

Business Development and Retention

Small independent businesses with a large immigrant component are the core retail economy of most neighborhood commercial districts. Their viability and quality is critical to the district's success in attracting customers, keeping buildings occupied, maintaining and improving the physical environment.

Many tools and program models exist to support small businesses:

1. **Entrepreneurial Development Corporation:** a separate organization focused on helping entrepreneurs start and grow a business with a range of services.
2. **Microenterprise Development** -training and financing to help individuals start a very small business, often targeted to low income persons
3. **Financing Programs** - focus on expanding capital availability with some add-on management assistance.
4. **Technical Assistance Programs** –expand business skills and capacity with training, counseling, mentoring and other approaches. Growing emphasis on service brokering and network approaches.
5. **Ombudsman Offices** – city offices to help business negotiate city regulations and resolve problems
6. **Small Business Incubators** - real estate centers that combine low cost space, shared services, financing, and management assistance under one roof.
7. **Business Networks and Associations**—provide informal and formal assistance among firms and cooperative business services.
8. **Direct business start-up or ownership by a community group.** Community organization directly starts or acquires a business to meet employment or service needs.
9. **Opportunity Creation (set-asides) for Targeted Business.** Used in government, large corporate vendor programs and construction projects, should include a commitment to technical assistance, services, financing so firms can realize opportunity.

How can we think about applying and adapting these many small business development tools to commercial districts?

Debate over what factors determine small business success:

- Class-based resources vs. social/group assets. Bates vs. Waldinger

Special challenges for neighborhood commercial districts and immigrant entrepreneurs:

- Collective capacity of businesses: understanding that their success linked and that they act together to change their destiny.
- Expanding markets served by businesses to enhance their viability, income, and growth potential. Especially important to businesses serving co-ethnic markets with low barriers to entry.
- Providing specialized and customized services for industry-specific needs and for commercial district specific goals.
- Displacement threats from rising commercial rents and/or changing neighborhood demographics

Building Collective Capacity

Requires an organizing effort to understand business owners concerns, and then identify and organize cooperative efforts to address them.

Create forums to bring business owners together to build trust share experiences, discover common concerns, see new possibilities.

Incorporate practices that encourage business interaction and trust-building in other activities.

Many opportunities exist for cost-saving and cost-sharing initiatives with direct benefits to businesses:

- Cooperative advertising
- Joint purchasing of general business services, e.g., insurance
- Cost-sharing for district wide cleaning or security
- Sharing specialized technical assistance, e.g., accounting, shared buyers for clothing stores, inventory systems
- Special events

Some cooperative ventures may need citywide or multiple neighborhood scale to work.

A separate business association can help organize merchants and create a strong voice for their concerns when there is dedicated leadership and volunteers to sustain it.

Expanding Market Access

Many micro-businesses and small neighborhood stores serve small markets that generate modest income and limit their viability and ability to gain the time and resources to expand improve their capacity.

Nexus between district wide marketing and business development in this area. Technical assistance focused on helping business understand and capitalize on under-served markets will reinforce marketing to attract these segments. Sustained help to plan and implement changes in merchandising, services, hours, displays, advertising, etc. needed to gain business from different customer groups.

Potential to apply recent lessons from micro-enterprise development access to market initiatives. Several ingredients were important for market growth to occur:

- A business with a growth-oriented outlook
- Sustained engagement with the businesses, often for one to two years
- Services customized to individual business needs
- Industry-specific expertise and assistance

CBO's provided nine types of assistance in three categories:

- Creating supply side capacity to address market demand
- Creating venues for expanded sales
- Creating transactions—directing securing sales for firms

Possible ways to organize/integrate these services

- Guide choice long-term advisory role. Work closely with entrepreneurs over time to assess needs and get the right assistance
- Industry-based program that serves businesses in the same or similar industry

Full report and three case studies at <http://www.fieldus.org/publications/index.html>

Specialized and Customized Development Services

Most training and technical assistance are geared to generalized especially around business planning, access to capital, accounting, etc.

Small businesses often need more specialized assistance related to their own industry and/or more specialized problems.

Commercial districts often need specialized services to advance their own problems and agenda, e.g., crime prevention, window and store displays, customer service, etc.

Addressing these specialized needs in a generalized service delivery system is challenging. Options to address this challenge

- Develop a service delivery network via relationships and agreements with private, non-profit and government entities
- Partner with TA providers to deliver a specialized training and/or TA program where common specialized assistance needs exist
- Establish a fund for purchasing specialized TA
- Design and implement your own set of services where key common needs exist.
- A specialized business incubator, retailing venue or program can also provide a means for delivering and jointly funding specialized services, e.g., shared kitchens and food processed related services. Might be applicable to a food court, food market, business cart or kiosk program

Gentrification and Displacement

Business development/technical assistance services are an important part of helping business respond to displacement pressures by improving their capacity to manage their business profitably and respond to changing markets.

Other approaches address real estate issues:

- Advocate/assist businesses to secure long-term leases for their location
- Provide technical assistance and/or financing to help merchants acquire their buildings
- Develop commercial/retail condominiums to provide ownership opportunities for small businesses
- Develop properties with dedicated space for local small business and an affordable rent structure
- Advocate for the inclusion of space dedicated to locally-owned businesses in new developments