

# Blueprint for Culturally-Relevant Small Business Development



NATIONAL  
ASSOCIATION FOR  
LATINO  
COMMUNITY  
ASSET  
BUILDERS





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Also, thank you to Centro Community Partners, Latino Economic Development Center Metro, LiftFund, Midlands Latino Community Development Corporation, Mission Economic Development Fund, Northeast Ohio Hispanic Business Center, and Ventures for contributing their best practices and tools. Many of the tools or images included in this document are components of full curricula that NALCAB members have developed based on years of experience working closely with immigrant and Latino entrepreneurs. Many of these tools are available for free or purchase. Some NALCAB member organizations have developed training manuals and offer extensive technical support on a fee for service basis. Contact information for each partner or member organization is included in the appendix to this document, as are additional and full versions of many of the featured small business development tools.





# I. Introduction

## Purpose of the Blueprint

This document is intended as a resource for organizations that provide culturally and linguistically relevant small business development services to low- and moderate-income (LMI) business owners and aspiring entrepreneurs. It reflects the experience of NALCAB and NALCAB network organizations in serving predominately Latino and immigrant communities. This is the second edition of NALCAB's Blueprint for Culturally-Relevant Small Business Development. This document has been updated to reflect changes in the entrepreneurial landscape, as well as to highlight member curricula and tools.

NALCAB developed this blueprint in recognition of the enormous economic opportunity represented by Latino-owned businesses as well as to fill a gap in the field of small business development. Latinos demonstrate high rates of entrepreneurship, and, as the largest and fastest growing major demographic segment in the United States, Latinos are an undeniably important element of our nation's future economic vitality. Small business development is an asset building strategy that is particularly important for Latinos and immigrants.

This blueprint is based on what has worked for NALCAB network organizations. NALCAB recognizes that the most effective small business development programs are highly customized to the communities and markets they serve. NALCAB has identified common threads and best practices that characterize effective programs, and it is our hope that local organizations will build upon this tool to respond to the reality of the market conditions in which they operate.

NALCAB member organizations were at the forefront of economic recovery in predominately Latino neighborhoods throughout the country. NALCAB has played a catalytic role in building the capacity of individual organizations to meet community needs and create economic opportunities. The gold standard of NALCAB's work has been when we have coordinated the collective capacity of our members

across markets in well-structured operating consortia. In doing so, our members have achieved more than the sum of their individual efforts. This blueprint represents the collective learning and best practices of the NALCAB network gained through almost \$3.5 million in grants to 51 non-profit business lenders and providers of small business development services.

Resources presented in the blueprint detail the topics that are essential to a comprehensive and culturally relevant small business development curriculum, and offers examples of best practices and tools used by NALCAB members in their small business development service delivery.

## Economic Context

Small businesses have long been the prime driver of economic growth in the U.S. and the most significant source of job creation. According to the Small Business Administration, 62% of all new jobs created from 1993 to 2016 may be attributed to small businesses. The last decade has seen a dramatic change in the demographic make-up of small business owners. There are now an estimated 11.1 million minority-owned businesses nationwide comprising 40% of all small businesses, nearly double the rate in 2007. Of these, Latinos own 46% and they operate across a broad range of industries wherein neither their presence nor contributions have been broadly acknowledged. It has been a long-held stereotype that Latino owned businesses are overrepresented in the construction and service industries. However, NALCAB conducted a survey of over 500 small business owners across 11 markets, and found that Latinos establish businesses in a broad range of industries, including healthcare, retail services, professional services, construction, and manufacturing, among others.

These findings are supported by research conducted by Stanford University's Latino Entrepreneurship Initiative. In their 2016 report State of Latino Entrepreneurship, researchers found that fewer than one quarter of Latino-owned businesses are in construction or manufacturing; even fewer – 10% - are in leisure and hospitality. Given the high rates of entrepreneurship among



Latinos and immigrants, self-employment and business ownership are key asset building strategies for Latino communities. Latinos, who were already facing poverty and unemployment rates in excess of the national average, experienced a 66% decline in net worth from 2005-2009, due primarily to real estate-related losses (foreclosure and decreased values). Disturbingly, the negative impact of the recession on the balance sheets of Latino and Black families is continuing to calcify into a structural economic problem. The Federal Reserve of St. Louis reported that while total inflation-adjusted net worth in the United States in 2012 had returned to 87.5% of its level in 2007, the inflation-adjusted net worth of Black and Latino families with two- or four-year college degrees in 2012 was at 31.3% of the 2007 level.

Small business development has provided Latinos with a pathway to reverse these trends, and Latinos are embracing the opportunity presented by business ownership. The U.S. Census Bureau's 2015 Survey of Business Owners shows that between 2007 and 2012, Latinos were the fastest growing segment of business owners, representing 86% of overall small business growth. In 2016, data from the Kauffman Index shows that nearly one quarter of all new entrepreneurs were Latino.

While Latino-owned businesses have increased in number, they had less annual revenue than non-Latino small businesses, and grew at a slower rate. In 2007, average gross receipts for Hispanic-owned firms had increased to \$152,700 but were still far below average revenues of \$490,000 for non-minority-owned firms, according to the U.S. Census Bureau's 2015 Survey of Business Owners. Stanford's 2016 report shows 50% of Latinos relied upon savings or loans from family or friends as their sole source of financing to start or grow their business. Furthermore, 25% of Latino immigrant-owned businesses have zero startup capital available to them when they launch their business, a higher percentage than any other racial/ethnic sub sector.

Despite this lack of access to capital, Latino entrepreneurs are strongly oriented towards small business growth. Eighty-eight percent of respondents to NALCAB's 2016 survey of small business owners indicated that

they planned on growing some aspect of their business over the next 12 months. Of these 88%, however, only 46% indicated that they would seek outside financing, representing a significant market inefficiency given entrepreneurs' immense desire to grow their business.

There is strong reason to support Latino business owners - both as a means to build wealth in Latino communities, but also because small business development among Latinos is a critical driver of the entire U.S. economy.

NALCAB developed this blueprint in recognition of the immense economic opportunity represented by Latino entrepreneurship. It is our hope that the tools provided will lend support for organizations serving a variety of business owners in a wide range of communities.



## II. Small Business Development Curriculum and Tools

Small business ownership is a dream for many people and may be a deeply personal affair. Many small businesses are operated entirely by a family, and almost half of all small business owners plan on passing their business on to a family member. However, not all new businesses start with equal footing. According to the Small Business Administration, nearly one in four small businesses will close within one year, and only about half will remain open for five or more years. Launching a business requires a significant investment of time, effort, and capital to be successful and business failure can have detrimental impacts on an owner's personal and familial finances. It is important to ensure that aspiring entrepreneurs both understand what's required and are well prepared for the task.

### From Idea to Start-Up

This section contains a series of questions and exercises that can help an aspiring entrepreneur assess their business idea and determine whether they are ready to pursue business ownership. These questions can also assist established business owners who need to refresh or reassess their model if something isn't quite working. In either case, these themes and tools will help business owners understand the full range of questions they need to consider, and where to prioritize asking for help from culturally relevant small business technical assistance providers.

These quick questions and exercises should shed light on what areas essential to business start-up your client already has in place, and what items or topics need further thought. From here, you may work with your client to identify major tasks and goals and to establish a timeline for getting their business idea off the ground.

Most organizations that provide technical assistance to startups and/or small businesses, provide an entry assessment to get to know the businesses, focusing in the steps they need to take and all they need to improve moving forward when opening their businesses. The following are examples from Midlands Latino Community Development Center (Midlands LCDC) in Omaha, NE and the Mission Economic Development Agency (MEDA) in San Francisco, CA.

Midlands LCDC has the checklist “Steps to Start a Business”, which includes the main steps that a person must consider when opening a new business. The checklist provides a list of steps helping the entrepreneur to think through all the aspects that the business needs and the effort that will take the person to open the new business. The following is the Spanish version of the checklist. If you have further questions about this document or want further information, please contact Marta Sonia Londoño from Midlands LCDC at [mlondono@midlandslatinocdc.org](mailto:mlondono@midlandslatinocdc.org).

The Mission Economic Development Agency (MEDA) uses a similar “Business Development Program Assessment” with all their clients, to learn what is their business status and how they can help them succeed by providing the right technical assistance they need.

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Bank of America. 2017. Bank of America Hispanic small business owner spotlight. Available at [http://about.bankofamerica.com/assets/pdf/BOA\\_2017-Hispanic-Spotlight-Report\\_.pdf](http://about.bankofamerica.com/assets/pdf/BOA_2017-Hispanic-Spotlight-Report_.pdf)





### **Pasos para iniciar un negocio**

- ☐ **Evalúe sus objetivos personales para iniciar su negocio**
- ☐ **Defina el negocio que desea iniciar. Escriba su sueño en el papel. Muy importante definir el tipo de productos y servicios que desea ofrecer. Identifique que va a ofrecer.**
- ☐ **Evalúe sus fortalezas y debilidades para iniciar este tipo de negocio y elabore un plan que le permita contrarrestar sus debilidades.**
- ☐ **Realice una investigación sobre la demanda de servicios en su locación (si va a tener clientes potenciales) y realice una evaluación de su competencia directa e indirecta.**
- ☐ **Simule el negocio que desee montar y determine la inversión total en que incurrirá (alquiler local, adecuaciones, letreros, costos de la licencia, mobiliario, mercadeo, costos de registro del nombre otros gastos de iniciación)**
- ☐ **Estime la cantidad de dinero que necesita prestar (Por lo menos entre el 20% y 30% debe ser financiado con su propio dinero).**
- ☐ **Realice los trámites legales para la obtención de la licencia si su negocio lo requiere (Departamento de Salud y de Servicios Humanos (DHHS), oficina de licencias de la ciudad- (Omaha Clerk Offices of Licenses))**
- ☐ **Escriba un plan de negocio que le permita obtener los recursos que requiere con el gobierno y con las entidades crediticias.**
- ☐ **Presente el plan de negocio a una entidad crediticia para obtener un crédito**
- ☐ **Defina la estructura legal del negocio. Usualmente al comienzo se usa la forma de Propietario Único (Sole Proprietorship). Hacia el futuro otras formas de organización: Compañía de Responsabilidad Limitada (Limited Liability Company-LLC); Sociedad general (Partnership); C-Corporación y la S-Corporación**
- ☐ **Registre el nombre de su negocio con la Secretaría del Estado de Nebraska.**
- ☐ **Obtenga los números de identificación federal y estatal.(Tax ID federal y numero de identificación para los impuestos estatales )**
- ☐ **Conozca cómo y cuándo pagar el impuesto de renta y los impuestos a las ventas**
- ☐ **Abra una cuenta bancaria para su negocio**
- ☐ **Seleccione una compañía de seguros y un agente que lo asista de manera adecuada.**
- ☐ **Seleccione un contador que lo asista con los impuestos y que le lleve la contabilidad. O tome la decisión de aprender a llevar sus registros mediante el uso de Excel o un paquete de contabilidad por ejemplo el QuickBooks es un programa que podría adquirirse. Reciba el entrenamiento para el manejo del programa.**
- ☐ **Defina políticas y procedimientos para el manejo de su negocio y la operación de su negocio: papelería, suministros, etc.**
- ☐ **¿Necesita contratar personal? Si la respuesta es positiva planee todo lo relativo a los formatos de nomina**
- ☐ **Planee su futuro y piense en un plan de retiro.**

Midlands Latino Community Development Corporation  
4923 South 24 Street. Omaha, Nebraska 68107  
Phone: 402-933-4466 [www.midlandslatinocdc.org](http://www.midlandslatinocdc.org)



## Evaluación inicial para clientes de Desarrollo de Negocios

Toda información provista es confidencial.



### Secuencia de la evaluación: (Seguimiento)

Nombre completo \_\_\_\_\_  
Nombre Segundo Nombre Apellido

Fecha \_\_\_\_/\_\_\_\_/\_\_\_\_  
(MM) (DD) (AAAA)

#### Si aún no tienen negocio

**1 ¿Tiene una idea específica para su negocio?**

- ☐ Sí  
☐ No

**2 ¿Cuál es la idea de su negocio?**

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**3 ¿Cuándo considera usted que estará preparado para iniciar su negocio?**

- ☐ En menos de 3 meses  
☐ Entre 3 y 6 meses  
☐ En más de 6 meses

**4 ¿Tiene licencia de negocio?**

- ☐ Sí  
☐ No

**5 En la actualidad ¿Vende algún tipo de producto o mercadería?**

- ☐ Sí  
☐ No

#### Negocios existentes

**6 ¿Cuenta con empleados en su negocio?**

- ☐ Sí  
☐ No, soy el propietario/operador

**7 Si tiene empleados, ¿Cuántos empleados son de tiempo completo?**

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**8 Si tiene empleados, ¿Cuántos empleados son de medio tiempo?**

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**9 ¿Utiliza un sistema de pago para sus empleados?**

- ☐ Sí  
☐ No

**10 ¿Desde dónde opera su negocio?**

- ☐ Local comercial  
☐ Desde mi casa

**11 Para que opere su negocio ¿renta o es propietario del local comercial?**

- ☐ Rento  
☐ Propietario

**12 Si renta el espacio ¿tiene un contrato actualmente?**

- ☐ Sí, tengo un contrato actualmente  
☐ No, solamente de mes a mes

**13 Si tiene un contrato vigente ¿cuando vence?**

- ☐ En menos de 6 meses  
☐ En los próximos 6 y 18 meses  
☐ En los próximos 18 y 36 meses  
☐ En más de 3 años

**14 Si el contrato vence en los próximos 6 y 12 meses, ¿tiene la opción de renovarlo?**

- ☐ Sí  
☐ No

**15 ¿Necesita ayuda para revisar el contrato a ser renovado?**

- ☐ Sí  
☐ No

#### Prestamo

**16 ¿Necesita solicitar algún tipo de financiamiento (préstamo o línea de crédito) para su negocio?**

- ☐ No  
☐ Sí, para inventario  
☐ Sí, para compra de equipo  
☐ Sí, para introducir nuevos productos  
☐ Sí, para un Nuevo local comercial  
☐ Sí, otros. Por favor especifique:

---

**17** **Sí está considerando solicitar un préstamo ¿qué cantidad piensa solicitar?**

- ☐ Menos de \$5,000  
☐ Entre \$5,000 y \$20,000  
☐ Entre \$20,000 y \$50,000  
☐ Más de \$50,000

#### Operaciones

**18** **¿Utiliza un sistema de control de inventario?**

- ☐ Sí  
☐ No

**19** **¿Qué tipo de sistema de cobros utiliza en su negocio? (marque todos los que apliquen)**

- ☐ Solamente en efectivo  
☐ Sistema de crédito propio  
☐ Tarjeta de crédito y/o de debito  
☐ Otro. Por favor especifique:  
\_\_\_\_\_

**20** **Sí utiliza algún sistema electrónico de cobro, ¿qué tipo de sistema utiliza?**

- ☐ Servicio de comerciante (de banco)  
☐ Square (sistema POS)  
☐ PayPal (sistema POS)  
☐ Clover (sistema POS)  
☐ Otro tipo de sistema POS  
☐ Otro. Por favor especifique:  
\_\_\_\_\_  
☐ Ningún tipo de sistema; solamente efectivo

#### Estrategias de Mercadeo

**21** **Cuáles plataformas de las redes sociales utiliza para promover su negocio? (marque todas las que apliquen)**

- ☐ Facebook  
☐ Twitter  
☐ Yelp  
☐ Instagram  
☐ Página web  
☐ Otros (por favor especifique):  
\_\_\_\_\_  
☐ Ninguna

#### Administración Financiera

**22** **¿Usted paga por el servicio de un contador o profesional de impuestos con quien consulta regularmente sobre asuntos de su negocio?**

- ☐ Sí  
☐ No

**23** **¿Cuenta con seguro para su negocio (seguro básico)?**

- ☐ Sí  
☐ No

**24** **¿Mantiene separadas las finanzas personales de las de negocio?**

- ☐ Sí  
☐ No

**25** **¿Qué tipo de sistema de contabilidad utiliza para su negocio?**

- ☐ Manual  
☐ QuickBooks  
☐ Excel  
☐ Otros (por favor especifique):  
\_\_\_\_\_  
☐ No tengo ninguno

**26** **¿Usted mantiene al día sus estados financieros?**

- ☐ Sí  
☐ No

**27** **¿Qué cantidad anual de ventas/ingresos tiene su negocio?**

- ☐ Menos de \$15,000  
☐ Entre \$15,000 y \$25,000  
☐ Entre \$25,000 y \$50,000  
☐ Entre \$50,000 y \$75,000  
☐ Entre \$75,000 y \$100,000  
☐ Entre \$100,000 y \$125,000  
☐ Más de \$125,000

**28** **¿Está al día con las declaraciones de impuestos del negocio?**

- ☐ Sí  
☐ No

**29** **¿Tiene alguna deuda de impuestos?**

- ☐ Sí  
☐ No

**30** **¿Qué tipo de necesidades tiene su negocio actualmente?**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



Understanding the market

It is imperative for every small business owner to understand the market in which they plan to operate. Identifying and strengthening a competitive advantage can be critical for business success. Before embarking upon a full-fledged competitive advantage analysis, there are two key factors you may ask your client to consider:

- 1. What need are you filling?
- 2. What is unique about your product or service?

Before taking any further steps to establish a business, an aspiring entrepreneur should be able to clearly articulate what need their product or service is meeting, or in other words, what problem their product or service is solving. They should also be able to explain what separates their potential business from others already in operation. These questions also help established business owners rethink their market position and discover whether the plan they entered the market with is still viable, or whether it needs updating. The grid tool featured below is a simple way to help aspiring entrepreneurs work through these questions and discover what separates them from their competitors. In the first column, your client should list their business and three competitors. The top row should represent distinguishing attributes like price, range of products, available services, or any other area in which your client excels and would like to compare against peer businesses. By the end of the exercise entrepreneurs should be able to understand a) what competitors are doing well and b) where the gaps in the market might exist.

Competitors Chart

Worksheet: Include the competitors in the first column. In the second row include the main attributes that most businesses feature within your industry, this will help you to identify your competitive advantage.

Example:

Competitors	Attributes			
	Great Customer Service	Low Cost	Business Hours (24/7)	Organic Food
Ex: My Restaurant				
Business X				
Business Y				
Business Z				

Fill out the following:

Competitors	Attributes			
Your Business				



This quick exercise should help your client determine whether their business idea is distinct or competitive. If they discover that their business idea is neither, the exercise may illuminate important elements in their chosen market and they may reconsider the details of their business idea.

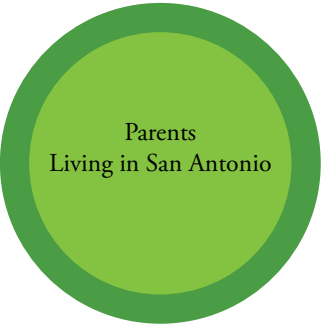
#### Customer Profile

It is important for your client to have a profile in mind of the people who will use their product or service. Knowing the age range of their future customers, their education level, income, and where to find them are all critical to appropriately marketing and building their business. The following exercise will help your clients build a profile of their potential customers, while keeping in mind that specificity is key. As the chart below shows, it may take several attempts to zero in on the specific profile of your target market. These steps can be repeated several times to identify multiple customer segments.



# Reaching Your Target Market

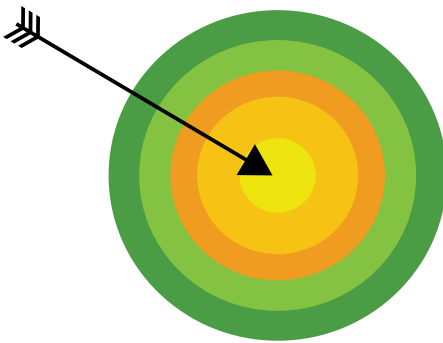
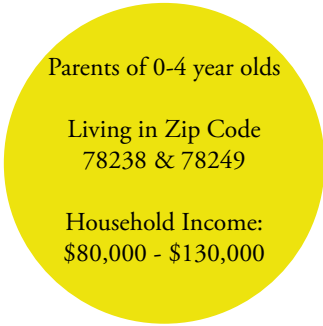
Generic



Better



Best



Categories	Details
Gender	
Age	
Income	
Location	
Education Level	
Location	
Ethnic Background	
Occupation	
<i>Other Categories</i>	
<i>Other Categories</i>	
<i>Other Categories</i>	
<i>Other Categories</i>	



### Method of Distribution

Now that potential customers have been identified, you can help your client think through how their product or service will reach those customers. This may already be clear depending upon the industry your client intends to enter, but it is important to consider the benefits and hurdles associated with multiple channels of distribution. Does online ordering make sense for an aspiring restaurateur? How about for a brick-and-mortar boutique? Increasing the number of distribution points can broaden a customer base but may also complicate business operations. Considering the benefits and potential complications of multiple distribution points will help your client maximize the chances for success in the future.

### Partnerships

Few businesses are able to successfully operate without a dependable ecosystem of partners. Whether your client is sourcing partners' goods for resale, or your client is depending upon them for distribution, success, in part, will depend upon identifying the right partners. Who are players in the ecosystem that can add value to your client's product or service? Ask your client to walk through their business idea and identify points where a partner business is necessary or may add value. If they have a specific partner in mind, they may identify them. This list will be helpful when it comes time to write a business plan.

### Securing Capital

Securing the capital necessary to launch a business is a major hurdle for many entrepreneurs. Ask your client to list already identified sources of capital that they will use to start their business. These may include personal savings, friends and family, or local lenders. They need not have every necessary dollar identified, but this exercise will help create a fundraising goal to be used in future planning efforts.

### Sources of Funding

Sources	Amount
Funding #1	\$
Funding #2	\$
Funding #3	\$
Funding #4	\$
Funding #5	\$
Funding #6	\$
Total	\$

### Calculating Expenses

Business owners will want to think carefully about what costs they will need to cover. Asking clients to list their expenses is an opportunity for budding entrepreneurs to think in very realistic and concrete terms about their needs. Expenses listed here can include inventory, a physical or digital location, advertising costs, employees, a point of sale system, etc.

Expenses	Amount
Expense #1	\$
Expense #2	\$
Expense #3	\$
Expense #4	\$
Expense #5	\$
Expense #6	\$
Expense #7	\$
Total	\$

At a certain point every client will have to make a 'go or no-go' decision. This decision should be based at least in part on an entrepreneur's financial needs and alternative opportunities. A break-even calculator is a simple tool that can help an individual determine the viability of their project based on fixed costs, costs per unit, and revenue or



sale price per unit. Through completing the breakeven analysis, clients can see how much effort and perhaps time they must invest in order to come out even. This analysis is also an excellent lead-in to the discussion on financial capability (see next section). There are various break-even calculators online that plot the number of units to break even. Beyond break even, it is also critically important for your client to understand how they will make money beyond the break-even point once their business is launched. Calculating time-to-revenue, or the length of time it will take before an investment begins to provide revenue will help your client budget for the period of time between launching a business and earning income from that business.

Have your clients consider this scenario to help them understand this concept:

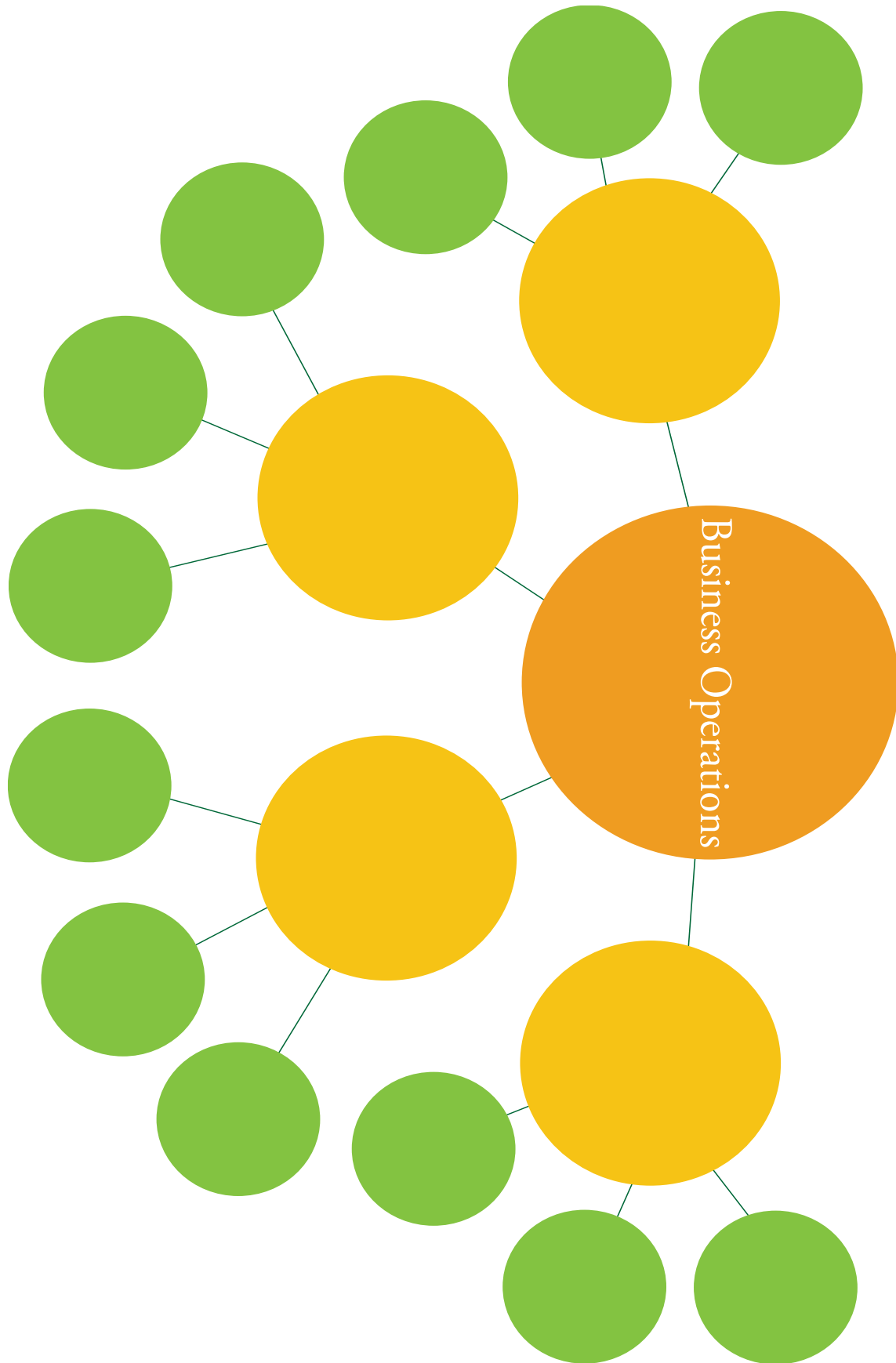
A restaurateur is evaluating bids from two contractors for build out of a dining space. The first contractor's bid is pricier, but projects a sooner completion date. The second contractor's bid is several thousand dollars lower but projects a completion date one month later than the first bid. The revenue forfeited by opening the dining space one month later should be considered when selecting a bid.

#### Business Operations

A mind map is a simple tool that can be used to identify the elements of a business operation. A template mind map is included here. To begin, ask the client to write the idea they intend to explore in the middle of the page; in this example, "Business Operations". Clients should then brainstorm necessary subtopics around the central idea of business operations; possible examples include: human resources, legal knowledge, sales and customer service, and record keeping. Connect each of these subtopic to the center with a line. Repeat the same process for each of the sub categories of small business operations, detailing progressively more minute-level information as appropriate, connecting each of to the corresponding subtopic. Use the mind map to help clients see which elements of business operations they already have planned and which elements are missing.

These quick questions and exercises should shed light on what areas essential for business start-up your client already has in place, and what items or topics need further consideration. From here, you may work with your client to identify major tasks and goals and to establish a timeline for getting their business idea off the ground.







**Financial Capability**

Culturally and linguistically relevant financial capability services are crucial for unlocking the economic potential for entrepreneurs and others in diverse communities of color, especially for individuals who are new to the U.S. financial system, and those who have limited English proficiency. Latinos, and particularly immigrants, have faced a number of challenges to achieving their financial goals, including low or no credit score, a lack of knowledge about the financial system and their rights, language barriers, challenges with immigration status, and/or wariness of mainstream banking institutions. These challenges can prove to be additional barriers for Latino and immigrant entrepreneurs achieving success.

An integrated financial capability program should be at the core of any nonprofit’s asset building initiatives, including small business development services. Since the focus of this Blueprint is small business development, this section is not intended to be a comprehensive guide to financial capability topics and services. It does focus on aspect of financial capability services that are particularly suited to integration with small business services, and it is intended to help an organization begin thinking about how to effectively utilize a high-quality and culturally-relevant financial capability curriculum, and more fully integrate financial capability services into existing asset building programs.

**Financial Capability Curriculum**

At a minimum, the goal of an integrated financial capability curriculum should be to create awareness and a pathway to resources that allow participants to understand the following:

- Their current financial situation
- Credit score and building credit
- How these factors interact to create advantages or challenges to the business owner’s success

*Assessment*

To help a client understand their current financial situation, it is helpful to utilize a simple financial assessment. One example, utilized by NALCAB member Mission Economic Development Agency (MEDA) in San Francisco, and adopted by NALCAB member Ventures in Seattle is featured below. This partnership was made possible through technical assistance provided through MEDA’s Sharing the Model program. Ventures includes this assessment, as well as five additional pages addressing financial capability topics, into their Small Business Resource Guide that all participants of their introductory business training course receive.

Clients should answer each of the questions below using the categories at top: Yes, More or Less, and Not Yet. This assessment will demonstrate the strengths and gaps in clients’ grasp of their personal finances, and establish priorities as they work with a financial coach.

Financial Assessment		
Yes	More or Less	Not Yet
1. Do you have a written financial action plan that includes short and long-term goals?		
2. Do you use a budget to manage money and track your income and expenses?		
3. Do you review credit reports every four to six months and understand how to establish and protect your credit?		
4. Do you feel in control of debts?		
5. Do you know how different financial products work (bank accounts, credit cards, debit cards, loans)?		
6. Do you know which benefits, subsidies and tax breaks you may qualify for?		
7. Do you regularly do something specific to nurture your financial future?		
Put a star next to the top three areas above that you would like to focus on in the next 30 days.		



### *Creating a budget*

Creating a household budget or spending plan allows clients to gain a more thorough awareness of what income is coming into the household, and what expenses are moving out of the household. A personal budget affects a small business in two main ways: 1) the owners' savings will likely correspond as a major source of funds for the project-- affecting the size and timing of the initial project; and 2) the transition from worker to owner likely means forgone wages while the owner is dedicating time to the business. Therefore, if an individual is planning to start a business, they will likely need a positive cash flow with built up savings in the months prior to launch.

Many people have not previously analyzed their household income and expenses on such a detailed level, and creating a detailed budget or spending plan can help illuminate areas to potentially reduce spending. A coach or counselor should help a client identify all monthly income (from employment, tax refunds, government benefits, etc.), and all monthly expenses, including housing, utilities, food, family, health insurance, entertainment, transportation, fees, and savings. It is important to help clients think about savings as a line item in the budget, not simply as 'what's left over' at the end of the month. Dedicating a separate line item creates a greater assurance of achieving clients' savings goals. This budget worksheet from MEDA shows a simple and condensed format for helping clients create a monthly budget that compares income to expenses.



# FINANCIAL EVALUATION



**Read this script before asking any questions.**  
At MEDA, we intentionally do not ask any questions about immigration status. We want to protect your right to privacy, and welcome everyone, regardless of immigration status. A Social Security or ITIN number is needed to access most asset-building products and services. If you don't have either, we can help you apply for an ITIN. We ask everyone if they would like assistance to apply for an ITIN. If you say no, there will be no further questions asked. Please know that we will never turn over any client records to any outside party, and we will fight any efforts to obtain our information through the appropriate legal means.

NAME: \_\_\_\_\_

GETTING STARTED		NOTES
Do you have a bank account?		
Did you file taxes last year?		
Do you need to file any past years' taxes?		
MONTHLY EXPENSES & BUDGET		NOTES
Contribution to Savings		
Rent		
Mortgage Total		
Utilities Total		
Food Total		
Daycare/Eldercare		
Medical/Dental (Health Care)		
Personal Expenses/Entertainment Total		
Transportation Total		
Insurance Premiums Total		
Financial Transactions Total		
Other Miscellaneous Monthly Expenses		
TOTAL EXPENSES		
MONTHLY INCOME		NOTES
Employment Income		
Informal Work Income		
Draw from Business		
Unemployment Income		
Rental Property Income		
Pension		
Food Stamps/WIC		
Other Government Benefits		
Child Support		
Other Household Member Monthly Income		
TOTAL MONTHLY INCOME		
MONTHLY SELF-SUFFICIENCY INCOME DESIRED		

continúo en la espalda



ASSETS		NOTES
Checking Account		
Savings Account		
IRA Balance		
Cash on Hand		
Foreign Assets		
Personal Property		
Precious Metals/Jewelry		
CD's or Money Market		
Stocks or Bonds (Current Value)		
Education Savings		
Mutual Funds		
Retirement		
Other Assets Value		
TOTAL ASSETS VALUE		
SURPLUS/DEFICIT (INCOME EXPENSES)		

CREDIT AND DEBT		NOTES
Credit Scores		
Credit Bureau Reporting		
Credit Score Date		
Equifax Score		
Experian Score		
TransUnion Score		
Debt — Debt Listed on Credit Report		
Real Estate Mortgage (Balance)		
Real Estate Mortgage — Minimum Monthly Payment		
Installment Debt: Student Loans — Balance		
Installment Debt: Student Loans — Minimum Monthly Payment		
Installment Debt: Vehicle Loan — Balance		
Installment Debt: Vehicle Loan — MMDP		
Installment Debt: Other — Balance		
Installment Debt: Other — Minimum Monthly Payment		
Revolving Debt — Balance		
Revolving Debt — Minimum Monthly Payment		
Collections — Medical		
Collections — Utilities		
Collections — Unsecured Debt		
Other Debt — Minimum Monthly Payment		
Public Records Debt		
Taxes/Liens		
Judgments		

PUBLIC BENEFITS		NOTES
Screening and application process completed?		

FINANCIAL PRODUCTS NEEDED		NOTES
Screening and application process completed?		
When is the next follow-up assessment appointment? (date and time)		



### *Separating Business and Personal Finances*

Many small business owners do not initially separate their business and personal finances, which can cause financial difficulties further down the road. A small business financial capability curriculum should emphasize the importance of separating business accounts from personal finances for a number of reasons. In addition to demonstrating a level of professionalism, it also helps to simplify tax filing, to analyze and manage cash flow, and to establish a business relationship with a local banking institution. A curriculum should help clients know to establish a separate checking account and/or credit card just for the business, and track business spending and receipts separately from personal financial transactions.

### Understanding and Building Credit

An additional important aspect of helping a client understand their current financial situation is to help them pull and read their current credit report. When a business is just starting it has no credit history. Therefore lenders look at your personal credit as one element to assessing the risk of a loan or line of credit. In addition, a credit report summarizes many of the existing obligations a business owner has. Improving personal credit starts with understanding it. Knowing what's on your credit report, what your credit score is, and how one affects the other is critical for small business owners to be able to access the capital that may be necessary to start or expand their business.

There are two critical actions needed to help clients understand their credit report. First is the ability to actually pull a client's credit report. The Fair Credit Reporting Act (FCRA) requires each of the nationwide credit reporting companies — Equifax, Experian, and TransUnion — to provide consumers with a free copy of their credit report once every 12 months. Credit reports can be accessed by visiting [annualcreditreport.com](https://annualcreditreport.com), or by calling 1-877-322-8228. However, many organizations working with clients often find that it is more difficult than expected to obtain reports due to the security questions that the site requires to be answered. In addition, these credit reports do not include credit scores.

Another potential option for pulling credit reports is to subscribe to a consumer reporting agency such as CoreLogic Credco if possible, or the non-profit social enterprise Credit Builders Alliance (CBA), which allow non-profits to pull reports and scores for the purpose of financial education and outcome tracking. Both of these types of services will carry a fee for each report pulled, with the price often based on the volume of reports, but can provide more consistent access and more concrete information through the addition of a credit score. To pull reports through CBA's umbrella arrangement with the credit bureaus, your organization must be a CBA member and there is also a one-time set up fee. CBA also offers a range of credit-building related services to non-profits, including training and tools to help a financial coach or counselor interpret credit reports, an online e-learning platform and tutorials for practitioner professional development, outcome tracking resources and guidance, and forums for sharing with and learning from other practitioners.

Once you have pulled a credit report, it is important to review the credit report with the client, who may be seeing their credit report for the first time. The purpose of reviewing the report with the client is to help them understand what information is contained on the report, how the various trade lines and accounts affect the client's credit score, and how to identify and dispute any inaccuracies on the report. This credit assessment worksheet utilized by NALCAB member Latino Economic Development Center (LEDC) in Washington, DC provides a simple tool to walk through each of these elements with your client.



Nombre Del Cliente:

Asesor LEDC:

Fecha de Comienzo:

# Resumen de Crédito

Vivienda Estable, Negocios Prósperos, Comunidades Dinámicas

## Asesoría De Crédito

CREDITO	Número/ Total (\$)	Promedio	EFX	XPN	TUC
<b>Puntajes</b>					
<b># de Lineas Activas</b>					
<b>Tipo de Lineas Activas y sus Balances</b>	<input type="radio"/> Hipoteca de Casa(s): \$ _____ <input type="radio"/> Préstamo para Vehículo(s): \$ _____ <input type="radio"/> Préstamo(s) Estudiantiles: \$ _____ <input type="radio"/> Tarjeta(s) de Crédito: \$ _____ <input type="radio"/> Facturas Médicas Impagadas: \$ _____ <input type="radio"/> Otro tipo: _____ : \$ _____				
<b>Balance Total Lineas Activas</b>	\$				
<b>Balance Total Pagos Mensuales</b>	\$				
<b><u>Colecciones</u> Número y Balance</b>	<b>Si/No</b> <b># Total</b> \$				
<b><u>Registro Público</u> Número y Balance</b>	<b>Si/No</b> <b># Total</b> \$ <input type="radio"/> Bancarrota <input type="radio"/> Embargo Hipotecario <input type="radio"/> Venta Corta <input type="radio"/> Gravamen por impuesto				
<b><u>Quejas</u> Número y Balance</b>	<b>Si/No</b> <b># Total</b> \$ Fecha de entrega de Queja: _____				

1. **Lineas Activas Sanas/ Establecidas** ☐ \_\_\_\_\_
2. **Enfrentar / Pagar / Convalidar Colecciones y Registro Público** ☐ \_\_\_\_\_
3. **Quejas** ☐ \_\_\_\_\_





A business owner's personal credit score affects not only the ability of the business owner to get a small business loan, but also plays a significant role in determining what it costs to borrow that money. It may be helpful to help entrepreneurs understand how lenders look at the credit reports of potential borrowers, often through the lens of the 5 Cs of credit: Character, Capacity, Capital, Collateral, and Conditions.

Once clients understand the importance of their credit score and what is on their report, a well-rounded curriculum should include pathways for the client to actively build their credit through the use of financial products such as lending circles, credit builder loans or secured credit cards. A credit building financial product offers a client a concrete step to take to put their new credit building knowledge into action. For organizations that are not lending institutions but are interested in creating access to a credit building financial product, there are several options. One option is to initiate a partnership with an organization like Mission Asset Fund (MAF) based in San Francisco, CA. MAF provides zero-interest Lending Circles that help people build credit. Everyone in the Lending Circle makes the same monthly payment, which MAF reports to the credit bureaus, and the loan rotates monthly to a different participant. The program is proven to help participants establish credit histories for the first time and increase low scores. For an annual fee, MAF provides the back office support and online financial training, and the partner organization recruits and supports the participants. There are upfront and recurring costs, which MAF and the local provider may be able to fundraise for to sustain the partnership. Another option might be to integrate the use of technology based credit building tools, such as Self-Lender, an online credit building product and eMoneyPool, an online lending circle provider.

An organization may also partner with local mission-oriented financial institutions to encourage implementation of credit building products. For example, NALCAB member El Centro de la Raza (ECDLR) partnered with the Seattle Metropolitan Credit Union, to develop several financial products, including credit building products and products specifically for Individual Taxpayer Identification Number (ITIN) holders. ELCDR has built this relationship over more than two years, and said the key to a successful partnership was knowing their community's needs, getting to know their financial partner through visiting the location and meeting their staff, and finding areas of mutual benefits, such as co-locating in the same space.

#### Integrating financial capability services into existing asset building programs

Financial capability topics and services can be addressed in a number of ways. When determining the best fit for your organization, it is beneficial to consider the following:

- Service delivery – Financial capability can be integrated either in a group setting or in a one-on-one coaching/technical assistance session. Many NALCAB member organizations have found it helpful to introduce financial topics in a workshop or class, and then to follow up in individual coaching sessions to address topics in a more in-depth manner.
- Staff capacity building – An organization might choose to train all small business development staff to help clients address financial issues, or choose to have designated financial capability staff members to which clients are referred. For a smaller organization, it may not be feasible to have dedicated staff; for a larger organization, dedicated staff might be feasible but it is necessary to develop strong internal referral processes to ensure the clients' needs are met. With either method, a significant amount of training on financial topics and coaching techniques is required.
- Content order – NALCAB member organizations have found it helpful to start a small business workshop by covering financial topics first because the ability of the entrepreneur to start or expand a business hinges on their current financial status, as well as their financial goals. Service providers have also found that financial capability topics are very personal, and that they can be used as a 'hook' to increase engagement of participants from the very beginning.



MEDA of San Francisco is an example of an organization that has demonstrated success in integrating culturally-relevant financial capability services across their entire organization. Financial capability forms the core of MEDA's services, supporting other programmatic efforts including business technical assistance, homeownership counseling and foreclosure intervention, workforce development, taxes, and more. In this way, financial education acts as the "glue" that binds all of MEDA's asset-building programs and ensures that no matter the reason a client approaches MEDA, they learn about debt, income, credit, savings, and safe banking in the same manner. This is facilitated through a common orientation session and comprehensive client intake and tracking procedures, and short and long-term financial coaching.

MEDA provides these services to over 7,000 community members across the San Francisco Bay Area annually, including a focus on families within the Mission Promise Neighborhood and residents of MEDA's affordable housing sites. MEDA offers customized consulting for organizations interested in adopting elements of MEDA's financial capability model through use of the Vida Toolkit. The Vida Toolkit provides print and electronic training modules for organizational capacity building, plus client materials, activities, and tools. This toolkit was created with a human-centered and culturally specific approach, which coupled with MEDA's technical assistance has increased impact in low-income communities across the country.

#### Additional Lessons Learned/Best Practices

Through their work integrating financial capability into existing asset building services, NALCAB and its member network have gained valuable insights and developed a number of best practices, described below:

- Cultural relevancy is more than language – NALCAB members have worked to ensure that their financial capability services are culturally relevant. Cultural relevancy for Latinos can mean something as basic as offering services in Spanish, and often NALCAB member organizations are the only organizations offering these services in Spanish in a given market. The Latin American Economic Development Corporation in Charlotte, NC, who offers a small business and financial capability workshop session, reported higher rates of retention and participation in the Spanish-only course, and attributes this to the fact that this service could not be found elsewhere, which increased participants' level of commitment.

Beyond language, there is a clear need for Latino-serving financial coaches develop the skills to help clients deal with issues more commonly faced by Latino and immigrant households, such as dealing with the realities of a cash-only household economy, engaging in deliberate credit building for households who have no established credit, and credit building/financial products for clients who have ITINs. Another significant lesson learned in working with nonprofits in the NALCAB Network is that asset building in Latino communities, especially among immigrants, does not happen in a short timeframe and requires considerable culturally-relevant counseling and relationship building to achieve success. Effective financial education and coaching enhances a business owner's ability to increase their financial capability (both personally and for their business), but trust between the individual and nonprofit needs to be in place before this process can occur.



- Outcome tracking, measurement and reporting is crucial for measuring progress, but challenging to establish – Establishing and tracking client long-term outcomes takes time; for example, it takes a minimum 6-12 months to see an improvement in credit score. Financial capability service providers need to establish meaningful outcomes to measure and develop follow up procedures with their clients. Though there not yet a full national consensus on what constitutes meaningful financial capability outcomes, NALCAB has developed reporting outcomes based on a survey of what other organizations are tracking nationally, as well as what our members have expressed is important to track. Contact NALCAB if interested in finding out more.
- Partnerships can help programs with limited resources be more effective – Every program has limited resources, but for organizations with only a handful of staff members, it can be especially difficult to implement a comprehensive financial wellness program. LAEDC provided an example of how to form multiple partnerships to augment its limited resources. LAEDC continued to refer clients to Community Link, a local housing non-profit, for individual review of credit reports and one-on-one financial counseling. Community Link staff also facilitated some of the sessions during the workshops on building credit. The Camino Community Center, a local non-profit, provided the facilities for the training and collaborated with outreach. The Latin American Chamber of Commerce collaborated with recruitment of participants, management of programs and trainers and facilitation. Wells Fargo provided their curriculum and additional sources in Spanish as well as financial literacy facilitators for some of their sessions. Forming these types of partnerships is not without challenges, such as maintaining a consistent referral process and establishing reporting procedures between organizations, but LAEDC's use of partnerships can be used as a blueprint for other very small organizations who wish to implement financial wellness programming.



Additional Resources for Strengthening Culturally-Relevant Financial Capability Services

Financial Capability Curriculum		
Resource	Link	Description
CFPB <i>Your Money, Your Goals</i> Toolkit (English & Spanish)	<a href="http://www.consumerfinance.gov/practitioner-resources/your-money-your-goals/toolkit">www.consumerfinance.gov/practitioner-resources/your-money-your-goals/toolkit</a>	The Consumer Financial Protection Bureau's (CFPB) free toolkit includes 13 ready-to-use modules in English and Spanish to help people set goals, choose financial products, and build skills in managing money, credit, and debt.
FDIC <i>Money Smart for Small Business</i> (English and Spanish)	<a href="http://www.fdic.gov/consumers/consumer/moneysmart/business.html">www.fdic.gov/consumers/consumer/moneysmart/business.html</a>	Free Curriculum in English and Spanish from the Federal Deposit Insurance Corporation (FDIC) and the U.S. Small Business Administration (SBA), including a fully scripted instructor guide, participant workbook, and PowerPoint slides for 13 financial capability modules.
Wells Fargo <i>Hands on Banking</i> (English and Spanish)	<a href="http://handsonbanking.org/educators/#resources">handsonbanking.org/educators/#resources</a>	Free, non-commercial program that teaches people in various stages of life about the basics of responsible money management. Also available in Spanish.
Credit Building Training and Resources		
Credit Builders Alliance	<a href="http://www.creditbuildersalliance.org">www.creditbuildersalliance.org</a> <a href="http://www.CBAtraininginstitute.org">www.CBAtraininginstitute.org</a>	CBA also offers a range of credit-building related services to non-profits, including training and tools to help a financial coach or counselor interpret credit reports, an online e-learning platform and tutorials for practitioner professional development, outcome tracking resources and guidance, and forums for sharing with and learning from other practitioners.



Program Integration Technical Assistance		
Resource	Link	Description
Mission Economic Development Agency (MEDA) VIDA Toolkit	<a href="#">Contact MEDA at (415) 282-3334 for more information</a>	MEDA offers customized consulting for organizations interested in adopting elements of MEDA's financial capability model through use of the Vida Toolkit. The Vida Toolkit provides print and electronic training modules for organizational capacity building; plus client materials, activities, and tools.
General Resources		
Credit Builders Alliance Tip Sheet – Building Credit without a Social Security	<a href="https://www.creditbuildersalliance.org/download/3897">https://www.creditbuildersalliance.org/download/3897</a>	Answers frequently asked questions about helping client without social security numbers build credit.
Consumer Finance Protection Bureau (CFPB) Glossary of English-Spanish Financial Terms	<a href="http://files.consumerfinance.gov/f/201510_cfpb_spanish-style-guide-glossary.pdf">http://files.consumerfinance.gov/f/201510_cfpb_spanish-style-guide-glossary.pdf</a>	This glossary of common financial terms was created and is used by the Bureau for translating consumer education materials from English to Spanish. CPBP is publically sharing it in an effort to further the accessibility of financial information to limited English proficient persons.
Financial Coaching Training Opportunities	<a href="https://fyi.uwex.edu/financialcoaching/trainingopportunities">https://fyi.uwex.edu/financialcoaching/trainingopportunities</a>	List of five widely utilized financial coaching trainings compiled by the University of Wisconsin-Extension.
Credit Building Financial Products		
Mission Asset Fund	<a href="http://www.missionassetfund.org">www.missionassetfund.org</a>	Provides zero-interest Lending Circles that help people build credit.
Self-Lender	<a href="http://www.selflender.com">www.selflender.com</a>	Online lending circle model.
eMoney Pool	<a href="http://www.emoneypool.com">www.emoneypool.com</a>	Online credit builder loan.





### Access to Capital

Access to capital is critical for the longevity and growth of small businesses, and has significant implications for entrepreneurs and their employees. Often, the ability to strengthen or grow hinges on whether or not an entrepreneur can access capital, and access is invariably connected with the credit of the business or entrepreneur, as mentioned above.

Frequently, small business development coaches act not only as educators but as advocates for their clients. It is imperative that coaches become well-informed about how different lenders make decisions. Strong relationships with lenders are fundamentally built on the referral of well-prepared borrowers and strong relationships with small business clients, which often culminate in successful connections to capital. A business coach does not do their client any favors by sending them to potential lenders unprepared to address the lender's specific requirements. For this reason, it is helpful to build relationships with lenders and compile details on each lender's application process (including the specific documentation that will be required) and their minimum requirements. Coaches should try to find out additional information on the size and range of loans each lender will consider making and, within that range, an understanding of each lender's "sweet spot", such as the loan size and character that they prefer to make or see as reflecting their competitive edge.

There are a wide range of potential capital sources that can match the needs and interests of small business owners. NALCAB members use the following channels to promote access to capital. Not all are created equal, with any source of capital, there is the potential for predatory actors or terms. Community based asset building organizations can help assess which sources of capital are legitimate and which ones should be approached with caution.

*Mainstream financial institutions including banks and credit unions:* Most banks and larger credit unions engage in small business lending. Large financial institutions lend according to underwriting policies and procedures that tend to limit the discretion of loan officers, and prioritize credit scores, collateral, and years in business, for example. These "hard and fast" requirements may be challenging for some small business owners to meet without significant preparation, support, collateral, or cash. Often times these financial institutions are limited in their ability to lend to start-ups, or borrowers without established credit. On the other hand, when clients can access capital through traditional sources, these lenders often offer reasonable interest rates and in some (though not all) instances have well-produced Spanish-language materials.

*Non-profit and CDFI business lenders:* Community Development Financial Institutions are lending institutions certified by the US Department of Treasury's CDFI Fund. CDFIs that are focused on serving underserved and distressed communities, and many CDFIs lend to small businesses. Loans are often broken down into "microloans" under \$50,000 and "small business loans of \$50,000 and larger. The process for sourcing and underwriting microloans typically relies on substantially different criteria from traditional lenders. In addition to alternative criteria and a stated mission to lend to difficult-to-serve borrowers, CDFIs and non-profit lenders often provide technical assistance to support and build credit for aspiring entrepreneurs. It is important to understand the lending process and priorities of each lender as there is significant variation in the field.

*Lending circles:* Lending circles have been popular around the world for many years and constitute a unique method of providing capital to entrepreneurs who are unable to successfully obtain capital through the traditional banking system. While there are differing models, in general lending circles are small groups of individuals who contribute, usually on a monthly basis, and lend to each other at a minimal interest rate. Typically default rates are low as the individuals develop ties that are strengthened over the duration of the group. Nonprofit groups, such as Mission Asset Fund and FINANTA support lending circles by enabling participants to access capital and, often, increase their credit scores through participation in this collaborative saving and lending program. Lending circles are gaining popularity in the U.S. and credit agencies are increasingly receiving reporting information on their participants' payment activity.



*KIVA & KIVA Zip:* KIVA and KIVA Zip utilize crowdsourcing to provide loans to entrepreneurs. KIVA and KIVA Zip rely on partner microfinance organizations to screen borrowers and post loan requests. Partner organizations administer KIVA loans at variable interest rates depending on the credit of the borrower and lending policies of the partner organization, while KIVA Zip provides 0% interest loans directly to financially-excluded entrepreneurs. Many of KIVA's partners also provide technical assistance to entrepreneurs. On both platforms, support from multiple individual Internet lenders is aggregated (crowdsourced) to form a single loan to an entrepreneur. If an entrepreneur's target loan amount is not raised within a certain time period, all funds are returned to the Internet lenders.

*Capital brokers:* Just as there are brokers for mortgages, there are brokers for business loans. Brokers can be helpful at identifying the most competitive loan product and potential lenders, of whom do not have retail operations and a business owner might not know about. On the other hand, brokers can also exploit their relationship with the business owner to charge needless fees or steer business in an unscrupulous way. Business coaches should be careful in referring their clients to brokers without very careful due diligence.

*Online Lenders:* The online lending ecosystem has seen explosive growth in recent years, with lenders running the full spectrum from high-road to unscrupulous lenders. Online platforms offer quick loan decisions and in some cases fast capital, which many borrowers find appealing. Any borrower who turns to the internet to seek out information about business loans, is bombarded by offers for 24-hour decisions. By contrast, the rates online lenders seek can range from reasonable to astronomical. Many CDFI or non-profit lenders find their clients have already sought or obtained an expensive loan from an online lender, and need support in renegotiating terms. CDFIs and small business development service providers can assist in navigating credible online lending sources.





## **Business Plan**

Business planning is the process of preparing an idea for execution. This section expands on the questions posed in the first section of this tool, and is an opportunity for entrepreneurs to provide more detail. This section will help the entrepreneur understand the elements needed to create a formal business plan, which is used as a map to follow when structuring, running and growing a business, and is often a critical component in seeking capital from traditional and alternative lenders. Your clients should be prepared to complete the following sections:

### **Company Overview**

Describe in a few sentences what your company does and what market need your business is solving. Make sure to include mission (what you do and why), vision (what you are achieving), and timeline (your company history). Be as detailed as possible, include your market location, legal entity, and date of establishment.

### **Products and Services Offered**

Describe all products and services your company offers and your pricing structure for each product and service. Is your product in development? Please choose the stage that most closely matches the status of your product or service and describe using the following options:

- Product is being introduced to the market/product is in production
- Ready for growth (product has been accepted by customers, business owner is interested in increasing market share)
- Mature (product sales levelling off, competition is increasing, the product may need to be improved to maintain market share)
- Decline (the business is decreasing in revenue due to increasing competition, the entrepreneur will need to adapt to respond to customer needs)

### **Management Profile**

Describe your team. Who are the principal members of your company and what are their roles? Include the specific details of their expertise and how it relates with your business. Be specific as to who the owners are and who is managing the business.

### **Operations Plan**

Describe your facility requirements, operation hours, location(s), labor needs, and primary and secondary suppliers. Operations planning helps you think through the multiple elements needed to make a business successful. It allows entrepreneurs to take a product or service and create a system for execution. The mind map included in the Idea section is one useful exercise in charting operations needs. The slides that follow are from the Spanish language business planning curriculum “Edificar: El Plan de Negocios,” courtesy of the Northeast Ohio Hispanic Business Center in Cleveland, Ohio. Among the sections in this curriculum, the following two are key components you will want to address.



## VI Plan Operativo

- Producción

Explique su método de:

- Las técnicas de producción y los costos
- Control de calidad
- Servicio al cliente
- Control de inventario
- Desarrollo de productos



Production – explain your method of:

- Production techniques and costs
- Quality control
- Customer service
- Inventory control
- Product development

## VI Plan Operativo

- Localización

Requisitos físicos :

- Cantidad de espacio
- Tipo de edificio
- Reglamentos de zonificación
- Energía eléctrica y otros servicios públicos
- ¿Cuáles serán sus horas de trabajo?



Location – requirements:

- Size of your facility
- Building type
- Zoning requirements
- Electricity and other bills
- What are your working hours?

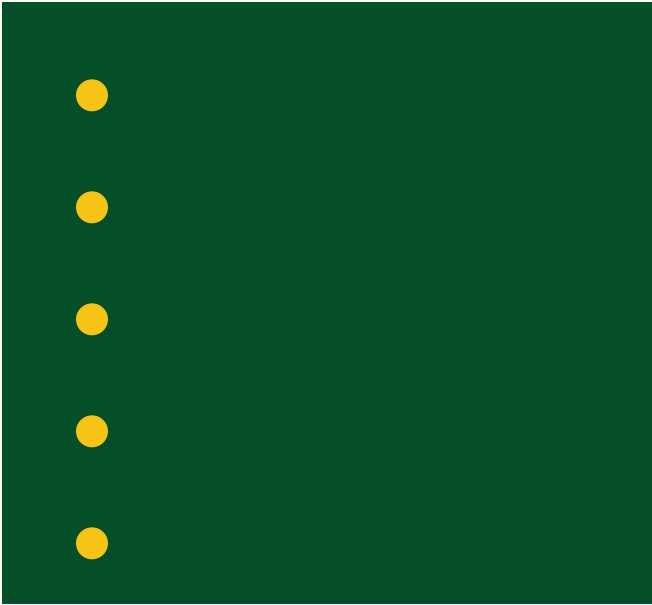
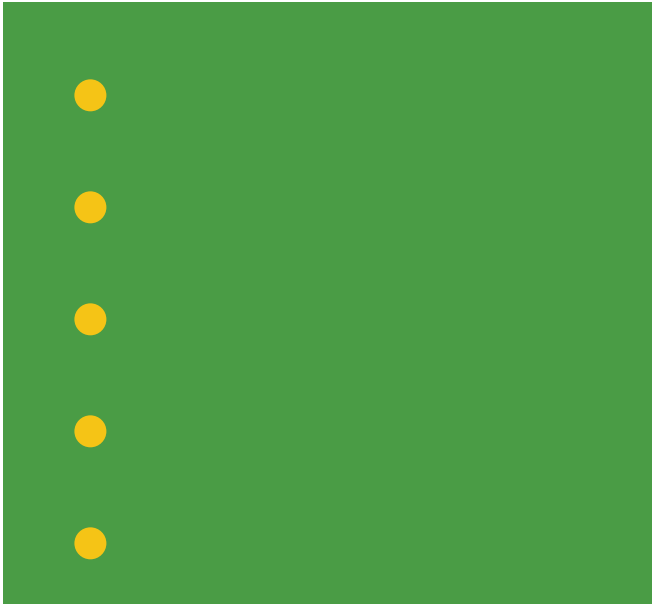

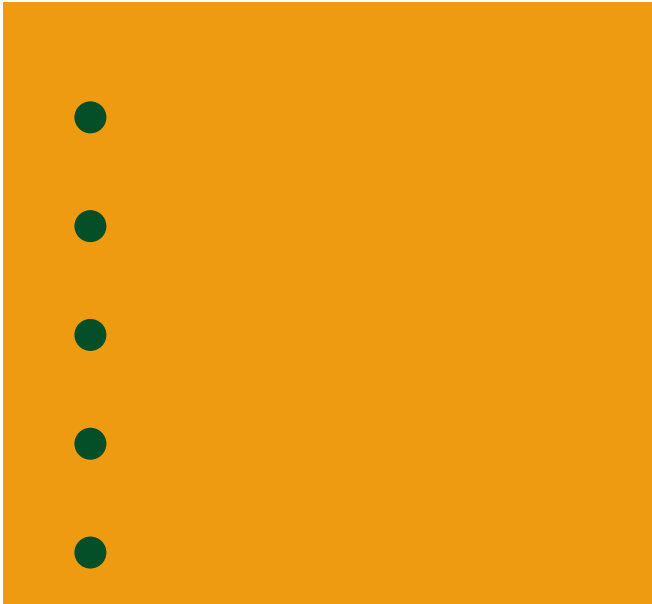
Refer to the appendix to access the full Spanish language document “Edificar: El Plan de Negocios” from the Northeast Ohio Hispanic Business Center. For further information about this content please contact the Director of Business Services of Northeast Ohio Hispanic Business Center, Jason Estremera at [jestremera@hbcenter.org](mailto:jestremera@hbcenter.org).



### Strengths and Challenges

Describe your company's strengths and challenges. Be sure to think of internal and external factors. By identifying the factors that might be helpful or harmful to your organization, you will have a bigger picture in how to achieve your goals.

SWOT Analysis: Use the SWOT tool to identify Strengths and Weaknesses, which are internal characteristics of the business, and Opportunities and Threats, which are external factors that could impact the business.

	Helpful to Achieving the Objective	Harmful to Achieving the Objective
Internal Characteristics of the Business		
External Characteristics of the Business		



# Goal Setting

Current Reality	
1.	
2.	
3.	

List of steps you need to take:

Desired Reality	
1.	
2.	
3.	



### Goals and Objectives

Describe your business' goals and objectives. Make sure your goals are S.M.A.R.T. – Specific, Measurable, Attainable, Relevant, and Time-Bound.

- **Goal Setting:** Evaluate your business' goals using the goal setting tool. Jot down the 3 main goals you want to achieve using the last table located in the right of the worksheet. Then describe your current reality in the first table on the left, as it relates to each goal. Finally, identify the main steps you will need to take that will help you to achieve your goals, and move from your current reality to where you aspire to be.

### Market Trends and Customers

Describe your industry and the market need you are fulfilling with your product or service. Identify the key market trends and how those trends impact your business. Make sure to include the number of customers who realistically will buy your products or services, describing your clients and identifying the size of your target market. Use the target market tool provided in the idea planning section above to develop a clear and specific understanding of your client profile.

### Competitive advantage

Describe your competitors, including important attributes such as business names, locations, products and services offered, and price range. Identify your competitors' strengths and weaknesses, and compare the ways in which your business is different or better, and how this uniqueness will help you succeed in the industry.

**Competition Table:** The following chart is from LiftFund's business plan and can be used to analyze your competition. It includes name, location, products/services and price range of each business within the industry.

EXAMPLE: Competition Table			
Business	Location	Products / Services	Price Range
<i>Name of your competitor</i>	<i>Include full address</i>	<i>List the products and services the business offers</i>	<i>List price ranges for the products and services offered</i>



### Sales Strategy and Distribution

Describe how will you sell your products/services and how will you approach your customers. Identify your distribution channels, which are the channels the product/service needs to have to reach the final buyer. For example: moving your product to a retailer, or direct sales either e-commerce or in person.

### Promotional Efforts and Marketing

Describe the type of advertising and marketing strategies that you are using to promote your products/services. Identify if you use social media, print, audio, video, direct mail, or outdoor advertising to promote your business. Also, create an estimate of how much you plan to spend on marketing efforts. Make sure to describe how your brand is related to your customer profile.

### Financial Analysis

Describe information about your current financial circumstances. If you are a start-up this should reflect your personal finances, if the business is existing, it should include the financial status of the business, as well as your sales history, including past, current, and future projections.

The tool below is courtesy of LiftFund's business planning curriculum, and is intended to encourage entrepreneurs to honestly assess their financial situation. This will force entrepreneurs to be pragmatic and realistic.

## **VIII. Financial Plan**

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### **Financial Situation (Personal and Business)**

If you are a **startup** please provide information about your personal financials. This includes your monthly expenses and income (all of them). List all your bank accounts and include your personal tax return information.

If you are an **established** business, provide the same above and your business financials. This includes all monthly expenses and income (all of them). List all your bank accounts and include the business tax return information.

- Based on the monthly statements, please answer the following:
  - a. What are your past and current sales? What is your projected monthly revenue?
  - b. What are your past fixed and variable costs? What are you projected monthly expenses?
- For the financials remember you are building a case. Please include three months of financials. Use the following templates:
  - a. Business budget (P&L also known as a Cash Flow statement)
  - b. Household Budget
  - c. Project expense list

### **Funding Requirements/Use of Funds**

- How much money do you need to start and/or run your business? What are the primary uses of these funds?



### Support Documents

Include any supporting documents that will strength your business plan. Some attachments might include:

- a. Key Staff Resumes: Staff resumes strengthen the business plan by providing detailed descriptions of the expertise of managerial staff and other employees. This brings credibility, making the case that every person working within the business has the capacity and ability to perform their jobs.
- b. Balance Sheets: The balance sheet mirrors the net worth of the business. It states the financial position of the business, including assets, liabilities, and equity at a point in time.
- c. Sales Forecast: Sales forecasting helps estimating future sales, predicting short-term and long-term performance and facilitates decision making for the growth of the business. Refer to the template provided on the next page to generate a sales forecast of the business for the next 6 months.
- d. Cash Flow: A cash flow projection estimates the future inflow and outflow of cash over a period of time. It is helpful to think of the start date of a cash flow projection as the point where the business begins to operate. The starting balance represents the initial cash on hand. Cash In is the cash that comes in to the business for that month, which can differ from total sales. Cash Out is the cash that flows out of the business that month, which can differ from total expenses. It may be helpful to note different situations where 'cash in' might be different than sales, such as loans received or promises to pay, and situations where 'cash out' might be different than expenses, such as equipment purchased on credit, loan payments.

Refer to the template provided in the next two pages to create your cash flow projections for the next 6 months. Ventures is a nonprofit organization based in Seattle, Washington whose mission is to empower entrepreneurs with limited resources and unlimited potential to improve their lives through small business ownership. In 2016, Ventures decided to create The Ventures Network, which provides other organizations with comprehensive, data-driven, packaged business development services in English and Spanish that empower marginalized communities through small business ownership.

To access the full small business resource guide in English and Spanish, please refer to the Appendix at the end of this document. If you have further questions about Ventures' curriculum, please contact the associate director of Ventures, Brittany Kirk at [BKirk@venturesnonprofit.org](mailto:BKirk@venturesnonprofit.org), and learn more at [www.venturesnonprofit.org/the-ventures-network](http://www.venturesnonprofit.org/the-ventures-network).







# Financial Statement Templates

**Sales Forecast:** Provide sales forecast for the next 6 months:

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Total
Item 1: [Enter number of units]							
Sale price per unit							
Cost per unit							
<b>Total COGS</b>	<b>Total Sales</b>						
<b>Profit Margin</b>							

Item 2: [Enter number of units]							
Sale price per unit							
Cost per unit							
<b>Total Sales</b>							
<b>Total COGS</b>							
<b>Profit Margin</b>							

Item 3: [Enter number of units]							
Sale price per unit							
Cost per unit							
<b>Total Sales</b>							
<b>Total COGS</b>							
<b>Profit Margin</b>							

Item 4: [Enter number of units]							
Sale price per unit							
Cost per unit							
<b>Total Sales</b>							
<b>Total COGS</b>							
<b>Profit Margin</b>							

Average sales price per unit						
Average COGs						

Monthly Sales totals: All Items						
Monthly COGS Totals All Items						



**Cash Flow Projections:** Provide monthly cash flow projections for the next 6 months.

	Beg	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Total
Cash on Hand (beginning of month)								
<b>CASH IN</b>								
SALES (previous chart)								
Accounts Receivable								
Loan/ other cash inj.								
<b>TOTAL CASH RECEIPTS</b>								
<b>Total Cash Available</b>								
<b>CASH OUT</b>								
<b>COST OF GOODS</b>								
PAYROLL								
Wages								
Payroll Taxes								
Contract Labor								
<b>Total Payroll</b>								
<b>OPERATING EXPENSES</b>								
Advertising								
Bank Fees								
Car expenses								
Insurance								
Interest Expense								
Licenses, Fees								
Office Supplies								
Professional Services								
Rent								
Repairs & maint.								
Supplies								
Taxes								
Telephone								
Utilities								
Other								
Other								
<b>Total Op Expenses</b>								
<b>SUBTOTAL</b>								
Loan principal paymnt								
Capital purch (specify)								
Other startup costs								
Owner's Draw								
<b>TOT CASH PAID OUT</b>								
<b>Net Cash for Month</b>								
<b>Cash Position</b> (end of mo)								



### Additional examples of business plan tools

The tools below will guide entrepreneurs to complete a full business plan model.

#### *LiftFund - Formal Business Plan Template*

LiftFund's business plan template is a simple but thorough guide, and can assist entrepreneurs in planning and anticipating business growth. LiftFund's template is available in both Spanish and English and covers the basics of who you (the business) are; what the business provides; the when, where, why, and how of a business; and how much revenue or investment your business will need. Refer to the Appendix to download the full length document in either language, or access using the following links:

**English version:** [https://2f9h4942nv941xndx92nbj7w-wpengine.netdna-ssl.com/wpcontent/uploads/2012/12/LiftFund\\_Formal\\_Business\\_Plan\\_Template.pdf](https://2f9h4942nv941xndx92nbj7w-wpengine.netdna-ssl.com/wpcontent/uploads/2012/12/LiftFund_Formal_Business_Plan_Template.pdf)

**Spanish version:** <https://2f9h4942nv941xndx92nbj7w-wpengine.netdna-ssl.com/wpcontent/uploads/2015/10/Formal-Business-Plan-Final-Spanish.pdf>

#### *Centro Community Partners – Business Planning App*

Centro Community Partners (Centro) is an Oakland-based nonprofit with a mission to provide low-income people with entrepreneurship education, financial literacy, one-on-one business advising, mentorship, and access to capital to build self-sustainable and thriving communities.

One of Centro's primary focuses is addressing the lack of access to entrepreneurship education and access to capital for low- to moderate-income (LMI) people living in underserved communities. To overcome this challenge Centro has developed a unique and innovative mobile solution that can be adopted by non-profits and micro lenders to provide cost-effective TA.

The first component of this mobile solution is the Business Planning App (BPA), a free mobile app that allows entrepreneurs to access technical assistance (TA) services anytime, anywhere using a smart device. Utilizing Centro Community Partner's BPA, entrepreneurs can:

- **Write Business Plans:** By asking the user simple questions, the BPA walks an entrepreneur through six business components – mission, vision, and values; personal finance; market analysis; products and services; operations; and business finance - to assist an entrepreneur in developing a business plan. The BPA helps organize the participant's information, prompt responses to business questions, and produces an entrepreneur's first business plan that can be used for accessing a microloan.
- **Access capital:** The BPA also provides entrepreneurs access to financial products that can help start or grow their business, build or improve their credit, or build assets using savings tools. Within the Funding section of the BPA, entrepreneurs can find a list of providers that offer vetted financial products to entrepreneurs.
- **Receive one-on-one advising:** The BPA also connect entrepreneurs with a network of advisors from partner organizations offering one-on-one business advisory services. Entrepreneurs can connect with advisors who can answer questions at the touch of a button.



The BPA is available in four languages - English, Spanish, Russian and Portuguese on iOS (Apple) and Android platforms.

The second component of Centro’s mobile solution is the Entrepreneurship Education Suite (E-Suite): The E-Suite is Centro’s turnkey solution to revolutionize the way organizations provide TA services to underserved entrepreneurs in the US. Created to effectively lower the cost of providing TA services, the E-Suite combines Centro’s Business Planning App, Facilitator’s Guide and Entrepreneurship Workbook to assist other TA providers (non-profits, CDFIs, MDOs and microlenders). The learning tools incorporated in the E-Suite are purposefully designed for organizations to create new entrepreneurship training programs or scale existing programs, while lowering their costs. The E-Suite is also available in four languages - English, Spanish, Russian and Portuguese

Click here to download the BPA app: <http://www.centrocommunity.org/business-planning-mobile-app-bay-area>





### *Midlands Latino Community Development Center (Midlands LCDC) – Business Plan Model*

Midlands Latino Community Development Center in Omaha, NE uses their business plan model in both Spanish and English. This model includes five main sections, which are: business description, analysis and market research, marketing plan, operations, financial plan and supporting documents. The image below includes the table of content of the business plan in Spanish. Please refer to the appendix to access the full document. If you have further questions about this document or want further information, please contact Marta Sonia Londoño from Midlands LCDC at [mlondono@midlandslatinocdc.org](mailto:mlondono@midlandslatinocdc.org)

## **TABLA DE CONTENIDO**

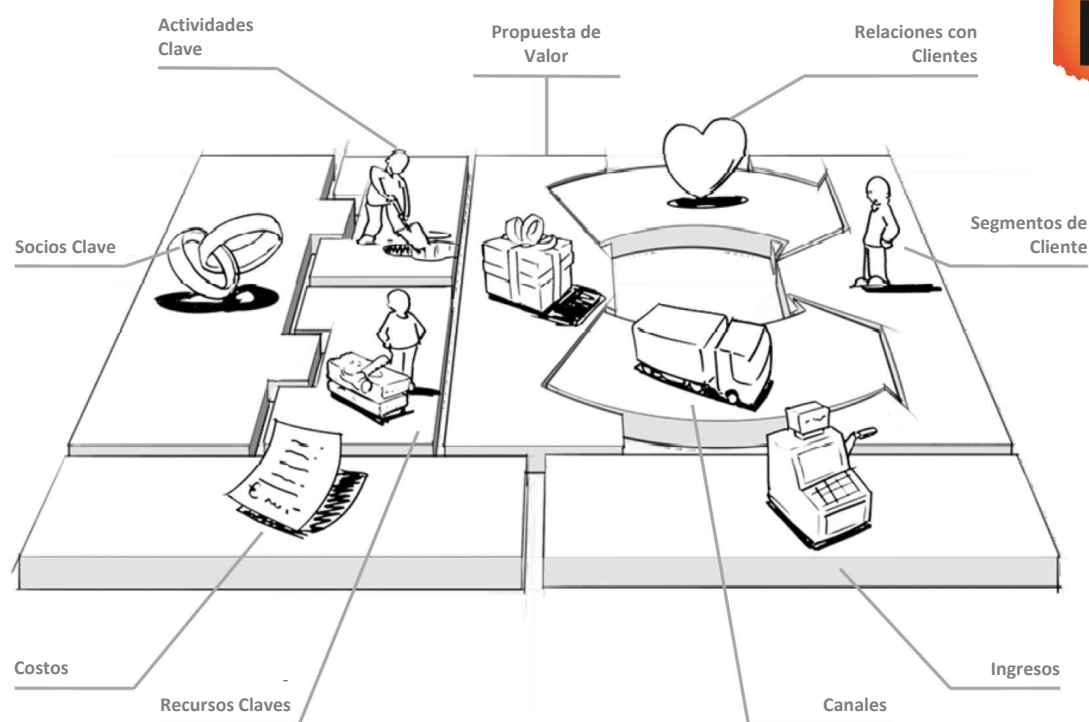
	<b>Página</b>
<b>I. Descripción del Negocio.....</b>	
A. Historia del negocio .....	
B. Estructura Legal del negocio.....	
C. Visión de futuro del negocio.....	
D. Misión.....	
E. Objetivos de corto plazo y mediano plazo (1 a tres años).....	
F. Objetivos de largo plazo (3 a cinco años).....	
<b>II. Análisis e investigación del Mercado.....</b>	
A. Descripción del Mercado Objetivo.....	
B. Análisis del Mercado.....	
1. Información demográfica del área de influencia.....	
2. Análisis de la demanda de servicios.....	
3. Análisis de la competencia en el área.....	
<b>III. Plan de Mercadeo.....</b>	
A. Objetivos de Mercadeo.....	
B. Descripción de los productos.....	
C. Calendario anual de actividades de mercadeo y presupuesto.....	
D. Definición de los precios de los productos.....	
E. Análisis de la ubicación del negocio.....	
F. Evaluación del plan de Mercadeo.....	
<b>IV. Operación: .....</b>	
A. Operación del negocio.....	
B. Descripción del área locativa.....	
C. Dotación y amueblamiento.....	
E. Talento humano, funciones y tabla de salarios.....	
F. Otros aspectos relacionados con la operación.....	
1. Contabilidad y manejo de libros.....	
2. Programa de los seguros.....	
3. Plan de retiro o jubilación.....	
4. Proveedores.....	
5. Depreciación y amortización de diferidos.....	
6. Otros aspectos relacionados con la operación.....	
<b>V. Plan Financiero</b>	
A. Presupuesto de Efectivo Mensual Proyectado.....	



### *Business Model Canvas*

The Business Model Canvas (El Modelo de Negocios Canvas) is another tool used to develop strategic management documents for a startup or to grow a business. This tool is a visual chart with nine sections that are important to know and develop when starting or operating a business. The business model canvas includes: value propositions, customer segments, customer relations, channels, key partners, key activities, key resources, cost structure, and revenue streams. The following graphic is courtesy of the Northeast Ohio Hispanic Business Center and the Business Model Canvas translated into Spanish. Please refer to the appendix to access the complete document with an explanation for each section of the tool.

## El Modelo de Negocios Canvas





## Formalization Support

This section outlines the steps a business owner should take to operate in compliance with local regulations. While perhaps costly up front, formalization is an important step for entrepreneurs to take as compliance can become a serious barrier to growth in the long run.

Formalizing a business is usually a four-step process. This guide lists only the most basic information for these steps, as details for each step can vary greatly by state and local government. Consider building a customized toolkit for the entire formalization process to reflect the local tax and licensing requirements in your community by visiting regulatory offices in person to obtain more information. This content can then be passed on to participants in the orientation workshop and in the form of additional handouts.

Jurisdictions often have unclear processes in place for startup entrepreneurs and limited ability to serve Spanish speakers. Legalization support for start-up business is one of the most commonly requested services for immigrant-serving business development organizations. Having a robust toolkit for corporate registration and business licensing will mean the difference between a business that gets off the ground and one that is simply well intentioned. Below are tools that can be used during the formalization process, including choosing a legal entity, choosing a name, FEIN and ITINS, business licenses, tax obligations, staying in good standing, and operating and lease agreements.

### Choosing a Legal Entity

Every business counselor and trainer should know the difference between distinct business types in terms of tax, recordkeeping, and documentation and liabilities requirements. For business owners, choosing between a sole proprietorship, partnership, nonprofit, LLC, C Corporation, or S Corporation is an important step, and programs play a crucial role in demystifying the process, and engaging new clients through business registration. The table below outlines the different business types and the implications of each for liability, taxes and legal formalities.

	Sole Proprietor	Corporation	LLC
Liability	Personal Liability	Limited Personal Liability	Limited Personal Liability
Taxes	Profit is passed through to business owner as personal income.	Can file petition to IRS for “S” corporation, so that individual small business owner is not undergoing “double taxation” as in C corporation.	Profit is passed through to business owner as personal income.
Formalities	Fewest legal requirements of any business entry.	Must maintain governance with board, owners are “shareholders”. Recommended to use lawyer to help form.	Hybrid structure. Members are owners. Jurisdictions vary by state.

### Name

Selecting a name requires legal as well as marketing know-how. In addition to helping a client hone in on the target market, a counselor can help clients stay aware of the risks involved with choosing a name and how to protect from a trademark infringement. Business counselors must understand and be able to explain the potential infringement implications. In addition to very serious infringement implications, it is important to consider that selecting a name is a critical element in branding and differentiating your business to your target market.





### Federal Employer Identification Number and Individual Taxpayer Identification Number

Some clients may already be familiar with taxpayer identification numbers if they have previously applied for an individual taxpayer identification (ITIN) number. These numbers, issued by the IRS, are meant to facilitate tax payments for individuals who do not have social security numbers. Businesses may be triggered to obtain their federal employer identification number (FEIN) with the IRS in the following situations:

- a. the business hires someone as a W-2 employee,
- b. the business is an LLC or corporation, or
- c. the business operates as a sole proprietor but the individual would prefer to keep his/her social security number private from clients who ask for tax ID.

One-on-one counseling in FEINs can be used as another tangible piece of technical assistance for those who are going through the formalization process. This process is simple and is one of the easiest to address in business development. For more information and resources see:

<http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Employer-ID-Numbers-EINs>

### Business Licenses

A business counselor's value to clients can be greatly increased with know-how in state and local licensing. For programs operating in multiple jurisdictions and among several different industries, understanding the ins and outs of licenses might not be an easy task. It is important to do research and talk to regulators about the requirements. If clients are going to government offices, accompanying them can help a counselor understand the process more in depth.

As counselors, you want to help clients complete necessary paperwork and collect information needed for licenses governing their specific business. In addition to technical assistance sessions, counselors might serve clients by preparing specific 'cheat sheets' with regulations and processes according to specific industry.

### State and Local Taxes

Local and state tax obligations vary by jurisdiction. It is important to speak with local government offices to fully understand entrepreneur's obligations to best inform your clients and help them understand their obligations to register to file state and local taxes. Clients should understand their tax payment obligations and schedules.

### Good Standing

Registering a business is the first step into the formal realm as a business owner. Once registered, a business owner must stay up to date with reporting and tax obligations at a state and local level. All clients must understand the reporting and renewal cycle for corporate registration and licenses to remain in good standing with local, state, and federal entities. Many individuals mistakenly assume that if they do not use their business entity they will not be required to maintain it. Consider different scenarios where individuals might fall behind on maintenance requirements, such as ignoring mail, moving, not generating income and forgetting about the business. These situations should be addressed with your small business clients. Education is crucial at the time of registration and initial workshops or trainings to remain in good standing.

### 1099 vs W-2 Employees

Hiring employees may happen immediately or once a business grows. Many who are new to business will choose the easiest way to bring on new help, by hiring contractors. The distinction between 1099 (independent contractor), versus W-2 (employee) is an important one and should be considered closely, especially through the lens of legal obligations. Small business owners should be educated on the alternatives to allow them to make appropriate and informed decisions based on the employee and contractor classifications. Information about the 1099 versus W-2 distinction can be embedded in business planning classes and orientations.



If business owners decide to use W-2 employees, counselors can help by providing a list of vetted payroll service firms or accountants who can assist the client in keeping proper records and submitting taxes and withholdings in a timely manner.

### Operating Agreements and Partnerships

Clients may require assistance with operating agreements or partnership agreements for two common reasons. The first is if a jurisdiction or bank requires a business operating agreement for an LLC as an extra measure of formalization. This may be the case even in situations where the LLC only has a single member. The second common reason for operating agreement assistance is because the client has decided to engage in business with another co-owner. Even in the case of family businesses, having a clear operating agreement can help avoid problems later on and can mean the difference between clear protocol and heated flare-ups.

Clients should be well equipped to understand and contribute to the content of a clear agreement that accurately represents their interests and responsibilities in the business. Connecting with local attorneys to understand fees and processes, business counselors can provide good referrals that should result in fair and enforceable operating agreements.

### Lease Agreements

Across most jurisdictions, commercial tenants have fewer rights than residential tenants. With little default protections on the books, a well-negotiated commercial lease can serve the tenant's business over the short, medium and long-term. Clients should be well equipped to successfully negotiate commercial leases and understand their rights and responsibilities as tenants.

Legal representation and advice can make an enormous difference, and counselors should connect with local attorneys to understand rental fees and processes and legal rights and obligations as tenants. Some attorneys will negotiate a flat fee for assistance with document creation if a business development program helps a client prepare for the meeting.

### Supporting Business Growth

The primary objective of many business owners, often sole-proprietors or owners of small, family-operated enterprises, is to generate income and economic stability for business owners and their families. Often times, these owners have relatively modest aspirations for business growth, and do not seek to hire beyond their family or immediate social networks. A second segment is made up of growth-oriented business and entrepreneurs who seek to create jobs and capture market share. Growth orientation is not necessarily about the current size of a business, but rather the business model that the owner or entrepreneur seeks to pursue. Growth-oriented businesses have distinct needs and aspirations and benefit from different business development services and financial products. The following are services often needed by a business that seeks to grow beyond the traditional definition of a microbusiness:

- Access to capital;
- Assistance with government contracting (achieving 8a status);
- Connecting to corporate supply chains and regional industry clusters;
- Import/export assistance;
- Support with real estate transactions;
- Market analysis and intelligence;
- Marketing and public relations;
- Accounting and financial analysis;
- Industry-specific expertise.



## **Skill Building**

Effective small business owners are well-rounded managers who constantly improve their operations. Although launching a business requires a great deal of effort on part of the small business owners, the hard work continues in maintaining and improving an operation. To do this, a business owner must stay sharp with their skills and constantly expand them. Once the business is up and running, it is important to help your client strengthen the components listed below. While this document is not able to cover each topic in-depth, the table at the end of this section lists additional resources to learn more.

### **Human Resources and Management**

Human resources (HR) and management is everything related to how you are dealing with your employees. This includes having an effective system in place for recruitment, retaining and terminating staff. An effective HR is crucial to the success of the business. HR sets the tone of the culture and environment in the workplace, helping the business to reach goals and tracks performance of employees, ensuring their development, motivation, safety and good communication.

### **Sales**

An efficient sales plan is crucial to achieving your goals. Make sure to have attainable and realistic goals and a process to achieve those goals. The sales plan will help you choose the best method to sell your service or product, such as wholesale, retail, or online. Once you have a process in place, you will identify potential customers and reach that target market to convert them into actual and repeat customers.

### **Customer Service**

Customer service is one of the most valuable factors a small business can provide. It is crucial to provide a great customer service, generating a unique customer experience and retaining clients. It is important to know what the client needs, before, during and after a transaction in such a way that brings outstanding customer satisfaction.

### **Legal**

You must know your rights and responsibilities, understand which laws and regulations your business is subject to and have built in sufficient protection in your operation to mitigate legal battles.

### **Strategic Planning**

Strategic planning is a process of creating a strategy that helps organize your marketing, operations and financial management toward the goals associated with your long-term vision of your business. It is important that all stakeholders within the business have the vision in mind to pursue common goals, taking full advantage of available resources.

### **Products and Services**

Evaluate your products or services constantly to guarantee that you have sufficient control in place to maintain level of quality. Make sure to track your inventory and implement a good system to reduce costs, maximize sales and execute quality control.

### **Financial Management**

Effective and efficient management of funds is crucial to keep your business up and running. It is important to have a good understanding of how to allocate resources for the short and long term. Plan, organize, direct and control financial activities of your business to meet all your objectives. Having effective bookkeeping, financial statements, financing and projections, will help you plan for business growth and overcome challenges that might appear on your way.



### Marketing

Marketing helps you create processes to communicate, deliver and exchange offerings with customers and stakeholders. Make sure to implement the most up-to-date trends to attract new customers and to retain clients by strengthening your relationships. Social media marketing is an online marketing tool that can be effective for small businesses to reach clients and communicate with them. It involves creating and sharing content through different channels such as Facebook, Twitter, Instagram, and LinkedIn.

Social media marketing can help raise brand awareness, improve interaction with your audience, engage clients, communicate with clients to understand their needs, and create a positive image of the business. Be as efficient as possible when posting on social media, use programs to schedule your posts and have automated publications on all your social media channels. Facebook includes its own free tool to schedule posts.

The Northeast Ohio Hispanic Business Center, includes a unit on “social media and your business” in their workshop, with helpful tips and strategies to consider when using social media channels. Some important pointers they suggest when managing your business’ social media posts are:

#### **ADMINISTRACIÓN DEL TIEMPO Y AUTOMATIZACIÓN**

- 1. No se extienda mas haya de su capacidad**
- 2. Publique a menudo, pero no si el contenido no lo merita**
- 3. Concéntrese en crear contenido de calidad**
- 4. Involúcrese en los mensajes y discusiones**



1. Don't extend beyond your capacity
2. Publish often, but not if the content is not relevant
3. Focus on creating quality content
4. Get involved with comments and discussions



## ADMINISTRACIÓN DEL TIEMPO Y AUTOMATIZACIÓN

- 5. Desarrolle un horario que funcione para usted**
- 6. Publique cada dos días o dos veces a la semana mínimo**
- 7. Asegúrese de ser consistente**
- 8. Enfóquese en las redes sociales favoritas**
- 9. Utilice herramientas de automatización**



5. Develop a schedule that works for you
6. Post every two days, or at least twice a week
7. Make sure to be consistent
8. Focus on the most popular social media channels
9. Use automation tools for social media

Refer to the appendix to access the whole Spanish document “Social Media and your Business” from the Northeast Ohio Hispanic Business Center. For further information about this content please contact the Director of Business Services of Northeast Ohio Hispanic Business Center, Jason Estremera at [jestremera@hbcenter.org](mailto:jestremera@hbcenter.org).



### Additional Skill Building Resources

Many of the tools below are available in both English and Spanish and address a range of important skill building components.

Skill Building Components	Resources	Description
Human Resources and Management	<a href="#"><u>HR Resources Toolkit for Business Owners</u></a>	This Toolkit includes check-lists, templates, best practices and interactive forms you need to manage employees at your business.
	<a href="#"><u>Society for Human Resource Management</u></a>	This website includes information of different HR topics, legal & compliance, tools & samples, business solutions, among other resources.
Sales	<a href="#"><u>SBA Course - Sales: A Guide for the Small Business Owner</u></a>	This course provides an overview of sales plans and other tools to get your product or service into your customer's hands.
Customer Service	<a href="#"><u>SBA Course - Customer Service</u></a>	This course includes an introduction to customer service and how it impacts your business. It also includes how to implement and improve customer service.
Legal	<a href="#"><u>Checklist - Legal Requirements for Small Business</u></a>	This worksheet includes a checklist to identify all legal requirements your small business needs.
Strategic Planning	<a href="#"><u>SBA Course</u></a>	This half-hour course provides an introduction to strategic planning and helpful tools to create your own plan.
	<a href="#"><u>Strategic Plan Template</u></a>	A quick primer on the components of a strategic plan and templates to help you create your own.





Products & Services	<a href="#"><u>Inventory Management Software</u></a>	This is one of many inventory management software for small business. Be sure to do your research when choosing the right inventory tracking software for your business.
Financial Management	<a href="#"><u>SBA Guide to Financial Management</u></a>	This guide provides a great first step to understanding financial management and how it impacts your business.
	<a href="#"><u>SCORE Financial Management Workbook</u></a>	A deep-dive into financial management with helpful case studies to help you learn concepts from cash flow to income diversification.
Marketing	<a href="#"><u>SCORE Marketing Plan</u></a>	Learn how to create a 12-month marketing plan and access tools to help you do so.
	<a href="#"><u>SBA Social Media Marketing</u></a>	This half-hour course will introduce you to the basics of marketing through social media.
General Tools	<a href="#"><u>Fit Small Business</u></a>	From marketing to HR, this website provides existing business owners with easily digestible advice from fellow
	<a href="#"><u>SBA Learning Center</u></a>	The Learning Center provides free courses for small businesses.
	<a href="#"><u>SBDC's Bilingual Courses</u></a>	These free courses are available in English and Spanish, covering topics to start a business, manage finances and foundations of marketing.





### III. Conclusion

NALCAB developed the second edition of its Blueprint for Culturally-Relevant Small Business Development in recognition of the enormous economic opportunity represented by Latino-owned businesses, and to help fill a gap in the tools available for culturally-relevant small business development. NALCAB member organizations have long been innovators in providing culturally-relevant small business services. They are experts in implementing responsible, market-based strategies for investing in small business, equitable neighborhood development, and building family financial capability. They include real estate developers, business lenders, economic development corporations, credit unions, and consumer counseling agencies, operating nationwide. This includes traditional Latino population centers, such as California, Illinois and Texas, as well as in emerging communities, such as North Carolina, Minnesota and Alabama.

This edition of the Blueprint emphasizes resources from the NALCAB member network and partner organizations working to build Latino and immigrant owned businesses in communities across the country. As a member-serving organization, NALCAB is eager to hear how these tools are being adapted to fit the needs of entrepreneurs in your community. NALCAB is also eager to learn how we can provide support.



## IV. Appendix **2018 Update: All tools listed below can now be accessed [HERE](#)**

### Centro Community Partners

Centro Community Partners (Centro) is an Oakland-based 501(c)(3) nonprofit with a mission to provide low-income people with entrepreneurship education, financial literacy, one-on-one business advising, mentorship, and access to capital to build self-sustainable and thriving communities.

One of Centro's primary focuses is addressing the lack of access to entrepreneurship education and access to capital for low- to moderate-income (LMI) people living in underserved communities. To overcome this challenge Centro has developed a unique and innovative mobile solution that can be adopted by non-profits and micro lenders to provide cost-effective TA.

- [Business Planning App \(BPA\)](#)

### Credit Builders Alliance

CBA serves as a unique and vital bridge between their members and the major credit reporting agencies. Their core services, CBA Reporter and CBA Access, provide nonprofits with both the ability and technical assistance to report loan data, and pull low-cost client credit reports for the purposes of financial education, outcome tracking, and underwriting. CBA also offers hands-on credit building trainings, innovative tools, and forums for sharing with and learning from each other.

- [Building Credit Without a Social Security Number](#)

### Latino Economic Development Center (LEDC-DC)

LEDC's mission is to drive economic and social advancement of low- to moderate-income Latinos and other underserved communities in the D.C. and Baltimore Metropolitan Areas by equipping them with the skills and tools to achieve financial independence and become leaders in their communities.

- [Credit Assessment](#)
- [Resumen de Crédito](#)

### LiftFund

For more than 21 years, LiftFund has helped individuals achieve the American Dream by providing small business loans to those who do not have access to capital from typical lending sources, such as traditional banks. Along with vital small business loans, LiftFund provides educational services at no cost to borrowers, which are essential to foster self-sufficiency.

- [Business Plan](#)
- [Plan de Negocios](#)

### Midlands Latino Community Development Center

Midlands Latino Community Development Center provides individuals with opportunities to generate economic growth by providing financing products, development services and community development that advances their ability to develop a sustainable future in the Midlands.

- [Pasos para Iniciar un Negocio](#)
- [Modelo de Plan de Negocios](#)

If you have further questions about this document or want further information, please contact Marta Sonia Londono from Midlands LCDC at [mlondono@midlandslatinocdc.org](mailto:mlondono@midlandslatinocdc.org).



### Mission Economic Development Agency (MEDA)

MEDA's mission is to strengthen low- and moderate-income Latino families by promoting economic equity and social justice through asset building and community development. MEDA provides support service throughout the San Francisco Bay Area, with a focus on families within the Mission Promise Neighborhood and residents of MEDA's affordable housing sites. MEDA offers customized consulting for organizations interested in adopting elements of MEDA's financial capability model through the Vida Toolkit. The Vida Toolkit provides print and electronic training modules for organizational capacity building, plus client materials, activities, and tools. This toolkit was created with a human-centered and culturally specific approach, which coupled with MEDA's technical assistance has increased impact in low-income communities across the country.

- [Business Development Program Assessment](#)
- [Evaluación Inicial para Clientes de Desarrollo de Negocios](#)
- [Evaluación Financiera](#)
- [Financial Assessment](#)

### Northeast Ohio Hispanic Business Center

Northeast Ohio Hispanic Business Center's mission is to provide educational and developmental support for the economic and business growth and advancement of the Hispanic Community in Northeast Ohio. Their vision is to be recognized as the premier organization for economic and developmental resources for the Hispanic community in Northeast Ohio.

- [Edificar: El Plan de Negocios](#)
- [Empezar: Definir y Refinar su Idea - Modelo de Negocios Canvas](#)
- [Las Redes Sociales y su Empresa](#)

For further information about this content please contact the Director of Business Services of Northeast Ohio Hispanic Business Center, Jason Estremera at [jestremera@hbcenter.org](mailto:jestremera@hbcenter.org).

### Ventures

Ventures is a 501(c)3 nonprofit organization based in Seattle, Washington whose mission is to empower entrepreneurs with limited resources and unlimited potential to improve their lives through small business ownership. In 2016, Ventures decided to scale and share their award-winning curriculum and services with the nation by creating The Ventures Network. The Ventures Network provides other organizations with comprehensive, data-driven, packaged business development services in English and Spanish that empower marginalized communities through small business ownership. Small business development organizations can leverage Ventures' experienced team to save time and energy building their micro-enterprise program. Learn more at: [www.venturesnonprofit.org/the-ventures-network](http://www.venturesnonprofit.org/the-ventures-network). To access Ventures' full small business resource guide in English and Spanish, please use the following links:

- [Guía de Recursos para Pequeños Negocios](#)
- [Small Business Guide](#)

If you have further questions about Ventures' curriculum, please contact the associate director of Ventures, Brittany Kirk at [BKirk@venturesnonprofit.org](mailto:BKirk@venturesnonprofit.org).



NATIONAL  
ASSOCIATION FOR  
LATINO  
COMMUNITY  
ASSET  
BUILDERS



National Association for Latino Community Asset Builders is a 501(c)(3) nonprofit organization.

*Our mission is to build assets for Latino families, communities and organizations. NALCAB's work advances economic mobility for low and moderate income people.*

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