



## MicroEnterprise Collaborative Resource Partner Meeting

October 8<sup>th</sup> and October 9<sup>th</sup>, 2019

*What makes the entrepreneurial ecosystem unique?*

### **Diversity of People**

- Age diversity among entrepreneurs
- Diversity of people, industries/business clusters
- Diversity
- Very diverse – large Hispanic population – average age younger than the state
- Diverse in culture, professionals with multiple cities in the region
- In DV we have a principle city with diverse social status and buying power
- Multicultural specifically high percentage of Hispanic population
- Demographic groups
- Disparate income levels
- Incredibly diverse

### **Diversity of Industry**

- Tech/ag/manu – many major industries
- Varied businesses
- It's very diverse from Ag to Tech to manufacturing, biomedical, etc.
- Various types of industries
- Quickly expanding logistics businesses
- Massive opportunities around commerce, logistics, energy, construction

### **Large Region**

- Small and large cities allows for benefit of both
- Geography
- We have space to grow and a reduced cost of living – new major metropolitan areas
- Vast size of the region – very spread out
- Largest region in the state
- Large region – unique sub-regions
- Open market (area/land development)
- Massive geography – 27k square miles, two large counties, 52 cities
- Huge area

### **Growing Population**

- High population
- Huge population 4.6 million – fastest growing in the state
- Lots of room for growth of business and population
- Incredible need – 4.6 million growing to 6.5 million people with historically low educational achievement
- We are expected to double in population in 15 years
- Lots of seasoned business people who may now have time to pursue their entrepreneurial team
- Access to huge market

*What makes the entrepreneurial ecosystem unique? (Continued)*

**Higher Education**

- High number of universities
- Free community college
- Education, diversity
- Multiple universities

**Many Resources / Supports**

- Support systems in place
- Lots of resources
- Startup opportunities support
- A lot of resources
- There are a lot of support systems

**Cooperation / Collaboration**

- Excellent collaboration between partners
- Collaborative agencies
- This region is very collaborative
- Riverside County: We have formed a Microenterprise Collaborative to support the entrepreneurial ecosystem. This has created a system of cooperation and collaborating among financial institutions and service providers (training, TA, development)
- Desire of people and organizations to make it successful together

**Climate**

- Climate (2x)
- Abundant sunshine – few bad weather days
- Beautiful area (environment)

**Culture**

- Everyone recognizes the importance
- We have a population that is pushing for ways to advance themselves
- Aspiration, pride

**Tourism**

- Different attractions available from skiing in the mountains to swimming in the lakes or oceans (1 hr to beach, 1 hour to desert, 1 hr to mountains)
- Tourism festivals
- Varied activities that draw large numbers
- Seasonal population influx

**Others**

- We have a great need and opportunity to help the diversity in small business across the valley
- Few large corp headquarters
- Regions defined differently in K-12 and CC
- Opportunities to attract business owners/employees versus traveling to LA for work. Plenty of resources and a wide region, cities are interested in development and support business.
- Lowest cost of doing business in CA
- Younger than out neighbors
- New is always happening – rediscovered
- Provides opportunity
- Disconnect between regions
- East end relatively low education/socio-economic population
- Lack/limited collaboration between counties
- Fragmented region
- opportunity
- Small community – 9 cities/400k residents
- Closed market (geographically)

*What are the strengths of the entrepreneurial ecosystem?*

**Number and Quality of Resources**

- Strong and growing micro-lenders
- Many training programs (coming soon)
- Large nonprofit system support in place
- SBDC, WBC, UCR, CSUBC, COD, K-12 Entrepreneurship Pathway
- Resources available for businesses, SBDC, WBC, Chambers, etc.
- Ecosystem
- Strong service providers
- High number of resources
- High number of resources for entrepreneurs
- Significant resources for the entrepreneur
- Plenty of resources available but scattered
- Microenterprise collaborative

**Microlending**

- Microlending
- Selection of micro-lenders
- Access to capital through multiple micro lenders

**Higher Education**

- Educational institution support
- High number of colleges and universities
- Educational resources
- Riverside and San Bernardino educate 1/6 of states students
- Educates 1/6 of states k-12 students
- Relationships build with k-12, CC and industry to support
- Lots of potential with a large workforce and access to excellent higher learning institutions

**Collaborative / Supportive**

- Increased energy/interest in entrepreneurship
- collaboration
- Some strong/supportive cities/counties/chambers
- Supportive city
- Collaborative support
- Collaboration
- Collaboration
- Collaborative
- Openness to work together
- Positive energy
- Opportunities for partnership
- Community pushing for entrepreneurship
- Collaborative/resources
- A collective group working together to make entrepreneurial opportunities

**Logistics / Airport**

- Close to mass transit and throughways
- Logistics – access to rail, roads, air, warehousing
- Excellent transportation systems
- Major airport – logistics – rail
- Proximity to Ontario airport

**Access to Markets**

- Large markets – IE is the size of South Carolina – would be the 25<sup>th</sup> most populous state
- Available customers and markets to test in
- Region – market
- It's access to a huge marketplace

*What are the strengths of the entrepreneurial ecosystem? (Continued)*

**Young Population / Young Ecosystem**

- Young workforce
- Young population – median age 34
- Toddler stage of development
- Expected population growth leads to new opportunities

**Affordability (Housing in Particular)**

- Affordable (relative to coastal)
- Affordable housing
- Still affordable – housing
- Cost of real estate

**Geography / Climate**

- Close to large metro areas
- Location
- Room for growth
- Nice weather
- Diverse regions across the IE – desert, urban, rural, mountain
- Geography

**Diversity (people and industry)**

- Demographic diversity and support
- We have diversity of industries in DV
- Ethnic diversity
- Diversified
- Diversity

**Culture**

- A lot of interest, underdeveloped areas available, new residents create and will need businesses close by - strengthens the likelihood of success with strategic support, allows service providers to collaborate and create unique opportunities.
- Individuals who want to rise
- Sense of pride, growing in the region – right place-right time
- Passion
- Creativity
- Communities would be interested in work/life environments
- Great work/life balance in the region

**Others**

- Cities growing every year
- Lots of incentives for doing business
- Affordable
- Opportunity
- 90% are microbusinesses
- Sufficient infrastructure for local service industry
- Medical facilities
- Tourism – food based businesses
- Festivals – opportunities to engage local businesses
- Service business owner operators
- Innovation



*Ontario Partner Meeting*

*What are the challenges that your entrepreneurs are facing today?*

**Awareness / Knowledge of Resources**

- They do not know all the resources available for them
- Where to find resources
- Don't know what they don't know
- Knowing about resources!
- 1<sup>st</sup> stop
- Finding resources
- Confused about what is available
- Resource awareness
- Is there a mentoring network?
- Resources/disparate
- Resources
- They don't know about the resources
- Training (we provide)
- Knowledgeable consultants at no cost (we provide)
- Unaware of free business education
- Clear paths
- Access to resources
- Unsure where to go for help/that there is help
- Not getting the right kind of support
- Latinos, mostly, have no idea of existing organizations. They are not looking because they do not know. In general, just a portion are using the existing resources and they need to learn a new business culture.
- Knowing what's out there for resources

**Capital**

- Access to capital (6x)
- Access to capital due to challenges of collateral, credit
- Capital
- Funding
- Startup costs/capital injections
- Access to equity investments
- Do not have dollars to start/ lack of equity homes
- Funding
- Lack of capital
- Startup funding
- Finding investors in the region
- Funding and afford able space to start – expensive
- Real estate and utility costs
- Access to funding
- Micro lending – didn't' quite recover from economic downturn – debt/credit scores



*Palm Desert Partner Meeting*

*What are the challenges that your entrepreneurs are facing today? (Continued)*

**Basic Business Knowledge / Sustainability**

- Long term planning (2x)
- Business plan
- Entrepreneurs expectations of “grants to start Businesses” no experience in industry
- True value proposition
- Working/living business plan
- How to scale their business
- Lack of knowledge
- Believes myths of business ownership
- Lack of basic business skills and understanding
- Knowledge
- Cash flow tight – seasonality
- Not understanding the elements that make a successful business in the long run
- Cash management
- Generating enough revenue to survive

**Workforce / Talent**

- Talent
- Finding talent, particularly developers
- Workforce – low unemployment
- Low wages requiring more hours worked keeping people from having the energy to grow themselves
- Staffing
- Lack of talent to help grow larger companies

**Regulation / Compliance**

- 9 + 1 Permits /licenses
- \$1200-\$1500 for all local business licenses (Required)
- Rules/regulation city, county state
- Changing regulations – population
- Not getting started in the right way, noncompliance

**Language / Culture Barriers**

- Fear of the unknown
- Belief systems, not confident enough, feeling as though they won't get funding
- Language barriers
- Language barriers or time

**Marketing / Customers**

- Client pool – less than 400,000 people in Coachella Valley – Los Angeles region greater than 8 million
- Marketing of services
- Marketing
- Access to markets
- Getting customers

**Shifting Markets / Innovation**

- Disruptive innovations
- Rapidly changing
- Adapting to trends
- Rapidly changing – tech/ tastes



*Riverside Partner Meeting*

*What are the challenges that your entrepreneurs are facing today? (Continued)*

**Others**

- Commute times and lack of good jobs in the region
- Relying on government departments too much
- Finding affordable spaces
- Ecosystem run by support groups instead of being driven by entrepreneurs
- Maintaining lifestyle while pursuing business venture
- Because we are so large/diverse – there's lots of competition for same resources
- Mentorship
- Transportation
- Maintaining a lifestyle while developing their business
- Lack of customized-able training/education programs though existing systems
- Climate
- Utility power
- Lower median incomes
- Workers comp
- Going from working to starting a business – being supported by it
- Time for training
- Small businesses recognizing they need more continuing education
- Economically fragile environment
- Uncertainty of international markets



*Ontario Partner Meeting*

*What are the challenges regarding your ability to support entrepreneurs?*

**Funding / Staff / Time**

- Staff – getting the right people on the team to assist
- Staff and funding
- Time
- Financial resources
- Limited resources – staff/time
- Limited availability of local investment capital
- Capital
- Funding levels remain stagnant for fed/start funded programs for entrepreneurial ecosystem
- Funding
- Limited staff, time and funds
- Funding
- Money – SBA grant requires \$1 to \$1 match
- Grants
- Time and size of region
- Lack of time/pulled to too many support positions

**Knowledge of Resources / Collaboration**

- Knowing where to send them for support we aren't equipped to provide
- Not knowing resources available
- Connecting the dots to resources
- We are new – making connections – build knowledge
- Understanding all of the supports that may be needed
- Lack of cohesion in resources
- Having enough partners
- Knowing of all the different resources available
- Unable to refer/assist or offer guidance
- Referrals to alternative sources of capital
- Not knowing enough about the specific challenges in the regions, the data

**Regulation and Politics**

- Need streamlined , consistent regulations
- Hard state to be a business owner/employer
- Cumbersome permits
- Different priorities/political
- Navigating nonprofit requirements

**Marketing**

- Locating entrepreneurs given the size of the region
- Reaching them to determine their needs
- Marketing ( to increase visibility)
- Marketing available services

**Cultural Competency**

- Cultural awareness, language, behaviors, attitudes
- Understanding all cultures – behaviors, attitudes, language, finding the right conversations to have with funders



*Palm Desert Partner Meeting*



*What are the challenges regarding your ability to support entrepreneurs? (Continued)*

**Others**

- Large geographic area
- Lack of successes to drive more interest and excitement
- Considering access
- Not enough entrepreneurs
- Lack of confidence – bias towards Silicon Valley, Silicon Beach
- Can't help everyone
- Wait too long to get help
- Control
- Managing expectation/ recreating the wheel
- Entrepreneurship curriculum approval
- Sustainable programs
- Lack of connection to business owners
- Too many options
- Don't qualify for lending
- Establishing credit
- Identifying their training needs
- Identifying the training needs we can effectively support
- Low credit scores/collateral
- Infrastructure
- Utility power
- Workforce
- Managing relationships
- Scared of math & record keeping
- Veteran's services
- Seasonality of local area – summer is brutal



*Riverside Partner Meeting*