette@baobobdirectory.com



Keep Your Small Business or Non-Profit in Berkeley



Berkeley Business Retention Program

- Support small businesses and non-profits at risk of displacement or closure in Berkeley
- Free one-on-one business advising and workshops
- Create an action plan
- Find funding
- Implement your plan to keep your business in Berkeley



Accelerate your business.

Eligibility Requirements

- Existing independently-owned small businesses or non-profits based in the City of Berkeley
- Are potentially at risk of displacement or closure
- Have the potential to retain existing jobs or create new jobs in Berkeley
- Need business support to stay in place or relocate elsewhere in Berkeley
- Can commit the time and effort to put in place a plan to maintain and grow their business

Business Advising

Create an Action Plan

- Develop strategies to increase sales and profitability
- Prepare to renew an existing commercial lease or find a new space
- Research costs to upgrade, relocate or expand the business
- Plan for retirement by developing a succession plan

Find Funding

- Learn what funding options are available and how to access them
- Prepare documentation to raise money
- Connect with potential funders
- Get assistance in navigating the funding process

Implementation

- Create or enhance the business' online presence
- Improve the business' operations, finances and administration
- Mitigate business disruption before, during and after relocation
- Transition ownership of the business

Workshops

- Fourth Monday of each month throughout this year
- Rotating throughout the City of Berkeley's business districts
- Join us to:
 - Learn about the business retention program
 - Receive tips and tools to help you keep your business in the community
 - Get to know other Berkeley businesses



Business Health Checklist

Accelerate your business.

#1: Strategy

Have a strategy to grow your business

- ☑ Understand your strengths, weaknesses, opportunities and threats
- ☑ Set goals for the year
- ☑ Create an action plan to achieve those goals
- ☑ Have a monthly budget for the year that reflects your goals and action plans
- ☑ Identify if you need outside funding



Accelerate your business.

#2: Infrastructure

Make sure you have the appropriate infrastructure in place to manage the business

- ☑ Formed a business legal entity
- ☑ Have made all legal entity filings
- ☑ Federal, state and local permits are up to date
- ☑ Have the appropriate insurances
- ☑ Accounting system is in place and someone is doing the bookkeeping on an ongoing basis



Accelerate your business.

#3: Online Presence

Make sure your business' online presence is working

- ☑ Get your business online
- ☑ Hook up marketing analytics platforms (e.g., Google Analytics)
- ☑ Review traffic to your website
- ☑ Review social media activity and email marketing campaigns



Accelerate your business.

#4: Sales

Without sales, your small business can't earn a profit

- ☑ Compare actual sales to budget each month
- ☑ Know your bestsellers
- ☑ Review your sales channels
- ☑ Set reasonable boundaries with customers to ensure efficient use of time and other resources

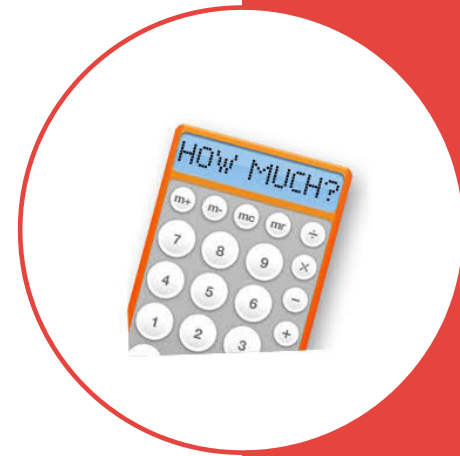


Accelerate your business.

#5: Expenses

Get a handle on how your money is spent

- Compare actual expenses to budget each month
- Know your biggest expenses
- Know when your bills are due
- Look at how you can save money



#6: Workers

Recruit, hire and retain workers

- ☑ Have properly classified employees vs. independent contractors
- ☑ Roles and responsibilities are clear
- ☑ Proper onboarding and training
- ☑ Procedures for performance evaluation
- ☑ Compliant with employer requirements – workers compensation, I-9s, W-2s, payroll tax withholding, minimum wage



#7: Physical Space

Maintain a physical space for your business

- ☑ Have a commercial lease
- ☑ Know the lease terms
- ☑ Lease permits current / planned use of the space
- ☑ Have met all federal, state and local zoning and permit requirements



Accelerate your business.



Thank you!

Berkeley Business Retention Program

<https://uptimabootcamp.com/keep-your-business>

Accelerate your business.

MEMO

To: Jordan Klein, Office of Economic Development
 From: Alison Lingane, Project Equity
 Date: November 27, 2019
 Re: Employee Ownership Program and System Implementation Recommendations

Project Equity engages long-standing businesses to retain them in Berkeley through providing business retention services, with an emphasis on employee ownership.

I am pleased to provide a set of program and system recommendations for the city of Berkeley to help integrate employee ownership—specifically business retention through employee ownership—into some of the existing systems and processes to help it take stronger hold in the city’s small business support programs. These recommendations stem from our partnership with the Office of Economic Development that began in November 2019, as well as from our interactions and engagements with other city economic development teams.

I have provided a summary of the recommendations below, and a more detailed review of them is incorporated in the attached PDF presentation.

SUMMARY OF IMPLEMENTATION RECOMMENDATIONS

Recommendation		Short-, near- or long-term	Responsible department
#1	Integrate into small business touch points: Identify opportunities within existing small business touch points to introduce Employee Ownership and business succession support	Short-term and Near-term	Office of Economic Development Business Licensing Procurement Others
#2	Refine small business data collection and management (data points + systems)	Near-term	Business Licensing Finance
#3	Integrate into staff priorities		
#3A	Incorporate into economic development staff priorities	Short-term	Office of Economic Development
#3B	Publicly recommend and promote Employee Ownership transition to business owners looking to sell or retire	Short-term and ongoing	Office of Economic Development

#3C	Research a Legacy Business Program and recommend whether / what to pursue	Short-term	Office of Economic Development
#4	Provide staff and elected officials with information about employee ownership		
#4A	Publish annual report of longstanding businesses	Near-term and ongoing	Office of Economic Development
#4B	Provide ongoing education for staff and elected officials	Short-term and ongoing	Office of Economic Development
#5	Integrate into city funding priorities	Near-term and ongoing	City Council Finance With recommendations from OED, City Manager and others

We look forward to a continued partnership to advance the city's goals, retaining long-standing Berkeley businesses and supporting worker cooperatives.

Attachment: Employee Ownership Program and System Recommendations PDF



Business Retention through Employee Ownership

*Program and systems recommendations
for the City of Berkeley*

Fall 2019

IMPLEMENTATION RECOMMENDATIONS

- #1** Integrate into small business touch points
- #2** Refine small business data collection and management (data points + systems)
- #3** Integrate into staff priorities
- #4** Provide staff and elected officials with information about employee ownership
- #5** Integrate into city funding priorities

RECOMMENDATION #1

INTEGRATE INTO SMALL BUSINESS TOUCH POINTS

Identify opportunities within existing small business touch points to introduce Employee Ownership and business succession support

- Business licensing / annual tax payments
 - Include employee ownership as a business form
 - If businesses are over 20 years old, include an insert about business succession support with annual renewal
- Include EO + succession in regular OED engagement
 - e.g. small business forums, newsletters
- Business procurement
 - Procurement preference for EO businesses
 - Include insert about EO succession in communication

RECOMMENDATION #2
REFINE SMALL BUSINESS DATA
COLLECTION AND MANAGEMENT
(DATA POINTS + SYSTEMS)

RECOMMENDATION #2

Refine data collection and management

- Refine the specific data points that the city captures to enable reporting on existing EO, and potential retention risk due to need for succession (see next slide)
- Consider utilizing California Employment Development Department data to capture employee and revenue numbers
- Invest in data systems that connect business data with city revenue, to generate revenue reports by age of business

HELPFUL DATA	PURPOSE
Year formed	Age of businesses = retention risk
Change of ownership date	Time since change of ownership = retention risk
Broad-based employee ownership (worker coop, ESOP or other form)	Enables tracking of the # of EO businesses in the city
Business form Include checkbox for <ul style="list-style-type: none"> - If nonprofit - If publicly-traded - If single location of a larger entity with HQ out of area 	Supports data analysis of privately-held, locally-owned businesses that could benefit from local succession strategies
Identify if primarily real estate ownership	Not a candidate for employee ownership
# of employees (could use a range)	Below 10 employees, less viable employee ownership candidate
NAICS code	Industry / sector analysis

RECOMMENDATION #3

INTEGRATE INTO STAFF PRIORITIES

RECOMMENDATION #3A

Incorporate into economic development staff priorities

- ✓ Understand business retention risk among city businesses
- ✓ Attend training (or watching recorded webinar) about employee ownership succession
- ✓ Engage with legacy businesses to provide access to local succession resources and introduce employee ownership
 - Annual legacy business retention event that focuses on or includes an employee ownership component
 - Annual direct mail and email to business owners raising awareness of employee ownership option as succession / transition option

RECOMMENDATION #3B

Publicly recommend and promote Employee Ownership transition to business owners looking to sell or retire

- ✓ City website
- ✓ City engages Berkeley Chamber of Commerce to promote employee ownership
- ✓ Other opportunities as available

RECOMMENDATION #3C

Research a Legacy Business Program and recommend whether / what to pursue

- For example, see the city of San Francisco program: sfosb.org/legacy-business
 - Legacy business registry
 - Financial grants available to help with displacement

RECOMMENDATION #4

**PROVIDE STAFF AND ELECTED OFFICIALS
WITH INFORMATION ABOUT EMPLOYEE
OWNERSHIP**

RECOMMENDATION #4A

Publish annual report of longstanding businesses

- Publish an annual report on longstanding businesses to keep the importance of business retention through succession support front and center
- Include a summary of this in City Council report(s)

RECOMMENDATION #4B

Provide ongoing education for staff and elected officials

- Provide access to recorded webinar and/or training by an outside expert on employee ownership to provide high level understanding and talking points
- Have handouts that are available to city staff and elected officials to provide to local businesses

RECOMMENDATION #5

INTEGRATE INTO CITY FUNDING PRIORITIES

RECOMMENDATION #5

Integrate into city funding priorities

- City review of opportunities to incentivize local ownership transition, including subsidizing technical assistance
- Contract with employee ownership experts to provide hands on employee ownership technical assistance
- City held/endorsed loan fund available for employee ownership transitions

Contact

Evan Edwards

evan@project-equity.org

310-913-1474

Alison Lingane

alison@project-equity.org

510-684-6665



EMPLOYEE OWNERSHIP

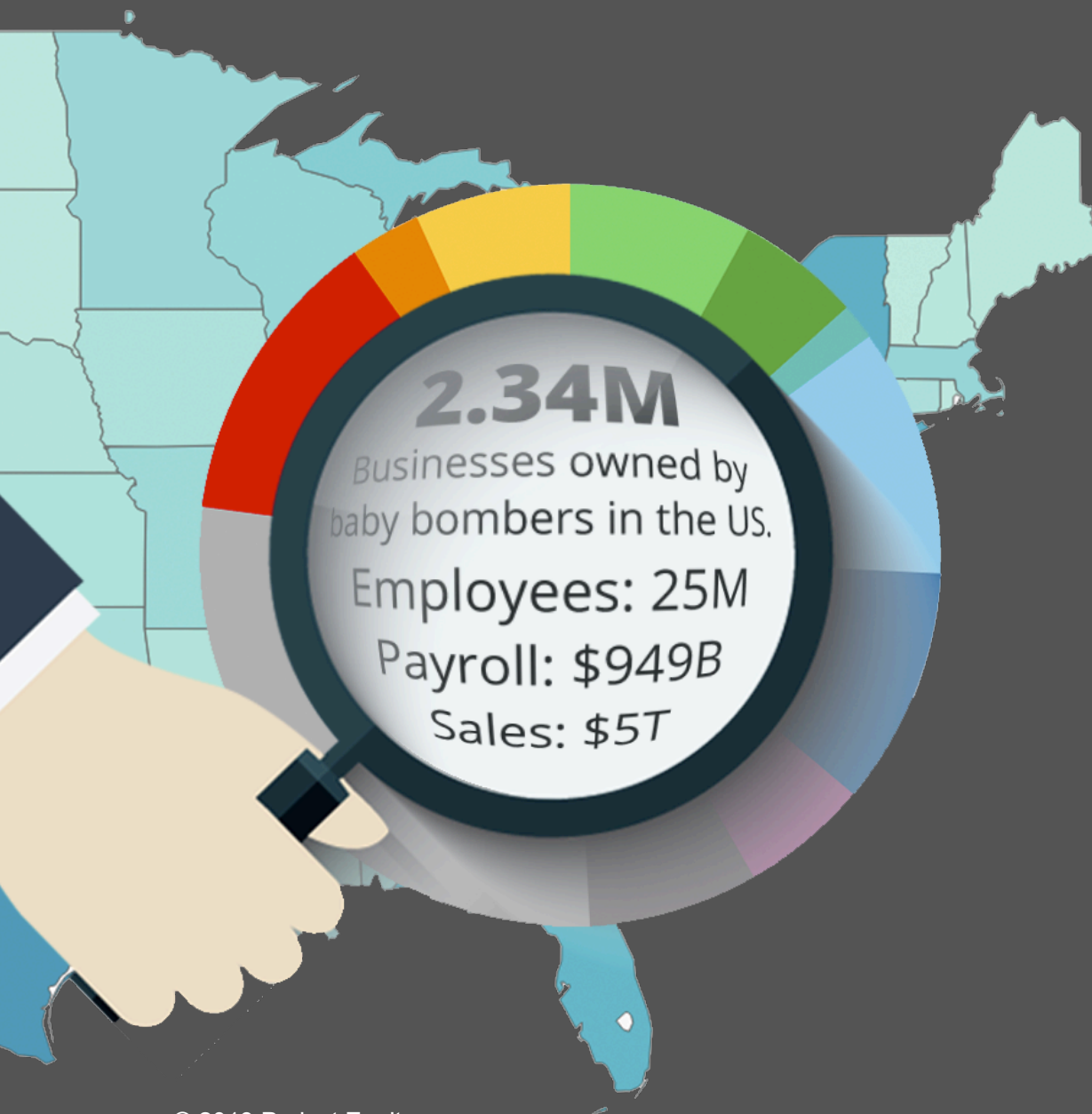
grows good jobs and keeps
our local businesses thriving

City of Berkeley staff training



Agenda

1. Why Employee Ownership?
2. Retain local businesses & quality jobs
3. Types of Employee Ownership
4. How it works
5. Next steps



The Problem

National Silver Tsunami
only 1 out of 5 businesses sell

Impact & opportunity

- Local business retention
- Jobs
- Local tax base
- Local ownership
- Opportunities for employees

The Problem

Need for succession planning



1,200 businesses
in **Berkeley** are
over **20** years old.

They account for
\$1.6B or **60%** of
small business
revenue.

These businesses
employ **1** in **3**
workers.

According to a Project Equity study. Measurements indicate percentages of total businesses included in the study and do not include nonprofits, publicly traded companies, franchises, public sector and related companies.

TOM & GEORGE Sold to their Employees



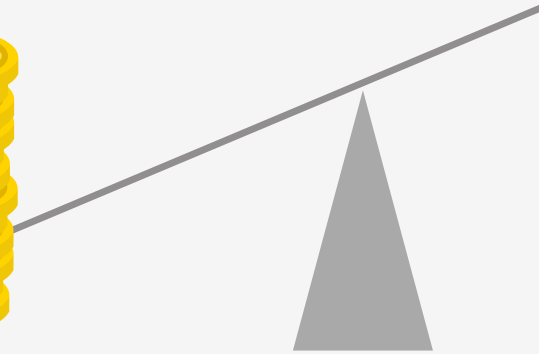
“When it came time for us to think about succession, the thought of finding someone to buy us out—given our distinct manufacturing niche—seemed improbable.”

UNDERSTANDING YOUR SUCCESSION OPTIONS

OPTIONS	 PRESERVE LEGACY	 MARKET VALUE	 TAX BENEFITS	 EMPLOYEES RETAINED
Sell to Family	✓	?	?	?
Acquisition	?	?	✗	?
Employee Ownership	✓	✓	✓	✓
Close Down	✗	✗	✗	✗

The Problem

Racial wealth gap





The Solution Employee Ownership

Most common forms of Employee Ownership



Employee Stock
Ownership Plan (ESOP)
*20-40+ employees minimum size
threshold*



Worker-owned
cooperative

Employee ownership creates quality jobs



Household
net worth is
92% higher



Median job
tenure is
53% longer



Median wage
income is
33% higher

Based on a 2017 study from the National Center for Employee Ownership

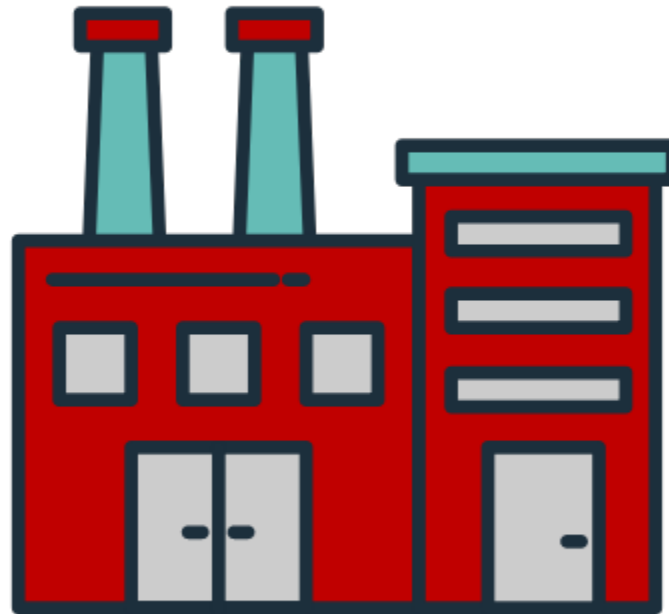
Employee ownership creates stronger businesses

Productivity levels



grow **9-19%** higher
PER YEAR

CASS Business School in London



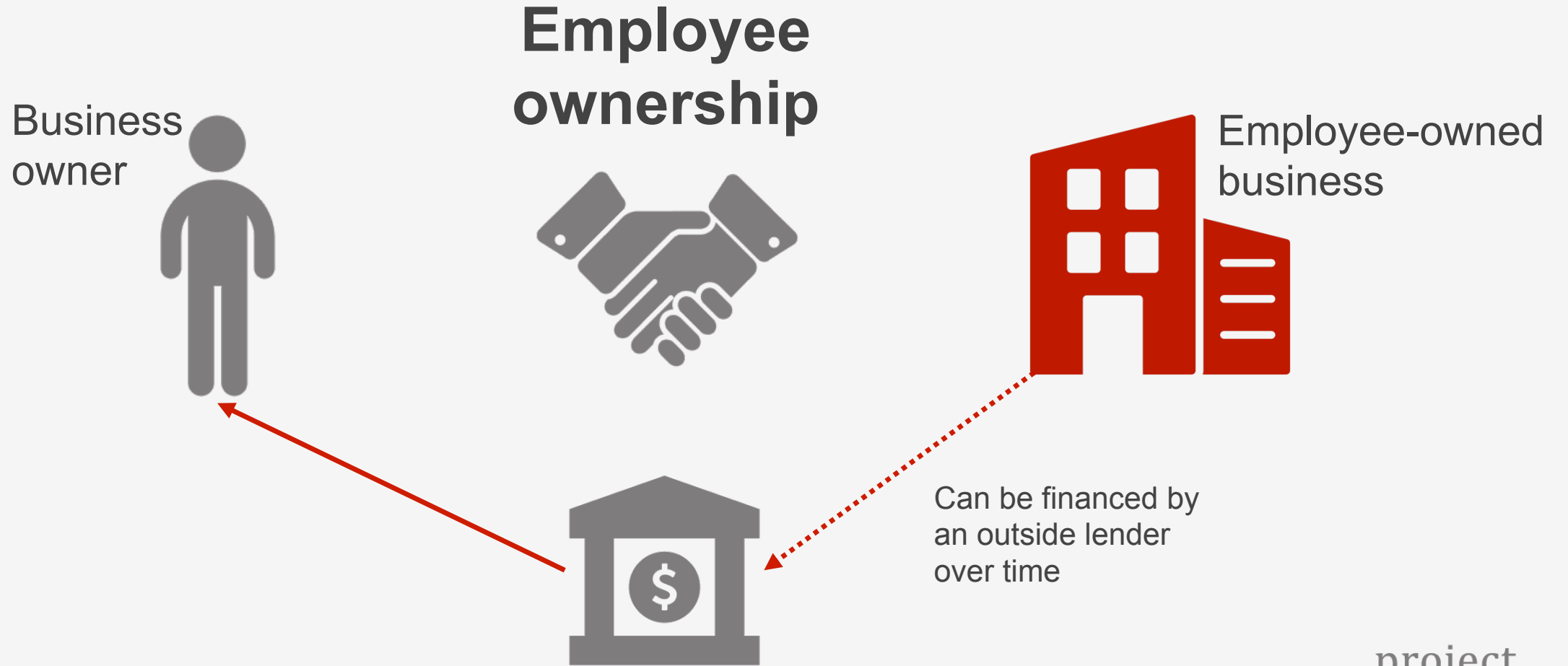
Sales and employment



grows **2%** faster
PER YEAR

National Center for Employee Ownership

How it works



Financing is available



Businesses that work with Project Equity can participate in *Accelerate Employee Ownership* and receive:



Flexible, affordable financing



Expert advice and hands on support through the transition

Readiness factors



Profitable company

In good financial health for the past 3 years



10+ employees

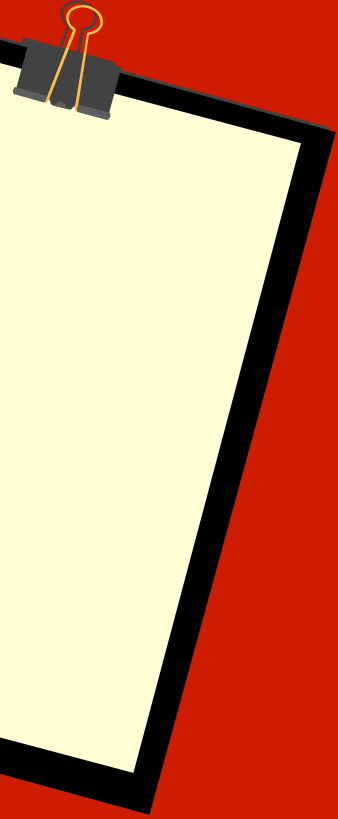
Grows a strong team and expands access to equity



Proven track record

Years of experience, not a start-up





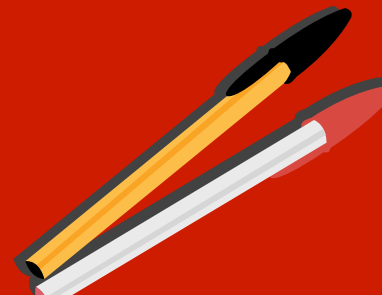
Found a good candidate?



Next steps

Have them set up a free consultation
by emailing **consult@project-equity.org**

Visit Project-Equity.org for more information



MEMO

To: Jordan Klein, Office of Economic Development
 CC: Yassi Eskandari, Sustainable Economies Law Center
 From: Alison Lingane, Project Equity
 Date: November 27, 2019
 Re: Employee ownership and worker cooperative support

I am pleased to provide a progress update on the Project Equity contract with the City of Berkeley, which has been very successful in advancing our shared goals of supporting Berkeley's vibrant small business community. Project Equity engages long-standing businesses to retain them in Berkeley through providing business retention services, with an emphasis on employee ownership.

Summary of accomplishments to date

- ✓ Completion of detailed data analysis, well-attended staff training, and [public release](#)ⁱ of data summary
- ✓ Significant positive press highlighting Berkeley's investmentⁱⁱ ([San Francisco Chronicle](#), [East Bay Express](#), [Daily Californian](#), [Nonprofit Quarterly](#), [Huffington Post](#), [NextCity](#))
- ✓ Personal engagement with over 250 Berkeley businesses
- ✓ Hands-on employee ownership technical assistance to four Berkeley businesses, with demonstrated interest from several more

The Sustainable Economies Law Center helped the Loan Administration Board amend the terms of the City's Small Business Revolving Loan Fund to expand access for worker cooperative businesses and create a 10% lending target for cooperatives.

- ✓ Successful event that feature two Berkeley employee-owned businesses: Sun Light & Power and Adams and Chittenden
- ✓ Set of program and system recommendations provided to OED for how the city can integrate employee ownership succession into its small business data, communications and support systems

Contract expansion

We are finalizing contract revisions with OED to for an expanded contract amount of \$100,000 through October 2021 to achieve these shared objectives, in partnership with the Sustainable Economies Law Center:

- 1) Continued support for succession and employee ownership transitions (TA and legal)
- 2) Support for start-up worker cooperatives (legal)
- 3) Training and advice on worker coop topics

We look forward to a continued partnership to advance the city's goals, retaining long-standing Berkeley businesses and supporting worker cooperatives.

ⁱ www.project-equity.org/communities/small-business-closure-crisis/berkeley-california/

ⁱⁱ San Francisco Chronicle (www.sfchronicle.com/bayarea/otistaylorjr/article/Nonprofit-helps-employees-take-hold-of-reins-as-13429622.php#photo-16569511), East Bay Express (www.eastbayexpress.com/oakland/berkeley-pledges-support-and-funding-for-worker-co-ops/Content?oid=25301247), Daily Californian (www.dailycal.org/2019/03/07/berkeley-city-council-increases-support-of-worker-cooperatives), Nonprofit Quarterly (nonprofitquarterly.org/2019/03/08/in-california-berkeley-city-council-votes-

[unanimously-to-support-worker-co-ops](http://www.huffpost.com/entry/berkeley-business-cooperatives-baby-boomers-retire_n_5cc8b8d2e4b0d123954be5df), Huffington Post (www.huffpost.com/entry/berkeley-business-cooperatives-baby-boomers-retire_n_5cc8b8d2e4b0d123954be5df)

Community Services United

Strategic Plan

October 2019-December 2020

Background

Community Services United (“CSU”) launched the Berkeley Flea Market (“BFM”) over 47 years ago as a fundraiser for community organizations. CSU set up BFM on the Ashby BART station parking lot despite warnings from BART and in the early 1980s, fought and won to preserve our space through a concession permit from BART.

BFM is a festive heartbeat of the Berkeley community. BFM has been a weekly neighborhood appointment where patrons can make acquaintances with local vendors, dance to a drum circle, listen to live music, join the open mic, hang with neighbors, and meet newcomers to the city. BFM is loved for our international flare and family-oriented vibe. We have provided a place to celebrate Berkeley’s diversity and cultural expression and highlight Berkeley’s commitment to ecological awareness and sustainable living by providing opportunities for reuse and recycling.

From inception, BFM has provided pathways to entrepreneurship for vendors and has been an important source of secondary and primary income for the hundreds of vendors who regularly set up stalls on weekends. The presence of BFM has acted as a catalyst, extending the City of Berkeley’s larger economic progressive strategy by providing lucrative opportunities for marginalized people to engage in business and graduate to their own brick-and-mortar facilities.

But over the years, BFM has developed a complicated reputation. Various Berkeley-based individuals and groups have periodically raised concerns about the sale of stolen goods, safety of the market, and mismanagement of CSU funds. In addition, the overall economic environment in Berkeley has been changing as gentrification has displaced many longstanding South Berkeley residents and buying patterns of newer residents are more geared toward eCommerce (e.g., Amazon). These factors along with unusual wildfire and rainy seasons put CSU in financial risk and caused a temporary closure of BFM in early 2019.

With significant effort from the Board and staff, vendors, and advisors, CSU has emerged from many of the challenges related to the temporary shutdown and has stabilized our financial position for the near-term. However, the BFM location in the Ashby BART station parking is again uncertain as the City of Berkeley and BART plan for transit-oriented development on the lot.

With this in mind, we have developed a strategic plan for the next year to support efforts to regain trust in the community, improve our financial position, and build organizational capacity to withstand the challenges ahead and ensure a long-term space for BFM to provide sustainable economic opportunities for our vendors.

Mission & Vision

The purpose of CSU is to operate the Berkeley Flea Market by providing a safe and supportive marketplace for an established community of diverse vendors to do business.

In doing this, CSU seeks to:

Alleviate Poverty. CSU exists to provide low-income, minority East Bay residents with income necessary to alleviate the effects of gentrification and community disinvestment that is pervasive throughout the area.

Support Self-Reliance through Entrepreneurship. CSU fosters entrepreneurial skills in low-income small business owners through practical, hands-on business education and occupational training. CSU imparts vendors with tools for life-long self-sufficiency to ensure their businesses are successful and sustainable. These tools include financial management, marketing, customer service, negotiation, leadership, and networking.

Empower the Underserved. CSU offers meaningful employment to community members and donates basic necessities, including food and clothing, to those most vulnerable in the East Bay.

Foster Community. CSU organizes the weekly Berkeley Flea Market, which provides low-income vendors with much-needed income while also developing a mutually supportive and sustaining business community of local entrepreneurs. Even more, BFM boasts an open community space for local artists suffering from harsh economic pressures to participate in restorative drum circles, share poetry, songs, and their culturally-based ingenuities.

Environmental Scan

Through engagement with CSU’s Board of Directors and staff, BFM advisory board, as well as in-person surveys with half of the current BFM vendors, we have identified the following factors in our performance and our market landscape that are informing our strategic goals.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Historical significance • Family and community vibe / people come with good energy • Place for people to heal • Gathering place for community • Last bastion for former Berkeley residents and business owners who have been displaced • Grassroots organization • Has a social conscience and activist leaning • Counter culture • Provides economic opportunity for low income folks through accessible, low-cost vending opportunities • Diversity of vendors and their offerings - multicultural / international market, intergenerational • Longstanding vendors have regular customers who come from all over the Bay to purchase from them • Vendors feel supported by other vendors 	<ul style="list-style-type: none"> • BFM hasn’t been run as a business – has been more like a club, management hasn’t stuck to the rules they created, not all vendors are paying, and some people are walking around selling stuff without a stall • Number of vendors has fallen off – lot is not full, need more food vendors • Vendors not making enough money • Some vendors not serious about their business – vendors not coming on time, merchandising not up to par • Need more commitment from new vendors – don’t just vend once and disappear • Majority of drum circle has left • Lack of curation – need dedicated food court, classify rows for specific types of vendors (e.g., bath and body products) • Safety – too many ways in, people selling drugs / using drugs / causing trouble / fights, dogs not on leashes, need more professional security • Some vendors bad mouthing other vendors – don’t want new people coming in / competition, having challenges with working in a diverse environment • Community not bonded as much as before • Need more volunteers • Need cleaner bathrooms • Lack of financial reserve to get through rainy season

Opportunities	Threats
<ul style="list-style-type: none"> • Celebrate the history of BFM • Increase promotional activity to drive more foot traffic and vendors to BFM through radio, tv, Berkeley event and tourist websites, social media, videos, flyer distribution, etc. • Create campaigns with once a month features, such as Art Walk, collectibles, and vintage • Create campaigns that showcase the businesses at BFM and businesses that have graduated from BFM (e.g., People’s Bazaar, Lola’s African Apparel) • Create campaigns and events around different holidays • Encourage vendors to promote they will be at BFM during the weekend • Partnerships with business support organizations, schools, and community groups to increase number of vendors and provide support for vendors • Partnerships to bring in community offerings, such as farm stand, distribution point for food pick-up, health clinic, etc. • Partnerships to increase offerings for youth, such as junior market and arts tables for youth, to make BFM more family oriented • Events with music and entertainment to draw more of a crowd • Wellness tent for meditation, yoga, etc. • Pull in artists, speakers, and community events on the stage area • Charging an admissions fee to support BFM operations • Reducing stall fees to bring in more vendors • More fencing to increase security • Improve systems for renting stalls – allow for purchasing on website and payment through PayPal • Make BFM a cooperative owned by the vendors • Establish a BFM residency program to highlight specific vendors and their ideas for BFM • Have a way for vendors to sell online through BFM (e.g., Amazon) 	<ul style="list-style-type: none"> • Proliferation of other markets, street fairs, and festivals continue to take vendors away – more foot traffic and affluent customer base at those markets provide more sales for vendors • Interlopers – people spreading rumors about BFM operations, CSU Board decisions, etc. and trying to create vendors associations outside of the CSU structure • Internal division due to rumors being spread by interlopers • BART proposed development on the parking lot • Perception that vendors are selling stolen items • Berkeley politics • Gentrification • Amazon effect • Looming recession • Rainy season affects foot traffic and number of vendors at outdoor market • Wildfires creating poor air quality affects foot traffic and number of vendors at outdoor market

Objectives

Objective #1: Improve financial position and create financial reserve

Overview

For a period of three years prior to 2019, the financial conditions of CSU were deteriorating due to the confluence factors affecting BFM, including changing neighborhood demographics, shift in consumer buying patterns to eCommerce platforms, poor public perception of BFM as a place to buy stolen goods, and lack of proper structure, management, and Board oversight. And after an unusual season of wildfires affecting air quality and significant rains in late 2018, CSU did not have a financial reserve to cover the costs of BFM operations through the remainder of the rainy season in early 2019, resulting in a temporary closure of BFM. To prevent future closures during the winter and early spring seasons, CSU

is prioritizing the re-establishment of a financial reserve by raising philanthropic capital and increasing our revenue generation from BFM operations.

Goals

Goal	Timeframe
Raise \$10,000 in funding to re-establish reserve	January 2020
Consistently bring in \$25,000 in monthly income	June 2020
Increase reserve to \$25,000	October 2020

Action Plan

Action Step	Description	Staffing	Completion Date
Develop sponsorship package	Create package outlining BFM sponsorship opportunity, including sponsorship tiers and incentives	Kaylah, Uptima support	October 2019
Create list of potential sponsors	Create list of potential sponsors to reach out and identify Board and staff members to reach out to them	Kaylah, Uptima support	October 2019
Receive notice on tax exempt status	Receive notice from IRS about tax-exempt status, which will either grant the status or be a request for additional information	Board, EBCLC support	November 2019
Implement financial policies	Develop and implement financial policies around reimbursements, independent contractors, vendor payments, etc.	Yasin, Board Accountant support, Uptima support	November 2019
Philanthropic raise - \$5,000	Raise \$5,000 from combination of grants, corporate sponsorships, and individual donors	Kaylah	December 2019
GoFundMe Campaign - \$5,000	Receive \$5,000 through GoFundMe Campaign for BFM preservation	Kaylah, Uptima support	January 2020
Develop plan to monetize stage area	Develop pricing structure, policies for stage use, process for receiving and approving applications, and contract for stage rental	Kaylah, Yasin, Uptima support, EBCLC support	February 2020
Increase number of vendors who pay on a monthly basis	Increase number of vendors who pay on a monthly basis from 2-3 vendors to at least 10 vendors	Yasin	February 2020
Start renting stage area	Start renting stage area to community groups for artists, speakers, and entertainment	Kaylah, Yasin	March 2020

Action Step	Description	Staffing	Completion Date
Increase number of consistent vendors to 80 paid vendors per day	Increase number of consistent vendors from 50 to 80 paid vendors per day (a vendor is considered consistent if they have been vending every weekend for at least 3 months)	Yasin, Kaylah	May 2020
Rent stage area consistently	Rent stage area to community groups at least 2x per month on a consistent basis (consistent means for at least 3 months)	Kaylah, Yasin	October 2020

Objective #2: Improve vendor attraction and retention

Overview

In our heyday, BFM routinely filled 200+ vendor stalls and was teeming with foot traffic on the weekends. Back then, vendors would line up down the block on Thursday nights to make sure they had a stall for the weekend. And for patrons, BFM was a place to be seen. Now, most weekends BFM operates with around 50 vendors and much lighter foot traffic. A sizeable proportion of the vendors are longstanding with at least ten years of tenure with BFM and their own regular customer base who are looking for them at BFM. However, the newer vendors find it challenging to make sales at BFM due in part to BFM's low foot traffic, but also to their own lack of business skills. In order to attract and retain new vendors, we will need to increase marketing and promotion activities and themed events to drive more foot traffic to BFM, as well as provide additional supports for vendors to gain the skills they need to have successful vending experiences.

Goals

Goal	Timeframe
Increase first time vendor retention from 10% to 30%	March 2020
Increase number of vendors from 50 to 80	May 2020
Increase weekly foot traffic by 300%	June 2020

Action Plan

Action Step	Description	Staffing	Completion Date
Receive partial marketing grant	Receive partial grant of \$4,000 from the City of Berkeley's Office of Economic Development for marketing and promotion to increase foot traffic and number of vendors	Kaylah, Uptima support	October 2019
Receive remaining marketing grant	Submit draft of strategic plan and receive remaining grant of \$1,000 from the City of Berkeley's Office of Economic Development for marketing and promotion to increase foot traffic and number of vendors	Kaylah, Uptima support	November 2019

Action Step	Description	Staffing	Completion Date
Create new vendor onboarding package	Create new vendor onboarding package with vendor policies, tips for making the most out of their vending experience, and business resources	Yasin, Uptima support	November 2019
Create marketing and outreach plan for 2020	Review profile of vendors and patrons and performance of 2019 marketing activities, use data to develop 2020 marketing and outreach plan, allocate budget for 2020 marketing activities, and develop monthly report to measure return on marketing investment	Kaylah, Uptima support	November 2019
Implement holiday fair specials	Develop and implement advertising campaigns to increase number of paying vendors and sales for vendors during the holiday season	Kaylah, Yasin	November 2019
Integrate ArtWalk into BFM operations	Ensure structure of monthly ArtWalk event supports an increase in number of paying vendors and sales for vendors, and create repeatable processes to make the monthly ArtWalk event more efficient to advertise and produce	Kaylah	December 2019
Outreach to entrepreneurship organizations	Create and send email and marketing collateral (e.g., pdf flyer) to local entrepreneur support organizations to encourage them to promote vending opportunities at BFM to the businesses they support and begin to cultivate relationships for training and advising to support vendors in their business development	Kaylah, Uptima support	January 2020
Create partnerships with community organizations	Create partnerships with at least 10 community organizations to implement programs / projects at BFM (e.g., junior market program, farm stand) that are designed to increase the number of paying vendors and sales for vendors	Kaylah	March 2020
Curate vending opportunities	Engage vendor association in conversation about curating BFM (e.g., ensure diversity of items sold, segment vendors into rows according to what they sell) and make any policy changes to implement their recommendations	Yasin, Kaylah	May 2020

Action Step	Description	Staffing	Completion Date
Establish Wellness Day at BFM	Develop and implement monthly Wellness Day event that supports an increase in the number of paying vendors and sales for vendors, and ensure event has repeatable processes to be efficient and to advertise and produce	Kaylah	April 2020

Objective #3: Engage vendor community

Overview

The temporary shutdown in early 2019 exposed gaps in communication between CSU and the BFM vendor community, eroded trust in our ability to manage BFM, and left open space for interlopers to spread misleading information and rumors about CSU and the future of BFM. We spent several months engaging our vendors through community meetings, walking the market each weekend, in-person surveys, and monthly newsletters to ensure they were properly informed and to regain their trust. We recognize the need to continue to engage our vendor community, keep them informed about the status of CSU and BFM operations, and provide structures for them to participate in certain decision-making processes about future plans for BFM.

Goals

Goal	Timeframe
Keep vendors consistently informed	March 2020
Implement vendor association	April 2020
Pathway for vendor association in CSU Board governance	December 2020

Action Plan

Action Step	Description	Staffing	Completion Date
Sunset advisory board	Hold final meetings of advisory board as group no longer has quorum	Yasin, Kaylah	October 2019
Engage vendor community around association concept	Reach out to the most committed vendors (e.g., those who contributed the \$250 to keep BFM open in early 2019) to discuss opportunity to establish a vendor association and envision what that could look like	Yasin, Kaylah, Vendors	November 2019
Community engagement support employee	Recruit, hire, and onboard community engagement support person to work on monthly newsletters and other community engagement efforts for vendor community	Yasin, Kaylah, New Hire	December 2019

Action Step	Description	Staffing	Completion Date
Develop vendor association offering	Survey vendors about vendor association offering and use data to develop offering (e.g., pricing structure, expectations, benefits, member contract, key measurements of engagement) for vendor association	Yasin, Vendors, Uptima support, EBCLC support	December 2019
Implement vendor association concept	Launch vendor association with at least 20 members and hold first vendor association meeting	Yasin, Vendors	January 2020
Consistent newsletter communications with vendors	Community newsletters are consistently distributed in hardcopy and digitally to vendors at least 2x per month (consistent means for at least 3 months)	Yasin, Kaylah, New Hire	March 2020
CSU Board consistently walking BFM on weekends	At least two CSU Board members are consistently walking BFM, talking to vendors, and soliciting feedback on a weekly basis (consistent means for at least 3 months)	Yasin, Board	March 2020
Publish annual report	Publish annual report with overview of BFM operations for 2019 and showcasing vendor stories	Kaylah, Yasin, Uptima support	April 2020
Vendor association is fully functioning	Vendor association is meeting consistently on a monthly basis (consistent means for at least 3 months)	Yasin, Vendors	April 2020
Feedback loop between vendor association and CSU Board	Establish process and protocols for feedback between vendor association and CSU Board as well as pathway for vendor association to nominate Board members to fill vacancies	Yasin, Vendors, Board, EBCLC support	June 2020
Reporting between vendor association and CSU Board	Consistent monthly reporting by vendor association representatives on CSU Board to full vendor association and feedback loop from vendor association to CSU Board on major decisions	Yasin, Vendors, Board, EBCLC support	September 2020
CSU Board nominations from vendor association	Vendor association nominates members to the CSU Board (number to be determined based on Board terms)	Yasin, Vendors, Board, EBCLC support	November 2020

Objective #4: Improve governance and decision-making for the vendors

Overview

When CSU was established, the Board of Directors was comprised of representatives from the community organizations that received distributions from the operations of BFM. Over three years ago, CSU stopped making distributions to the community organizations with no intent to reinstate them. However, until 2019, representatives from those organizations remained on the Board with very limited engagement. In early 2019, we reorganized the CSU Board of Directors in connection with our filing to regain IRS tax-exemption. This started to create a pathway for vendors to be nominated and join the CSU Board, and now half of the CSU Board are current vendors. As the CSU Board becomes a majority vendors, we will need to build organizational capacity for governance and decision-making to support our vendor community.

Goals

Goal	Timeframe
Develop appropriate CSU Board governance structures	December 2019
Implement CSU Board committees for proper oversight	April 2020
Pathway for vendor association in CSU Board governance	December 2020

Action Plan

Action Step	Description	Staffing	Completion Date
Establish proper maintenance of corporate records	Update corporate record book and establish protocols for meeting notices, agendas, minutes, etc.	Kaylah, EBCLC support	October 2019
CSU Board training	Training of board members on board duties and responsibilities	Kaylah, Board, The Justice Collective	November 2019
Develop CSU Board member terms, policies and committees	Develop CSU Board member terms, policies, and committees, and identify CSU Board members' interest and ability to commit to various committees	Kaylah, Board, EBCLC support	November 2019
Develop CSU Board committee charters	Develop charters for CSU Board committees (e.g., executive, finance, nominating committees)	Kaylah, Board, EBCLC support	December 2019
Establish CSU Board committees	Formal vote on CSU Board committee charters and initial composition	Kaylah, Board, EBCLC support	January 2020
Consistent CSU Board committee meetings	Consistent monthly CSU Board committee meetings (consistent means for at least 3 months)	Kaylah, Board, EBCLC support	April 2020

Action Step	Description	Staffing	Completion Date
Feedback loop between vendor association and CSU Board	Establish process and protocols for feedback between vendor association and CSU Board as well as pathway for vendor association to nominate CSU Board members to fill vacancies	Yasin, Vendors, Board, EBCLC support	June 2020
Reporting between vendor association and CSU Board	Consistent monthly reporting by vendor association representatives on CSU Board to full vendor association and feedback loop from vendor association to CSU Board on major decisions	Yasin, Vendors, Board, EBCLC support	September 2020
CSU Board nominations from vendor association	Vendor association nominates members to the CSU Board (number to be determined based on Board terms)	Yasin, Vendors, Board, EBCLC support	November 2020
CSU Board meeting to approve vendor association nominations	CSU Board meeting to approve vendor association nominations for CSU Board (number to be determined based on Board terms)	Yasin, Board, EBCLC support	December 2020

Objective #5: Ensure BFM has appropriate space to operate for long-term

Overview

In 2015, the City of Berkeley began a community planning process to develop a long-range plan for the Adeline Corridor. The planning process entailed a series community events, stakeholder meetings, and working sessions over a two-year period that covered housing affordability, economic opportunity, transportation, public space, and community character and use. In mid-2019, the draft plan and environmental impact report were released outlining the priorities for the future of the Adeline Corridor. The Adeline Corridor Plan outlines transit-oriented housing development on the Ashby BART station parking lot where BFM operates on the weekends and envisions a community plaza where the BFM could operate. We responded in the initial comment period of the Adeline Corridor Plan; however, further comments by BART regarding the community plaza have prompted us to respond in more detail. We recognize the need to engage our vendor community in any further responses and to remain engaged in the Adeline Corridor Plan process to ensure BFM has appropriate space to operate for the long-term.

Goals

Goal	Timeframe
Respond to BART comments to Adeline Corridor Plan	December 2019

Action Plan

Action Step	Description	Staffing	Completion Date
Collect feedback on vendor needs	Survey vendors in person and online to collect feedback on their needs for BFM in the context of the Adeline Corridor Plan	Yasin, Kaylah, Board	October 2019
Community meeting to discuss vendor needs	Hold community meeting to review outcomes of survey responses on vendor needs and discuss response to BART's comments on Adeline Corridor Plan	All	November 2019
Respond to BART's comments on Adeline Corridor Plan	Use vendor feedback from surveys and community meeting, and draft and submit response to BART's comments on Adeline Corridor Plan	Board	December 2019

