



**COLUMBUS
SMALL BUSINESS AGENDA:**
Creating a Collaborative
Small Business Ecosystem for
Main Street Businesses

January 2020

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SECTION ONE: EXECUTIVE SUMMARY

Columbus is at a crossroads.

The city's economy is thriving, the private sector is growing, there is a healthy mix of industries, and our people possess the talent and enthusiasm to propel our community forward to create economic opportunities for all.

Yet, we also are challenged: neighborhood inequality and income segregation serve as barriers to growth. When compared with peer cities, we lag in terms of small business growth and racial, ethnic, and gender diversity in business ownership. There is no question that Columbus only moves forward when we embrace an inclusive approach, when all of our community members are able to enjoy the opportunities that contribute to personal and local economic success.

Through the collaborative engagement framework and processes detailed in this report, we hope to harness our collective strengths in order to spark the creation of new businesses and strengthen existing businesses in Columbus, with an intentional focus on Main Street businesses.

In order to create equitable progress and prosperity, we must support all small businesses through the Small Business Agenda.

We must reimagine small business to create economic empowerment for all.

Columbus.gov/SmallBusinessAgenda

SECTION ONE: **EXECUTIVE SUMMARY**

This report offers research, analysis, and strategies to cultivate an inclusive, dynamic, and continuously improving small business ecosystem that enables all entrepreneurs to enjoy equitable opportunity for success that contributes to local economic development outcomes.



MORE ABOUT COLUMBUS

Columbus is “a city where people can build a career as well as a rewarding life,” according to Forbes’ inaugural Best Opportunity Cities list, which ranks Columbus No. 1 in terms of home prices, job markets, and population trends, particularly among those who are 25 to 39 years old.¹ Columbus also ranks No. 1 among the 10 largest Midwest metropolitan areas in private sector job growth since 2010.² In Columbus, there are approximately 122,000 businesses with fewer than 50 employees (including businesses with a founder and no other employees), comprising 98% of total businesses; no industry makes up more than 14% of total businesses.³ The city also boasts a relatively young, well-educated population

communities by stimulating local economies and providing employment opportunities. Small businesses also tend to attract talented individuals who invent new products and solutions to address pain points and improve the way we live our lives. Small businesses create big opportunities, yet in Columbus we are lagging behind peer cities in supporting and creating equitable opportunities for all of our small business owners.

When we look within our city, there are different worlds: Columbus ranks No. 8 among large metropolitan areas for overall income segregation, No. 4 for segregation of people with college degrees, and No. 10 for segregation of

“ There’s a willingness to collaborate across the entrepreneur support organizations here to serve small business owners better, but we need to communicate more and partner with each other.

(Interview / Focus Group Participant) ”

compared to the state of Ohio and US averages. In terms of diversity, People of Color constitute 33% of the city’s population and immigrants comprise 10% of the population.⁴ On the education front, we have The Ohio State University, a leading research university, as well as 52 other colleges and universities (Columbus is second only to Boston in concentration of college students in the US).⁵

All of these statistics paint a picture of vibrancy and opportunity for the launch and expansion of small businesses. Across the nation, small businesses bring growth and innovation to

working class people.⁶ Columbus ranks below the national average in terms of its share of very small businesses (businesses with fewer than 20 employees) and representation of women, Black, and Hispanic or Latinx-owned businesses.⁷ To advance our economy, we must eliminate the barriers that prevent so many people from engaging in entrepreneurship and limit our city from accessing its untapped potential; we must seize the moment to build the bridges that will allow all members of our community to flow freely toward equitable economic opportunities.

This report is the product of the City of Columbus Small Business Agenda, which was launched by Mayor Andrew J. Ginther and Council President Shannon Hardin in December 2018 as part of the Reimagining Small Business Initiatives. The strategies and initiatives detailed throughout the following pages will complement the programs currently in place while also offering new ideas and approaches.

KEY FINDINGS

Taking into account many months of research, analysis, and discussions with stakeholders — including small business owners, entrepreneur support organizations, capital providers, government representatives, philanthropic organizations, and anchor institutions (e.g., universities and hospitals) — our assessment of the small business ecosystem in Columbus reveals the following key gaps:



Limited awareness of existing resources available to small businesses:

There are numerous programs and services for small businesses across the city but limited awareness of these resources and a lack of coordination among entrepreneur support organizations (ESOs) and capital providers.



Need for post-launch support to help businesses reach the next level:

While there are plentiful small business resources to help people start a business, there is a gap in support for helping businesses in the “post-launch” phase — businesses that have been operating for at least two years and are aiming to grow — to scale up geographically, expand their customer base, and offer new products, among other goals.



Disproportionate challenges in accessing capital for People of Color and women:

Whether they don't know how to access capital, or they hit roadblocks when making the attempt, People of Color and women face disadvantages when trying to access capital and when pursuing large contracting opportunities — these disadvantages include lower levels of wealth, limited networks, discrimination, and fear and reality of rejection.



Entrepreneur support organizations and capital providers struggle to reach small businesses in underserved neighborhoods:

There is a disconnect between service providers and entrepreneurs who live and operate in underserved neighborhoods — this is driven by a lack of providers located in neighborhoods, such as Linden and Hilltop, and insufficient outreach strategies, especially to People of Color and women entrepreneurs in these neighborhoods.

SHIFTING TO ACTION

Over the course of several months, the City of Columbus, Next Street, Development Strategies, and an Advisory Committee of more than 40 leaders across the small business and entrepreneurial ecosystem gathered and analyzed data, met for seven meetings and workshops, and ultimately prioritized four strategies that will guide the transformation of the Columbus small business ecosystem into a primary driver of economic inclusion.

FOUR STRATEGIES

1

EXPAND
AWARENESS
OF
RESOURCES



2

BUILD
CAPACITY OF
ECOSYSTEM
STAKEHOLDERS



3

IMPROVE
SERVICES AND
CAPITAL
PROVISION



4

FOSTER
CONNECTIVITY
AMONG ANCHORS AND
SMALL BUSINESSES

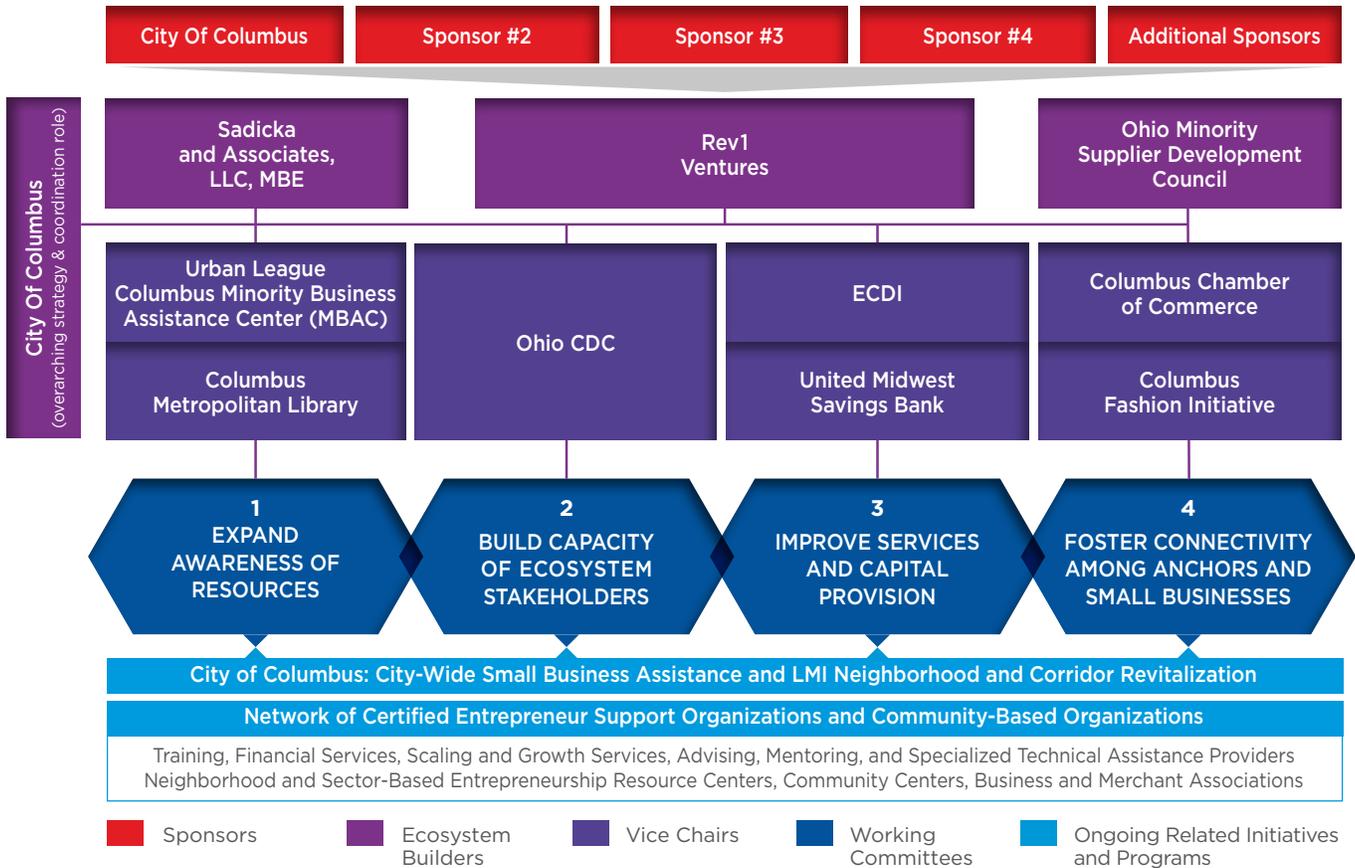


SMALL BUSINESS AGENDA FRAMEWORK

As we move forward, our approach to these strategies must be comprehensive — to be successful, we must address the individual nuances of each strategy while also ensuring that our overall approach is holistic and collaborative, relying on committed leadership and a long-term view. To accomplish this, the City of Columbus will partner in the development of other “Ecosystem Builders” that will lead in the implementation of the Small Business Agenda (Figure 1.1: Small Business Agenda Framework), a multi-year action plan that elevates small businesses to create economic opportunities for all. The Working Committees will embark on several initiatives, with an immediate focus on five “short-term wins” to ensure there are

tangible results within the first 90 days (Figure 1.2: Small Business Agenda Quick Guide). The Ecosystem Builders will be supported by Working Committees and Sponsors and will coordinate with several ongoing initiatives across the city — including, but not limited to, Accelerate Columbus, the new City of Columbus small business training and mentoring program; the Franklin County and Forward Cities Community Entrepreneurship Accelerator; Goldman Sachs 10,000 Small Businesses; SBA Emerging Leaders; Ascend Columbus; and 614 for Linden, which advances the One Linden Plan by providing access to capital to small businesses under the 2019 JPMorgan Chase PRO Neighborhoods Program.

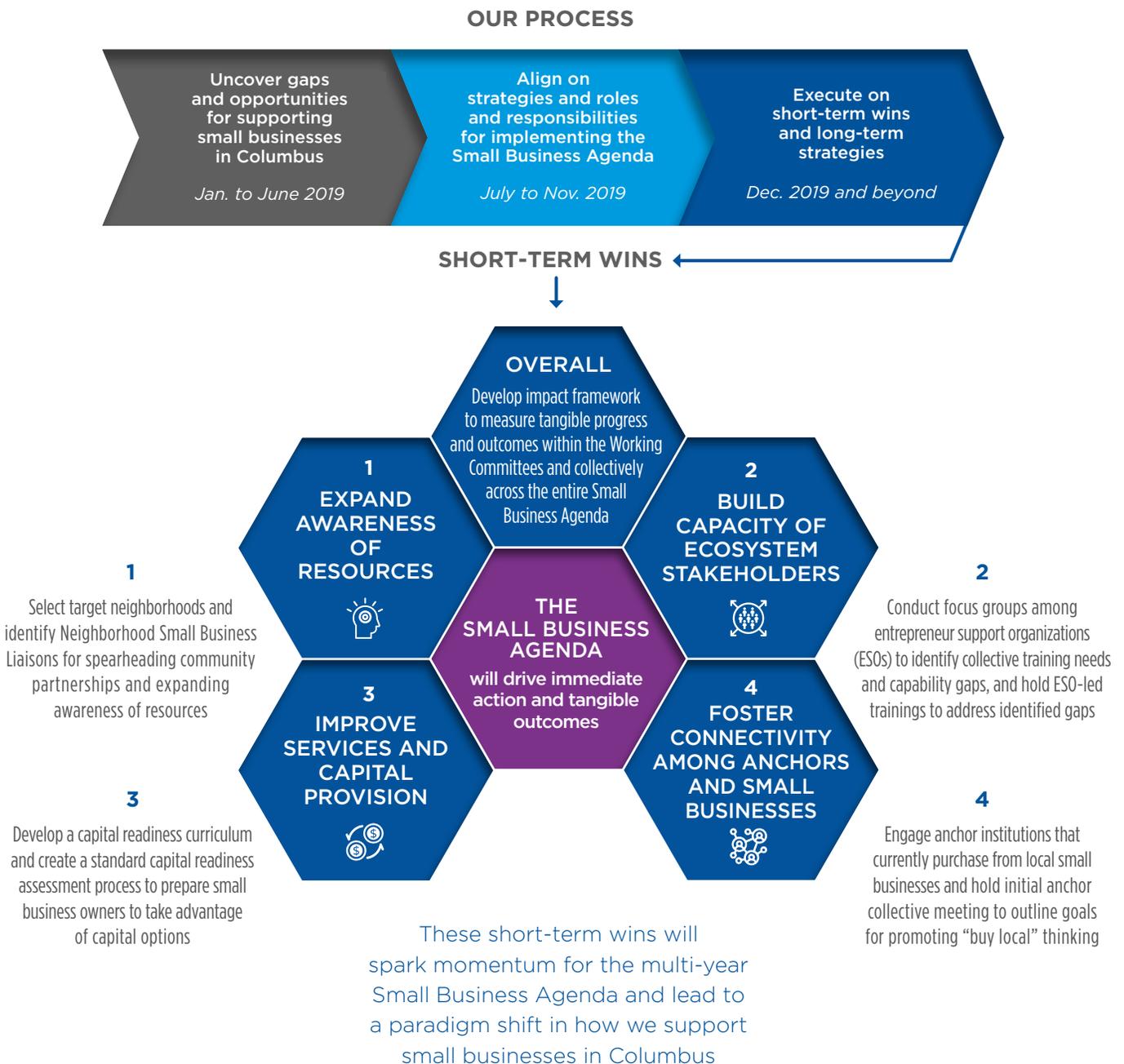
[FIGURE 1.1: SMALL BUSINESS AGENDA FRAMEWORK]



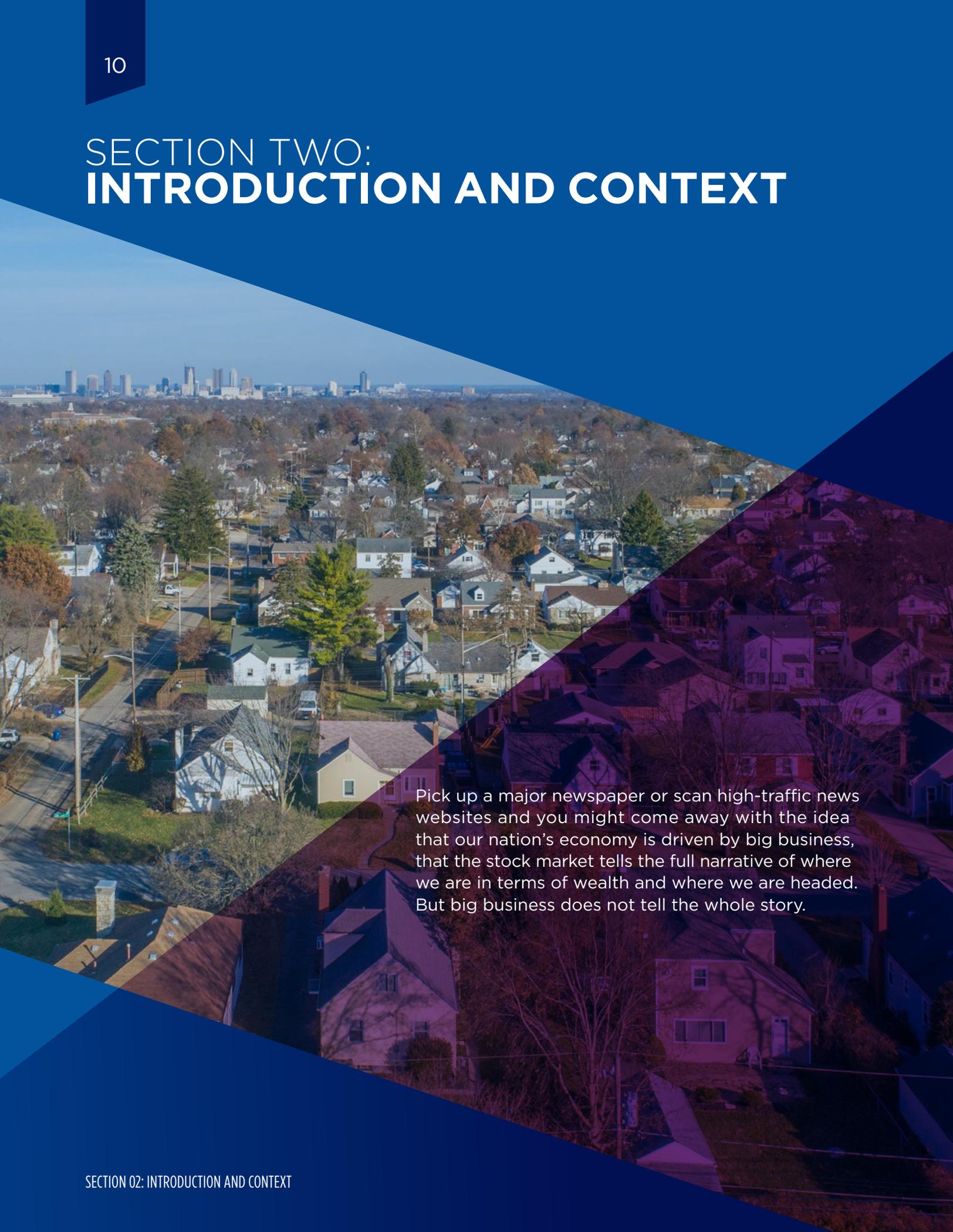
AN OPPORTUNITY FOR REAL CHANGE IS NOW

The Small Business Agenda presents an opportunity for real change: our concerted, strategic effort has the power to bridge the small business ecosystem gaps and lift up all Columbus-based small business owners. This is our moment to come together to ensure that America’s Opportunity City rises to the challenge of creating a small business ecosystem that propels every resident toward prosperity.

[FIGURE 1.2: SMALL BUSINESS AGENDA QUICK GUIDE]



SECTION TWO: INTRODUCTION AND CONTEXT

An aerial photograph of a suburban neighborhood, showing a dense cluster of houses with various roof colors and styles. In the background, a city skyline with several tall buildings is visible under a clear sky. The image is overlaid with a dark blue geometric shape that frames the text.

Pick up a major newspaper or scan high-traffic news websites and you might come away with the idea that our nation's economy is driven by big business, that the stock market tells the full narrative of where we are in terms of wealth and where we are headed. But big business does not tell the whole story.

UNTAPPED POTENTIAL

Small businesses comprise a significant portion of the US economy, and therefore, present a critical lever in driving economic growth. There are 30 million small businesses in the United States; over half of the US workforce either owns or works for a small business; and small businesses create two out of every three net new jobs in the private sector.⁸

In Columbus, small businesses dominate our local economy: there are approximately 122,000 small businesses, which represent 98% of all businesses in Columbus. Among peer cities analyzed in our assessment, Columbus has the third largest number of small businesses and a comparable number of small businesses per capita (Figure 2.1: Number of Small Businesses and Small Businesses Per Capita for Columbus vs. Peer Markets)⁹. We take pride in the entrepreneurial spirit of our community and its impact, yet when we drill down, we find that there are vast differences in access and opportunity. There is a stark contrast between the representation of People of Color and women in our population and their limited numbers in business ownership. In Columbus, People of Color constitute 33% of the population and women constitute 51%, but among business owners with employees, People of Color account for only 17% and women account for only 19% (Figure 2.2 Population vs. Business Ownership for Women and People of Color).¹⁰ These low numbers represent a missed opportunity for our city to benefit from the innovation and value-creation that these individuals can contribute to our city and communities.

[FIGURE 2.1: NUMBER OF SMALL BUSINESSES AND SMALL BUSINESSES PER CAPITA FOR COLUMBUS VS. PEER MARKETS]

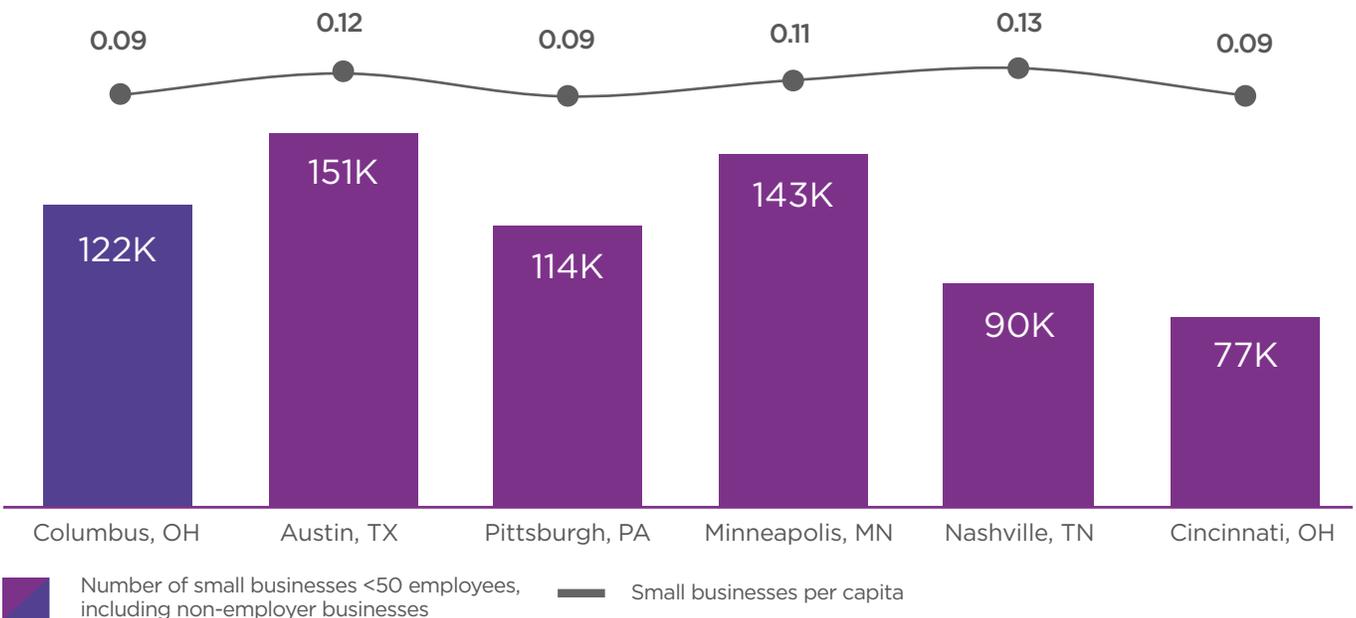


Figure Source: US Census County Business Patterns, by primary county (2016); US Census American Community Survey (2017)

WHY THIS WORK MATTERS

This report marks the launch of the Small Business Agenda, a series of strategies that elevate small business development as a vehicle for creating economic opportunities for all.

While our assessment and strategies are inclusive of all small businesses, we mainly focused on businesses owned by People of Color for two key reasons. First, these business owners are critical to the overall competitiveness of our city — they contribute innovation and creativity that drive new business ideas, thereby differentiating Columbus and bolstering our presence in the national economy. Second, businesses owned by People of Color help spur inclusive economic growth, and play a role in addressing systemic barriers and closing the racial wealth gap — business ownership among People of Color not only expands wealth for these individuals and their families, but also for our local communities through employment and neighborhood revitalization. Our entire city is better off when entrepreneurs and business owners of color have access to the support they need to thrive.

Furthermore, we focus on Main Street businesses, which we define as businesses that serve the local market and are often known as “mom-and-pop” businesses. We focus on Main Street businesses given that our assessment revealed a particular gap in support for these businesses, including a lack of early-stage financing and a lack of a physical “center of gravity” for Main Street business support in the city. We do acknowledge a need for continued support for higher-growth industries, and thus, have identified two higher-growth, “traded industries” — IT & Digital and Distribution & E-Commerce — as part of the full set of focus industry clusters, as outlined in the Appendix.

[FIGURE 2.2: POPULATION VS. BUSINESS OWNERSHIP FOR WOMEN AND PEOPLE OF COLOR]

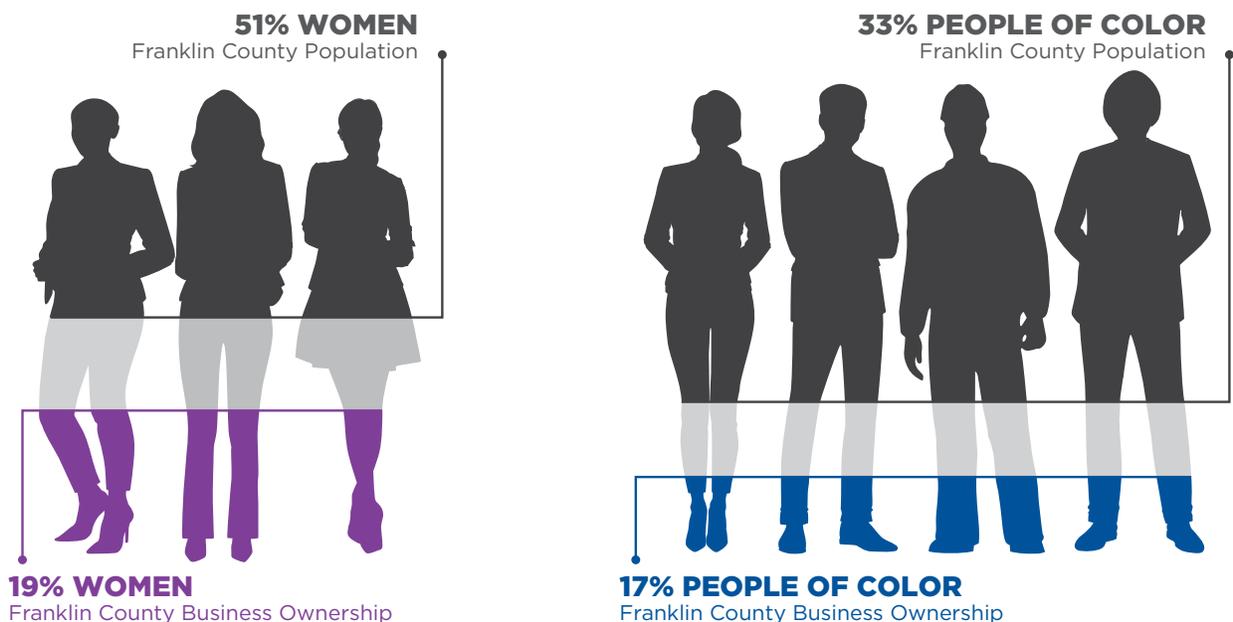
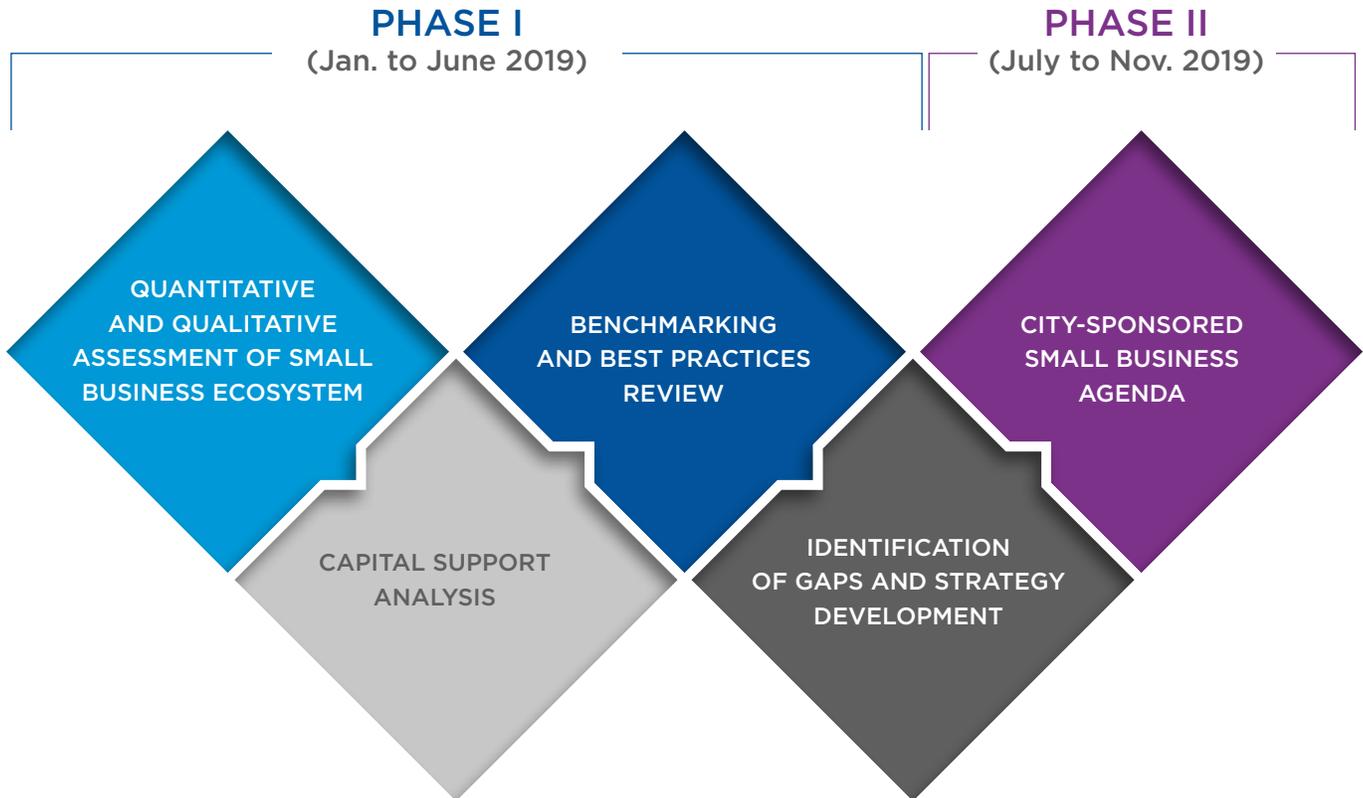


Figure Source: US Census Survey of Business Owners (2012); US Census American Community Survey (2017)

SECTION THREE: RESEARCH APPROACH

[FIGURE 3.1: RESEARCH APPROACH]



To understand and assess the City of Columbus’ small business environment and to craft a plan supported by data and a range of perspectives, we organized this project into two key phases. First, we conducted a Small Business Ecosystem Assessment comprised of four workstreams to uncover key gaps and opportunities for supporting small businesses. The second phase shifted our effort from research into planning and implementation: we convened the Advisory Committee through three workshops to align on priority strategies, roles and responsibilities, and execution planning — all of which culminated in the Small Business Agenda (Figure 3.1: Research Approach).

KEY STAKEHOLDERS

To ensure that this effort built upon the collective knowledge of individuals throughout our small business ecosystem, we brought together a variety of stakeholders who informed our approach and findings. A list of all stakeholders can be found in the Acknowledgements section. These include:

- **Advisory Committee:** A group of more than 40 leaders and small business owners across the small business ecosystem who joined us through an open application process. Members included small business owners, entrepreneur support organizations, capital providers, government representatives, philanthropic organizations, and anchor institutions. They helped us shape the project direction, provided on-the-ground insights, and advocated for the work within their networks.
- **Project Team:** Stakeholders from a range of City of Columbus departments who provided feedback on project direction on a monthly basis and helped us draw connections and find synergies across departments.
- **Working Group:** Representatives from the Office of Small Business and Entrepreneur Development, led by Henry Golatt, and including C. Celeste LaCour-Belyn and Karin Redelberger, who spearheaded day-to-day operations and will continue to take a leading role as the overarching Ecosystem Builder.
- **Next Street:** A mission-driven advisory firm revolutionizing how its clients provide capital, customers, and services to small businesses and entrepreneurs. Next Street has experience conducting small business ecosystem assessments in over 15 cities across the country. Next Street led the research and project management with the Working Group, Project Team, and Advisory Committee, and facilitated the workshops. Next Street continues to partner with the City of Columbus and Ecosystem Builders on implementation efforts and project management as we transition into the Small Business Agenda framework.
- **Development Strategies:** A leading advisory firm that guides business, corporate, government, non-profit, and institutional clients with real estate, community, and economic development projects. Development Strategies contributed to the Assessment Phase of this work through quantitative analysis, including neighborhood-level insights and spatial analysis, and supported meeting facilitation.

INTEGRATING WORKSTREAMS

This small business assessment is the result of a comprehensive, data-driven, and collaborative approach that consisted of four workstreams. Strategic alignment and engagement with the Advisory Committee helped guide each of these workstreams, ensuring the research resonated with their on-the-ground experiences as small business owners and practitioners. We then brought the workstreams together to identify a set of gaps and strategies.

1 Quantitative and Qualitative Assessment to understand the current state of the small business ecosystem through:

- **Literature review** of more than 30 reports relating to economic development and small business growth in Columbus
- **Focus groups and interviews** with over 25 small business owners and over 30 Entrepreneur Support Organization (ESO) leaders across the small business ecosystem
- **Quantitative analysis of small business trends** by key indicators, including small business growth, small business ownership demographics, and concentration of small businesses in underserved neighborhoods

2 Capital Support Analysis to assess the current state of debt and equity available to small businesses through quantitative analysis and interviews

3 Benchmarking and Best Practices Research to understand positioning of Columbus' small business ecosystem compared to five peer cities and glean best practices from leading small business ecosystems across the country

4 Identification of Gaps and Strategy Development to synthesize the assessment, prioritize gaps across the ecosystem, and transform findings into actionable strategies and initiatives

SECTION FOUR: WHAT WE FOUND

QUANTITATIVE AND QUALITATIVE ASSESSMENT

WORKSTREAM ①

Our assessment of Columbus' small business ecosystem yielded critical information about its strengths, weaknesses, and opportunities.

Based on the data obtained through our literature review and quantitative analysis, we determined that several strong attributes position Columbus for future growth, including a growing local economy, racial and ethnic diversity, plentiful talent, and attractive infrastructure. However, there are distinctive local challenges specific to small businesses, including low small business activity in underserved neighborhoods and among People of Color and women.

There is a high diversity of industries, with no single industry making up more than 14% of the total number of businesses¹¹ (Figure 4.1: Number of Businesses by Size and Industry); however, diversity in business ownership varies significantly by industry (Figure 4.2: Business Ownership by Demographic) and there are considerable variances in small business activity by neighborhood. Underserved neighborhoods, such as Hilltop, Linden, and Near East, have limited access to office space, but vacant retail supply represents an opportunity for revitalization.

Our analysis identified seven focus industry clusters, each with significant opportunities and distinctive local challenges. These clusters were identified based on growth potential, business ownership among People of Color and women, and potential to drive inclusive economic growth moving forward. Due to data availability, the quantitative analysis primarily leverages Franklin County data to draw insights on the City of Columbus.



HIGH POTENTIAL INDUSTRY CLUSTERS

- 
1. **Construction** — Businesses involved in the construction of residential or non-residential buildings and related construction activities (e.g., pouring concrete, site preparation, plumbing, painting, electrical work)
 2. **Food and Beverage Retail** — Food services, drinking places, and stores, with models ranging from traditional brick-and-mortar establishments to food trucks to delivery-only services
 3. **Health Care Services** — Range of outpatient health care services, including physician and dentist offices, birth centers, and family planning centers, as well as other health care practitioners, such as chiropractors and physical speech therapists
 4. **Local Business Services** — Businesses that provide basic support services to business clients, including facilities management (e.g., janitorial, landscaping, security, office moves), equipment repair, and administrative services (e.g., printing, travel arrangement, laundry, catering)
 5. **Personal Services** — Businesses that provide basic services to personal clients including, but not limited to, salons, personal and household goods, health and personal care, and gyms
 6. **Distribution and E-Commerce** — Businesses supporting traditional supply chain operations, including warehousing and storage, wholesalers, truck transportation, and direct couriers/delivery people
 7. **IT and Digital** — Software and IT businesses that rely on technology to build and provide scalable products and services, including but not limited to, IT consulting, computer programming, systems design, and data management

*North American Industry Classification System (NAICS) codes for each cluster can be found in the Appendix

INTERVIEW AND FOCUS GROUP INSIGHTS

- **Limited awareness around existing resources** available to small businesses. In fact, many of the business owners and ESO representatives shared that they had never heard of some of the resources mentioned by their fellow focus group participants.
- **Frustration in the lack of support for small businesses growing from launch phase to “post-launch” phase.** There is a feeling among business owners that there are insufficient resources to help them scale and get to the next level.
- **Limited alternative capital options from providers such as Community Development Financial Institutions (CDFIs)** that offer responsible, flexible, and affordable lending to small businesses, outside of the traditional forms of credit offered by a bank. Moreover, business owners, especially People of Color and women, feel that they must “earn” credibility more than their white and male peers.
- **Concern that attention and investment are focused within technology and the venture capital space,** rather than on Main Street businesses (businesses that serve the local market and are often referred to as “mom-and-pop” businesses).
- **Lack of clarity on process and requirements for City building projects** and desire for the City to provide more support to construction businesses trying to undertake these projects.
- **Neighborhood-specific challenges for small business owners,** including gentrification of the downtown neighborhoods, lack of entrepreneur support organizations (ESOs) and capital providers in underserved neighborhoods, and lack of customer foot traffic due to negative perceptions of certain neighborhoods.

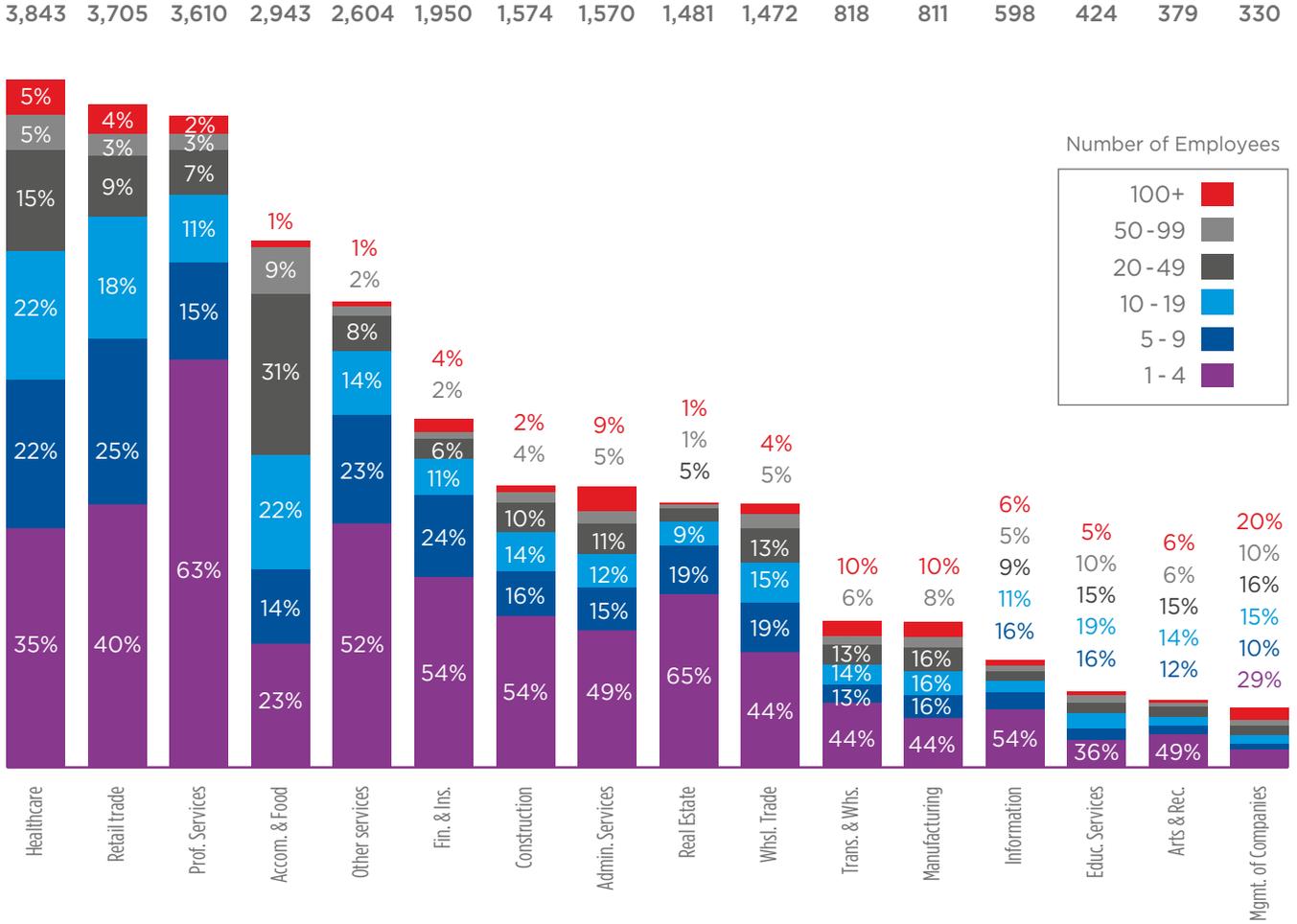


“One of our challenges with getting customers has been our neighborhood’s reputation of being old and rundown.”

(Interview / Focus Group Participant)

INDUSTRY DIVERSIFICATION

[FIGURE 4.1: NUMBER OF BUSINESSES BY SIZE AND INDUSTRY]



5-Year Compound Annual Growth Rate



Figure Source: US Census County Business Patterns (2012, 2016)

*Green shade indicates > 3%, grey shade indicates between 0-3%, red shade indicates negative growth

BUSINESS OWNERSHIP DEMOGRAPHICS

[FIGURE 4.2: BUSINESS OWNERSHIP BY DEMOGRAPHIC]

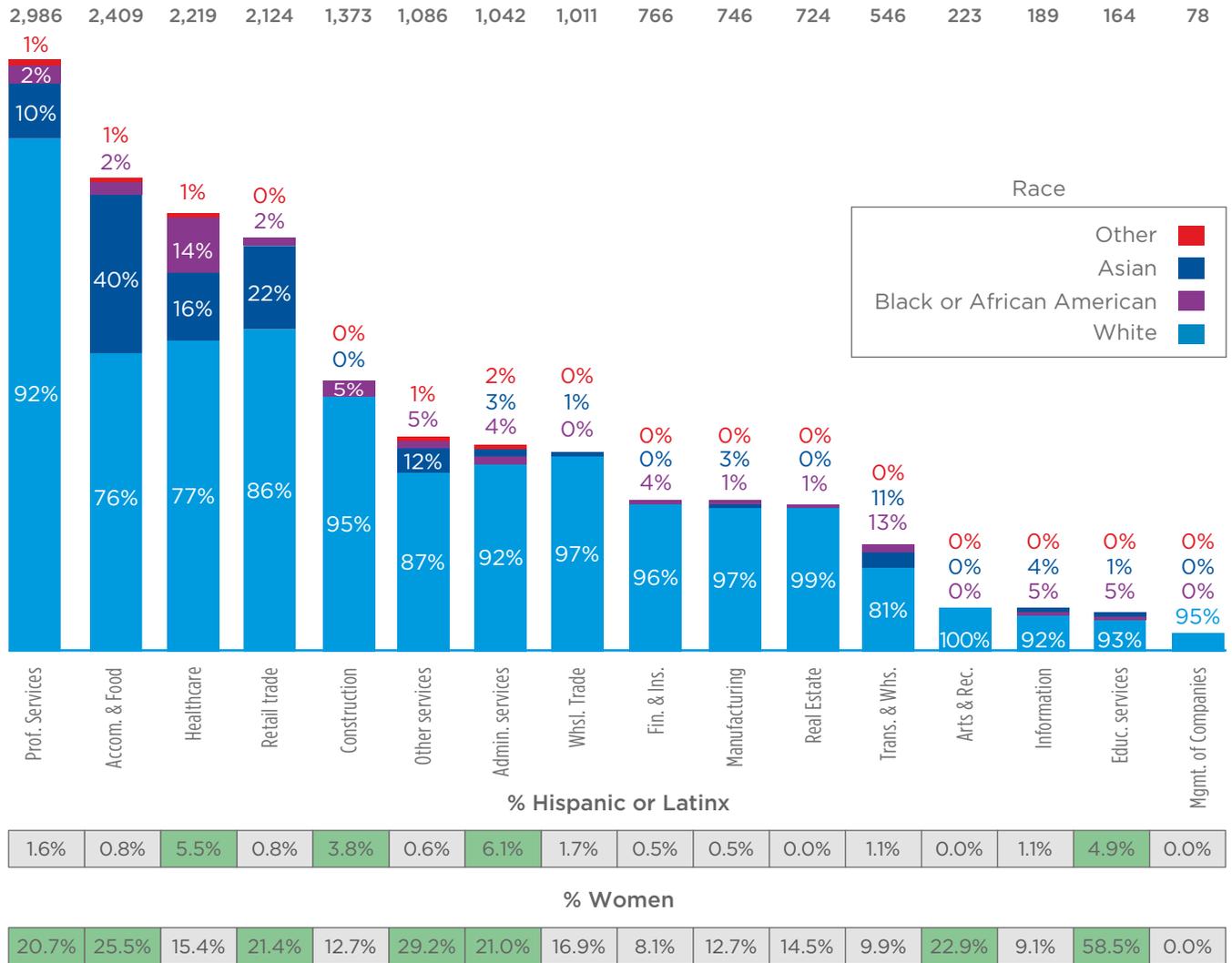


Figure Source: US Census Survey of Business Owners (2012)

*Green shade indicates industries with above average representation of focus demographic

“There is clear bias in the way bankers evaluate risk for business owners of color.”

(Interview / Focus Group Participant)

CAPITAL SUPPORT ANALYSIS

WORKSTREAM ②

Columbus' small business lending significantly rebounded from post-recession levels (Figure 4.3: Small Business Lending Overview), however, a large financing gap remains for Main Street businesses. In addition, bank lending in Columbus is not deployed equitably across income levels or racial/ethnic demographics. While loans from the Small Business Administration (SBA) have been a useful tool for local lending, there is a significant need to expand alternative lending options for small businesses.

[FIGURE 4.3: SMALL BUSINESS LENDING OVERVIEW]

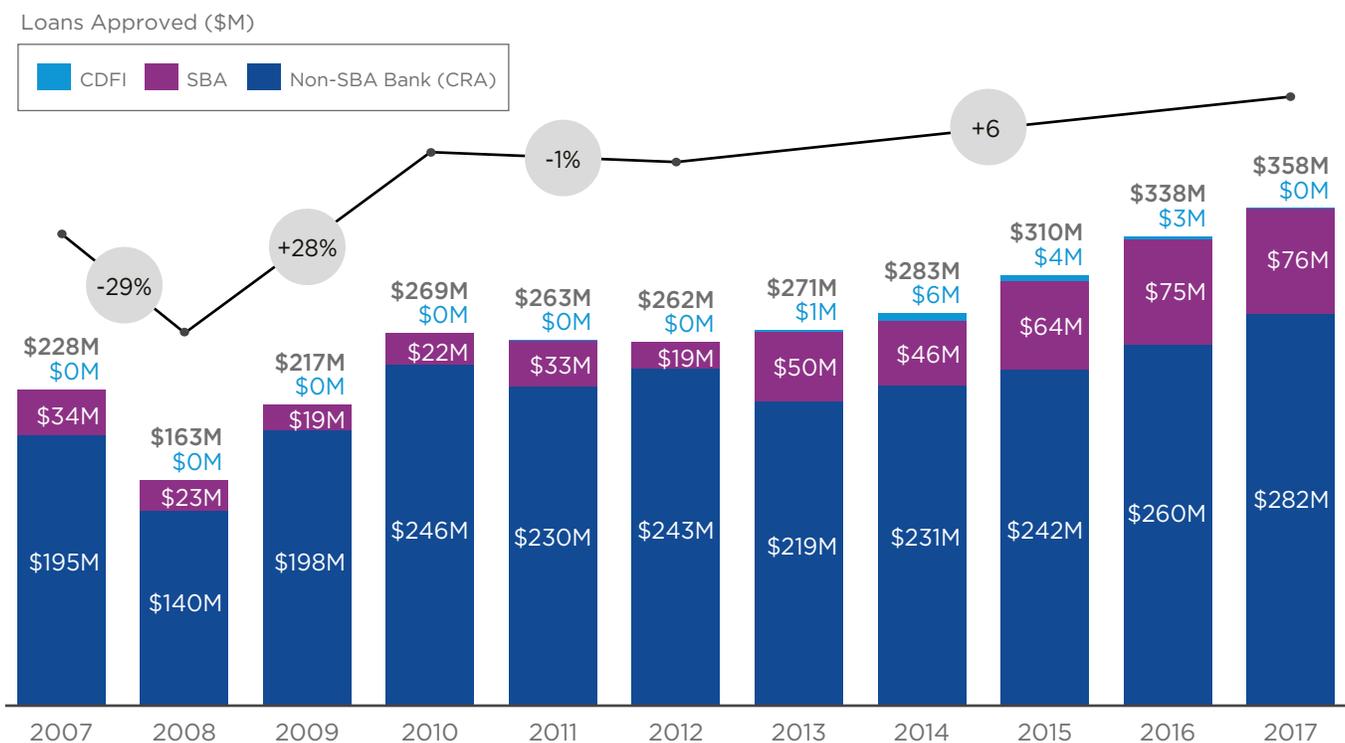


Figure Source: Federal Financial Institutions Examination Council CRA MSA Aggregate Reports for Franklin County and Peer Counties (2013-2017); Next Street Interview Program

High-level analysis of Columbus market data (in combination with national insights) indicates that while Columbus' small business owners are looking for \$7.2B in capital, lending to small businesses is approximately \$0.4B — revealing a stark estimated gap of approximately \$6.9B in small business lending.

LENDING OVERVIEW

Our analysis revealed several other takeaways related to the capital support landscape:

- The largest financing gap is for early stage capital for Main Street businesses. Notably, there is a gap in debt capital providers deploying early-stage capital (e.g., smaller dollar loans, friends-and-family capital) to Main Street borrowers.¹³
- Bank lending in Columbus is not deployed equitably across income levels or racial/ethnic demographics. While lending to small businesses in Columbus has increased steadily over the past five years, lending to low- and moderate-income (LMI) census tracts has grown at a slower rate compared to lending overall. Upper income tracts have received the greatest proportion of small business bank lending, and this proportion has increased over the past couple of years (Figure 4.4: Small Business Bank Lending by Census Tract Income Level).¹⁴

[FIGURE 4.4: SMALL BUSINESS BANK LENDING BY CENSUS TRACT INCOME LEVEL]

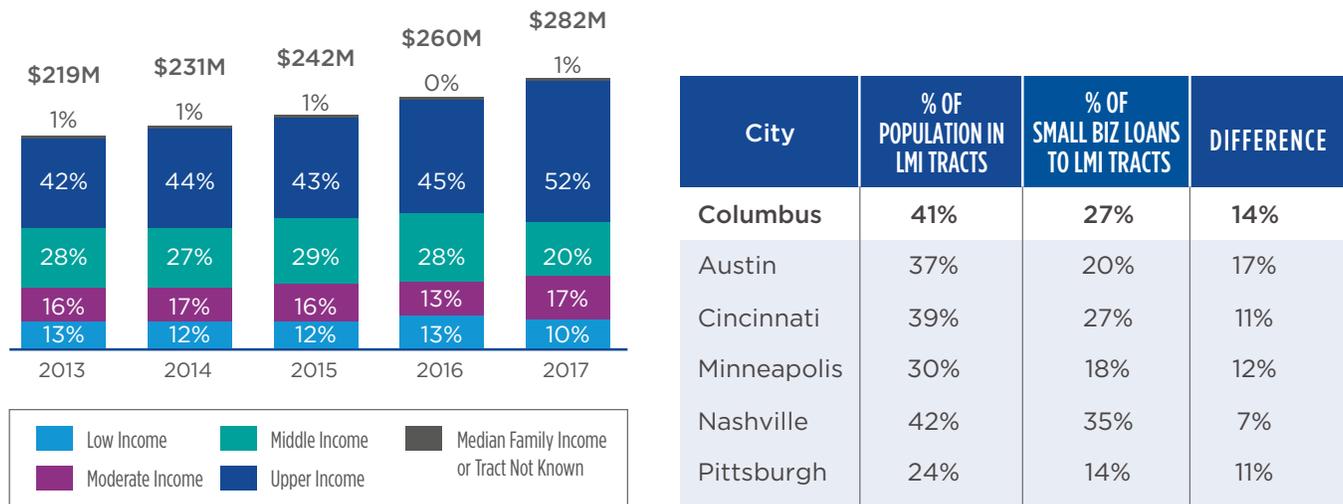
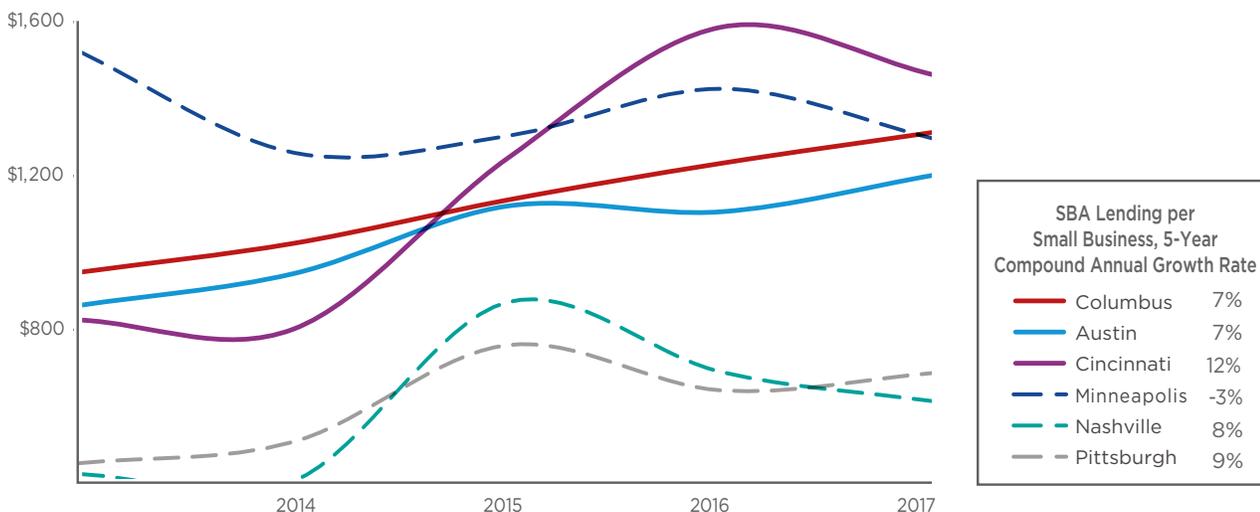


Figure Source: Federal Financial Institutions Examination Council CRA MSA Aggregate Reports for Franklin County and Peer Counties (2013-2017), American Community Survey (2017); Next Street Interview Program

- A significant portion (41%) of the Columbus population resides in low-and moderate-income tracts, however, only 27% of non-SBA bank small business loans have been deployed in these areas. This is a stark contrast to Nashville, which has a similar portion (42%) of its population in LMI tracts, yet has 35% of CRA loans deployed in these areas. After Austin, Columbus has the greatest difference (14%) between proportion of population and small business lending in LMI tracts, pointing to an opportunity to implement more equitable lending practices.

CROSS-MARKET COMPARISON (1 OF 2)

[FIGURE 4.5: SMALL BUSINESS ADMINISTRATION (SBA) LENDING PER SMALL BUSINESS FOR COLUMBUS AND PEER MARKETS]



- SBA lending has been a useful tool for deploying more capital to higher-risk industries. Columbus is ranked No. 2 in overall SBA lending per small business compared to its peers¹² (Figure 4.5: Small Business Administration (SBA) Lending – Cross-Market Comparison), with growth driven by traditionally higher-risk industries such as Food and Beverage Retail businesses, which comprise 17% of SBA lending (Figure 4.6: Small Business Administration (SBA) Lending – Breakdown Across Focus Industry Clusters).

[FIGURE 4.6: SMALL BUSINESS ADMINISTRATION (SBA) LENDING – BREAKDOWN ACROSS FOCUS INDUSTRY CLUSTERS]

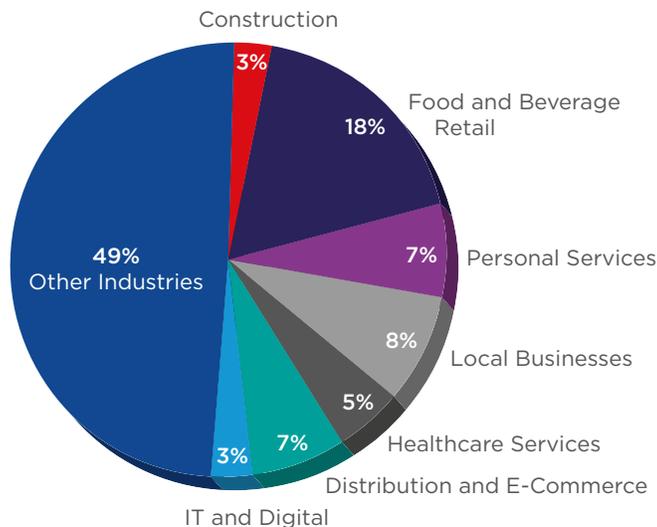


Figure Source: Freedom of Information Act (FOIA) to the Small Business Administration (SBA) for all 504 and 7(a) lending data (2013-2017); Next Street Interview Program

CROSS-MARKET COMPARISON (2 OF 2)

- The equity capital market is robust but focused on high-growth startups. Columbus outperforms national and statewide rates of equity funding under \$5M¹⁵ on a per small business basis but significantly lags leading peers like Austin, Nashville, and Pittsburgh (Figure 4.7: Equity Funding for Columbus, Ohio, U.S., and Peer Markets [A]).
- Columbus is generally in line with Austin and Pittsburgh with regards to allocation of overall equity investing to deals under \$5M, whereas Nashville and Cincinnati show a more significant focus on equity funding of smaller enterprises and deals (Figure 4.7: Equity Funding for Columbus, Ohio, U.S., and Peer Markets [B]).

[FIGURE 4.7: EQUITY FUNDING FOR COLUMBUS, OHIO, U.S., AND PEER MARKETS]

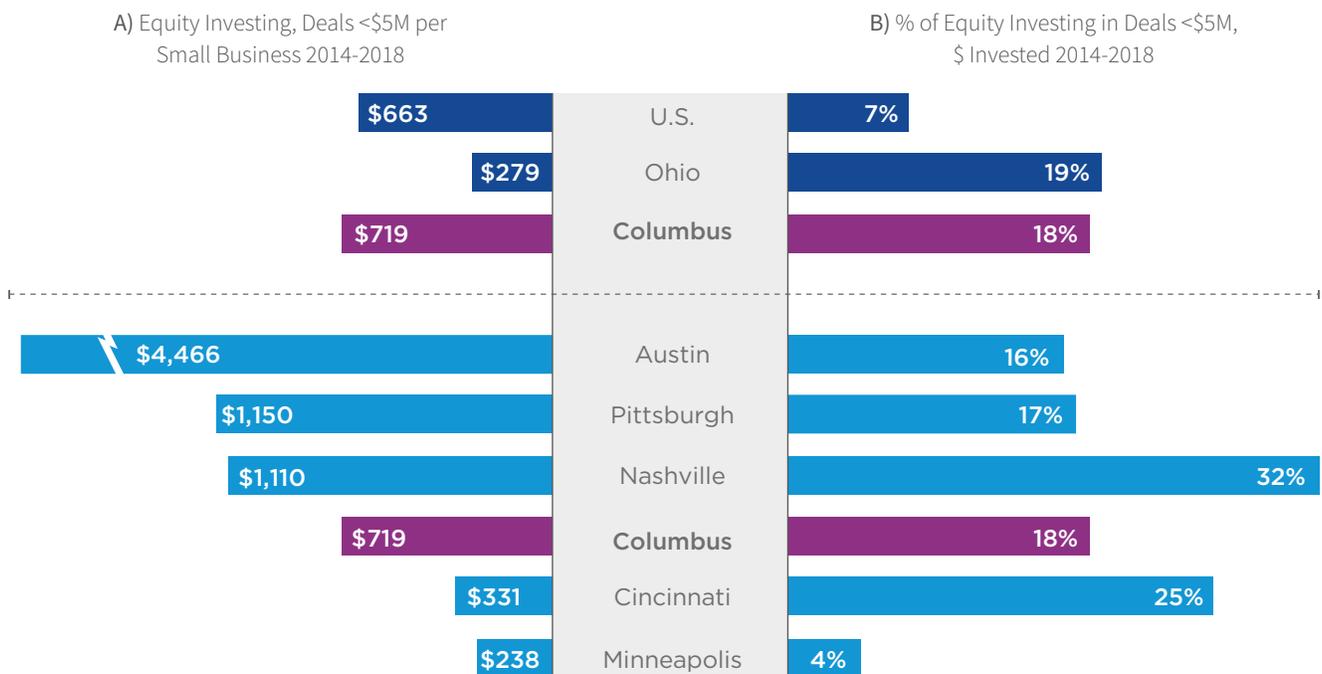


Figure Source: CB Insights Industry Analytics, equity funding including venture capital, private equity, and angel investments

“Banks ask a man ‘how profitable is your business?’
...On the other hand, they will ask a woman
‘how will you pay back the loan?’
(Interview / Focus Group Participant)”

BENCHMARKING AND BEST PRACTICES RESEARCH

WORKSTREAM ③

An assessment of small business ecosystems nationwide allowed us to contextualize the landscape in Columbus and envision what could be possible in our own city. We selected peers by evaluating cities against several metrics related to population, demographics, and economic trends as well as qualitative attributes, such as the presence of a large university (Figure 4.8: Benchmarking Peer Markets).¹⁶

The benchmarking analysis shed light on several strengths in Columbus:

- Columbus benchmarks well compared to peers in terms of growth in the number of large businesses (greater than 50 employees) (Figure 4.9: Benchmarking: Growth in Number of Large Businesses [More than 50 employees]).¹⁷
- Columbus has performed ahead of the national average and all peers except for Austin and Nashville in terms of high-growth business density, which represents the prevalence of fast-growing businesses with at least \$2M in annual revenue and 20% annualized growth over a three-year period (Figure 4.10: Benchmarking: High-Growth Company Density [Number of fast-growing businesses]).

While Columbus has experienced positive momentum, there are also several areas for improvement:

- Columbus ranks below its peers and the national average in terms of its share of very small businesses (fewer than 20 employees)¹⁸ (Figure 4.11: Benchmarking: Growth in Number of Very Small Businesses [Fewer than 20 employees]).
- Columbus benchmarks behind peers in the growth of startup businesses (measured by their employment growth in first five years of operations)¹⁹ (Figure 4.12: Benchmarking: Rate of Startup Growth [Average employment growth of a cohort of new startups in their first five years]).
- Columbus also lags in representation of women-, Black-, and Hispanic or Latinx-owned businesses²⁰ (Figure 4.13: Benchmarking: Diversity in Business Ownership).



BENCHMARKING SELECTED PEER MARKETS

ATX Austin (Travis County):

Rapid economic growth with burgeoning IT and high-growth sectors; state capital and major capital university

MIN Minneapolis (Hennepin County):

Most comparable midwestern market in terms of population size and employment growth, major public university, and diversification across industries

CIN Cincinnati (Hamilton County):

In-state peer with strong corporate presence and focus on inclusion in small business ecosystem

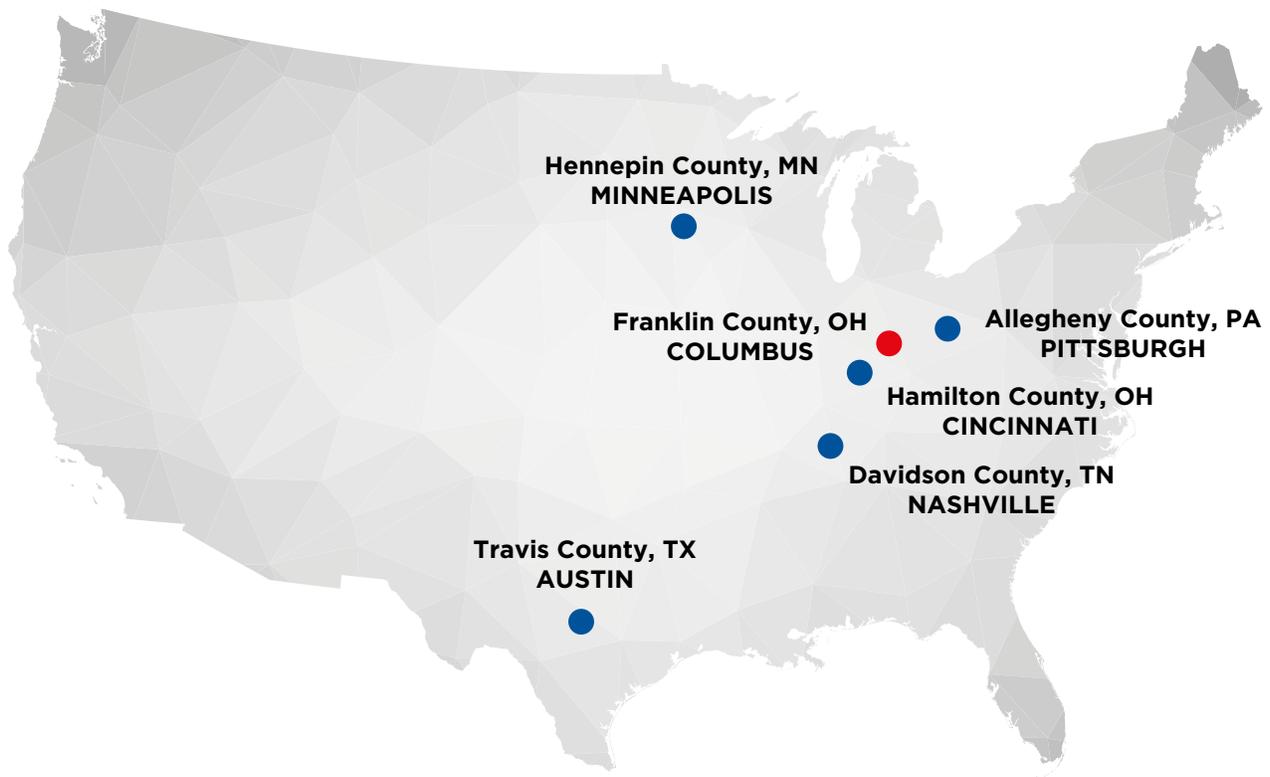
PIT Pittsburgh (Allegheny County):

Comparable size, by population and employment; similar educational attainment, growth in immigrant population, and median income; and strong anchor institution presence

NASH Nashville (Davidson County):

Comparable growth in overall population and immigrant population, and similar educational attainment, growth in immigrant population, and median income

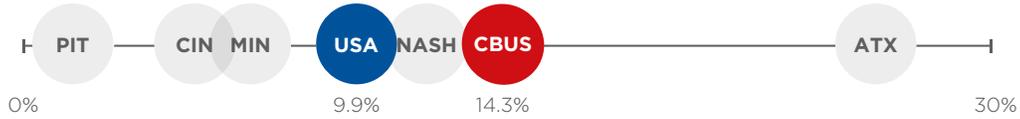
[FIGURE 4.8: BENCHMARKING PEER MARKETS]



*Based on data availability, the benchmarking analysis utilized primary county for each market or metropolitan statistical area (MSA) if county-level data was not available.

BENCHMARKING ANALYSIS

[FIGURE 4.9: BENCHMARKING: GROWTH IN NUMBER OF LARGE BUSINESSES [MORE THAN 50 EMPLOYEES]]



[FIGURE 4.10: BENCHMARKING: HIGH-GROWTH COMPANY DENSITY [NUMBER OF FAST-GROWING BUSINESSES WITH AT LEAST \$2M IN ANNUAL REVENUE]]



[FIGURE 4.11: BENCHMARKING: GROWTH IN NUMBER OF VERY SMALL BUSINESSES [FEWER THAN 20 EMPLOYEES]]



[FIGURE 4.12: BENCHMARKING: RATE OF STARTUP GROWTH [AVERAGE EMPLOYMENT GROWTH OF A COHORT OF NEW STARTUPS IN THEIR FIRST FIVE YEARS]]



[FIGURE 4.13: BENCHMARKING: DIVERSITY IN BUSINESS OWNERSHIP]

Women-Owned Establishments per 1,000 Female Population



Black-Owned Establishments per 1,000 Black Population



Hispanic or Latinx Owned Establishments per 1,000 Hispanic or Latinx Population



Figure Source: The Kauffman Index (2016), US Census County Business Patterns (2016), US Census Annual Survey of Entrepreneurs (2016); American Community Survey (2016)

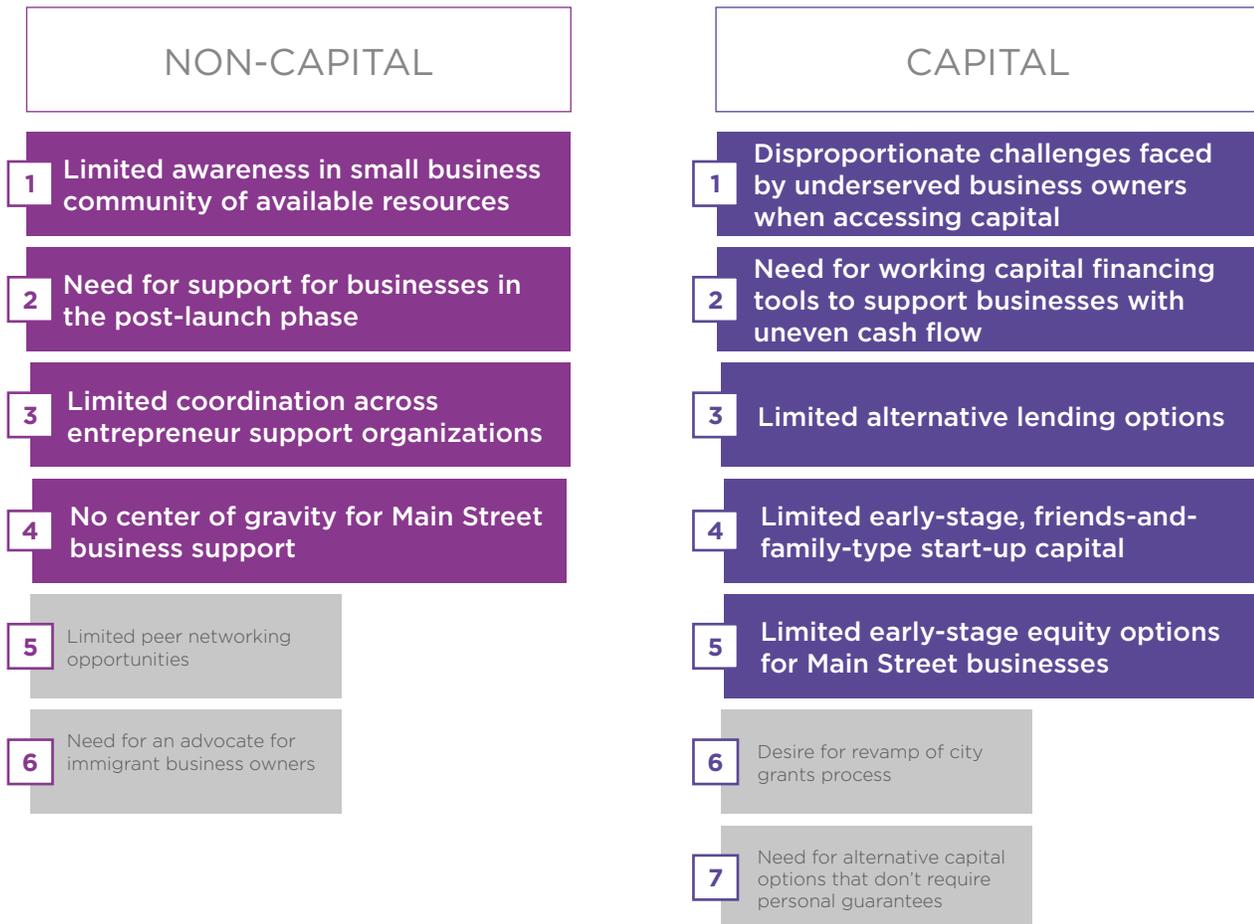
We also conducted qualitative research on small business ecosystems in four peer cities: Chicago, Detroit, Buffalo, and Minneapolis. This research revealed critical insights about these cities, in terms of successes and pitfalls, that have influenced their trajectories. Learnings from other cities, coupled with the rest of the assessment, helped us develop strategies that will move Columbus forward.

GAPS PRIORITIZATION (1 OF 2)

WORKSTREAM ④

We synthesized findings from all of the workstreams in order to identify a set of gaps that currently prevent Columbus' small business ecosystem from reaching its full potential in supporting small businesses. We then organized these gaps into four segments: non-capital, capital, industry-specific, and neighborhood-specific (Figure 4.14: Gaps Prioritization). The Next Street team helped the Advisory Committee prioritize the gaps and align on a set of interconnected strategies and initiatives.

[FIGURE 4.14: GAPS PRIORITIZATION]

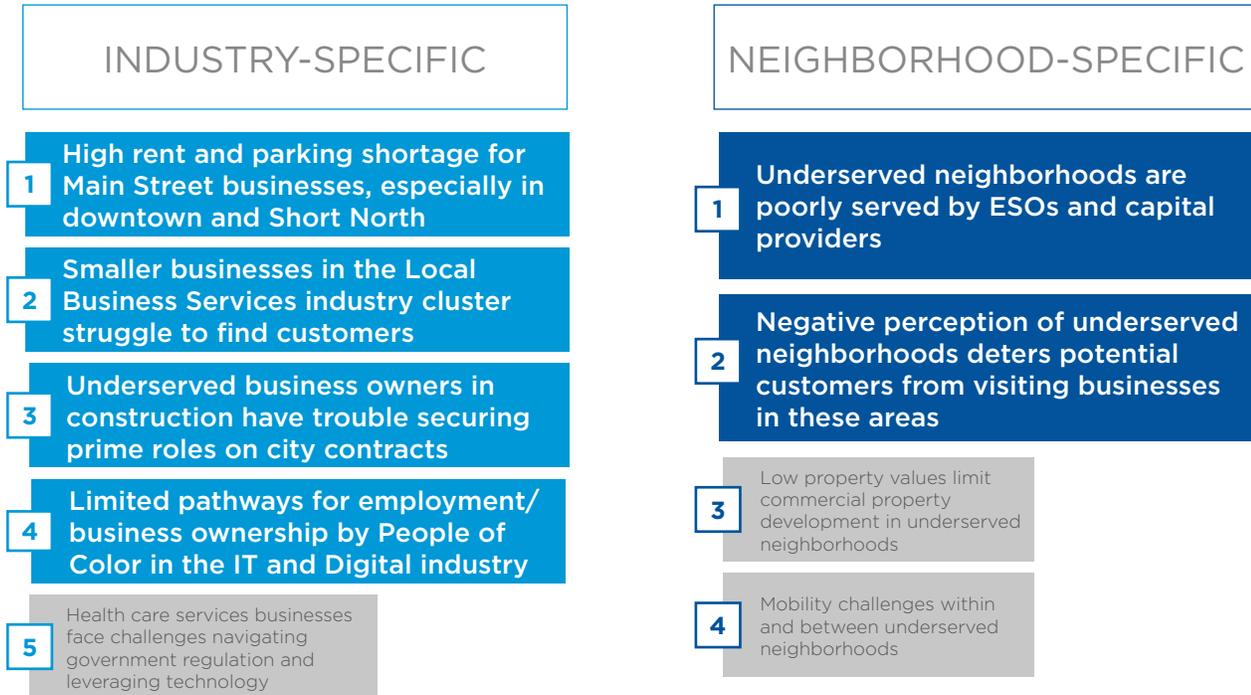


*Gray bars indicate gaps that were deprioritized by the Advisory Committee

GAPS PRIORITIZATION (2 OF 2)

Identification of Gaps and Strategy Development

[FIGURE 4.14: GAPS PRIORITIZATION]



*Gray bars indicate gaps that were deprioritized by the Advisory Committee

“We talk about raising money in venture capital, but not money invested in regular small businesses where it’s needed. Why are we only pushing technology? It’s okay to go open a coffee shop or a welding business. We need those, too.”

(Interview / Focus Group Participant)

SECTION FIVE: PATH FORWARD

Columbus is poised to move forward.

We are taking crucial steps that will have far-reaching implications for our small business ecosystem — for the people in our community with hopes and plans for owning their own businesses, who rely on our city as a partner and proponent. The Advisory Committee, Project Team, and Working Group have created a mission and vision for the Small Business Agenda that will anchor our efforts over the next several years. Though our specific strategies and initiatives may shift based on the evolving needs of our small businesses, our purpose and goals will not. In all that we do, we will be guided by both our mission and vision:

MISSION

The mission of the Columbus Small Business Agenda is to cultivate an inclusive, dynamic, and continuously improving small business ecosystem that enables all entrepreneurs to enjoy equitable opportunity for success that contributes to local economic development outcomes.

VISION

We envision a coordinated, connected, and vibrant network that affords small businesses — in particular enterprises owned by entrepreneurs of color — the opportunity to start, sustain, and scale to create economic empowerment for all.

SMALL BUSINESS AGENDA FRAMEWORK

The Small Business Agenda is a bold framework (Figure 5.1: Small Business Agenda Framework) for transformation that will rely on individuals and groups coming together to advance our shared mission, vision, and goals. Leading the charge will be our Ecosystem Builders, a group of committed and visionary individuals that will foster connectivity, raise awareness and funding, and act as champions for this work.

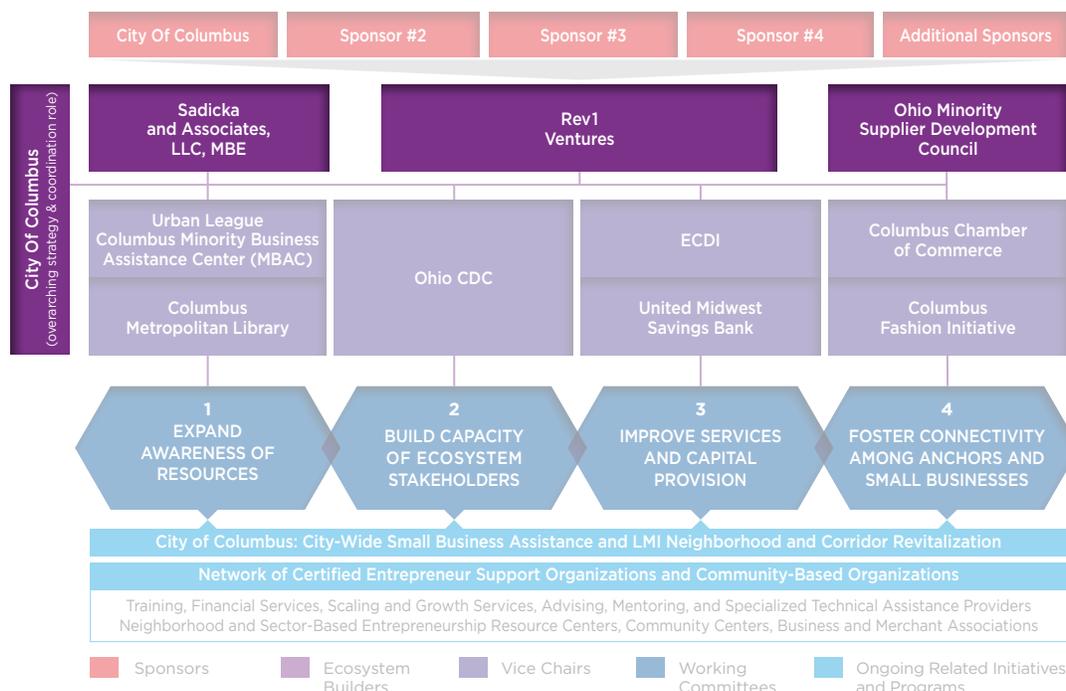
ECOSYSTEM BUILDERS:

- Build networks across the ecosystem by setting agendas, coordinating and leading monthly Working Committee meetings, and hosting quarterly master small business ecosystem meetings to ensure our collective efforts remain coordinated
- Develop action plans and budgets, track outcomes, and establish accountability mechanisms to ensure we meet key milestones
- Raise funding to support initiatives
- Serve as point of contact for external stakeholders and those interested in learning about or engaging with the Small Business Agenda

THE CITY OF COLUMBUS:

- Play an overarching strategy and coordination role as one of the Ecosystem Builders, ensuring that the Small Business Agenda is executed thoughtfully and effectively by our coalition of committed stakeholders

[FIGURE 5.1: SMALL BUSINESS AGENDA FRAMEWORK]



ROLES AND RESPONSIBILITIES

The Ecosystem Builders will drive the blueprint for transformation. Their partners in this work will be the Vice Chairs, Working Committees, and Sponsors.

VICE CHAIRS:

- Support the Ecosystem Builders and take a leading role on their respective Working Committees

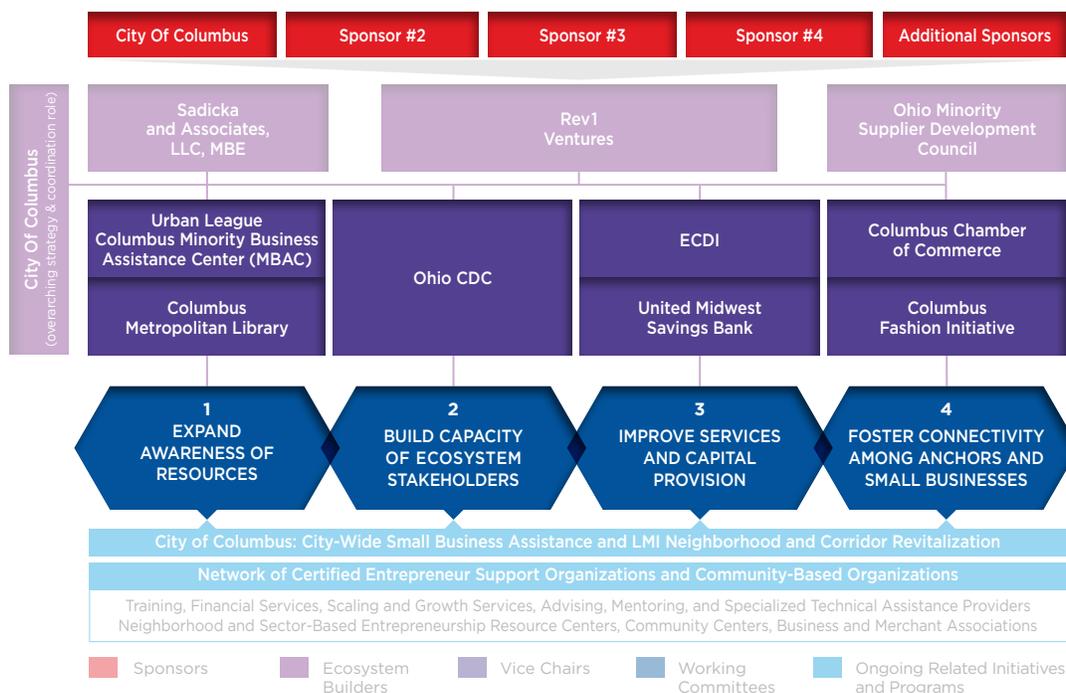
WORKING COMMITTEES, LED BY THE ECOSYSTEM BUILDERS:

- Advance the strategies of the Small Business Agenda
- Report on their progress, outcomes, setbacks, and issues at monthly meetings
- Collaborate and seek synergies with other Working Committees and attend quarterly master meetings that bring together all of the Working Committees

SPONSORS:

- Build a coalition of funders to support multi-year small business ecosystem initiatives
- Serve as evangelists and advocates for the Small Business Agenda with external stakeholders
- Leverage their respective organization brands to advance the Small Business Agenda (e.g., by developing funder coalition, helping Working Committees initiate necessary partnerships)
- Review progress and provide necessary guidance for Working Committee activities

[FIGURE 5.1: SMALL BUSINESS AGENDA FRAMEWORK]

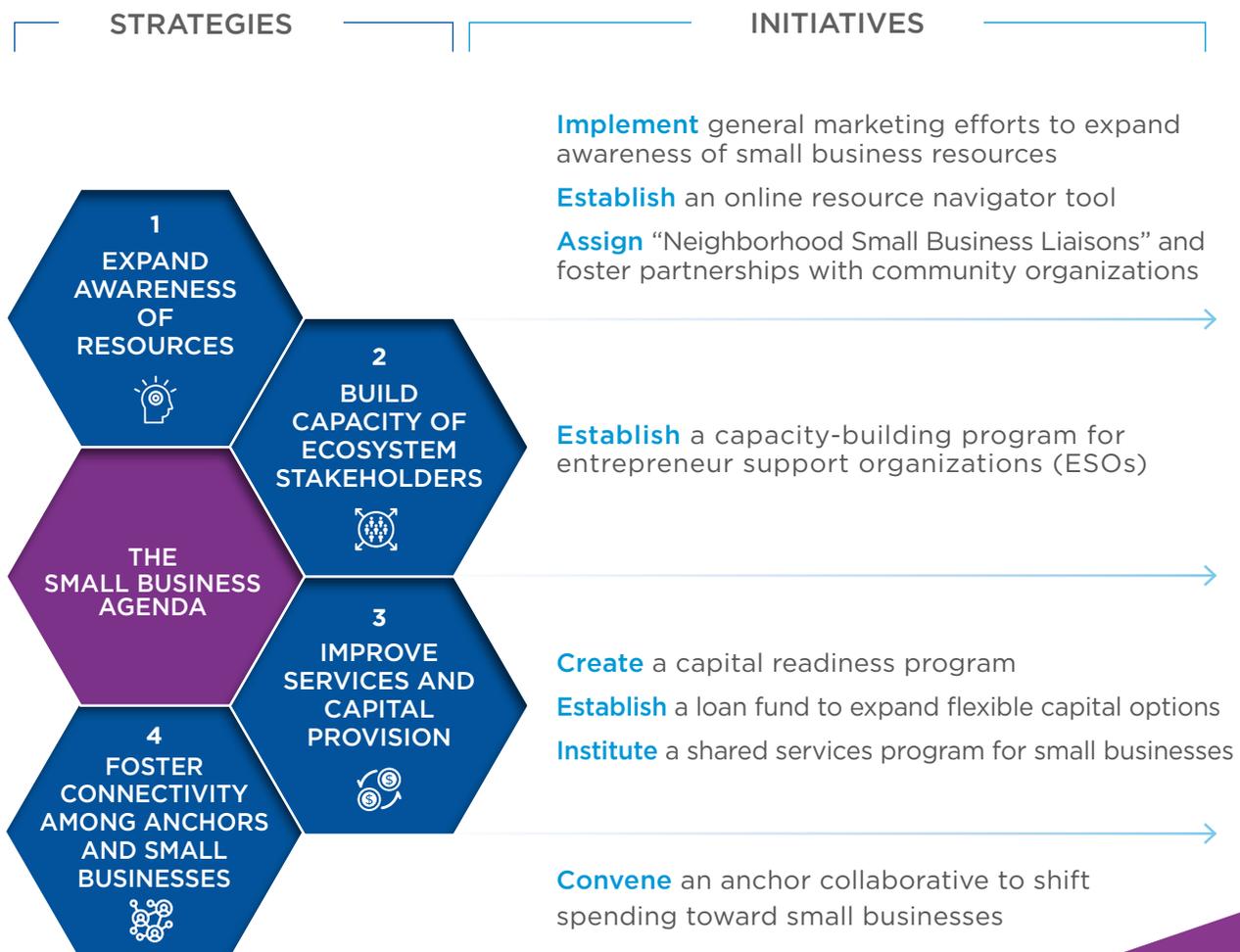


WORKING COMMITTEE STRATEGIES

The Working Committees will each execute on their own initiatives. Together, these initiatives serve as the building blocks for the Small Business Agenda.

The Working Committees will each execute a strategy (Figure 5.2: Small Business Agenda Strategies and Initiatives) and collaborate with one another to share learnings and resources. Combined, these four strategies will guide the transformation of the Columbus small business ecosystem into a primary driver of economic inclusion. The strategies will enable us to develop a small-business-centric ethos that resonates with needs across the city, as well as those specific to certain neighborhoods.

[FIGURE 5.2: SMALL BUSINESS AGENDA STRATEGIES AND INITIATIVES]



EXPAND AWARENESS OF RESOURCES (1 OF 2)



WORKING COMMITTEE #1

The objective of this Working Committee is to expand the awareness of resources available to Columbus small businesses, among both owners and the surrounding support and capital providers. The Working Committee includes a variety of stakeholders, including small businesses, entrepreneur support organizations, capital providers, and government representatives, among others — all of whom contribute a unique perspective on how to reach small businesses.

THE GAP

This Working Committee will address disparities in awareness and access to information and resources. Conversations with small business owners during the Assessment Phase revealed that many individuals, especially those operating in neighborhoods beyond the immediate downtown area, are not aware of available business resources. When business owners are aware of resources, the information is mostly provided by word-of-mouth. Several small business owners described the experience of running their business as isolating, and at times overwhelming, given the lack of guidance around how to find and vet resources from areas such as marketing to navigating capital options. This imprecise and ad hoc method of learning about resources is insufficient, highlighting the need to create simple, centralized, and accessible ways for small business owners across the city to learn about and verify the various services available.

Working Committee #1 will be led by:

Ecosystem Builder:

- Sadicka and Associates, LLC, MBE

Vice Chairs:

- Columbus Urban League,
Minority Business Assistance Center
- Columbus Metropolitan Library



EXPAND AWARENESS OF RESOURCES (2 OF 2)

THE SOLUTION

This Working Committee will embark on three initiatives to help expand the awareness of resources available to small businesses in Columbus.

Establish an online resource navigator tool

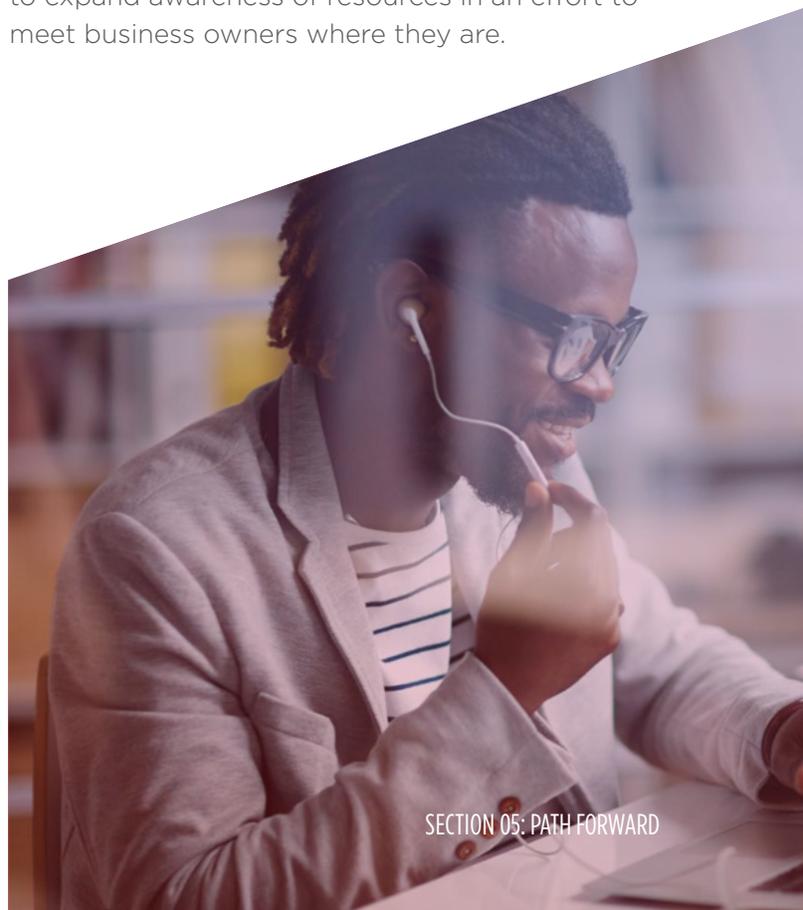
The City of Columbus will develop a web-based online resource portal that deploys a business lifecycle approach to refer and guide existing and aspiring small business owners toward available resources across the city. The website may also enable small business owners to read reviews of service providers by fellow small businesses to vet relevant options. Likewise, the website will serve as a resource for ESOs and capital providers to help identify potential small business referrals, thus elevating all small businesses as prospective customers to organizations utilizing the online tool. Lastly, the website will provide access to small-business-focused local Business Retention and Expansion (BRE) economic development tools and analytics.

Implement general marketing efforts to expand awareness of small business resources

This may include a revamped small business resource webpage for the City of Columbus, business resource fairs to advertise local support organizations, and informational brochures in library branches, among other efforts.

Assign “Neighborhood Small Business Liaisons” and foster partnerships with community organizations

Individuals designated as “Neighborhood Small Business Liaisons” will take responsibility for sharing information and resources with entrepreneurs and small business owners in their respective neighborhoods. The liaisons will partner with community organizations (e.g., libraries, churches, social service organizations) to expand awareness of resources in an effort to meet business owners where they are.



WHAT SUCCESS LOOKS LIKE

Coordinated, connected, and vibrant networks will provide small business owners of all stages with easy access to the resources and support channels they need to thrive.



These awareness-building channels will spark collaboration and enable coordinated referrals among entrepreneur support organizations and capital providers, guiding small businesses toward the right resources to meet their needs.

For example, Alberto and Alejandra

Cervantes, a brother and sister living in Dublin, would like to open a Mexican restaurant. They visit the Hilliard branch of the Columbus Metropolitan Library to learn how to access available resources to start a small business and conduct market research.

Similarly, **Rachel Maynard**, the owner of **Inspiration to Movement**, a dance studio on Parsons Avenue, and past City of Columbus Neighborhood Commercial Revitalization (NCR) Grant recipient, and **Oyo Dance Company**, may receive guidance from a neighborhood merchants association on where to find resources related to marketing, board development, and long-range financial planning, including planning for a facility expansion. The merchants association also points Rachel toward the online resource navigator tool, where she is able to find additional service providers that have experience guiding businesses within the performing arts industry.



BUILD CAPACITY OF ECOSYSTEM STAKEHOLDERS



WORKING COMMITTEE #2

The objective of this Working Committee is to strengthen the knowledge, capabilities, and operations of entrepreneur support organizations (ESOs) so they are better equipped to deliver high-quality services to all small businesses in Columbus. This strategy will be executed through an ESO capacity-building program that will cover a range of topics related to direct service delivery and internal ESO operations.

Working Committee #2 will be led by:

Ecosystem Builder:

- Rev1 Ventures

Vice Chair:

- Ohio CDC

THE GAP

It is critical that ESOs improve and expand the services they deliver to small businesses. Our assessment revealed a gap in support for businesses in the “post-launch” phase (i.e., businesses that have been operating for at least two years and are aiming to grow); to take their business to the next level, these businesses need specialized support (e.g., industry-specific support, guidance on how to grow business with existing customers) beyond general business services. Furthermore, to reach small business owners from underrepresented backgrounds and in underserved neighborhoods, these services must be delivered in a culturally competent way.



THE SOLUTION

This Working Committee will address gaps in service delivery and ESO operations through a capacity building program:

Establish a capacity-building program for entrepreneur support organizations (ESOs)

This program will include a curriculum to guide ESOs in their delivery of services to small businesses and to streamline their internal operations. We envision a dynamic program that brings best practices to life for ESOs by providing instruction and coaching in areas that may include:

- mentoring for small businesses, segmented by industry, business stage, and/or owner demographics
- cultural competence training to more effectively work with People of Color, immigrants, and women business owners
- tailored programs for business needs by stage and industry
- internal operations, which includes how to effectively conduct outreach to neighborhood businesses, facilitate hand-offs across ESOs and capital providers, and measure impact

WHAT SUCCESS LOOKS LIKE

A community of strong, experienced, and connected entrepreneur support organizations (ESOs) will be equipped to deliver high-caliber services to Columbus small businesses or refer them to an appropriate provider.



The shared learning and capacity-building from peer ESOs and an external provider will help cultivate a strong and connected network of ESOs that is well equipped to meet the unique needs of small businesses.

For example, Sarah Roell,

the founder of south side-based **Dynamic Flow Acupuncture** and wellness collective **Movements of Qi**, meets with a business advisor at a neighborhood merchants association to seek guidance around market research and related issues.

The merchants association has noticed a need for these services among many small businesses and perceives a lack of ESOs providing these services in the south side of Columbus and throughout the city. As a result, the merchants association partners with a few other local ESOs to hold meetings where they share best practices on how to coach small businesses in areas such as market research and succession planning. The community of ESOs also brings in national experts on these topics to hold capacity-building workshops, which expose ESO staff to best practices from across the country.

Sarah is then able to revamp her target customer and marketing strategies and receives best-in-class advice regarding succession planning.

IMPROVES SERVICES AND CAPITAL POSITION



WORKING COMMITTEE #3

The objective of this Working Committee is to improve services and capital provision for small businesses through three new programs that will make it easier for small businesses to access the services and capital needed to run their businesses.

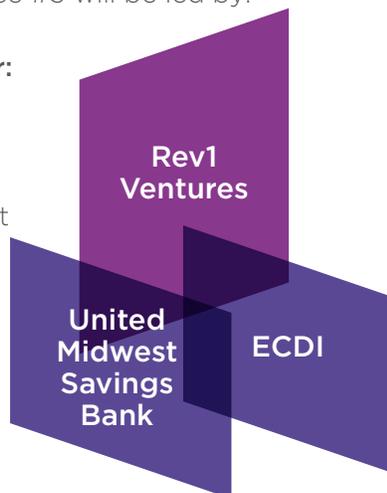
Working Committee #3 will be led by:

Ecosystem Builder:

- Rev1 Ventures

Vice Chairs:

- ECDI
- United Midwest Savings Bank



THE GAP

Based on quantitative analysis of the capital gap for small businesses in Columbus and numerous conversations with small businesses and support providers, we identified three critical gaps in today's small business ecosystem: 1) many small businesses do not have the financial literacy or awareness of what is needed to apply for loans; 2) a significant shortage exists in the availability of flexible capital (i.e., loans for businesses with limited cash flow or collateral that are unable to secure traditional financing); and 3) it is difficult for small businesses to focus on their high-level strategy when managing day-to-day operations.

THE SOLUTION

This Working Committee will address these services and capital gaps through three initiatives:

Create a capital readiness program

This Working Committee will organize and lead a series of financial management and capital readiness workshops to help small businesses of all stages prepare for accessing capital. Workshops will be held in person at local ESOs and capital providers, and online to accommodate business owners' busy schedules.

Establish a loan fund to expand flexible capital options

A coalition of three to five financial partners (e.g., large banks, CDFIs, government partners) will come together to contribute to a fund that fosters financial stability and growth opportunities for small businesses by providing access to affordable capital not previously available.

Institute a shared services program for small businesses

The shared services program will deliver services to small businesses that seek ongoing operational support for their business. Services will be delivered by a network of vetted accountants, marketing professionals, insurance providers, and other individuals and organizations that are local to Columbus. This will help fulfill the operational needs of small businesses and enable them to have more capacity to focus on the strategic aspects of their businesses.

WHAT SUCCESS LOOKS LIKE

A robust small business support environment will provide small businesses with the tools needed to start, sustain, and grow their businesses.

For example, Lisa Gutierrez, owner of **Dos Hermanos Taco Truck**, needs additional capital to hire more staff. She attends a capital readiness workshop, where she receives guidance on the tradeoffs of different loan options.

The workshop instructors determine that Lisa is ready to take on more capital and refer her to the loan fund, through which she is able to access a small business loan, enabling her to expand her team. As Lisa's business matures, she wants to outsource more of the day-to-day operations so that she can free up time for high-level business strategy and future expansion plans.

Lisa accesses the shared services program, which connects her with a vetted list of professional service providers, including an accountant, social media expert, and virtual assistant to manage administrative activities.



The capital readiness support, loan fund, and shared services program will strengthen the support system for small businesses and help set up entrepreneurs like Lisa for success.

FOSTER CONNECTIVITY AMONG ANCHORS AND SMALL BUSINESSES



WORKING COMMITTEE #4

The objective of this Working Committee is to encourage collaboration and greater commitment among anchor institutions (e.g., corporations, government, universities) to supporting small business, including shifting more of their spending to small business suppliers, sharing best practices, and measuring and promoting their collective impact on the Columbus small business economy. This strategy will be executed through the establishment of an anchor collaborative.

THE GAP

Currently, small businesses struggle to reach customers and compete for large contracts that are necessary for growth. This challenge is especially acute for businesses owned by People of Color and women who may face additional barriers to accessing and engaging with the purchasing department of a large anchor institution. From the anchor institution perspective, there are significant benefits associated with doing business with diverse suppliers, including innovation in products and services, cost efficiencies, and the opportunity to strengthen the local economy. It can be challenging for large institutions to identify small business suppliers, vet their readiness, and shift spending without broader coordination and shared learnings with other organizations. We understand that strong services and capital products for small businesses alone are insufficient — it is critical that our ecosystem sets small businesses up for success by connecting them with market opportunities.



Working Committee #4 will be led by:

Ecosystem Builder:

- Ohio Minority Supplier Development Council (OhioMSDC)

Vice Chairs:

- Columbus Chamber of Commerce
- Columbus Fashion Initiative

THE SOLUTION

This Working Committee will address the lack of connectivity between small businesses and anchor institutions by creating an anchor collaborative:

Convene an anchor collaborative to shift spending toward small businesses

This collaborative will consist of corporations, government entities, universities, hospitals, and other local anchor institutions that share a commitment to expanding opportunities for small businesses, including those owned by People of Color and/or women.

WHAT SUCCESS LOOKS LIKE

By connecting small businesses to customers and contracts, we will catalyze the equitable growth of Columbus small businesses.

For example, Haleema Shafeek of **Green Office Furniture Solutions** may attend a marketing workshop at her neighborhood ESO as she seeks to expand her business by reaching new customers. At the end of this workshop, the instructor connects Haleema to a collaborative of Columbus anchor institutions — large institutions such as schools, government, hospitals, or big corporations — committed to purchasing more from local small businesses.

The neighborhood ESO helps Haleema develop a strong RFP response for an opportunity that arises from that connection, and Haleema wins a contract to provide commercial furniture to a large corporation that is building a new office in Columbus. Haleema leverages this contract to secure relationships with other anchor institutions, build capacity to deliver on increasingly large contracts, and continue to grow her business over the next few years. Moreover, the anchor collaborative connects Haleema to other small businesses, enabling them to forge partnerships and pursue large contracts together. The collaborative logs the contract with Haleema in their impact measurement efforts, debriefs on key learnings from the supplier relationship, and discusses how to continue the shifting of spending to more small businesses.

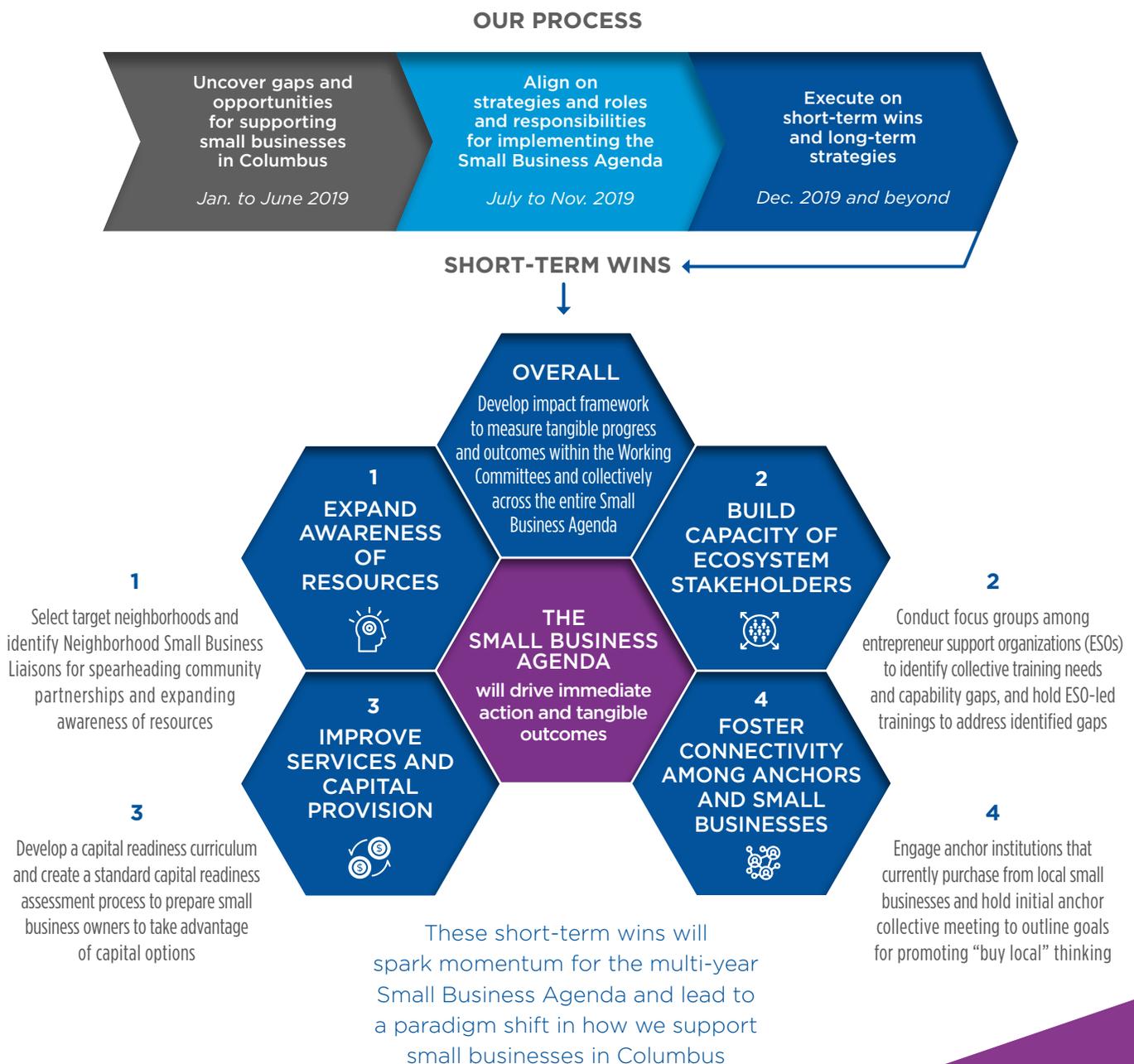
Understanding that not all small businesses will be ready to secure contracts with large anchors, we envision the anchor collaborative guiding these earlier stage businesses toward relevant resources (e.g., online resource navigator tool, Neighborhood Small Business Liaisons, shared services program) to help these small businesses reach a point where they can pursue a large customer relationship.



THE FIRST 90 DAYS

It is paramount that all of us move forward together on this path, capitalizing on our collective strengths and supporting the Ecosystem Builders and Working Committees. We will work in tandem to ensure successful implementation of the Small Business Agenda and tangible results within the first 90 days and beyond (Figure 5.3: Small Business Agenda Quick Guide).

[FIGURE 5.3: SMALL BUSINESS AGENDA QUICK GUIDE]



CONCLUSION AND CALL TO ACTION

Staying focused on the Small Business Agenda will be the key to our success and enable us to reimagine small business support in Columbus. While we must be nimble in our daily dealings and open-minded in making necessary adjustments to our long-term plans, we must move swiftly into action. The status quo must go. In its place, we will seize upon Columbus' strengths and forge a new path. Our plans and projects cannot exist in a vacuum. We must continue to listen closely to on-the-ground insights from small business owners across the city so that we understand what they need, and we deliver it to them where and when they need it. When we lift up our small businesses, we lift up our entire community. We must be America's Opportunity City not just for some of our residents, but for all.

We invite you to join us in advancing the Small Business Agenda by helping us work toward the vision of a coordinated, connected, and vibrant network that affords small businesses — in particular those owned by People of Color — the opportunity to start, sustain, and scale to create economic empowerment for all. Tactically, that means:

Listening to local small business owners to hear about their unique successes and challenges

Buying from Columbus small businesses (a starting list of small businesses engaged through the Assessment Phase can be found in the Acknowledgments section)

Sharing this report through social media, your company website, and word-of-mouth

Connecting with the City of Columbus Office of Small Business and Entrepreneur Development and relevant Ecosystem Builders if you are interested in engaging with one of the four Working Committees

- + City of Columbus Office of Small Business and Entrepreneur Development
Henry Golatt - 614-645-8616
- + Working Committee #1: Expand awareness of resources
Sadicka and Associates, LLC, MBE - Sadicka.white@gmail.com
- + Working Committee #2: Build capacity of ecosystem stakeholders
Rev1 Ventures - Alicia@rev1ventures.com
- + Working Committee #3: Improve services and capital provision
Rev1 Ventures - Kristy@rev1ventures.com
- + Working Committee #4: Foster connectivity among anchors and small businesses
Ohio Minority Supplier Development Council (OhioMSDC)
Jneal@ohiommsdc.org, Gwatson@ohiommsdc.org

The research and analysis summarized in this report were completed by Next Street, a mission-driven advisory firm revolutionizing how its clients provide capital, customers, and services to small businesses and entrepreneurs. Next Street's goal is to equip its clients with the strategies and tools to drive equitable small business growth for a more inclusive U.S. economy.

ACKNOWLEDGMENTS (1 OF 3)

This project has been made possible through the generosity of time, expertise, and spirit of the wide variety of stakeholders who believe in the future of small business success in the City of Columbus. Through meetings, engaging small business owners and other leaders to participate in our focus groups, and directly sharing perspectives, we have created a rich resource of insights on the small business ecosystem and a path forward for success.

We express our deep appreciation to:

Focus group participants and small business owners who shared their stories

Small business owners

- Somto Akaeze, OurParking.space
- Adan Ali, Five ID Studio
- Jack Bailey, Tastings - A Wine Experience
- Aaron Bally, Bally Sports Group
- Erika Boll, The Toasted Oat
- Rokki Bonner and Asegedeche C Kumnegere, Personal Fitness Navigators/Fit to Navigate
- Brian Brooks, E.E. Ward Moving
- Alberto and Alejandra Cervantes, aspiring restaurateurs
- Blake Compton, Compton Construction
- Melissa Crum, Mosaic Education Network
- Shellee Fisher, Shellee Fisher Photography
- Haghiri Ghazvini, Charmy's LLC
- Lisa Gutierrez, Dos Her manos
- Carla Gwinn, Liberty Tax Service
- Jess Hellmich, Dueling Axes
- Jeanna Hondel, Ascension Construction Solutions
- Catherine Lang-Cline, Portfolio Creative
- Rachel Maynard, Inspiration to Movement and Oyo Dance Company
- Madison Mikhail, POINT
- Janis Mitchell, Otlter
- Natasha Pongonis, OYE!
- Letha Pugh, Bake Me Happy
- Eric Rentschler, Bluekick
- Sarah Roell, Dynamic Flow Acupuncture and Movements of Qi
- Demetrius Robinson, Robinson Legal Group, Ltd.
- Haleema Shafeek, Green Office Furniture Solutions
- Julie Smith, Rebuilding Together Central Ohio
- Bryce Ungerott, LNS Restaurant Group
- Tim Voss, Sequoia Pro Bowl
- Sarah Woods, Shatter

Entrepreneur support organizations (ESOs)

- Carrie Almasi, United Way of Central Ohio
- Alex Bandar, Columbus Idea Foundry
- Deonna Barnett, Aventi Enterprises
- Melinda Carter, Columbus Minority Business Assistance Center (MBAC) of Columbus Urban League

Entrepreneur support organizations (ESOs) - Cont'd

- Christy Farnbauch, National Association of Women Business Owners (NAWBO) Columbus
- Shannon Feucht, US Small Business Administration (SBA)
- Ramona Mills, Women's Business Center of Central Ohio (ECDI) (previously)
- Ambrose Moses, Central State University, Pyramid CDC
- Alicia Oddi, Rev1 Ventures
- Emily Savors, The Columbus Foundation
- Terry Traster, Food Fort (ECDI)

Interview participants

- Olivia Abdalla, Ascent Microfinance
- Derrick Bailey, Telhio Credit Union
- Kristy Campbell, Rev1 Ventures
- Lilleana Cavanaugh, Ohio Latino Affairs Commission
- Michael Childs, United Midwest Savings Bank
- Dr. Iris Cooper, Entrepreneurial Consultant and Co-Founder of Glory Foods
- Annalies Corbin, PAST Foundation
- Alex Derkson, JPMorgan Chase
- Falon Donohue, VentureOhio
- Steve Fireman, ECDI
- Laura Frum, Community Capital Development Corporation (CCDC)
- Anne Geggie, Finance Fund
- Sean Grant, The Columbus Partnership and One Columbus
- Renard Green, Dr. James Hill, and Jacqueline D. Neal, Ohio Minority Supplier Development Council (OMSDC) and Ascend Columbus
- Holly Gross, Columbus Chamber of Commerce
- Jeremy Gutierrez, Huntington Bank
- LC Johnson, Forward Cities
- Ray Leach, JumpStart
- Parker MacDonell, Ohio TechAngel Funds (Rev1 Ventures)
- James Marra, Blue Point Capital Partners
- Erik Roush, Columbus City Schools
- Michael Stevens, City of Columbus

ACKNOWLEDGMENTS (2 OF 3)

Advisory Committee members

- Thalia Amador, Ohio SBDC at Columbus State Community College (previously)
- Otto Beatty, Intelligent Office
- Alex Beres, Franklin County
- Shaundretta Boykins, ECDI, The Women's Business Center of Central Ohio
- Sarah Briggs, AT&T
- Kristy Campbell, Rev1 Ventures
- Melinda Carter, Columbus Minority Business Assistance Center (MBAC) of Columbus Urban League
- Michael Childs, United Midwest Savings Bank
- Nate Coffman, Ohio CDC Association
- Derek DeHart, Root Insurance
- Don DePerro, Columbus Chamber of Commerce
- Alex Derkson, JPMorgan Chase
- Allison DeSantis, Ohio Secretary of State
- Falon Donahue, VentureOhio
- Thomas Eveland, Ohio Dominican University
- Christy Farnbauch, NAWBO Columbus
- Maggie Ference, Huntington National Bank
- Shannon Feucht, US Small Business Administration
- J. Averi Frost, Central Ohio African American Chamber of Commerce (COAACC)
- Laura Frum, Community Capital Development Corporation (CCDC)
- Anne Geggie, Finance Fund
- Sean Grant, The Columbus Partnership and One Columbus
- Gail Kelley, Two Men and a Truck
- Bob Leighty, Parsons Area Merchants Association
- Kate Lukeman, Goldman Sachs Foundation
- Heather Marsh, MarshWagner
- Steven Moore, Columbus Foundation
- Yas Motoyama, Ohio State University City and Regional Planning
- Jacqueline D. Neal, Ohio Minority Supplier Development Council (OMSDC)
- Eddie Pauline, Ohio State University
- Linda Pringle Evans, Pringle & Associates, LLC
- Paul Reeder, Ohio State University
- Elton Smith, Smith Construction
- Keena Smith, Franklin County
- Michael Smithson, On Air Communications
- Molly Tafate, SocialVentures
- Chessie Wyche, Diversity Compliance Coalition of Ohio (DCCO)
- Randy Zipfel, SCORE

Other Advisors

- Melissa Blount-Garner, Fifth Third Bank
- Terry Bolden, City of Columbus, Supplier Diversity
- Mike Bowers, Ohio SBDC at Columbus State Community College
- Shawn Bunt, JPMorgan Chase
- Michael Compton, Columbus College of Art and Design (CCAD)
- Andrea Contigiani, Ohio State University
- Charlie Corrigan, JPMorgan Chase
- Louisa Dallett, ECDI
- Jalisa Dawkins, Columbus Public Health
- Brian Estabrook, Franklin County
- Steve Fireman, ECDI
- Alice Foeller, Elevate Northland / SiteInSight
- Cheryl Graffagnino, Columbus Public Health
- Stephanie Hall, Columbus State Community College (CSCC)
- Ellen Harvey, Ohio SBDC at Columbus State Community College
- Jim Henson, Finance Fund
- Charles Hill, Experience Columbus
- Michael Kinninger, Ohio Statewide Development Corporation (OSDC)
- Kim Knights, Columbus Empowerment Corporation
- Dwayne Lee, US Bank
- Kevin Lloyd, ColumbusBlack, MYLE, BLK Hack
- Mary Lutz, Ashland University Columbus Center
- Allen McConnell, Ohio Development Services Agency
- Kip Morse, Central Ohio Better Business Bureau (BBB)
- Alicia Oddi, Rev1 Ventures
- Nicole Monahan, Columbus College of Art and Design (CCAD)
- Ty Patillo, The Robert Weiler Co.
- Barry Peel, US Small Business Administration
- Stephen Poweska, SCORE
- Tim Raderstorf, Ohio State University
- Rose Roman, Union Bank
- Larry Seward, Huntington National Bank
- Haleema Shafeek, Green Office Furniture Solutions
- Lynnette Stevens, Department of Transportation
- Kyle Strickland, Ohio State University - Kirwan Institute
- Alicia Ward, Elevate Northland
- Jason Wells, US Bank
- Marleise Wicker, Franklin County
- Curtiss Williams, Franklin County Land Bank
- Timothy Wolf Starr, Atlas Community Partners
- Everett Woodel Jr., US Small Business Administration
- Matt Yerkes, Cultivate Ohio

ACKNOWLEDGMENTS (3 OF 3)

Ecosystem Builders and Vice Chairs

- Kristy Campbell, Rev1 Ventures
- Henry Golatt, City of Columbus
- Jacqueline D. Neal, Ohio Minority Supplier Development Council (OMSDC)
- Alicia Oddi, Rev1 Ventures
- Greg Watson, Ohio Minority Supplier Development Council (OMSDC)
- Sadicka White, Sadicka and Associates LLC, MBE
- Michael Childs, United Midwest Savings Bank
- Nate Coffman, Ohio CDC Association
- Douglas Craven, ECDI
- Mackenna Dasco, Columbus Metropolitan Library
- Don DePerro, Columbus Chamber of Commerce
- Kimberly Gayle, Columbus Minority Business Assistance Center (MBAC) of Columbus Urban League
- Inna Kinney, ECDI
- Yohannan Terrell, Columbus Fashion Initiative

Stakeholders who reviewed and provided feedback on this report

- Kristy Campbell, Rev1 Ventures
- Mackenna Dasco and Kristine Cook, Columbus Metropolitan Library
- Alice Foeller, Elevate Northland/SiteInSight
- Kimberly Gayle, Columbus Minority Business Assistance Center (MBAC) of Columbus Urban League
- Carla Gwinn, Liberty Tax Service
- Greg Watson, Ohio Minority Supplier Development Council (OMSDC)

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- Carolyn N. Thurman, Grants Management Coordinator
- Rafeal L. Underwood, Contractor to Office of Diversity and Inclusion and Principal, R.L. Underwood & Associates

APPENDIX I

KEY DEFINITIONS (1 OF 2)

ALTERNATIVE CAPITAL PROVIDERS

Mission-driven capital providers, such as Community Development Financial Institutions (CDFIs), that offer responsible, flexible, and affordable lending to small businesses, outside of the traditional forms of credit offered by a bank

ANCHOR INSTITUTIONS

Enterprises such as universities, hospitals, and corporations that are rooted in their local communities by mission, invested capital, or relationships to customers, employees, and suppliers, and play a critical role in serving as a customer to small businesses

CAPITAL PROVIDER ECOSYSTEM

A network of financial institutions – including commercial banks, Community Development Financial Institutions (CDFIs), credit unions, government, venture capital, private equity providers, and angel investors – that provide debt, equity, or grants to small businesses

COLUMBUS

Refers to the City of Columbus region; given data availability, most of the quantitative insights have been gleaned from data at the Franklin County level

ENTREPRENEUR SUPPORT ORGANIZATION (ESO)

An organization with a formalized mission of supporting small businesses with business advice or capital provision; ESOs may include small business development centers (SBDCs), Chambers of Commerce, capital providers, government, among other types of organizations

FOCUS INDUSTRY CLUSTERS

Groups of related industries that were prioritized as focus areas given their growth trajectories, demographic representation for business ownership and workforce, and local context; these clusters are organized into two segments:

- **Main Street industry clusters:** Serve the local market and are often known as “mom-and-pop” businesses (e.g., Food & Beverage Retail, Construction, Personal Services, Local Business Services, Health Care Services)
- **Traded industry clusters:** Compete in cross-regional markets, are exposed to competition from other regions, and tend to drive economic performance in a region (Distribution & E-Commerce and IT & Digital)

HISPANIC OR LATINX

Individuals who identify as Hispanic or Latino; Latino has been replaced with Latinx to be inclusive of all gender identities

APPENDIX I

KEY DEFINITIONS (2 OF 2)

MAIN STREET BUSINESSES

Businesses that serve the local market and tend to be prevalent in every region of the country, regardless of the competitive advantages of a particular location; often known as “mom-and-pop” businesses, they tend to have moderate growth trajectory; generally, Food & Beverage Retail, Construction, Personal Services, Local Business Services, Health Care Services would fall under this category

NEIGHBORHOOD SMALL BUSINESS LIAISONS

Representatives assigned to one neighborhood or a group of nearby neighborhoods that will serve as the middlemen between neighborhood entrepreneurs and business resources, ensuring access to services is equitable for all Columbus small businesses

PEOPLE OF COLOR

Any person who is not white; while People of Color encompasses several demographic backgrounds, this project has a focus on Black and Hispanic / Latinx individuals given that these groups have historically experienced systemic racism and greater barriers to building wealth (e.g., business ownership, home ownership, employment)

SMALL BUSINESS

Business with fewer than 50 employees, which includes non-employer businesses (businesses with a founder and no other employees); businesses with fewer than 20 employees have been analyzed as well, where possible

SMALL BUSINESS ECOSYSTEM

A network of stakeholders that connect the dots between all elements that are vital to supporting small businesses and entrepreneurs; these stakeholders may include but are not limited to small businesses, entrepreneur support organizations (ESOs), financial institutions, government entities, universities, and anchor institutions; the collective impact of these players on local and national economic growth is greater than the sum of the impact of individual players

UNDERSERVED

Populations or communities that have largely faced disproportionate challenges hindering their ability to build wealth and/or grow businesses; while individuals of various backgrounds and characteristics may be underserved, this project focuses on People of Color, women, and immigrants, as well as those in surrounding neighborhoods previously identified as being underserved by the City of Columbus

WOMAN-OWNED BUSINESS

Businesses in which the owner identifies as a woman or the majority of owners identify as women; businesses with equal ownership across genders are not included in this definition

APPENDIX II: FOCUS INDUSTRY CLUSTERS AND ENDNOTES

Focus Industry Cluster Included NAICS NAICS Codes

Main Street Clusters		
Construction	Construction of buildings	236
	Specialty trade contractors	238
Food and Beverage Retail	Food services and drinking places	722
	Food and beverage stores	445
Health Care Services	Offices of physicians	6211
	Offices of dentists	6212
	Offices of other health practitioners	6213
	Outpatient Care Centers	6214
Local Business Services	Dry-cleaning and laundry services	8123
	Electronic and precision equipment repair and maintenance	8112
	Commercial and industrial machinery and equipment repair and maintenance	8113
	Admin and Support Services	561
	Commercial and industrial machinery and equipment rental and leasing	5324
	Business inspection services	54135
	Other professional, scientific, and technical services	5419
	Printing and related support activities	323
	Personal Services	Personal care services
Photography services	54192	
Personal and household goods	8114	
Health and personal care stores	4461	
Other Miscellaneous Store Retailers	4539	
Traded Industry Cluster		
Distribution and E-Commerce	Warehousing and storage	493
	Merchant Wholesalers, Nondurable Goods	424
	Merchant Wholesalers, Durable Goods	423
	Rental and leasing services	532
IT and Digital	Custom Computer Programming Services	5415
	Computer and electronic product manufacturing	334
	Industrial machinery manufacturing	33324
	Radio and Television Broadcasting and Wireless Communication Equipment Manufacturing	33422
	Software Publishers	5112
	Internet Publishing and Broadcasting	51913
	Data Processing, Hosting, and Related Services	518

Columbus Small Business Agenda Endnotes and References

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3. US Census Bureau, County Business Pattern Survey (2016)
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6. "Same City, Different Worlds," PBS (2017)
7. US Census Annual Survey of Entrepreneurs (2016), American Community Survey (2016)
8. US Small Business Administration (SBA) National Report (2019)
9. US Census County Business Patterns, by primary county (2016), US Census American Community Survey (2017)
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13. Capital Support Analysis and Next Street Interview Program
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18. US Census County Business Patterns (2016)
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WE MUST REIMAGINE
SMALL BUSINESS
TO CREATE
ECONOMIC EMPOWERMENT
FOR ALL

#ReimaginingSmallBusiness
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THE CITY OF
COLUMBUS
ANDREW J. GINTHER, MAYOR