



2017

NEW ECONOMY INITIATIVE EVALUATION REPORT

A Project of the Community Foundation for Southeast Michigan

Submitted to: The New Economy Initiative • Submitted by: Growth Capital Network

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Program Overview

INTRODUCTION

The New Economy Initiative (NEI) was created in 2007 as a special project of the Community Foundation for Southeast Michigan to accelerate the transition of Southeast Michigan to a position of leadership in the new global economy. It has since grown into one of the largest philanthropy-led economic development initiatives working to build a regional network of support for entrepreneurs and small businesses. The mission of NEI is to grow an inclusive culture of entrepreneurship in southeast Michigan that benefits all residents and strengthens the regional economy. This unique philanthropic initiative is comprised of 13 national and local foundations that have committed \$159M to support diverse regional- and Detroit-focused development efforts. **Growth Capital Network (GCN)** has been working with NEI since 2011 to perform a set of quantitative and qualitative reviews of the grant portfolio.

After an overview of the initiative's history and a discussion of the research objectives/methodology, our evaluation report starts with a snapshot of the key findings followed by a macro view of the NEI portfolio. The status and composition of the initiative's grants from 2008 through December 31, 2017 are reviewed as well as the key metrics of outcomes and impact to date.

Once that stage is set, we'll take a deep dive into the current composition of the NEI portfolio as well as 2017 grantee client profiles, reviewing their longevity, geography, and demographics as well as their engagement in the ecosystem. We'll show where SE Michigan bucks the national small business trends and where it's virtually lockstep.

The report wraps up with a series of vignettes, featuring businesses that have been supported by the teams at Eastern Market, the Michigan Women's Foundation and Wayne State University's LaunchPad. If you like a good success story, skip to the back and read those first. **They're really inspiring.**



WHY EVALUATE?

The ultimate goals of performance metrics, data and analysis are so NEI can make well-informed funding decisions to drive continuous improvement and long term impact in the region. It's important for the NEI staff to meet external stakeholders' requirements while being empowered to make strategic internal decisions and improvements. The commitment to track and communicate results helps others to understand the goals of the organization and the incremental progress towards achievement.

Integrating performance measurements into daily operations allows NEI's program officers and leadership access to solid data in order to drive decision making, illustrate progress and establish a culture of continuous learning that leads to amplified social and economic impact. In the long term, the reporting will increase organizational efficacy of the organization to attain program sustainability.

GCN's key goals for the ongoing evaluation project are as follows:

- **Maintain a performance measurement system for the NEI portfolio**
- **Illustrate the impact of NEI and its role in shifting the local economy through key findings**
- **Engage with the grantees on a regular basis around their reporting**
- **Provide technical assistance**
- **Build capacity within grantee organizations around survey design, logic models, and data analyses**
- **Discern and discuss lessons learned for collective knowledge and iteration**
- **Collect and communicate client success stories through interviews and quarterly reports**



ORGANIZATIONAL BACKGROUND AND HISTORY

NEI was conceived and charted in 2007. From the earliest phase of the initiative, the strategy and vision have focused on fostering innovation and entrepreneurship across Southeast Michigan. Rather than restricting support to an individual sector or industry, a broad reach was considered the most effective manner to encourage economic growth.

It was a grave economic period in our region. The majority of U.S. jobs lost during the first decade of the millennium were in Michigan, and the state was experiencing a significant decline in per-capita income. NEI's focus was to recapture lost jobs and participate in the creation of a revitalized infrastructure/culture and the establishment of a more diverse economy.

KEY ECONOMIC TRANSFORMATION FOCI (2006-2007)

To most effectively and efficiently direct grant funds, the NEI Governing Council, the strategic governing body at that time, determined three key foci of economic transformation:

- **Talent:** programs to help prepare, attract, and retain skilled workers in the region
- **Innovation:** entrepreneurial opportunities in new and existing enterprises
- **Culture Change:** efforts to enhance the region's image regarding learning, work, and innovation

Subsequent to its formal launch in 2008, NEI developed metrics related to each of the three core objectives. Performance measurements were incorporated to ensure that funding led to high impact, scalability, and sustainability. The metrics served as tools to effectively evaluate funded initiatives, as well as benchmarks for future opportunities.

From 2008 through 2011, the NEI staff applied a framework for ongoing implementation that employed the three modules of activities that targeted the original NEI areas of talent, innovation, and culture change and connected to the existing work of foundations in the Detroit metropolitan region.

THREE MODULES OF ACTIVITIES (2008-2011)



INNOVATION NETWORK AND NEI 2.0 (2012-2016)



With the guidance of key funders and the NEI Governing Council, a new direction for NEI funding activity began in 2012 with the Innovation Network strategy. This represented an approach that explicitly focused on fostering entrepreneurship and early-stage businesses, with a primary focus on strengthening the Detroit entrepreneurial ecosystem. In 2014, NEI 2.0 was officially announced with new funding from 12 funders for more than \$34M to support its efforts over the next three to five years to continue its work. The funders of NEI 2.0 included the Knight Foundation, Ford Foundation, Kresge Foundation, W.K. Kellogg Foundation, William Davidson Foundation, Hudson-Webber Foundation, Charles Stewart Mott Foundation, Community Foundation for Southeast Michigan, Max M. and Marjorie S. Fisher Foundation, the Ford Foundation, the McGregor Fund, and Surdna Foundation.

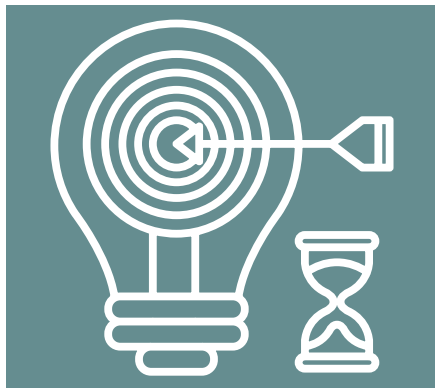
TOP NEI 2.0 ACTIVITIES

Continue to support Innovation Network and the surrounding district it resides within

Grow the service provider network that services the entrepreneurial business

Promote entrepreneurship and culture change across the region through events, competitions, and activities

NEI 3.0 (2017-2021)



With new leadership in place, NEI began to pursue funding in 2016 to support a strategy for a third phase of grantmaking (“NEI 3.0”). By Q4 2017, NEI had secured \$26M in awards. Funders who contributed to NEI 3.0 include previous funders the C.S. Mott Foundation, Community Foundation for Southeast Michigan, William Davidson Foundation, Ford Foundation, Hudson Webber Foundation, John S. and James L. Knight Foundation, the Kresge Foundation, McGregor Fund, and the W.K. Kellogg Foundation. The Ralph C. Wilson, Jr. Foundation became the thirteenth funder to support NEI since the initiative’s inception.

The new five-year strategy will continue to provide support to southeast Michigan’s entrepreneurial ecosystem through 2021. It focuses on supporting the growth and expansion of neighborhood business and high-growth ventures, the growth of high-growth firms owned by women and people of color, and supporting social entrepreneurs leading community-driven innovation projects. The strategy seeks to deliver a comprehensive storytelling strategy around entrepreneurship in the city and region. As its funding winds down, NEI is looking to conduct assessments and determine recommendations to increase the sustainability of funded programs and collaborations.

3.0 EMPHASIS AREAS

There are three defined emphasis areas for NEI 3.0, High Growth, Innovation for Revitalization (I4R), and Neighborhood. Examples of grantees funded in each emphasis area are noted below.

STRATEGY	EMPHASIS AREA AND GRANTEE
High Growth	Capital, Invest Detroit Foundation
	Market Access, College for Creative Studies
	Place, Eastern Market
	Regional Inclusion, Bunker Labs
	Space, Midtown Detroit Incorporated
	Talent Pipeline, Venture For America
	Tech Assist/Mentor, Endeavor Initiative
Innovation for Revitalization	Allied Media Project
Neighborhood	Capital, Michigan Women’s Foundation
	Community Connects, Grandmont Rosedale
	Regional Inclusion, Michigan Women’s Foundation
	Space, Jefferson East
	Talent Pipeline, Detroit SOUP
	Tech Assistance, Accounting Aid Society

SOCIAL EQUITY AND INCLUSION

An important aspect of NEI's work that imbues their strategic areas is social equity. Since the initiative's inception, it has been steadfast in its commitment to inclusion and equity as driving values and has traditionally funded programs focused on serving underserved populations. NEI and GCN in collaboration with Policy Link have instilled the equity discussion during funding meetings and have included it in each set of grantee reporting requirements.

In addition to the emphasis areas, grants which focus on specific underserved target populations are placed into what NEI refers to as "social equity focus" areas. There are four "social equity focus" areas: immigrants, low income, minorities, and women; and grants are often being placed into more than one area depending on the target populations.

Equity and inclusion continues to be a guiding principle in NEI 3.0 grantmaking. The neighborhood focus of the past several years has expanded, with nearly 50 percent of the grant budget dedicated to support businesses in distressed communities, including the cities of Detroit, Hamtramck, and Highland Park. Grant dollars are specifically dedicated to identifying and reinforcing programs that focus on women, immigrants and minorities in the high-growth business development space. NEI is continuing its work with challenge programs, delivering the final year of NEIdeas.



Key Findings

The following are key findings from the online Grantee Performance Network system and the 2017 NEI Grantee Client Data. They outline the NEI portfolio's current composition and the impact on program participants from 2009 through December 31, 2017.

The entrepreneur ecosystem in Detroit has developed from a siloed and mostly antagonistic place where if you won, I lost - into a far more collaborative and engaged community that {for the most part} supports and advocates for each other.

GRANT COMPOSITION AND IMPACT SNAPSHOT

2009-12.31.2017



5,899

Business Ideas Surfaced
through Competitions
and Challenges



\$110.16M

has been

awarded in **386**
grants



\$121B

in leverage has flowed into
the entrepreneurial ecosystem

- **\$258.8M** was received as program match
- **\$954.7M** of investment capital raised by clients of grantees



248,618 people were exposed

to entrepreneurial services through

5,043 NEI grantees events, workshops,
and programs



2,518


companies have
been created


 **9,586** companies were assisted by NEI grantees

 **24,610** jobs have been created or retained

2017


 NEI awarded **34** grants to nonprofit organizations and disbursed **\$7.35M**

 **4,998** jobs have been created or retained

 **\$77.1M** in leverage has augmented the entrepreneurial ecosystem

- **\$8.82M** received in program match
- **\$68.3M** of investment capital raised

 **292** companies launched

 **93** grants are currently open/active utilizing **\$10.1M**

 **3,165** companies were assisted by NEI grantees



NEI GRANTEE PORTFOLIO COMPOSITION



NEI is a time limited initiative, so it's important to look at its current composition – what funds have been expended and what remains to be deployed. That said, because NEI just wrapped its tenth year and funds with single year grants, the visuals might overemphasize the closed (past) over the current (open) and the future years of funding which are not included. Also, because the NEIdeas grants are different from the typical program grants, we calculated the composition with and without them. A dashboard with the full NEI portfolio composition is on page 13. A dashboard of how the NEIdeas grants/awards impacts key measures is on page 17.

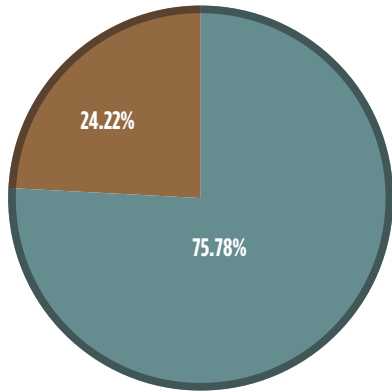
GCN reviewed the entire portfolio through the lens of status (open/closed) and dollars spent (awards) as well as the trendlines for the 2008–2017 time frame. The dashboards on pages 13 and 14 illustrate the current status of the NEI grant portfolio. The graphs on page 18 provides a view of the initiative's history with the range of grants awarded and dollars deployed. It shows the cumulative dollars that have been spent as well as the volume and awards that are currently open and active in the small business ecosystem. Just under a quarter (93, 24.22%) of the total grants awarded (384) are still open. Of the \$110.16 M spent directly with grantees, \$10.05M, or less than ten percent (9.13%) of the funds are still at work in programs.

Moving from the big picture, the dashboards on page 14 and 15 break the grants into their respective emphasis areas and delve further into the status of the social equity focused grants. The finer detail illustrates where the majority of programs have been funded and where grant dollars are still being actively deployed.



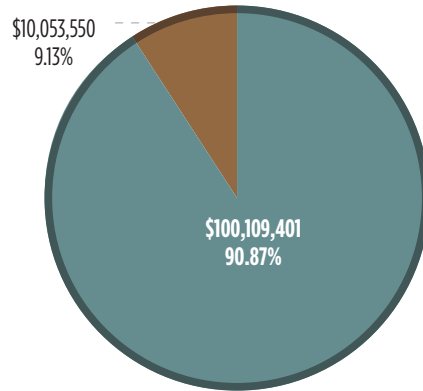
2008-2017 GRANTEE PORTFOLIO

OPEN VS CLOSED GRANTS BY VOLUME



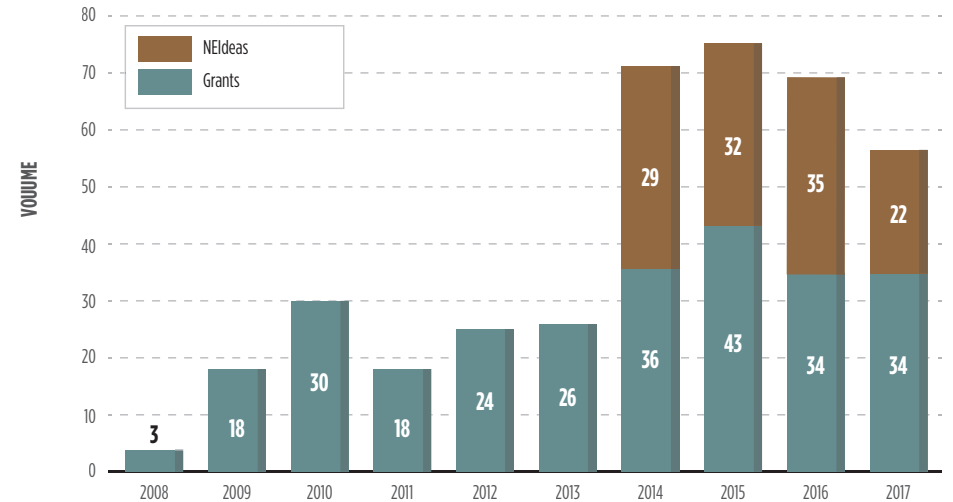
Closed - 291 Open - 93

OPEN VS CLOSED GRANTS BY DOLLAR

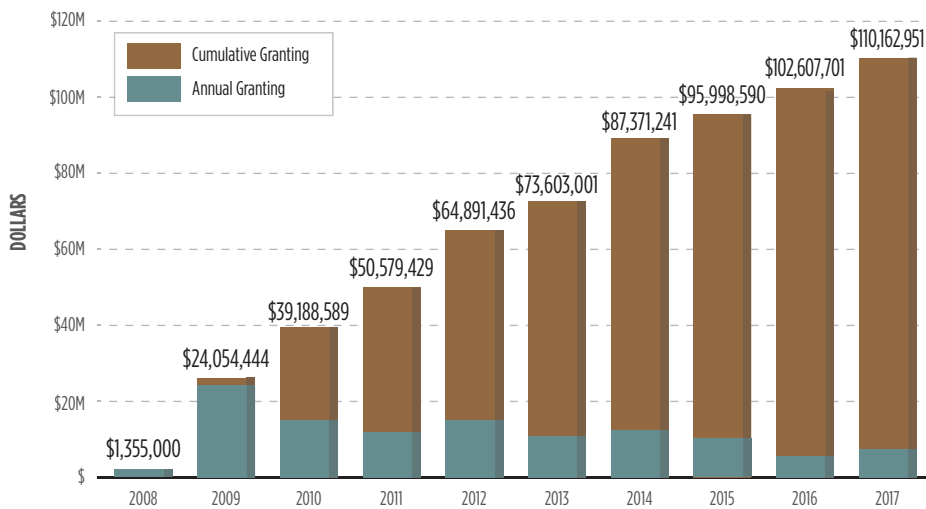


Closed - 291 Open - 93

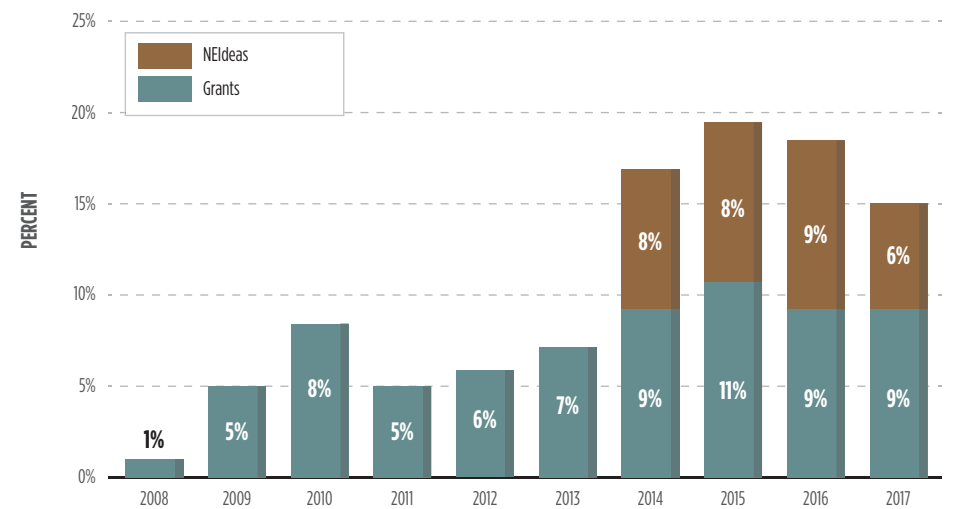
GRANTS AWARDED BY VOLUME



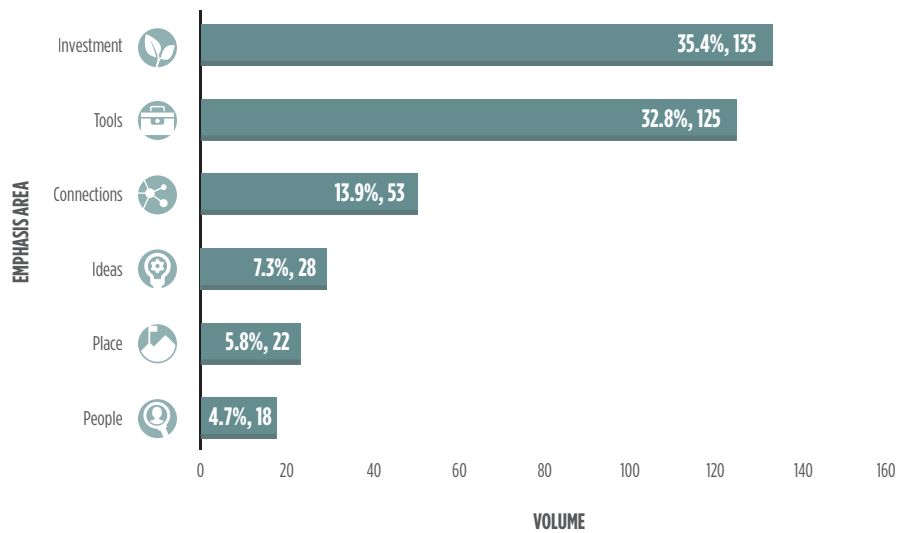
CUMULATIVE GRANT DOLLARS AWARDED



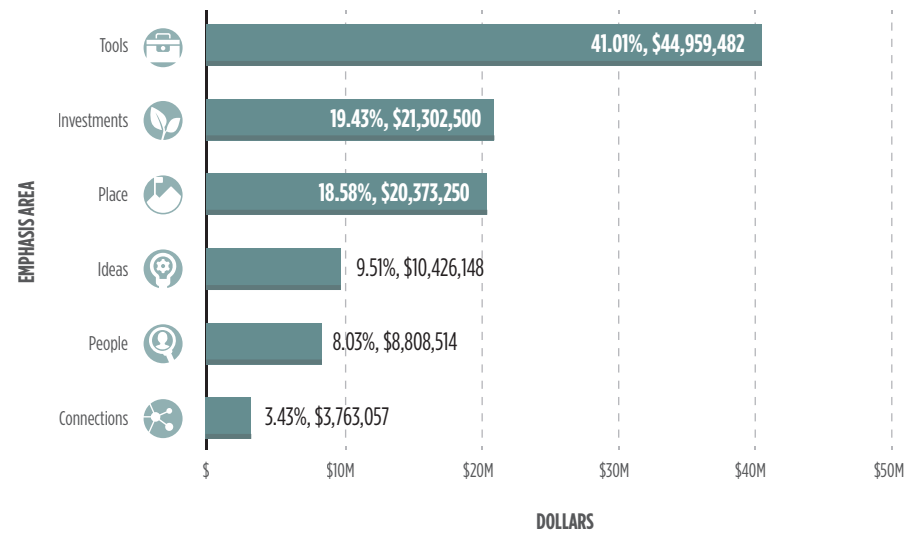
PERCENT OF GRANTS BY YEAR



GRANTS BY EMPHASIS AREA, VOLUME AND PERCENT 2008-2017



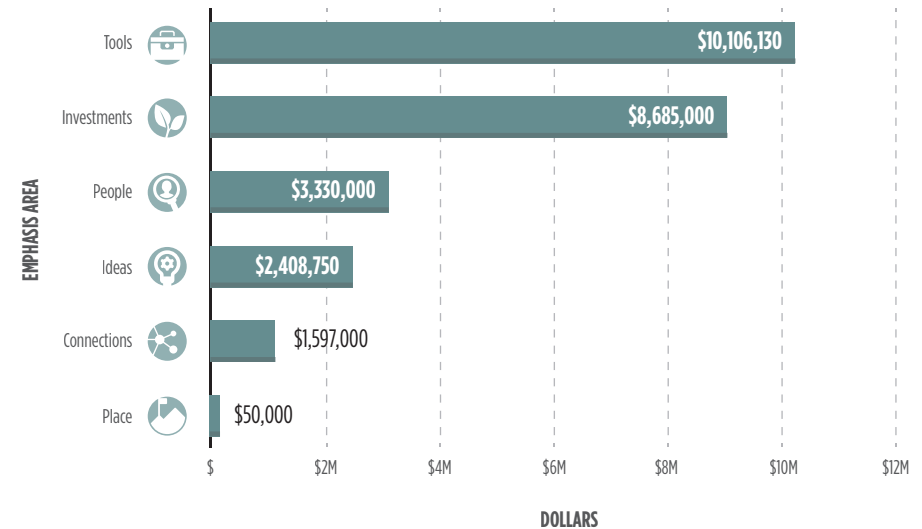
GRANTS BY EMPHASIS AREA, DOLLARS AND PERCENT 2008-2017



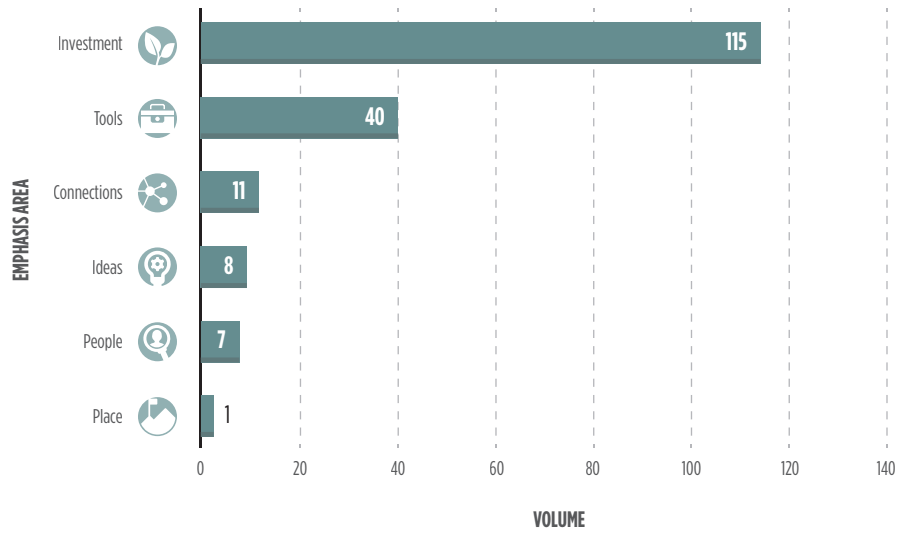
EMPHASIS AREA

Reviewing the emphasis areas indicates the changes that have occurred as NEI's 2.0 strategy is shifting to 3.0. It illustrates the impact of NEIdeas in the overall composition series, (see page 17 for further detail). While Connections, Ideas, Place and People have a healthy amount of grants funded, more than two thirds of the NEI grant volume was awarded to the Investment and Tools categories (68.3% and 262 grants). Looking at the grouping by dollars, Tools was awarded just over forty percent (40.89%) of the funds while Investment (19.34%) and Place (18.89%) were just under one fifth each. With respect to where the funds are open, Investments (13.5%) and Tools (6.51%) have the most grants still active whereas the other areas have less than two percent of the total funds open.

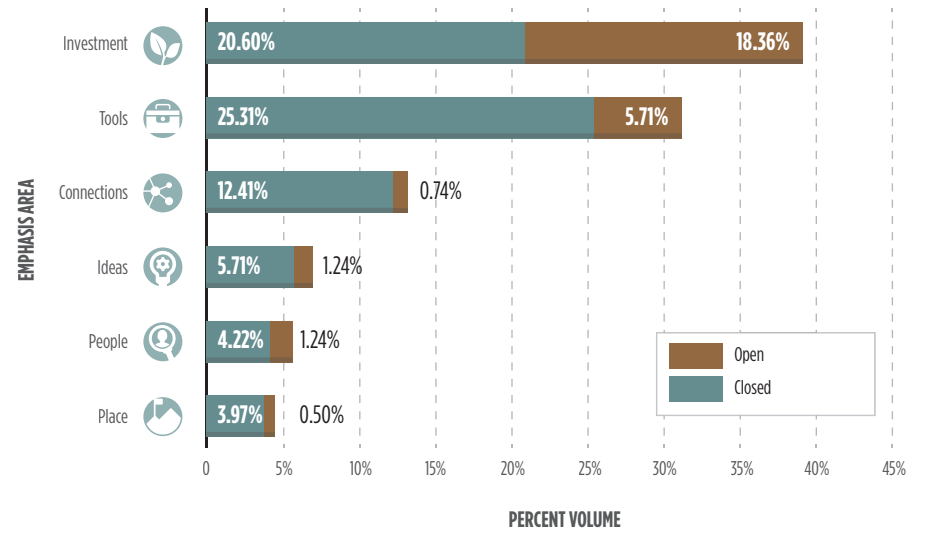
Social Equity Focused Awards by Emphasis Area and Dollar 2008-2017



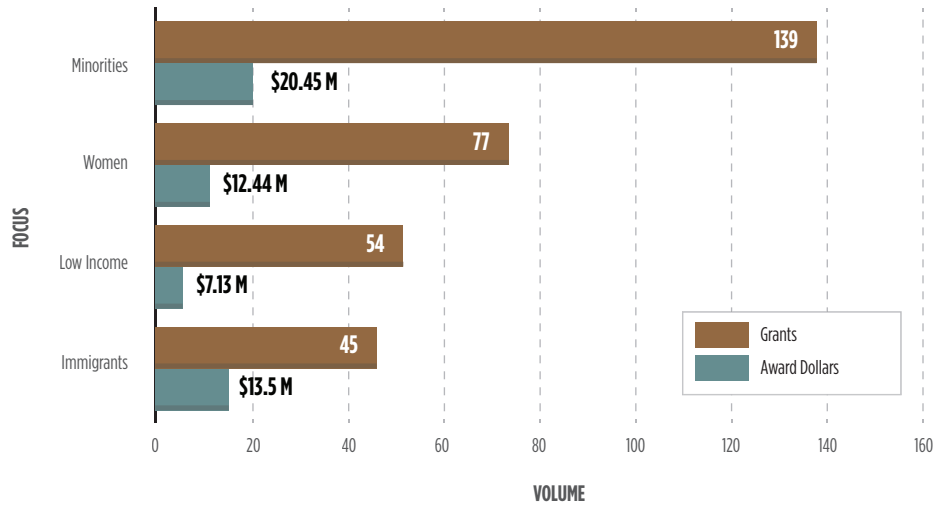
SOCIAL EQUITY GRANTS BY EMPHASIS AREA AND VOLUME 2008-2017



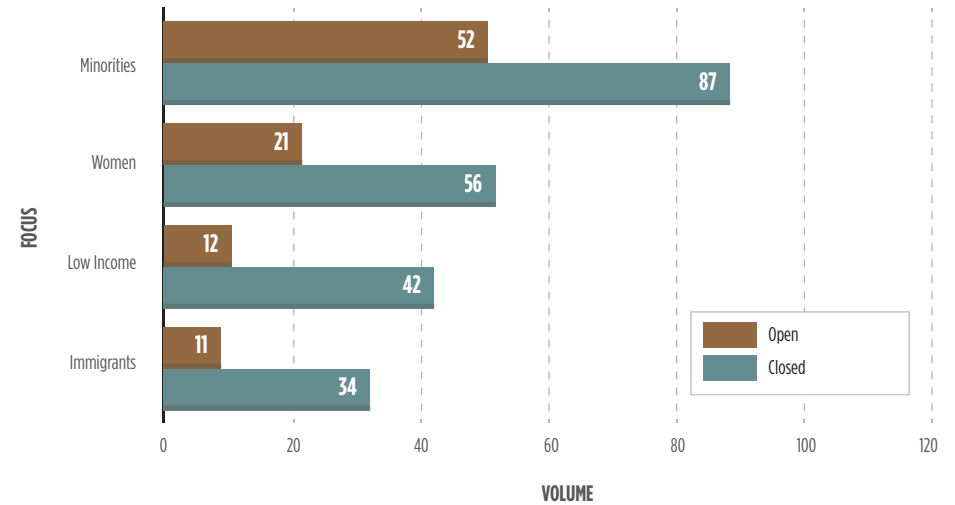
OPEN AND CLOSED GRANTS BY EMPHASIS AREA



SOCIAL EQUITY GRANTS BY VOLUME AND AWARD DOLLARS 2008-2017



STATUS OF SOCIAL EQUITY GRANTS BY VOLUME 2008-2017



SOCIAL EQUITY GRANTS

The dashboard on page 15 illustrates the volume and spending levels on the four categories of social equity grants. The majority is explicitly spent on minority and women focused programs, however there is a great deal of overlap across the social equity categories, within and between programs. Similar to the overall portfolio, the majority of the grants are closed, yet more than thirty percent (30.5%) of the equity focused grants are still open and active. This is three times the active/open percentage in the general portfolio and shows the continued focus on equity in the grant strategy. The social equity grants broken into the emphasis areas show the same patterns as noted above where the investment and tools have the largest volume of grants and funding.

NEIdeas IMPACT ON PORTFOLIO COMPOSITION

NEIdeas is a challenge program that focuses on established businesses (> 3 years) in Detroit, Hamtramck, and Highland Park. It is intended to celebrate and provide cash rewards to those with the best ideas for business growth. NEIdeas also serves to link all of the businesses that apply into the NEIdeas network, where they can access opportunities across the entrepreneurial ecosystem. Since its inception in 2014, NEIdeas has granted \$1.9M to 118 businesses. Eight have received a \$100,000 check, with the remaining balance receiving a \$10,000 check. The businesses range from refurbished pallets and movie theaters to hair care products and all kinds of culinary delights.

While it's a key facet of the neighborhood engagement, it does have an impact on the broader grant portfolio. The NEIdeas grants are higher volume and lower dollar amounts than most of the other grants and, because of this, it skews the portfolio composition after its introduction on 2014. Some notable differences included on the page below include a significant drop in the per-grantee average award, an expanded emphasis on the Detroit region and a large impact on the investment emphasis.

IMPACT OF ON NEI PORTFOLIO COMPOSITION

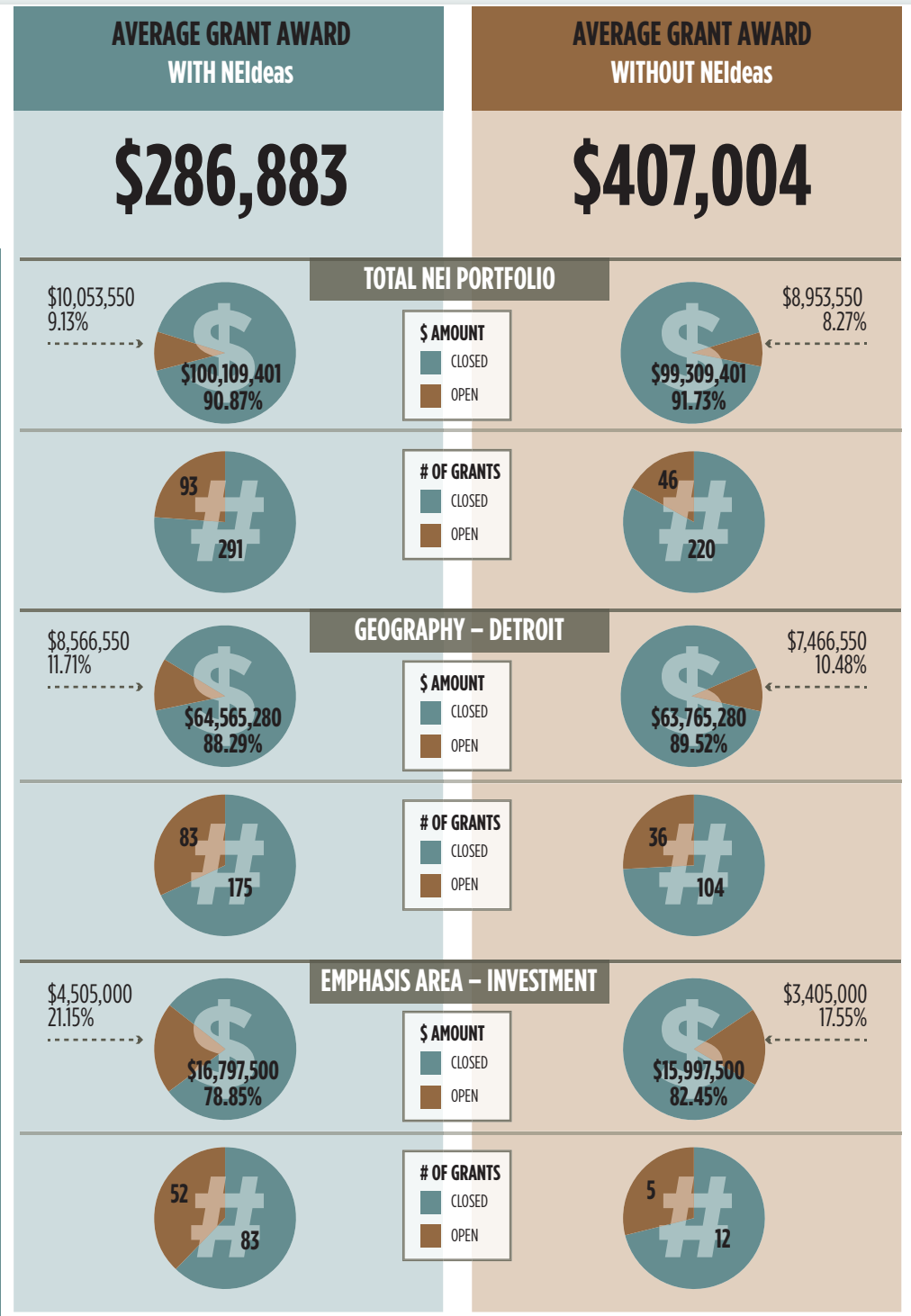


NEIdeas 2014-2017

\$1.9
MILLION

118
GRANTS

EXCLUSIVELY
FOR ESTABLISHED
BUSINESSES IN
DETROIT, HIGHLAND
PARK, AND
HAMTRAMCK



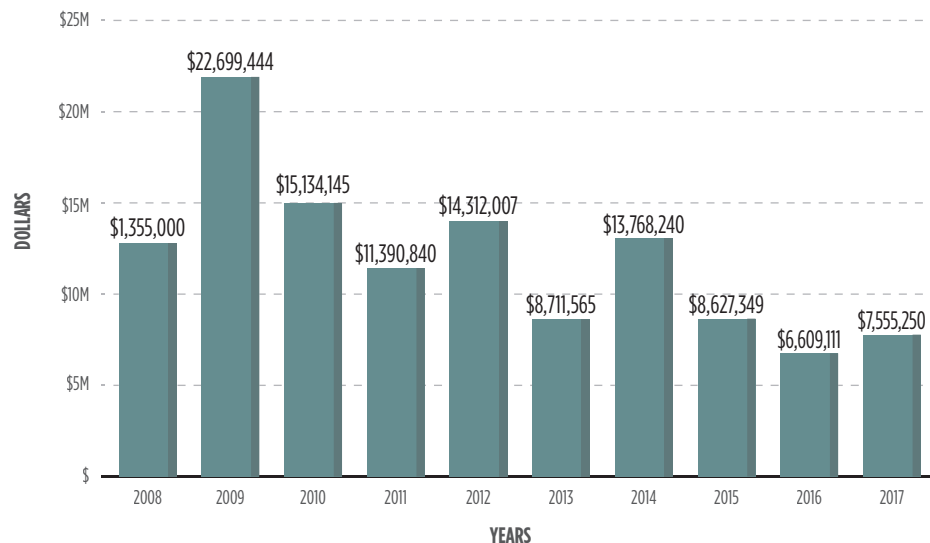
GRANT AWARDS – NEI’S DIRECT INVESTMENT IN THE COMMUNITY

Over the 2008 to 2017 time frame, \$110.2M has been invested into Detroit and Southeast Michigan’s community of innovation and entrepreneur support nonprofits. The dollar amount has varied significantly each year. The largest disbursement was in 2009 with \$22.7M and the smallest was in 2016 with \$6.61M. In the early days of NEI, the ecosystem investments were larger grants that set up longer term programs (First Step Fund, \$5M, 5 years), large collaborations, (BANSEM, \$3M 5 years), and infrastructure plays such as Midtown Detroit Incorporated’s Sugar Hill Arts District and the Center for Creative Studies Taubman Building renovation. As NEI established itself in the community, it used the learnings from evaluation, grantee convenings and community conversations, to create a continuing learning process that continues to this day. The knowledge and iteration spurred the

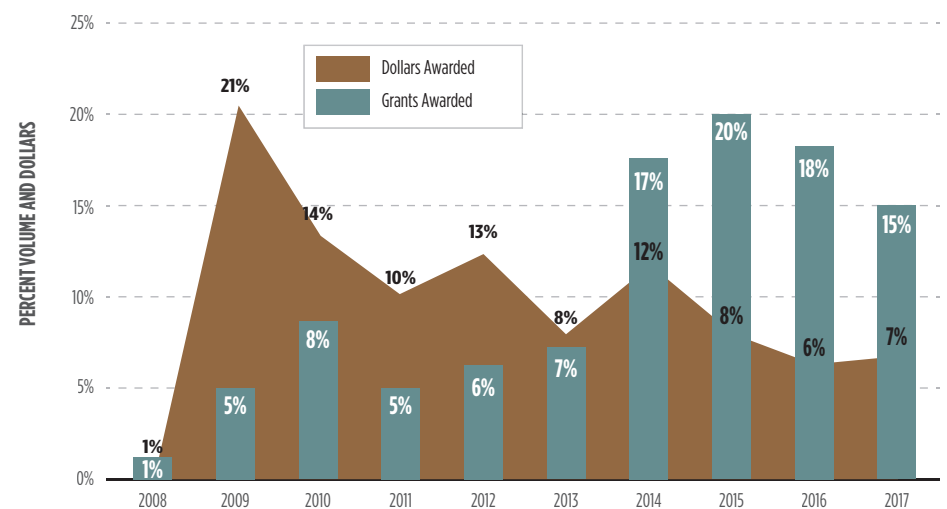
neighborhood strategy in 2015 and the 3.0 strategy launched in 2017.

As NEI matured so did the ecosystem. A growing community cohesion was spurred through early investments in large attraction and engagement programs. Examples include DEGC’s Creative Corridor Incentive Fund (CCIF) which successfully incentivized creative firms to relocate to downtown Detroit, worldwide competitions such as Accelerate Michigan which brought national venture investors with billions of assets under management to engage with Michigan’s investment-ready companies and the Business Accelerator of Southeastern Michigan (BANSEM) which brought the leadership of the four major accelerators in Southeast Michigan to the table to communicate and collaborate.

GRANT AWARDS 2008-2017 \$110,162,951



GRANTS AND DOLLARS AWARDED 2008-2017



ECOSYSTEM COHESION

Whereas there's always a need for seed, angel and venture capital, programs such as CCIF and BANSEM achieved their goals and, candidly, are no longer needed in today's revitalized downtown and effective high growth entrepreneur community. As little as six years ago, the startup resources were siloed, and many entrepreneurial support programs were a cookie-cutter, one size fits all, experience. Our ecosystem has come a long way. In our roles as evaluators, we collect anecdotal client success stories and often hear of clients who now work seamlessly with multiple service providers, funders and/or support program.

One such example is Dr. Paul Thomas and Plum Health Primary Care, an affordable and accessible primary care clinic. He attended TechTown's Retail Boot Camp in early 2016 at and won Motor City Match later that year. Dr. Thomas opened Plum Health in Southwest Detroit on 21st between Vernor and Bagley. Another ecosystem frequent flyer is Brian Rudolph, a 2012 Venture for America (VFA) fellow and the

founder of Banza, a gluten-free, chickpea pasta. Brian developed his business model for Banza while a Detroit VFA fellow, won the Accelerate Michigan Competition \$500,000 Grand Prize and received capital from Ann Arbor SPARK, Invest Detroit, and Invest Michigan.

Because of the systemic improvement and increases in community efficiency, NEI has been able to be more targeted and deliberate with its grant dollars. It has moved past creating the basic infrastructure of an ecosystem to addressing the grass roots needs of its constituents. This includes the underserved small businesses in Detroit neighborhood as well as the high-growth entrepreneurs who have the greatest potential for rapid job creation. This often translates to smaller, more targeted grants to a broader swath of nonprofits. And, as the chart above illustrates, a considerably higher volume of grants were disbursed in recent years while average grant by dollar, has decreased.

PROGRAM MATCH AND CLIENT INVESTMENT

Education and mentorship are major elements of innovation ecosystems, but the most vexing business challenges revolve around capital. Nonprofits and the small businesses that they serve need inventory, staff, facilities, infrastructure and a way to pay for it all. Often, the difference between significant accomplishments, middling success and utter failure is the ability to manage cash flow and access capital to smooth out unexpected bumps.

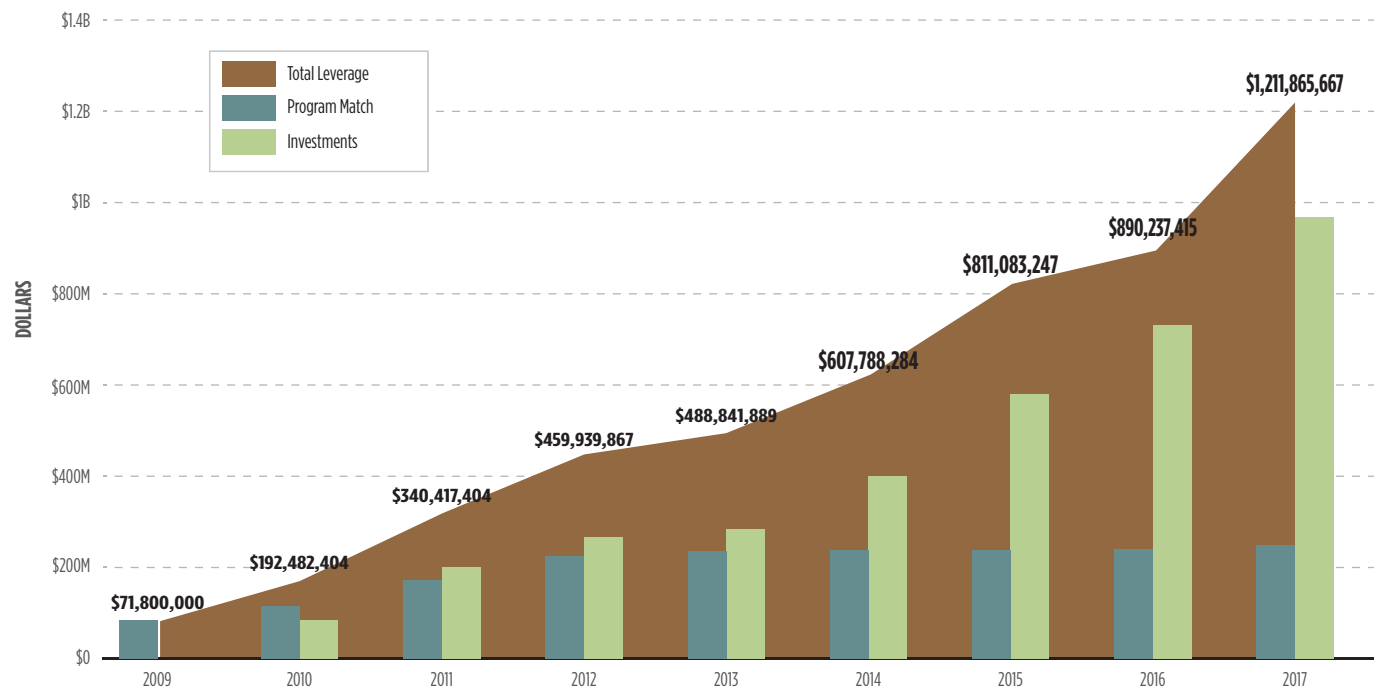
It is all about the money. As noted earlier, NEI has a capital strategy

whose grants include microloans, university funds, and pre-seed funds. Many of these target underserved populations to try to mitigate the pernicious investment gap for women and minorities. These grant dollars, in turn, bring other funders to the table.

Equal in importance to the NEI grant dollars flowing into the Southeast Michigan economy are the additional private, philanthropic and public investments that bolster the nonprofit organizations and fuel their company clients.

PROGRAM MATCH AND CLIENT INVESTMENT CONTINUED

TOTAL NEI LEVERAGE



\$1.2
BILLION OF
LEVERAGE

11X
RETURN ON
INVESTMENT

The blue columns on page 19 illustrate the steady increase in additional support that NEI grantees have been able to raise for their programs since 2009. The match is typically philanthropic dollars, but several

grantees (Midtown Detroit Incorporated, NextEnergy, Workforce Intelligence Network to name a few), have leveraged state, federal, and corporate funds for their financial sustainability. Client investments

PROGRAM MATCH AND CLIENT INVESTMENT CONTINUED

(orange column) are considerably more stochastic, but show a significant, upward trajectory as startups and small businesses are able to raise increasing amounts of public and private capital.

NEI's Capital strategy fueled a lot of the investment growth. Funding to grantees such as Invest Detroit First Step and First Capital Funds gave other local investors an invaluable asset. They now had a trusted partner with whom they could share due diligence, co-invest and help grow the company. Detroit Development Fund and Michigan Women's Foundation provided a support system for nascent businesses to navigate piles of formation and loan paperwork, a track record and a reference when commercial lenders were at the table. Particularly for women and communities of color, these are vital to success.

The increase in ecosystem capital investments can also be traced back to NEI's Tools strategy. Hundreds of educational events, workshops, and programs were supported each year and thousands of hopeful entrepreneurs learned the basics about what it takes to start and succeed in business. People learned to structure their business plan, locate sources of capital, define their value proposition, find customers, and how tough it could be to launch a business. Some learned that entrepreneurship was not for them, yet the brave ones who soldiered forward saw that a community was being built that would support them. Without the education, engagement, mentorship and the community that NEI funded, many ideas would not have launched— and existing businesses would not have had the added support to expand and thrive.

GEOGRAPHIC FOCUS – DETROIT / REGIONAL

The balance between Detroit and Regional in NEI's grantmaking has never been contentious. However, with the often-stark disparities in wealth, access, and privilege between the city and its neighbors in Oakland and Washtenaw County, there's an awareness around equilibrium and equity. The full portfolio of NEI grants falls along a consistent 1/3 regional and 2/3 Detroit split for the volume of the grants as well as the awards. The regional grants, such as the Michigan Angel program funded through Ann Arbor SPARK, tend to have a broader

scope, while the Detroit-centric grants such as Grandmont Rosedale and Matrix Human Services are more impactful in particular neighborhoods. The chart below provides examples in each geography and a brief descriptor of their program. The NEI Neighborhood Business Initiative was conceived in 2015 and provided a proactive strategy to engage the entrepreneur and small business support organizations across the city.

GEOGRAPHY

REGIONAL	ACCESS	Provide training and tech assistance for immigrants and non-English speakers
	Bunker Labs	Manage a business accelerator for military veterans
	Endeavor Initiative	Mentor and accelerate high-growth potential entrepreneurs
	Global Detroit	Connect global talent to Detroit's startup community and enable immigrant business growth
	Inforum Center for Leadership	Provide training, capital development and mentorship for high-growth women entrepreneurs

DETROIT	Accounting Aid Society	Provide accounting and tax assistance services to local small business owners
	College for Creative Studies	Strengthen Detroit's creative businesses and create awareness of the local creative economy
	Downtown Detroit Partnership	Support entrepreneur and small business education, and administer the Kiva microloan program
	Southwest Detroit Business Association	Develop affordable space for commercial and retail in the West Vernor and Springwells corridors
	WSU TechTown	Manage a high-tech business accelerator and neighborhood business support program.

NEIGHBORHOOD BUSINESS GRANTS

Advancing entrepreneurship is a localized Detroit challenge. Growing new enterprises and expanding existing ones increases employment, improves the confidence and bolsters the economic future of neighborhoods. It also helps to create density and provide needed services where the businesses are located.

The Neighborhood Business Initiative was designed to provide support for targeted and effective resources around business plans, access to capital, and opportunities for shared resources, including space. These grants focus on growing and strengthening Detroit-based entrepreneurs and small businesses by connecting them to the tools, practices, and network to support their growth.

Focused on Detroit neighborhoods and historically underserved populations, key objectives of the Neighborhood Business Initiative include:

- **Growing the number of entrepreneurs**
- **Strengthening existing businesses**
- **Increasing investment in place-based community assets that support entrepreneurs**
- **Expanding the opportunities for asset/wealth creation for entrepreneurs and businesses**
- **Improving the employment prospects of local residents**
- **Strengthening business support services**

89

**NEIGHBORHOOD
FOCUSED
GRANTS**

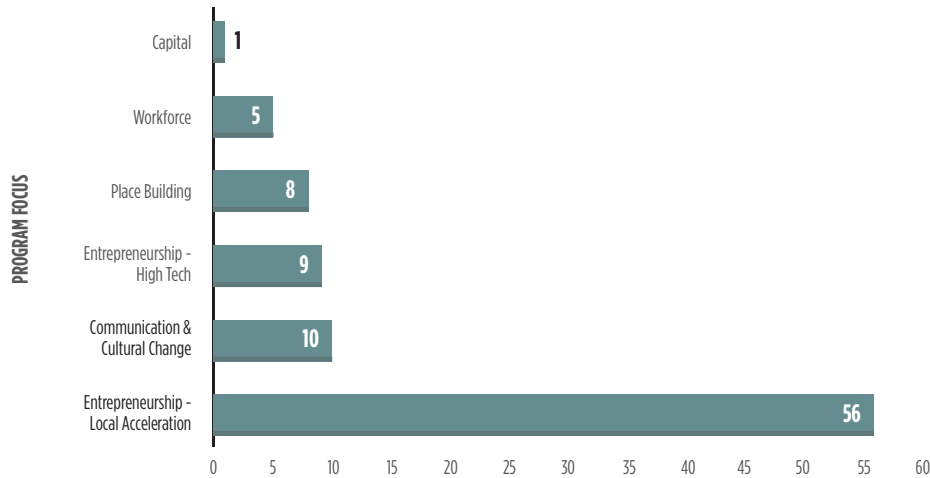
\$32.99

**MILLION
AWARDED**

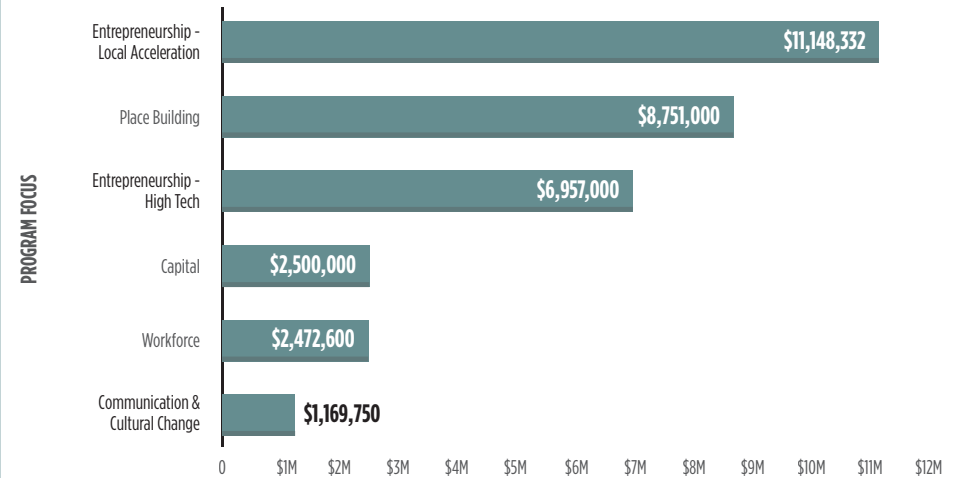
31.5%

**OF GRANTS ARE
OPEN AND
ACTIVE**

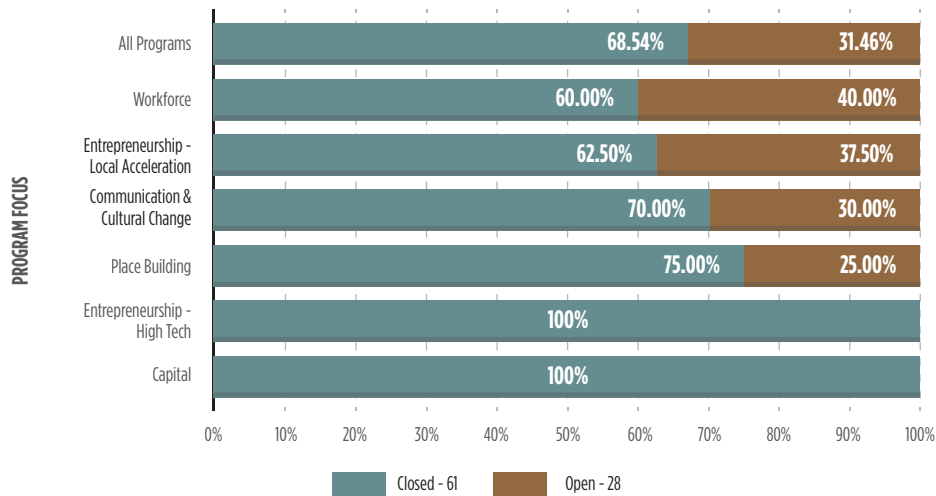
DETROIT NEIGHBORHOOD FOCUSED GRANTS BY PROGRAM



DETROIT NEIGHBORHOOD FOCUS AWARDS BY PROGRAM



DETROIT NEIGHBORHOOD GRANTS BY STATUS AND PROGRAM



NEI'S 2017 NEIGHBORHOOD BUSINESS GRANTEEES INCLUDE

- ACCESS Growth Center
- Accounting Aid Society
- Detroit Development Fund
- Central Detroit Christian Community Development
- DEGC, Bizgrid and Motor City Match & Restore
- Detroit SOUP
- Downtown Detroit Partnership, BUILD
- EMU, Small Business Development Center
- Foodlab
- Grandmont Rosedale
- Jefferson East
- Matrix Human Services, Osborn Neighborhood Alliance
- Michigan Community Resources
- Michigan Women's Foundation
- SCORE Foundation
- Southwest Detroit Business Association
- Southwest Solutions, ProsperUS
- TechTown, SWOT

RESULTS: 2017 AT A GLANCE

In 2017, NEI supported southeast Michigan entrepreneurs through 34 grants totaling \$7,345,250. With NEI's support, these programs achieved the following outcomes last year:

3,165 client relationships

2,906 unique companies assisted

259 companies (8.9%) worked with multiple NEI grantees

292 companies launched by **1,740** founders

Of the client companies served by NEI grantees

47.08% are women-led

57.39% are minority-led

12.83% are immigrant-led

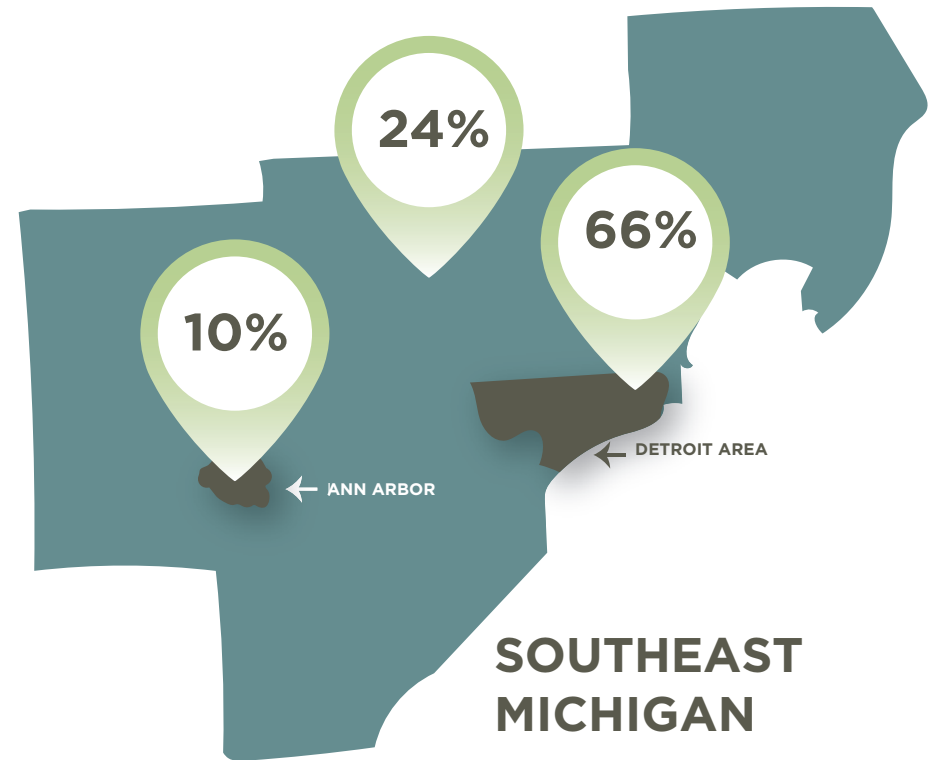
33.30% are women- and minority-led

5.72% are women- and immigrant-led

10.43% are minority and immigrant led

4.45% are women-, minority- and immigrant-led

NEI grantee clients employed **4,225** staff in 2017



Client Geography:

- **66%** in the City of Detroit
- **24%** in other Southeast Michigan communities
- **10%** in Ann Arbor/Ypsilanti

NEI REPORTING - STREAMLINED AND UPDATED

With the inception of NEI 3.0, there was a desire to simplify the reporting, both for the grantees and the team. In order to understand and share the impact of entrepreneurship for Southeast Michigan, it was essential to maintain the same level of information gathering, but we wanted a more efficient process with simplified grant reporting requirements. The change, that began in January 2018, continues to entail quarterly reporting, yet now requires detailed client data on an annual rather than quarterly basis. We anticipate this will reduce reporting time for grantees and ensure that critical data continues to be gathered. The NEI and GCN teams also worked with Spring Management to pull together a new 3.0 version of the online reporting site, the Grantee Performance Network so that the platform continued to be a user-friendly online interface.

The 2017 data was requested in December 2017 and gathered by late January 2018. The degree of compliance varied across the ecosystem.

Many of the grantees provided us with all of the detail that they had and are modifying their systems and intake paperwork to accommodate additional details this year. Others had NDAs and could only provide client information that was scrubbed of all identifying detail.

We describe this to note that, whereas we have a statistically significant sample - and a lot of interesting patterns in the data, we are missing chunks of information, detail and nuance. There are many questions that arise from our delving into the data that can only be hypothesized and tested with the client information for 2018-2021. The information provided herein is a higher-level view of the 2017 grantee clients. Our team is calculating correlations, running stats and delving into the patterns we see for additional detail about our ecosystem's startups and small businesses. Those write ups will be published as short white papers between the spring and summer of 2018.

GRANTEE ENGAGEMENT

The 2017 client data allows us to look at the range and current length of engagements between the grantees and their clients. Program goals differ significantly across the NEI grantees as do their time frames for working with clients. Some grantees have an episodic engagement (SOUP, Inforum, ACCESS), whereas others have longer term mentoring (SCORE, Endeavor) or capital relationships (Invest Detroit, DDF).

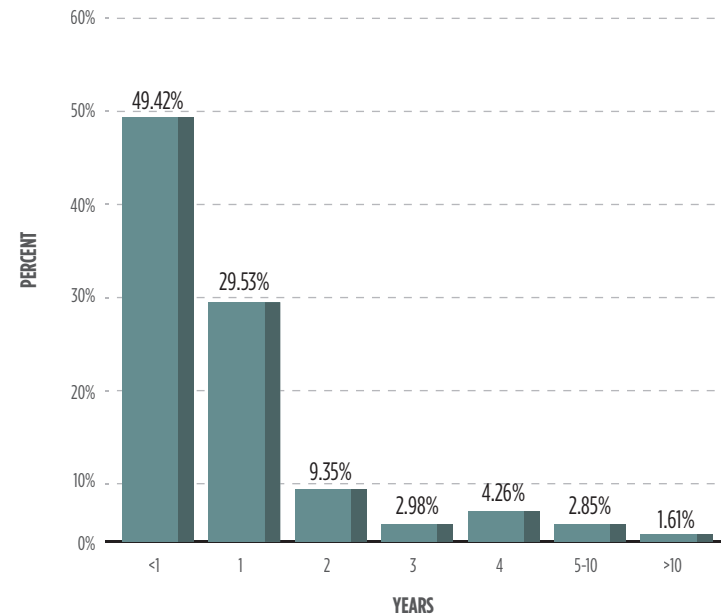
On a macro scale, 1.23 years is the overall, per client average. Nearly four fifths (78.95%) of all clients, have been working with their grantee's program for a year or less.

The overall brevity of client engagement with the NEI grantees could be a good or bad thing. Only time will tell how it patterns out. The short length indicates that new people are being pulled into the ecosystem and accessing services within their community. It also shows that NEI grantees are successfully recruiting program participants from traditionally underserved populations.

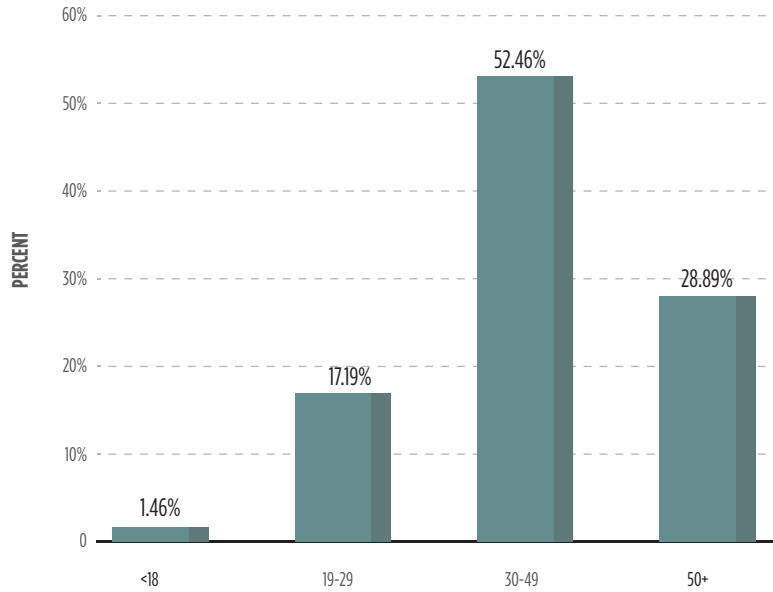
Another explanation could be that referrals are happening within the ecosystem and clients are efficiently accessing resources as they need it, resulting in shorter tenures with each organization. In looking at the data, this may be valid, as ten percent of the named clients were duplicates, meaning that they'd been engaged with at least two NEI grantees in 2017.

The short engagement could, however, be more neutral or negative. It could indicate that the clients don't find enough value in the program to continue, are going elsewhere or giving up. When we collate the 2018 survey, we'll be able to review the data to see if the companies continued with the same grantee, graduated to other resources, or left altogether.

YEARS OF CLIENT ENGAGEMENT



ALL CLIENTS - AGE



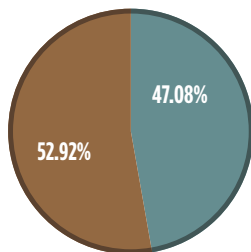
AGE

Overall, the majority (52.46%) of the clients are in the 30-49 year age range and just under thirty percent (28.89%) are over 50. Those in their twenties comprised less than a fifth (17.19%) whereas teenagers under 18 were barely visible (1.46%) in the data.

GENDER

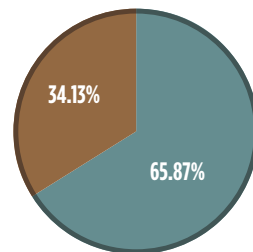
The social equity focus that has been a key driver of NEI strategy is evident in the 2017 client data. The client's gender is split 47/53 women to men. Since men are statistically twice as likely to start a business as women, the fact that the NEI clients are close to parity is pretty remarkable.

ALL CLIENTS BY GENDER



Women Men

VOLUME OF COMPANIES BY GEOGRAPHY

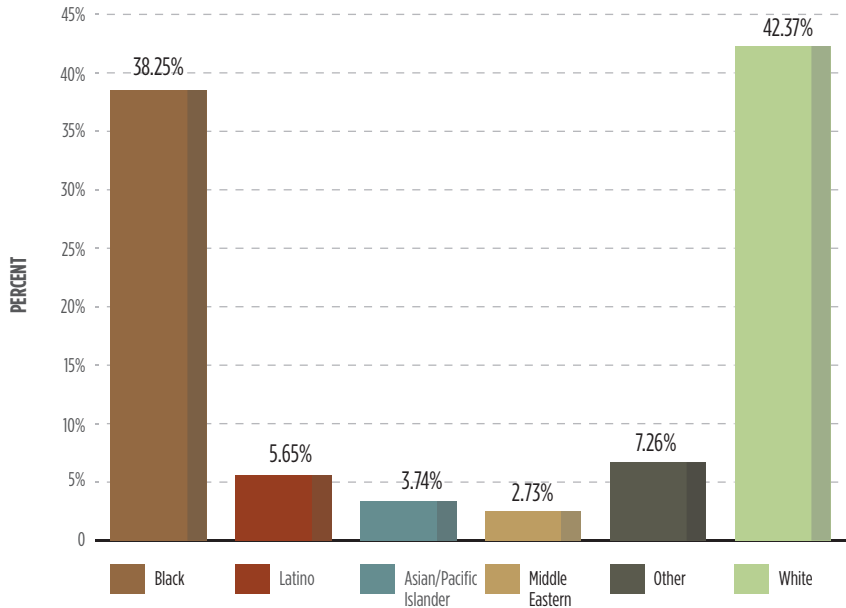


Detroit Outside of Detroit

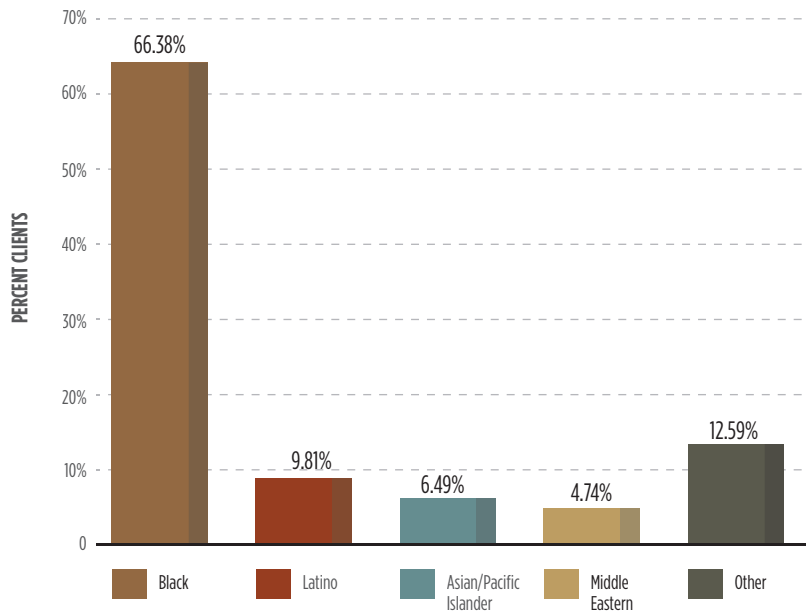
COMPANY LOCATION

Though there was a question on the residency of the company founder, the response was too small to be reliable, so the geography of the company will be used as a proxy. It's not ideal, but it'll work until we get additional 2018 data. As noted earlier, the ratio between NEI's Detroit-centric and regional focused grants and dollars was an elegant two third, one third split. The volume of companies and founders follows the exact same pattern.

TOTAL CLIENTS BY RACE/ETHNICITY



TOTAL MINORITY CLIENTS BY VOLUME



RACE/ETHNICITY

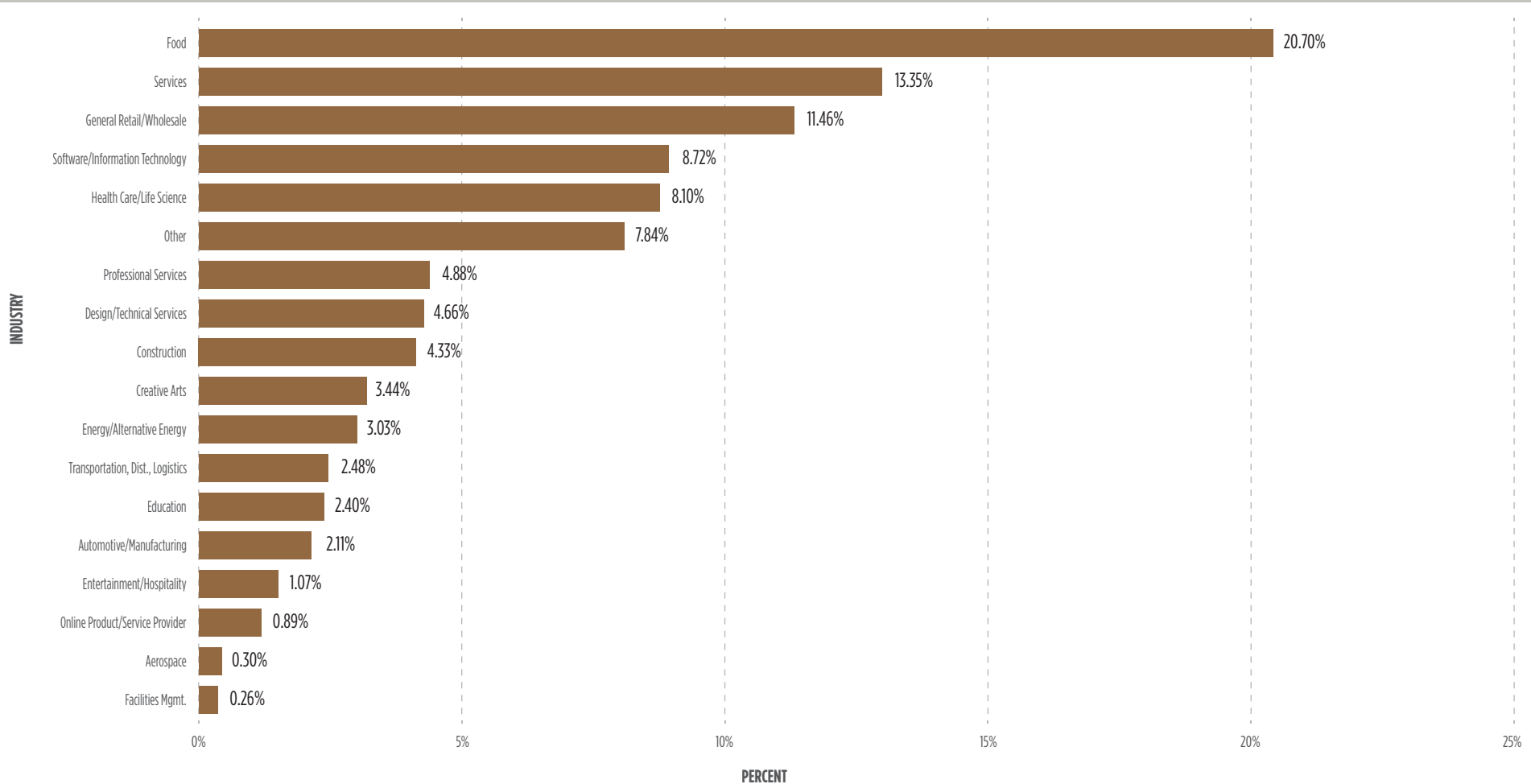
Whereas whites are the single largest block of clients served by NEI grantees, they don't comprise a majority and are only a 4.14% larger proportion than the black clients. When we focused solely on minority groups, blacks comprised just under two thirds (66.38%) of the clients. Two groups represented around one tenth of the clients. The "Other" catch all category (12.59%) and Latinos (9.81%). Asian (6.49%) and Middle Eastern (4.74%) minorities comprised the smallest proportion of the clients, but both sample sizes were statistically significant.

INDUSTRY

Moving our view from the individual to the company, we started by looking at what types of businesses the clients were running. The most frequently reported industry was, by far, food. Just over one fifth (20.7%) of all clients are classified as some form of food business – be it wholesale, retail, popup, food truck or restaurants. Services (lawn

services, cleaners, hair salons) and general retail/wholesale rounded up the top three industries and totaled just over forty five percent of all clients. The least frequent industries were facilities management, aerospace and online service provider. Their clients combined to less than one and a half percent of the entire data set.

INDUSTRY DISTRIBUTION OF ALL CLIENTS



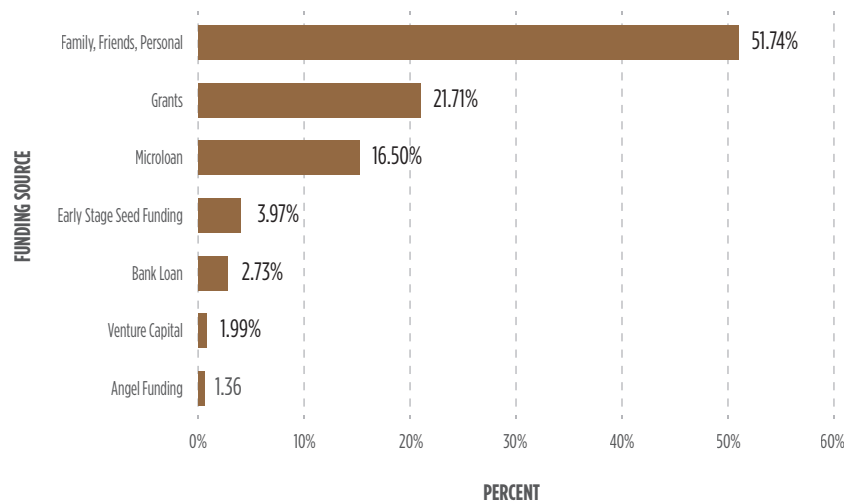
PRIMARY FUNDING SOURCE

The majority of grantee clients (51.74%) received their funding from friends and family. This is not unusual, as most small businesses across America are funded by savings account and credit card balances. Just over a fifth (21.71%) of the clients received funding from grants and one sixth (16.5%) were able to qualify for microloans. So – the top three sources of funding combine to just under ninety percent of all reported capital. Seed, commercial bank loans, angel and venture funding combined comprise a paltry ten percent

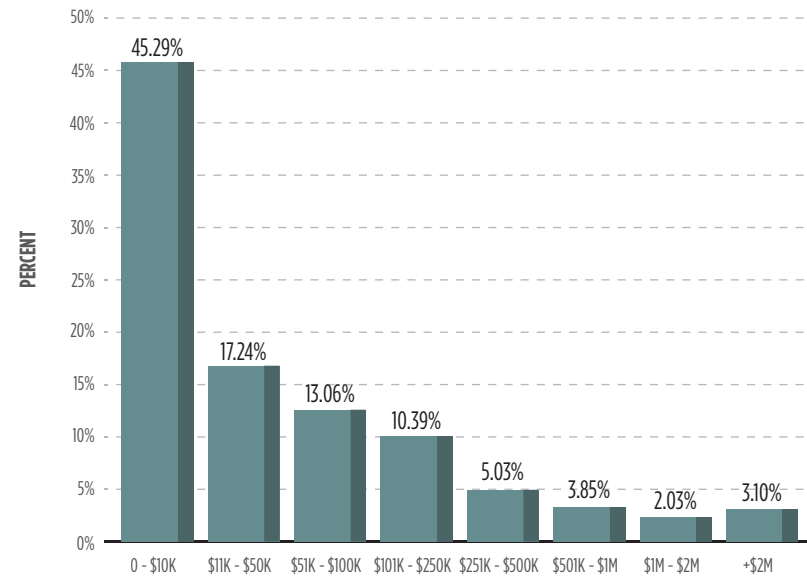
CLIENT REVENUE

Based on the brevity of the client engagement, it's not surprising that the reported revenues are small. Nearly half (45.29%) of the clients have between zero and ten thousand in revenue and almost three quarters (75.59%) have between zero and one hundred thousand. Less than ten percent (8.99%) have revenues that exceed five hundred thousand dollars.

PRIMARY FUNDING SOURCE - ALL CLIENTS



ALL CLIENTS BY REVENUE RANGE



Client Success Stories

Each year, GCN chooses several grantees and their clients to tell their stories. It puts faces and business names on the impact that NEI dollars are having on the entrepreneurs and their families in our region. It grounds all of the numbers and statistics into something as real world and delicious as fresh cookies and homemade ice cream. Because we've interviewed a number of high-tech, high-growth entrepreneurs over the past two years, we chose three grantees whose clients' ideas are more

likely to impact an individual community than change a tech landscape. These businesses, often overlooked by business publications and media, are slowly filling in the vacant storefronts. They're providing walkable jobs in their neighborhoods. They're bringing people hope that the revitalization which is evident in downtown and Midtown is radiating outward and will touch them. We hope that you enjoy meeting them as much as we did.

EASTERN MARKET / DETROIT KITCHEN CONNECT

Detroit Kitchen Connect is a program within Eastern Market Corporation whose purpose is to support planning, entrepreneurial space buildout, and capacity for economic development services to expand Detroit's food economy. The program's primary goals are:

- To build White Box + Space to accelerate the growth of emerging food businesses
- To further refine plans to build a state-of-the-art regional distribution center
- To succeed in attracting and/or retaining food businesses with a strong interest in expanding in or relocating to the Eastern Market District



FLAVORFUL CREATIONS L.L.C.



For Sarah and Reuben Reid, 2008 was not a very good year. Neither were 2009 or 2010. The economic downturn had led to unemployment and underemployment for the couple, and subsequent years hadn't shaped up much better. Like many entrepreneurs, their decision to launch a business was born out necessity. Fortunately, their fledgling business was able to hang its hat on some truly outstanding baking talent.

It was Reuben who first suggested Sarah's cakes and cookies—which were so delicious that friends clamored for their favorites and started placing paid orders—might be the ticket to a successful, independent future.

Reuben and Sarah started doing their research, founded Flavorful Creations LLC in December 2011, and it's

FLAVORFUL CREATIONS CONTINUED

been a whirlwind ever since. In 2012, they tried their first farmer's market, where Sarah first met Anika-Kafi Grose, from Eastern Market.

When Anika took the reins of a new Eastern Market program, Detroit Kitchen Connect, she contacted Sarah and Reuben about working with them. "Anika said, 'When you're serious, come talk to me.'"

The Reids had been operating Flavorful Creations under Michigan cottage business laws, and the introduction of Detroit Kitchen Connect synced up perfectly with their plans to take the business to the next level. Not long after, Anika offered them an opportunity to sell at Eastern Market and, Reuben and Sarah, buoyed by her confidence in them, jumped at the chance.

These days, Sarah bakes in a commercially-licensed DKC kitchen, occasionally breaking out into song and dance, and sells her wares both at Eastern Market and in a couple of stores (Western Market and EOS Cafe and Coffee House). Remaining tight-lipped about it, Sarah said negotiations are also underway with two more stores. The Reids, who welcomed their first baby in 2016, couldn't be more grateful for the guidance Anika has given them, enabling them to branch out into wholesale distribution.

"Now we have a following, people look for us at Eastern Market." Sarah hopes loyal customers will soon be looking for Flavorful Creations in their local supermarket. "Brick-and-mortar is just not for us. The wholesale route really works best for our growing family."

 www.flavorfulcreationsllc.com

ICE CREAM PLANT



The Ice Cream Plant started with a small wish—a teeny-tiny superhero wish, really. Robb Zimmerman's son was turning three and all Robb wanted was for his son to have Superman ice cream for his birthday. The problem? The Zimmerman's are vegan, and vegan ice cream—Superman or otherwise—simply did not exist.

An engineer by trade, Robb was undaunted. He decided he would figure out how to make his own vegan ice cream and, as engineers are known to do, Robb read everything he could find on the subject.

As it turned out, the birthday ice cream was a smash hit. Robb continued experimenting with healthy ingredients and new flavors, and soon developed a strong following among friends and neighbors. Then the



*Founders, Reuben and Sarah Reid
with good friend Charlene Boyd*

"ANIKA ALWAYS KEPT IT VERY HONEST WITH US. SHE SAID, 'THIS IS NO LONGER A HOBBY.' SHE SAT DOWN WITH US AND HELPED US SO MUCH BECAUSE, TO US, IT WAS ALL NEW TERRITORY. WE HAD NO BACKGROUND IN FOOD OR HOSPITALITY OR ANYTHING OF THAT NATURE."

ICE CREAM PLANT CONTINUED

lightbulb went off. “I kind of decided overnight to dive in and make ice cream a real thing,” Robb said. “It’s been a dream of mine since college to start my own business. I just never thought it would be outside of engineering!”

Robb was passionate about the products he made as an engineer, but he wasn’t sure what he was contributing to besides the company’s bottom line. “It never seemed important. My wife is a Physician’s Assistant, and that level of importance has always been missing for my career.”

In ice cream, Robb found meaning. Though the Zimmermans are vegan by choice, through their business they have met many families whose children suffer from severe allergies and food intolerance, children who surely had never eaten ice cream. “I’ve had parents actually cry because their kid could finally eat ice cream, just like the other kids. Suddenly, they weren’t left out. They weren’t ‘the other’—the kid who was different from everybody else.” That, to Robb is important and meaningful.

For Robb, Detroit Kitchen Connect has been a welcome partner in developing his business. “Here you have the space for creativity. You have the space to try and fail and to try and fail again.” Having the space has paid off for Ice Cream Plant. “We’re in a total of 19 store and restaurants now, and I just closed a deal for five more stores.”

What Robb values most is the support from Eastern Market and the opportunity to learn from his fellow food entrepreneurs. “It’s the sense of community. I have real friends who work there. They’re such genuinely good people.”

“I appreciate getting help from people that I can trust, who are invested in my success. Anika and Mike keep me aware of what the next step is. It also helps that MSU Product Center has Micah on site.”

Robb is also strongly committed food justice and feels that putting out natural, healthy food is one small way he can help underserved Detroiters fight back against decades of food inequity, disservice and the subsequent rise of devastating nutrition-related disease.

 www.icecreamplant.com



Founder, Robb Zimmerman

“YOU CAN DO A LOT WITH AND FOR A COMMUNITY JUST BY GETTING INVOLVED WITH THEIR FOOD. I FEEL SO FORTUNATE AND HUMBLE TO BE HERE IN THE DETROIT FOOD COMMUNITY.”

SWEET POTATO DELIGHTS



Founder, Velonda Anderson

“BY MY PROCESS WORKING WITH KITCHEN CONNECT, I WAS ABLE TO CONNECT WITH FOODLAB. NOW I’M AT ANOTHER LEVEL OF COACHING. WORKING WITH DKC, IT WAS ALL VERY INTENTIONAL.”

Since the 1970s, Velonda Anderson had worked in fitness and health, in corporate wellness and then personal training. She loved her work, but as time went on, fitness began to feel more like only half the equation. “I found that people also wanted and needed help with nutrition,” said Velonda, “so I got doctorate in nutrition and health promotion.”

Degree in-hand, Dr. Velonda Anderson set about experimenting with healthy food, and found success in working with sweet potatoes. She wrote two cookbooks that were well-received, but her fans wanted more. “People really wanted the prepared foods. I kept getting requests and finally I said, ‘Let’s just do it!’ and I started as cottage business in my kitchen.” That was the beginning of Sweet Potato Delights, and the beginning of Velonda’s next chapter as a champion for health in her community.

“I wanted to do something unique and healthy, so first we tested the hummus. It was very popular, so that was the first product we launched. We now have seven products, and hummus is the one manufactured and packaged in the shared kitchen.”

Getting involved with Detroit Kitchen Connect gave Velonda that last little push to dive in and become a full-blown food entrepreneur. “Being in that energy really made the difference. It was conversations with Anika, and even just being connected to that food community and sharing information with other food entrepreneurs.”

Detroit Kitchen Connect has helped Velonda map out a business strategy that works not only for her products and customers, but that works for her. “DKC really helps you process risk. They give you gentle nudges based on your conversations and where you are. They’re skilled at asking the right questions to help you flesh out your next steps.”

Looking ahead, Sweet Potato Delights is poised for growth and more opportunity to enrich the community. “We’re hoping that with the coming of market season, we will be able to have at least one intern to help scale-up the business, and to offer that student an opportunity that feeds into their course of study. I’m a professor and educator. I’m very passionate about that. I’m also passionate that the work we do as entrepreneurs takes into account the next generation.”



www.sweetpotatodelights.org

IMPACT SNAPSHOT CONTINUED

MICHIGAN WOMEN'S FOUNDATION

The purpose of the Michigan Women's Foundation is to provide education, capital, technical assistance and mentoring to economically disadvantaged women entrepreneurs in the Detroit region.

Their goals are built around three initiatives:

- Advancing Michigan's women's agenda
- Developing the next generation of women leaders
- Accelerating women's entrepreneurship



BRIX WINE & CHARCUTERIE



Founder, Mikiah Westbrook

Mikiah Westbrook loves wine, and she thinks you should, too. “When I think of important things that have happened in my life, they all happened over a great glass a of wine.”

A few years ago, Mikiah knew she was ready to be an entrepreneur. She knew she wanted to create a space that was warm, inviting, relaxing, sexy and vibrant, a space people would just enjoy spending time in.

With a dream, but without a firm plan in hand—yet—Mikiah purchased a charming old bank building in the very Detroit neighborhood where she grew up. Pressing family matters intervened, however, putting her dream on hold for two years, but the building sat patiently waiting for Mikiah.

In 2017, Mikiah was ready, and Brix Wine & Charcuterie was born. Mikiah first worked with another NEI grantee, Motor City Match, in planning her business, and they introduced her to the Michigan Women's Foundation. “As a small food-service business, I was not considered bankable. Then, to have someone say, ‘We believe in what you’re doing, and we want to support you.’ That was the foundation.”

Along with capital, MWF also provided support services and mentorship to Mikiah and her budding business. “Carolyn Cassin is just a powerhouse. She has an amazing team of folks and they’re genuine. I don’t feel like a number there,” Mikiah said.



BRIX WINE & CHARCUTERIE CONTINUED

“They really helped me strengthen my business plan. They were instrumental in that, and in learning to manage the money and putting processes in place. The best part of it is that I can pick up the phone and they’ll be there to help me.”

The fact that MWF is laser-focused on bringing women to the table is one of the things Mikiah values most about her relationship with them. “I love the fact that women are getting so much help to succeed, with all the education and tools they offer. I’ve been truly blessed, and I don’t take it for granted.”



www.brixdetroit.com

“I JUST HAVE A GENUINE LOVE FOR WINE. I LIKE THE ENERGY THAT COMES FROM IT. WINE IS A LIVING, BREATHING THING, FROM THE TIME IT’S HARVESTED, TO THE TIME YOU DRINK IT, IT’S EVER CHANGING.”

L’AMOUR BRIDAL, LLC



Founder, Hana Abboud

Hana Abboud has never been one to look back. After working successfully for a number of years in banking, she simply decided one day she was done. “I woke up one day and said, ‘This isn’t for me.’”

Having been in love with the idea of weddings since she was a little girl, Hana turned her attention to bridal fashions. “I put together a business plan and, within two weeks of deciding to leave corporate America, I was on a plane to New York for Fashion Week.”

Fortunately, college had prepared Hana with solid skills to write her business plan and supportive family members gave her the initial funding to launch her shop. Hana opened L’amour Bridal, in 2015, but she soon realized she may need more help. “When you own a business and you’re doing it on your own, you sometimes feel like you’re all alone.”

About six or seven months in, she found herself struggling financially. Turned away by risk-averse traditional lenders, she was referred to the Michigan Women’s Foundation through the SBA. “Within a couple of months, they gave me an initial microloan.” That loan put Hana on solid footing, and she then decided to enroll in the foundation’s “Go for the Growth” program to learn the fundamentals of running a business.

According to Hana, the Foundation has helped her with “everything under the sun.” As a member of the



L'AMOUR BRIDAL CONTINUED

new MWF Peerspectives® program, a peer-to-peer learning group, Hana continues to learn from other entrepreneurs and enjoys sharing her own lessons with them.

As far as finding support as a professional woman in any circumstance, Hana has a word of advice: “I would tell every woman, no matter what you are interested in doing, to seek out the Michigan Women’s Foundation and take advantage of every service they offer.”

Since Hana is currently working on opening a second L’amour Bridal location, right on track with her five-year plan, that’s good advice, indeed.

 www.lamourbridalmi.com

“I’M CURRENTLY DOING MWF’S PEERSPECTIVES PROGRAM. I LOVE IT! IF I HAVE AN ISSUE, I CAN GET THE PERSPECTIVE OF OTHER ENTREPRENEURS, AND I CAN SHARE MY IDEAS WITH THEM.”

SKINPHOREA



Founder, Jessica Hayes

Jessica Hayes always knew she’d be an entrepreneur. She didn’t know how, exactly, but she knew.

Ten years ago, Jessica was financial planner, but not entirely happy with where her career was going.

As she mused about making a change, Jessica had an idea. “I loved going to spas with my girlfriends, like for a girls’ night out, but I realized there was not a place around here that was affordable enough to do it on a regular basis.” That’s when the pieces started to slowly come together to form Jessica’s business, Skinphorea.

A smart business woman, Jessica realized a successful spa owner needed understand everything about her business, so she went to beauty school—and fell head-over-heels in love with skincare.



SKINPHOREA CONTINUED

After finishing her program, Jessica worked at several spas to hone her craft and learned everything she could about running a spa.

As she began to develop her business in earnest, Jessica first took advantage of the Downtown Detroit Partnership BUILD program, another one of many NEI-funded entrepreneurial programs, to help write a solid business plan.

Finally, Jessica was ready to take the leap and...nothing happened. “Everywhere I went, no one would give me a business loan. Finally, I learned about the Michigan Women’s Foundation through BUILD. I didn’t think they’d actually give me any money, but I figured it was worth a try. When I met with them I said, ‘I’ll do anything, just don’t tell me no!’”

MWF gave Jessica the loan, and also helped her focus on her core interests, like intensive acne treatment and fun spa events. They also helped Jessica step up her marketing game. “I’ve called, emailed and met with so many of their team countless times. I probably know everyone there!”

Five months after her grand opening, Jessica is working to build her customer base, especially clients struggling with stubborn acne. With many satisfied clients and regular social media “before-and-after” posts, her Acne Bootcamp now has a waiting list, and Jessica couldn’t be happier.



www.skinphorea.com

“EVERYONE AT THE MICHIGAN WOMEN’S FOUNDATION IS AMAZING. ONCE I OPENED THE DOOR, THEY’VE HELPED ME EVERY STEP OF THE WAY. THE CUSTOMER SERVICE IS OUTSTANDING. I FEEL LIKE THEY’RE MY FAMILY NOW.”



IMPACT SNAPSHOT CONTINUED

WAYNE STATE UNIVERSITY / LAUNCH PAD

Launch Pad program was created to support an entrepreneurial training and education program for students and alumni of Wayne State University. Their goals are to:

- Provide entrepreneurial support
- Accelerate growth through experiential learning, education, collaboration, and training
- Encourage students to consider an entrepreneurial career and help with planning and development of businesses during and after their college years.

Wayne State University's Launch Pad program has since transitioned into the Innovation Warriors.



RHINO DYNO, LLC



Founder, Andrew Harrell

Andrew Harrell has a need for speed. Drag racing is his hobby, and the love for all things automotive is in his blood.

Andrew first started contemplating automotive entrepreneurship as a college student at Wayne State University. He was interested in Chassis Dynamometer Testing, which measures a vehicle's drivetrain output. Andrew had seen the concept of mobile testing equipment and realized it was a service missing from the Detroit-area auto scene.

As marketing student, Andrew recognized an opportunity, but the timing wasn't right. While he continued in school, he kept the idea filed away for the future. "It just always stuck in the back of my head as something I was interested in pursuing."

Now 38, Andrew's education at Wayne State has taken him from marketing major to the Entrepreneur of Innovation Certificate program. All the while, that nagging idea in the back of his head was coming into sharper focus. "About a year and a half ago, a gentleman was selling the equipment I needed. He was a really patient and held it for me until I qualified for a loan from the CEED program," said Andrew. That's when he started the hard work to make his dream, Rhino Dyno, a reality.

Through his time in the Innovation Certificate program, Andrew became aware of the Launch Pad program, and initially reached out to them online. "Then I went in and talked to Jason Beale. His advice helped me the



RHINO DYN0 CONTINUED

most. He helped me understand that a successful business either solves a pain or offers a gain.”

Jason guided Andrew through mock interactions with potential customers to perfect his sales pitch. “He also helped me explore my customer base and really hone in and identify it.”

Andrew registered Rhino Dyno in November 2017, and officially launched his business in March 2018. Andrew’s background in promotion has given him a solid head start in building his customer base, and his advice from Jason was invaluable. “He helped me not only in talking to potential customers, but also in getting me to consider B2B outreach.”

“I’ve utilized my first 90 days to do a lot of customer outreach and I officially launched at Autorama. It’s one of the largest automotive shows in the area—attracting maybe 200,000 people. Fifty-percent of my customer base was in that space that weekend.” With Andrew’s persistence and relentless optimism, Rhino Dyno, it seems, is truly off and running.

 www.RhinoDyno.com

“JASON REALLY HELPED ME, NOT ONLY IN TALKING TO POTENTIAL CUSTOMERS, BUT ALSO IN GETTING ME TO CONSIDER EXPANDING TO B2B OUTREACH.”

GLADIATOR SOAP



Founder, Nicole Olivieri

Nicole Olivieri recalls the humble beginnings of her venture, Gladiator Soap, with a bit of nostalgia. Like a lot of entrepreneurial endeavors, it developed out of necessity. The family has moved to Rome, Italy for her husband’s job and, while Rome was beautiful, it wasn’t perfect. “The water there is very hard. It’s full of calcium, and our skin started to get really, really dry.”

While they were there, their son also turned one, and Nicole was not thrilled about the effects such harsh water might have on his tender skin. “I decided to make my own soap. I wanted to make something that was really, really moisturizing, and I wanted to use natural ingredients.” Not knowing where to start, Nicole read a lot of books about soap.

Nicole started with a basic castile soap and, through trial and error, she developed a soap that started to draw interest at the embassy, where her husband was employed. A woman at the embassy heard about it and thought she should sell the soap there in the community center. She was so persistent that she even started sending Nicole sample logos and marketing materials.

Nicole finally relented, and started selling her Gladiator Soap to passersby at the embassy, but it certainly wasn’t easy. “A lot of people use the community center there and I sold it to people walking through. We didn’t have a car, though, so it was a 35 minute walk with the stroller to the embassy each time I went.”

Eventually, Nicole launched a website, but her approach was still pretty casual. “The site didn’t even have a shopping cart. People just emailed orders to me directly.”

GLADIATOR SOAP CONTINUED

After two years, the Oliveri's returned to the U.S., and Nicole decided it was time to really give her business the attention it deserved. "When we got back, I knew I needed some direction." As a graduate of Wayne State University, Nicole was perfectly positioned to work with Launch Pad, but she didn't realize the opportunity existed, at first. "I didn't know Wayne State even had the Launch Pad program. Someone my husband knew mentioned it to him and he told me about it."

Nicole contacted Launch Pad and met with Aubrey Agee, who helped her brainstorm and define her market. She had been marketing her soap to athletes, because it was tough on dirt and sweat, and it worked well with the gladiator concept. But in discussions with Aubrey, she realized that her product was selling to mostly to women. That's when she relaunched her marketing with a wider appeal to families and adopted the slogan, "Everyone is a gladiator."

With Aubrey's guidance, Nicole revamped her logo and retooled her website to include the all-important shopping cart. She has since rebranded her products and started fresh with a beautiful new website that properly showcases her soap, and Nicole is now adding to her line, expanding to lip balm, lotion bars and more.

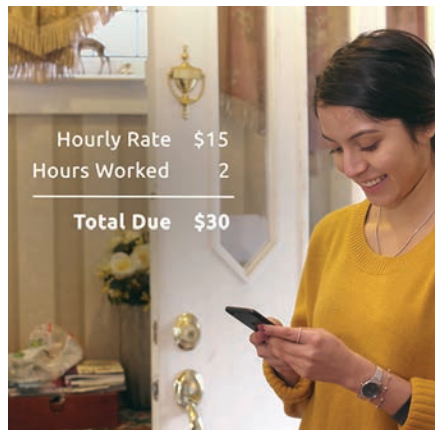
Nicole has definitely come a long way since her inspiration to name her soap for a nearby landmark in Rome.

 www.gladiatorssoap.com

"WHEN I CAME BACK HOME, I HAD A TABLE FULL OF DOCS AND NO IDEA WHERE TO GO. AUBREY SAT DOWN WITH ME AND HELPED ME FUNNEL DOWN TO MARKETING TARGET AND FOCUS ON WHAT I NEEDED TO DO NEXT."



TODOOLIE



Sergio Rodriguez wanted to go to college, and he needed a plan to pay for it. In his senior year of high school, he started doing odd jobs for his neighbors to earn money for tuition. Sergio's efforts were wildly successful, and he continued doing odd jobs all through college, finishing his Biomedical Physics degree in 2017 completely debt-free.

While at Wayne State, Sergio found Launch Pad and it was there he met with Aubrey Agee. "Aubrey gave me a lot of good feedback and connected me with people. He gave me a list of contacts, but I wasn't ready yet."

After graduating, Sergio was supposed to take the MCAT and apply to medical school, but he hasn't—at least not yet. While he was working his way through school, two things occurred to Sergio: First, the jobs he had been doing had allowed him to earn all the money he needed on a flexible schedule, without impeding his school work. Second, he wanted other students to have the same opportunity. But how?

In May 2017, Sergio went through Optimize Wayne. "It's an awesome program that changes people's lives," he said. The program is run by volunteer undergraduate students, and the idea is to get participants to answer

IMPACT SNAPSHOT CONTINUED

one very specific question about entrepreneurship: “Why not me?”

Sergio envisioned a matchmaking app that could connect student workers with people in their neighborhood who had jobs that needed doing. Right after graduation in May 2017, Sergio, along with co-founders Jose Romo-Puerta and Armando Arteaga, founded and incorporated ToDoolie LLC.

From there, Sergio continued working on his idea through the DTX program, a partnership between TechTown and the Detroit Creative Corridor, one

of many other entrepreneurial programs funded by NEI. Since completing the program, the team has been pitching their concept, completing more than a hundred customer discovery interviews, conducting market research and running a pilot in Sergio’s neighborhood. They also provided summer jobs to 25 students in 2017. The team is now ready to build a web prototype, to be followed by native apps for both Android and iPhone.

For Sergio, this detour from medical school is as much about a social mission as being a successful entrepreneur. “Student workers no longer have to choose between debt and good grades. Currently 71% of students graduate with debt. This idea came out of me. I have this problem; how do I solve it for myself? And how can I help others solve it, too?”

 www.todoolie.com



ToDoolie takes third place in the Pitch 313 competition. L To R, ToDoolie founders Jose Romo-Puerta and Armando Arteaga, Pitch 313 organizer Javier Evelyn and ToDoolie founder Sergio Rodriguez.

“I WAS SUPPOSED TO GO TO MEDICAL SCHOOL. I WAS GOING TO TAKE THE MCAT THIS SEMESTER. I JUST DECIDED I WANTED TO DO SOMETHING TO CHANGE THE WORLD. I FEEL LIKE IT’S MY SOCIAL MISSION TO HELP STUDENT WORKERS GET THROUGH SCHOOL WITHOUT DEBT.”



On June 1, 2018, Growth Capital Network will change to a name more in line with our work and our values.



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