



# Prosperity Initiative: Interviews with Program Alumni Initial Findings Report

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In partnership with the Southern Minnesota Initiative Foundation



Promoting an inclusive entrepreneurial ecosystem in southern Minnesota



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## Quick Facts

The evaluation team conducted a series of interviews with Prosperity Initiative alumni:

- Cohorts from years 2016-2019
  - Eight interviews completed
- Interview guide included questions about:
- satisfaction levels
  - changes in knowledge
  - the extent that new relationships led to increased business opportunities

# Prosperity Initiative Report: Initial Findings

Compiled by:  
University of Minnesota Extension  
Center for Community Vitality Evaluation Team

December  
2020

## Increased Self-Efficacy

*Confidence in self, in business, knowledge of where or how to get help*



We're still learning everyday, it's always something new, but I know if I have a question I will call them [SMIF] and they will try to find out who's the correct person for that.

Before it was like 'I'm not sure, I'm not sure,' today there's a whole new level of awareness that's amazing...And I know part of the reason I could flex out and restrict my expenditures was because of that business training with SMIF and starting to diversify what I'm doing and how.

## Newly Acquired Skills

*Skills acquired in marketing, budgeting, business organization*

...[SMIF] provided us the tools to learn why we should have LLC and different corporation partnerships... That's because we went to one of the meetings in Rochester and they brought the expert in and they explained why we should have that.

My coach helped guide me through some strategy considerations and better position my company for greater future growth and revenue. In the short-term, my coach helped me think through marketing strategy and pricing considerations.



## Increased Access to Financial Resources

*Discussion of sales, grants, loans, credit*



Luckily for me, like the PPP loan and the EIDL, those things are helping me stay right afloat throughout this pandemic... I got so much help and of course without getting the funds and the financial help from [SMIF] otherwise I wouldn't have something going on right now.

And [with] SMIF it was easier to get the funding, big banks are hard to get money from. but SMIF was like 'you can use this bank or SBA or small credit unions that work a little easier than big banks as far as approval.' With restaurants it can be very hard and SMIF got us enough to get started.

## Strengthened Relationships

*Connection with community, SMIF cohort or staff, government or other businesses*

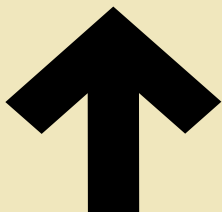
Nancy was my business coach and she'd call occasionally and say 'I've got this new person they'd like to pick your brain' so it strikes up a bit of a support network for people who are in a like business.

I think it's empowering to talk to other business owners...because a lot of this is about having connections and being brave enough to talk about this. I talked to a small business owner who talked to me and gave me contacts about the city for the curbside idea. The connections help because you're not so isolated.



## Program Desires or Shortcomings

*Issues or concerns with participant experience and opportunities for improvement and growth for program delivery*



We're minority business owners. There's an approach to things and offering trust and respect and receiving trust and respect and if you don't do that in a particular way, to earn trust and respect, it becomes really bad.

Tell them to do more [Zoom trainings], I can easily carve out a couple hours, if I have to get in the car to travel or it's a half day I will talk myself out of that even though in reality it's good for my business.

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## BACKGROUND

The Prosperity Initiative, led by the Southern Minnesota Initiative Foundation (SMIF), is a cohort program designed to promote inclusive entrepreneurship and minority-owned business growth in southern Minnesota. The Prosperity Initiative provides resources, professional development and consulting assistance to help businesses grow and succeed. Over the past five years, over 65 individuals have participated in the program covering over 12 communities in southern Minnesota.

In July and August 2020, members of an evaluation team from University of Minnesota Extension conducted a series of interviews with alumni from the 2016, 2017, 2018, and 2019 cohorts of the Prosperity Initiative. Eight interviews were completed. Interviews ranged from about 20-30 minutes in length and were conducted by phone, although one interview was completed over email to accommodate the participant.

The evaluation team faced some challenges connecting with program alumni, including new schedules and changes that occurred as a result of COVID-19. Alumni have been more difficult to reach during this time. Additionally, several alumni required interviews conducted in languages other than English, while this was possible, in the process of reaching out, some alumni had low response rates to messages in English. Strategies employed to mitigate some of the challenges included diversifying the mode of contact of participants such as text messaging, emails, and phone calls as well as the translation of interview protocol and inclusion of assistants who were able to conduct interviews in Spanish.

The interview guide included questions about 1) satisfaction levels; 2) changes in knowledge; and 3) the extent that new relationships led to increased business opportunities. In our analysis of the interviews, we identified five themes; increased self-efficacy, newly acquired skills, increased access to financial resources, strengthened relationships, and desires and shortcomings. This report is organized around these themes.

### Theme Description

**Increased Self-Efficacy:** Confidence in self, in business, knowledge of where or how to get help

This theme encompassed participants' perceived change in knowledge, confidence, and attitudes regarding their abilities as a result of program participation.

**Newly Acquired Skills:** Skills acquired in marketing, budgeting, business organization

This theme encompassed participants' acquisition of skills, learned abilities, and awareness and use of resources and tools to improve their business.

**Increased Access to Financial Resources:** Discussion of sales, grants, loans, credit

This theme focused on the particular discussion of participants' engagement with loans, grants, and credit as well as sales.

**Strengthened Relationships:** Connection with community, SMIF cohort or staff, government or other businesses

This theme focused on how participants leveraged relationships with others in the program to enhance their business, the strength of relationships with government officials or other program participants.

**Program Desires or Shortcomings:** Issues or concerns with participant experience and opportunities for improvement and growth for program delivery

This theme focused on overall participant satisfaction with the program, including feedback from participants that could help improve program delivery for future participants. This theme included any desires they had for future program delivery or any shortcomings they experienced in the program.

## FINDINGS

### Increased Self-Efficacy

*Confidence in self, in business, knowledge of where or how to get help*

Participants discussed having a desire to continue their learning and grow in their confidence regarding their business and their ability to operate their businesses. Several participants emphasized that their interest in learning new skills was closely tied to their sense of community with SMIF and their ability to reach out and ask for specific guidance on particular needs. In discussing their experience, one participant described a general sentiment found across interviews:

*We're still learning every day, it's always something new, but I know if I have a question I will call them [SMIF] and they will try to find out who's the correct person for that.*

All participants reported an increase in their confidence in self and business through their participation in the program. One participant pointed out that being called-out as an example for the program reaffirmed their belief in themselves:

*...they are proud of us, they always have us, like last year when I went to the meeting they have a big picture of my husband in the meeting room and for us it means a lot, because they know how we started, they know us from almost the beginning, so we've been improving every year. Their help helped us keep going. And last year I saw they had a family picture by the table at a meeting, that showed a lot of people from town and businesses and they used us as an example, it means we're doing good.*

Other participants mentioned a general increase in their confidence by merely feeling connected and feeling heard, suggesting that the support received through their participation in the Prosperity Initiative increased their sense of having support and not being alone in their business endeavor. As expressed eloquently by a participant:

*I didn't feel like I was fighting for my business alone, I had that support.*

While the COVID-19 pandemic has undoubtedly shifted business for many, some participants expressed how their particular industry made it more difficult to pivot to socially distant business practices. A few participants in the health industry, including counseling, discussed how the nature of healthcare provision as well as the structure by which they receive referrals have made transitioning their business online significantly difficult, yet their outlook remains positive:

*I'll be honest, the last couple months totally sucked, this pandemic thing, I cannot see patients even though I want to see [them] online, I can see old patients but new patients I cannot...I don't have the chance to develop those relationships like I used to, that's totally stopped...on the other hand I have more time to develop online consultation and that's what I want to do, I started last year already so I have more time to do the online thing, contact other pharmacists to do this online consultation.*

Yet another participant, though they wished they had more preparation for difficult times brought on by the pandemic, remained hopeful and is successfully pivoting to online:

*...some people are facing really hard choices...I wish I'd had a little more future planning in place, but in hindsight the pandemic ended up not hurting my business and with this new wave of people learning how to use this technology, it did my advertising for me. I can get on the phone with someone and say we do virtual and people are like 'yeah, ok.' Before it was like 'I'm not sure, I'm not sure,' today there's a whole new level of awareness that's amazing...And I know part of the reason I could flex out and restrict my expenditures was because of that business training with SMIF and starting to diversify what I'm doing and how.*

## **Newly Acquired Skills**

*Skills acquired in marketing, budgeting, business organization*

Participants made it clear that one of the greatest resources available to them during their participation in the Prosperity Initiative was access to their coaches. Coaches provided facilitation that helped them learn new skills such as marketing and become familiar with tools such as QuickBooks. Additionally, coaches connected participants with experts that inspired their own entrepreneurial endeavor.

As one participant shared, their coach was a guide and helped them develop a marketing strategy:

*My coach helped guide me through some strategy considerations and better position my company for greater future growth and revenue. In the short-term, my coach helped me think through marketing strategy and pricing considerations.*

Coaches, beyond being a resource of knowledge themselves, were also connectors for the participants to broader resources available to them. As one participant pointed out:

*Sometimes, if I need help with a question or concern...[and] I don't know where to start, I call or e-mail and they [a coach] get back to me with some resources, [they tell me] 'you can try this or call this area' to find out what I'm looking for. If it comes to questions [of] tax, state, they can translate it for me if there are some phrases that are harder for me to understand. When I have something in mind I go back to them and I get the answer.*

Additionally, some participants expressed the ways in which they felt empowered by their coaches. One participant in particular who mentioned going through a difficult time personally and in their business pointed out how a coach took initiative in travelling further to reach them.

Overall, participants considered coaches and their skills as educators and communicators as a great resource. Participants often expressed their desire to remain connected to SMIF and the Prosperity Initiative via their coaches and mentors.

Participants also pointed out that through their time in the Prosperity Initiative they acquired some proficiency in particular business tools such as QuickBooks, learned more about having an online presence with their business as a form of marketing, and developed business skills such as drawing up business plans, and making decisions regarding different corporation partnerships. One participant recounted:

*I used the consultant help to get a grant written, I didn't get it but they got the chance to help me with it. I also wrote the business plan which was very helpful. The Quickbooks was good, and I don't use it that often but I know [that it is a] resource and skill which is good. And the online making an appointment that was very helpful for me, all the consultants helped turn on something.*

Other participants discussed how they made use of having access to experts. In one particular case, a participant learned about how to structure their business as a Limited Liability Corporation (LLC). Another participant explained that they learned about marketing and technology more generally from an expert that was brought in to present during their time in the Prosperity Initiative.

## **Increased Access to Financial Resources**

*Discussion of sales, grants, loans, credit*

Participants reported having both direct and indirect benefits to their respective businesses revenues through their participation in the Prosperity Initiative. The more clear and direct benefits included funding via grants and loans. Indirect benefits included motivation to learn more about connecting with funding sources like banks, using technology to increase sales, and leaning into their relationships with SMIF staff and educators to learn more about available grants outside of the funding opportunities provided by SMIF.

Several participants mentioned that they struggled to receive funding support via banks. Working with SMIF and through their participation in the Prosperity Initiative, some participants were able to apply and some received loans through SMIF. One participant recounted this struggle:

*First we wanted to get a loan from a bank but they didn't want to because we didn't have enough profit or balance sheets to show them, so Marshall started helping us to understand more about the financial side and they [SMIF] gave us our first loan and from that time we went to more business, we bought our first place and a machine. It gave us a big help and opportunity to go forward, and then they gave us a second loan in 2017, so it's been really nice to work with them, we really learn a lot.*

Another participant recounted a similar experience of their struggle to receive funding from larger banks:

*And [with] SMIF it was easier to get the funding, big banks are hard to get money from. but SMIF was like 'you can use this bank or SBA or small credit unions that work a little easier than big banks as far as approval.' With restaurants it can be very hard and SMIF got us enough to get started.*

Other participants referenced how receiving funding from SMIF has impacted their business in the time of COVID-19, particularly receiving the PPP loan. Some also mentioned receiving the PPP loan in combination with other funding sources:

*I did take advantage of the SBA \$10,000 advance because of COVID and the SMIF one (PPP) to get some funds...The first month I would say it went down, it was kinda scary, so I got that loan just in case we [fell] behind and then I already paid a lot of taxes last year and barely had any money so it did help out with some of the payroll at least.*

For some participants, having access to these loans is what is helping their business continue in the adversity that was brought on by the pandemic:

*Luckily for me, like the PPP loan and the EIDL, those things are helping me stay right afloat throughout this pandemic, but I look at it now and think man or man would it have been nice to be able to forecast better and plan for a rainy day better... I got so much help and of course without getting the funds and the financial help from them otherwise I wouldn't have something going on right now.*

While some participants didn't directly attribute their revenue increases to participation in the Prosperity Initiative, they did see indirect relationships. One participant mentioned how participating in the Prosperity Initiative motivated them to meet with local bankers to learn more about the business line of credit. Furthermore, various participants mentioned the value of learning skills like online marketing as a way of increasing their business sales and overall revenue. One participant shared that there were moments of increased revenue in their business, which included new referrals. The participant attributed the referrals to higher visibility as a result of marketing and online presence:

*I had to build a couple new things like a website and Facebook and I asked one of the consultants to help me proofread the English since I need to put things on Facebook...when the income took off there were more clients who needed help... and a couple new patients were introduced by their primary physician so they had the need. Also I think maybe some of the marketing made the business more visible, but I'm not sure. Definitely more recognition online.*

Other participants who did not necessarily receive loans or grants from SMIF directly did participate in information sessions and reached out to coaches and SMIF staff to better understand how to apply for loans and grants. One participant candidly shared how their connection to SMIF coaches and staff facilitated their application to another grant:

*Prior to this I've never accessed any loans, it's just me doing what I do. But [with] PPP I heard through other means and right away when the news came in I called [my coach] and she gave me a whole list and rundown of 'here is what we know so far, here is where you should go,' she was my point of contact to get more clarity and information about it. So she helped me get going.*

## **Strengthened Relationships**

*Connection with community, SMIF cohort or staff, government or other businesses*

Participants had a lot to say about the quality of their relationships with their coaches. Again, beyond being a resource for participants, coaches also served as connectors to other resources like funding opportunities. Coaches also helped bridge relationships across entrepreneurs. One participant spoke about a coach who spoke the same language as her:

*The fact that she spoke the same language was a great help and she made a page for her cleaning company. So for her it was really useful because a lot of people found us through there.*

Another participant mentioned that they were able to connect with other people in their field, doing similar work, through their coach:

*...the connections I've made have been interpersonal like, people contact and say 'how did you handle this particular part of your business?' . . . my business coach [would] call occasionally and say 'I've got this new person they'd like to pick your brain' so it strikes up a bit of a support network for people who are in a like business. So I actually did find another counselor who's in the same field but we work with two different areas of substance abuse so we've been able to become each other's support system.*

Other participants mentioned that while attending Prosperity Initiative events they were able to network with other business owners. At a specific event, a business owner presented about their own business, and others found inspiration in their story. This kind of inspiration and motivation was very important for business owners as many cited the isolation that they feel as business owners:

*Well it was great to just meet with people and find out about minority business in Rochester and Owatonna. I found it really exciting to connect because even pre-COVID I feel pretty isolated. I'm in business stuff and networking groups but there aren't a lot of minority business owners around where I'm going so it was so nice to see some people and be excited*

*and engaged and connected with them. I feel like the connections are pretty invaluable.*

The same participant explained how meeting with other participants has been helpful for their business:

*I think it's empowering to talk to other business owners...because a lot of this is about having connections and being brave enough to talk about this. I talked to a small business owner who talked to me and gave me contacts about the city for the curbside idea. The connections help because you're not so isolated.*

The quality of relationships between business owners was best expressed by a participant who worked in a niche market, and who has struggled to find meaningful relationships in their field. For them, the development of relationships wasn't necessarily increasing their referrals or revenue, but rather a form of support and solidarity in business:

*So finding those connections has been challenging and the connections that have been meaningful I've found through SMIF because they're other small owners like me who have to do all the things, I can't pass this off. It's not necessarily referrals for new business, but support.*

For some participants, being a part of the Prosperity Initiative helped them work out a sense of connection to their community. One participant, a restaurant owner, detailed how they came to develop their business with a sense of community, particularly most recently during the pandemic:

*SMIF is mostly for small businesses and I found out just through working with them how they care about communities and being part of the community, because a community is going to try and give back and I'm always trying to give back . . . SMIF opened my eyes to that kind of thing so I try to keep that going.*

Another participant recounted their sense of community and community-making that they've experienced while participating in programming. They contrasted their experiences with that of their father: a Mexican immigrant who built his business from the ground up. In making this contrast, the participant pointed out how different their experiences are from the previous generation, and the role that SMIF can have in facilitating community for minority businesses, particularly those whose business owners struggle with language barriers:

*. . . this program has taught me [that] we have a lot of minority business owners in the area that have got the right kind of passion for what it is they want to do. They've got the it factor, it's just that they lack resources. My dad is first generation from Mexico, who had nothing, was told never [to] ask for anything, don't make problems, he built a business from the ground with language barriers, education barriers and the like . . . But the cool part that I've realized is that while I'm a minority and I don't have any rich relatives or parents, what I do have is the ability to communicate . . . So that's why I see SMIF as being legitimately there to bring minority entrepreneurs to an even playing field.*

*Is it perfect? No. Do they get it right every time? No. But do they absolutely keep trying and keep going back and saying what can we do differently this time and do they do great work overall? Yes. I've bared witness to people who have had those language barriers and they work until they get*

*the right connections and resources. I've seen business go through this thriving. I think it's the coolest thing ever.*

One participant outlined a very specific yet important distinction:

*SMIF came for me, you know they kept on it, and it's really . . . it's one thing to get support and it's a whole different thing to feel supported.*

## **Program Desires or Shortcomings**

*Issues or concerns with participant experience and opportunities for improvement and growth for program delivery*

Participants discussed several ways they would like more help, including additional support with financial education, particularly with the impact of the pandemic on their business, more time with legal assistance, as well as help with technology, and transitioning to online space for business activities.

In terms of the structure of the program, several participants pointed out that they were close to timing out of access to one-on-one meetings with coaches. They felt this continued access was something they would greatly benefit from.

Additionally, in terms of accessibility, some participants mentioned that having more content delivery of the Prosperity Initiative online would allow them to be able to participate more. Not being able to travel quite as easily during the week proved to be a barrier for some participants. One participant referenced the remoteness of their location as a challenge to their participation:

*Yes, being a small business owner and an immigrant isn't easy, I was also really far away there was no way I could drive to Owatonna regularly. I could go to the two-day program because they gave us some help with that, but there was no way I could go on a random Tuesday for an hour, so in the world of Zoom meetings and everything eventually we could go to like a digital platform to give people more access.*

Finally, two participants expressed concerns about cultural competence in the program. One participant in particular detailed an interaction with a coach that led them to not return to the program. This participant recommended conducting a sort of “needs assessment” where participants can be screened in advance for the help that they are looking for or that best fits their business mission as a way of avoiding spending time on programming that doesn't reflect their needs or values. In addition, they detailed instances where the exercises lacked cultural competence and relevance:

*[It] was all sorts of weird and terrible and she [the coach] kept being like 'maybe if you raise your prices' and I kept saying that's the opposite of my business mission. And we argued in a group of people and it was really embarrassing. It was 'just imagine your future' and brainstorming but then it got too personal and too many questions that were too personal and I don't know you or trust you. We're minority business owners. There's an approach to things and offering trust and respect and receiving trust and respect and if you don't do that in a particular way, to earn trust and respect, it becomes really bad.*

*And I'm not saying her stuff might not be useful to people but in that context and that mannerism and the way she approached me about it in*

*front of people was really embarrassing and I wanted to give her enough respect because she's the teacher but yet she put me in a spot where I couldn't mediate the situation to my liking and it ended up being really challenging in front of a bunch of strangers and I ended up not going.*

Another participant reported working in an industry that was largely male-dominated. The participant described several instances where they felt that they experienced barriers to increasing and establishing their business because their gender was underrepresented in their industry. In this regard, the participant mentioned that having curriculum or training for women in particular to help navigate male-dominated arenas of business would have been very much beneficial, as well as putting on events that would help them to connect with other women in similar industries. As the participant illustrated:

*And my thing where I always need help is getting people to believe my product works and not need to drag a man or scientist with me all the time . . . I'm having a problem getting past that in a male stigmatized area. And I've made some connections with another woman who works in my field and she has the same problems So if people can figure out, at SMIF, how to help women get over this issue that would be good.*

Overall, there are opportunities for further development of the Prosperity Initiative, including program content delivery, program structure, and an increase in cultural competence for more diverse participants. One key takeaway from the data that is very timely is the need that participants have in order to pivot during the time of COVID-19, both through an increase in content regarding technology and online business as well as program delivery via Zoom or other online methods.

## **REFLECTIONS FROM PAM BISHOP, VICE PRESIDENT OF ECONOMIC DEVELOPMENT**

Each year I become more inspired. This inspiration comes from the individuals who choose to participate in The Prosperity Initiative. There is nothing more rewarding to watch self-confidence bloom, knowledge grow, relationships deepen and access to financial resources expand. Across our region the diversity of our communities requires us to find new ways to assist entrepreneurs and to meet them where they are at in their life journey. We are pleased to hear experiences in The Prosperity Initiative have set the stage for ongoing success and have positioned individuals to advance their companies. We also know there is always more work to be done, more things we have learned and more tools we need to expand or develop. We are thankful for the talents of our coaches, the state, regional and local financial resources which make this program possible and for the trust entrepreneurs have placed in our hands to help them. As one entrepreneur shared a few years back (this program) “helps my dream come true.”

This report clearly tells us the Prosperity Initiative continues to provide value to those who participate. Whether it is through gaining knowledge of finances, marketing and this year in particular, technology, to lessening the feeling of isolation, those who responded have found themselves and their business in a better place as a result of being in the program. Each individual who enters the program has their unique strengths and opportunities. This report validates the importance of one-on-one conversations with each entrepreneur – meeting them where they are at in their journey. Prosperity Initiative tools of coach identification and engagement, business planning support, and assessments are producing strong minority-owned business owners.