



Organizational Ignition

NH SBDC Inclusivity Project Launch Final Report



February 15, 2022

By James McKim, PMP, ITIL

Table of Contents

Executive Summary	3
Who is NH SBDC?	3
NH SBDC's Inclusivity Project	4
Current State of Businesses of Color	5
Perceptions and Needs of Businesses Led by People of Color	6
What has been done?	7
Current NH SBDC Status	10
Recommendations/How will the NH SBDC move the needle?	11
Conclusion	12

Executive Summary

This report is designed to raise awareness of the issues of businesses of color and offer suggestions as to how the NH Small Business Development Center (NH SBDC) could help these businesses. It describes the reason for the program, the current state of the NH SBDC, what has been accomplished by the program so far, and recommendations for long-term success.

For 37 years the NH SBDC has been proud to support entrepreneurs and small business owners from every walk of life. They have provided the same great services to anyone who walks through their doors, regardless of race, ethnicity, gender, sexual orientation, socio-economic status, age, religious or political beliefs.

But like many organizations, they know they can do more to have their services be welcoming and inclusive to all.

According to the 2020 U.S. Census data, the demographics of New Hampshire are changing. People of Color who previously made up 10% of the state now make up 14%. According to [U.S. SBA's Office of Advocacy's 2021 NH Small Business Profile](#), approximately 5% of small businesses in New Hampshire are owned by Hispanic or racial minority owners.

Overall, the NH SBDC has many assets that can be used to support businesses of color in the state. As with any institution in a state with a significant majority of White people who have had little experience with people of color, the organization is not well-known among business owners of color. Most people of color, and indeed many people in the state, do not know the NH SBDC exists.

The organization also has some blind spots in its understanding of people of color and the challenges they face. But through its accomplishments so far and the trends in the demographics of those served, it has proven its desire to identify and overcome those blind spots.

The recommendations in this report center around marketing and knowledge acquisition. Focus on those two areas will increase the reputation of the NH SBDC among people of color and the organization's ability to assist them to grow the diversity of businesses that will make the state a great place to live for all people.

Who is NH SBDC?

The NH Small Business Development Center (NH SBDC) is an outreach program of the University of New Hampshire Peter T. Paul College of Business and Economics, in conjunction with the U.S. Small Business Administration (SBA), the State of New Hampshire (BEA), the University of New Hampshire, and the private sector. It is funded in part through a Cooperative Agreement with SBA and the State of New Hampshire.

NH SBDC is the leading resource for business advising and education for small to medium businesses in the Granite State. NH SBDC's team of certified business advisors provides highly

individualized, confidential advising at no charge to New Hampshire enterprises. In 2021, the NH SBDC provided advising and education to 4,483 entrepreneurs in 200 communities. It helped clients achieve:

- \$49.22 in new capital raised
- 9,073 Jobs supported
- \$22.85M sales increase

The NH SBDC’s annual economic impact on the State of New Hampshire is estimated to be \$196M. This figure was calculated by a UNH Paul College economist, utilizing data averaged over the most recent 10-year period.

The NH SBDC team stands ready to support companies at every stage of growth. Whether a company is just getting started, seeking capital, bringing new products to market, or improving operations, the NH SBDC can work with them to help them achieve their goals.

To learn more about NH SBDC’s programs and services, visit:

- <https://www.nhsbdc.org/programs-services>
- <https://www.nhsbdc.org/education/ecourses>

NH SBDC’s Inclusivity Project

NH SBDC is taking action by launching its Inclusivity Project. The purpose of the Project is to provide confidential, highly individualized business advising, education, and resources to more entrepreneurs and small business owners who are People of Color across NH to help them start or grow their business.

Figure 1: NH SBDC’s Trends in Serving Minority Clients

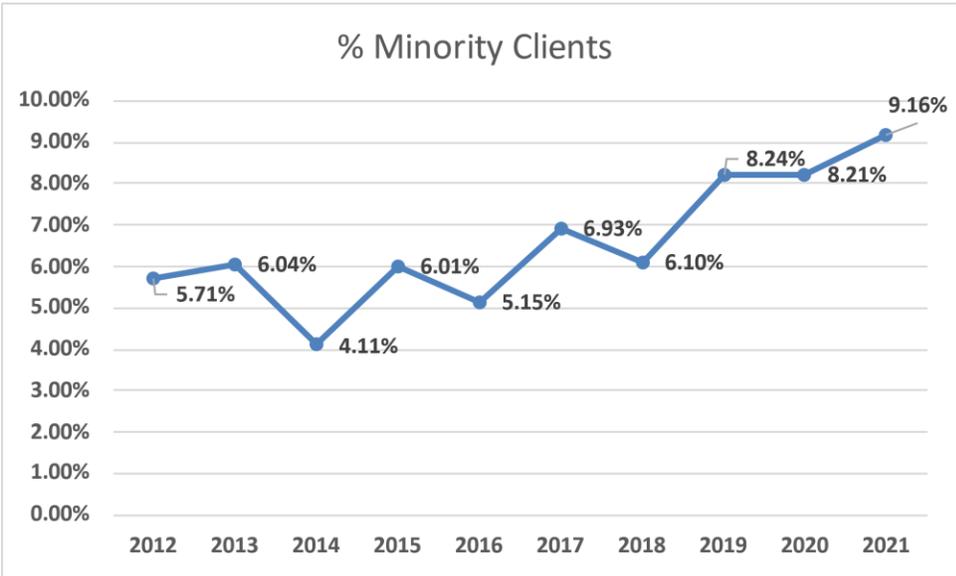


Figure 1 *Trends in Serving Minority Clients* shows that the NH SBDC has made positive strides in reaching more people of color over the last ten years.

Inclusivity Project Goals

1. More direct support for small business owners of color through individualized business advising, education and resources to help them start or grow their businesses.
2. Creation of authentic partnerships with community leaders, groups and organizations to enhance communication and amplify SBDC's outreach efforts, becoming a true trusted partner and resource for all small businesses.
3. Diversity, equity and inclusion training for the NH SBDC team to help them understand cultural sensitivities, needs and specific challenges of people of color businesses.

NH SBDC's inclusivity project is made possible with funding from the CARES Act and the SBA Community Navigator program.

NH SBDC has also accepted their national association's Inclusivity Challenge. The [America's Small Business Development Center's \(SBDC\) Inclusivity Challenge](#) is a long-term commitment by the America's SBDC Network and its partners that builds upon existing efforts to help underserved and minority small business communities to establish a clear path to empowerment and continued economic and community prosperity. The overall challenge is to:

- critically examine communities within the SBDC's service region which are underserved;
- identify communities where the SBDC can deepen capacity to have meaningful results;
- expand culturally and linguistically sensitive services tailored to achieving results; and
- share impact data which demonstrates the SBDC's role in making a difference for underserved communities.

Current State of Businesses of Color

The exact number of businesses in New Hampshire owned by people of color is not known because statistics on the race/ethnicity of owners are difficult to collect. The state does not capture race/ethnicity when a business registers and sole-proprietors are not required to register with anyone.

Regardless of the number of businesses, we know that people of color are challenged to start and grow businesses. The recent CNBC article [Why Black-owned businesses are struggling to stay afloat](#) states that while "Twenty percent of small businesses fail by the first year, 30% by the second, 50% by the fifth, and by the 10th year, a staggering 70% of businesses have shut off

their lights... For minorities, the numbers can be even more daunting. Eight out of 10 Black-owned businesses fail within the first 18 months.”

Nationally, there are many barriers to the success of businesses owned by people of color. Examples as reported in the recent McKinsey article [Building supportive ecosystems for Black-owned US businesses | McKinsey](#) include the following.

- Lack of access to the networks and relationships that could help them make optimal business decisions (which translates into fewer connections to formal hubs,30 such as banks and venture-capital funds, and from informal networks);
- Lack of business skills;
- Lack of digital capabilities.

Research by the Manchester NAACP for its Community-Driven Economic Empowerment (C-DEE) program confirms these barriers identified in the McKinsey report exist in New Hampshire. An additional barrier discovered during the C-DEE program research was a lack of knowledge about documentation, including bookkeeping and contracting. For a copy of this report, please contact C-DEE Program Coordinator Zach Palmer at the NH Community Loan Fund.

[Perceptions and Needs of Businesses Led by People of Color](#)

As happens with the U.S. Census, there are some people of color who will not provide their ethnic and racial information because of their mistrust in government and authority, due to our nation’s past history.

In addition, if people of color have not encountered discrimination themselves, there is what Dr. Joy DeGury calls “Intergenerational Trauma” that causes people of color to not trust White people or institutions because of the trauma experienced by their ancestors at the hands of White people or institutions.

The above makes it challenging for the NH SBDC to reach and serve people of color looking to start and grow a business. NH SBDC, funded in great part by the federal and state governments, is looked upon as part of that environment. NH SBDC hopes to change that perception through this program and to find connection points with community and business leaders that will help attest to its role as a trusted partner for businesses of color in New Hampshire.

Input from focus groups indicated that there are not as many challenges for business owners of color as there are in places where there is a greater population of people of color. However, there are still some challenges that justify the need for improving the SBDC’s efforts around helping these businesses.

Some of these challenges are the same as any business:

- Confusion around which business assistance entity to go to and when, from SBDC to SBA, CWE, SCORE, BEA, etc. The acronym soup of business resources in the state can be daunting..

- Difficulty finding capital and recruiting staff.
- Help with business taxes.
- Access to and help with technology. (This is a heightened issue for many small businesses of color: they do not have computers, are not “tech-savvy”, and may not know how to use the basic Microsoft Office software of Word or Excel.)
- Help applying for loans or grants.
- Help with digital marketing.

Other challenges and perceptions that are unique to people of color:

- A misconception that minority-owned businesses only serve other people within their minority community.
- A lack of trust in governmental institutions so people of color don’t think to seek assistance from “governmental” organizations like the SBDC, especially when the organizations’ websites do not show many dark-skinned people. This is especially important in a state that is predominantly White. The assumption then, unlike in cities where the population is more mixed, is that the organization must not know how to deal with people of color.
- Identity (i.e. being Black) is blocking business growth.
- One focus group member shared that there is a challenge of being 'other' than traditional business leaders. She said, there is a “surprise when you meet potential clients for the first time and they expect you to look differently because mostly the current power structure in the US economy that is dominated by a largely white male population.”
- Immigrants have special needs above and beyond what native people of color have. Immigrants often also need help with language and culture.

“Identity (i.e. being Black) is blocking business growth.”

- NH SBDC Focus Group Participant

What has been done?

Much has already been accomplished toward achieving the goals of the Inclusivity Project. The timeline below provides a framework in which to understand what has happened so far.

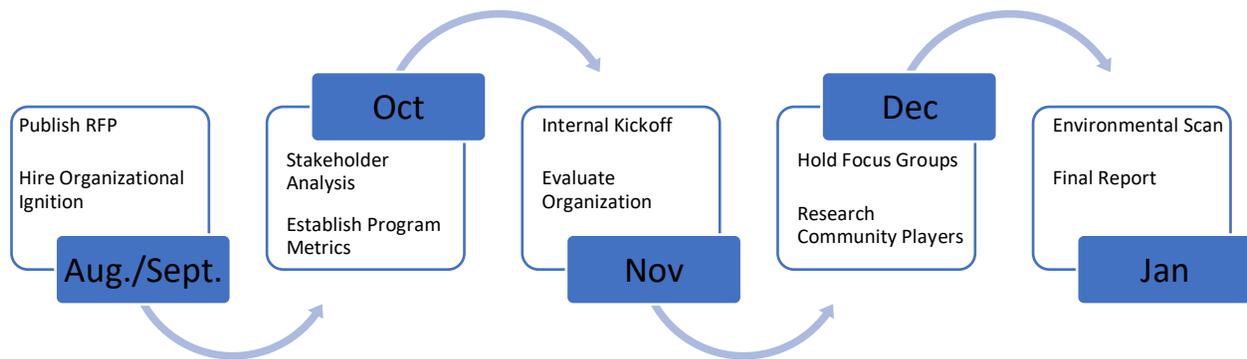


Figure 2 Inclusivity Program Timeline

In the Summer of 2021 NH SBDC put out an RFP for a consultant to help frame the project. In September, Organizational Ignition was hired for a six (6) month period. James McKim, managing partner of Organizational Ignition and the project lead, is also the President of the Manchester NAACP and well-respected across the state.

The project effort began with identifying NH SBDC stakeholders and gaining clarity on the goals for the engagement so that we could track progress during this contracted time. Some of the goals for the engagement time period were:

- Include discussion of DEI Goals in Strategic Plan (e.g. at SBDC Planning Retreat, statewide planning 1/5, regional strategic plan 2/1)
- Establish best practices of how to engage w/businesses of color for each community
- Share w/community stakeholders developed best practices of how to engage w/businesses of color
- Establish best practices for SBDC Advisors that help the NH SBDC become a truly trusted partner and resource
- Professional Development on DEI

During the early discussions we identified metrics that could be used to measure progress toward the program's overall goals. These metrics included:

- Increase in PoC Client engagement #s
- # Hours of NH SBDC Staff Professional Development Time on DEI
- # PoC Clients reached
- New Programs/Initiatives Established
- # Hours of stakeholder outreach
- # of PoC-related partnerships

During the October/November timeframe, we held internal project kickoff sessions with staff and the NH SBDC Advisory Board. We evaluated the organization's policies, procedures, marketing, and service delivery capabilities using an equity lens. The NH SBDC applied for Community Navigator funds as part of the statewide effort.

In December, we invited people from organizations around the state dedicated to supporting people of color to participate in Focus Groups. This included the Business Alliance for People of Color NH, the NH SBDC Advisory Board, the Manchester and Nashua Chambers of Commerce, the Manchester NAACP, the Seacoast NAACP, the Nashua NAACP, the Nashua Adult Learning Center, and the Manchester Community Action Coalition, and the NH Endowment for Health's Race & Equity Series Economic Development workgroup. The Focus Groups were held:

- December 13th, 2- 3:30 PM
- December 15th, 6-7:30 PM
- January 12th, 11 AM – Noon

The Focus Groups provided valuable insights into the needs of people of color in business in New Hampshire. Focus group participants were introduced to NH SBDC, and several businesses of color decided to become NH SBDC clients.

We also surveyed what SBDCs in other states are doing with similar programs. As a result of these efforts, we created a list of NH people of color-serving organizations, something the state has never had.

Specific accomplishments to date include:

- NH SBDC Education & Communications Director Heidi Edwards Dunn has been serving as Co-Chair of the Manchester NAACP's Economic Justice Committee. She gained valuable insights into the needs of businesses owned by people of color.
- Marketing postcards are being translated into Spanish, Portuguese, Indonesian.
- Photos of diverse clients have been obtained to be used for the postcards.
- An NH SBDC [Inclusivity Project](#) landing page has been developed.
- NH SBDC was granted \$125,000/year for 2 years from the \$2.5 million NH Community Navigator program. This money will be specifically used to continue outreach efforts and more direct advising to entrepreneurs of color.
- CARES Act funds are being used to hire a Community Engagement Coach and community liaisons to provide ongoing engagement with people of color around the state.
- The staff has taken some training on DEI. Further training from Organizational Ignition is scheduled to begin in March.
- Since October 1st, there has been a 2% increase of clients of color served.
- With new efforts to connect with and advise entrepreneurs of color, more client stories about businesses of color have been captured.

Current NH SBDC Status



Figure 3: Findings

With respect to inclusion, analysis of the NH SBDC's preparedness to be inclusive is reflected in Figure 3 *Findings* above. It is the result of a Stakeholder Analysis and Environmental Scan of New Hampshire and the SBA ecosystem in which the NH SBDC operates.

The items under the plus sign (+) indicate where there exists a good base of knowledge and capability with which to work. The items under the delta sign (Δ) indicate where there could be improvement. These areas for improvement are typical of NH organizations where the staff has limited exposure to a broad spectrum of people of color.

What can be built upon is as follows.

- **Staff expertise:** The staff is very good at helping people grow their business. Ratings of NH SBDC Advisors (98.3% satisfaction rate in 2021) show that clients appreciate their Advisor's expertise and ability to help grow their business.
- **Strong desire for improvement:** There is a strong desire by all NH SBDC staff to meet the long-term goals of the Inclusivity Project. Advisors and staff have been very open and honest about what they feel they know and what they feel they do not know. They have attended workshops on diversity, asked questions during meetings that clearly indicate their interest in improving how they operate.

What can be improved is as follows.

- **Reaching people of color:** There is a lack of knowledge of organizations that support people of color to whom information about NH SBDC services can be communicated. The organization would benefit from learning how to reach people of color who are engaged in or might be interested in starting a business.
- **Targeted marketing and communications:** Current marketing and communications collateral need to use language that speaks to the needs of people of color.
- **Addressing the special needs of people of color:** Discussions during focus groups revealed needs of people of color of which staff was not aware. Staff would benefit from learning how to address the special needs of people of color
- **Staff diversity:** At this time, there are two Asian-Americans on SBDC's team, however no Hispanic, African American or other dark-skinned people. The organization would benefit from continued efforts to diversify their team in its future hiring.

Recommendations/How will the NH SBDC move the needle?

Based on the work we have done researching national and local trends and barriers, recommendations for continuing to increase support of business leaders of color are as follows.

Management/ Infrastructure	<ul style="list-style-type: none">● Establish SMART goals around DEI for the next 1 – 3 years.● Provide DEI training to NH SBDC staff so they are more sensitive to issues/challenges faced by people of color.● Provide virtual training on DEI for New England SBDC's to show leadership in this space.● Create an ongoing Communication Plan to maintain visibility and continually, regularly listen to the stakeholders identified in the Stakeholder Analysis and the NH People of Color Supporting Nonprofits list.● Continue working with other industry associations such as NH Tech Alliance, NH Retail Association, NH Lodging & Restaurant Association, the NH Cosmetology Association, and others around DEI efforts.● Work with the UNH Paul College to create opportunities for students to help clients with their DEI efforts.● Continue to diversify NH SBDC team. Merely showing people of color on marketing collateral who are not employed by the organization can be seen as being “performative” and not truly wanting to serve the Black and Brown population.● Discuss and encourage how organizations can more effectively gather race/ethnicity data for businesses● Review progress toward the Inclusivity goals at NH SBDC Advisory Board and Staff meetings.
---------------------------------------	---

	<ul style="list-style-type: none"> ● Utilize advanced Project Management techniques to ensure long-term program success. ● Modify the NH SBDC website to better support people of color. This includes the following. <ul style="list-style-type: none"> - Translate website pages into multiple languages; - Update the Inclusivity Project landing page on NH SBDC website – consider creating a video such as SBDC NorCal. - Continue including client stories on the website, particularly those of people of color; - Update the Meet the Team page to make sure the biographies of Liz Gray and Vardhan Bajpai reflect their Asian American heritages; - Include an Entrepreneur Roadmap (possibly in conjunction with the Community Navigator program and/or Race & Equity Series Economic Development Workgroup projects) to clarify: <ul style="list-style-type: none"> a) what the entrepreneurial process is; and b) when to reach out to specific organizations in the economic development ecosystem.
Marketing	Create more marketing collateral designed and translated for target markets. This includes postcards and flyers.
Communications	Create a Communications Plan to maintain visibility and regular listening opportunities with partners and businesses in NH’s diverse communities.
Intake	Have translators available for interactions when needed - even when someone calls in for the first time. Provide an option to speak to someone in a different language starting with Spanish, French, Nepali, Arabic.
Advising	Create specific programs for people of color. This will make them feel as if they are seen and that the organization knows how to help them address their unique challenges.

Conclusion

The NH SBDC has undertaken a bold initiative to meet the changing demographics of the state. This Inclusivity Project has identified the context in which people of color live and work to grow their businesses and improve their way of life in the Granite State. The recommendations in this report will help the NH SBDC meet those challenges and make New Hampshire a better place to work and live.
