



2015

# INNER CITY CAPITAL CONNECTIONS PROGRAM

Accelerating Small Business Growth and Access to Capital



Bank of America





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# INNER CITY CAPITAL CONNECTIONS PROGRAM

With a **10-year track record** of providing growth opportunities for companies in economically distressed areas across the country, the **Inner City Capital Connections program (ICCC)** continues to demonstrate that with access to executive education, training and capital, small businesses generate jobs and wealth crucial to transforming their communities and supporting a robust U.S economy. **Since 2005, 837 ICCG participants from 39 states and 231 cities have raised \$1.32 billion for the advancement of their companies and created over 11,000 jobs in their local communities.**

ICCC companies are in the ‘growth-to-exit-stage’ and face obstacles that hamper their ability to reach their full potential, from the quest for capital to the restructuring of business growth strategies. 54 percent of ICCG businesses are 10 years of age or older. The program is expertly designed to propel these businesses toward their next phase of growth by providing educational resources and mentoring, as well as access to debt and equity capital critical to sparking sustainable business growth.

In contrast to many small business programs, ICCG tailors its programming to its participants and incorporates mentoring and practical learning that is easy to implement. The program modules are guided by award-winning educators from leading academic institutions across the country, including Dr. Michael Porter of Harvard Business School and other seasoned practitioners.



**“Since 2005, 837 ICCC participants from 39 states and 231 cities have raised \$1.32 billion and created over 11,000 jobs.”**



**Engaging material and teaching methods.**

*“Love the engaging communication style of teaching vs. just plain slides. Even with my MBA, I loved learning application of strategy.”*

—Karla Trotman, Electro Soft, Inc.

**Easy to digest and non-time-consuming.**

*“It’s like a six-week business course all put into one day. We’re going to use this to the advantage of our business.”*

—Zebbie Carney, Eugene’s Hot Chicken



The background of the entire page is a vibrant green color. It features a close-up photograph of coffee beans, which are also green. Two wooden scoops are positioned diagonally across the frame, one in the upper left and one in the upper right, both filled with coffee beans. The lighting is soft, highlighting the texture of the beans and the grain of the wood.

# ICCC ALUMNI: SUCCESS STORIES

“An absolute treat!” —Swell Fundraising

Since ICCC

100% revenue growth



## EXCELLENT PACKAGING Est. 2004

*A distributor of both traditional packaging products and the latest green products for food service operators of all sizes.*

CEO of Excellent Packaging, Allen King, points to ICCC as a crucial component in determining his company's value and which steps to take to optimize the company's success trajectory. With the surge of environmentalism, many customers sought environmentally-friendly packaging to justify the industrialism of the times. To satisfy this need, Allen created the first extensive green product line, capitalizing on this niche market. The company gained widespread recognition because of its unique positioning, excellent customer service and innovative product design.

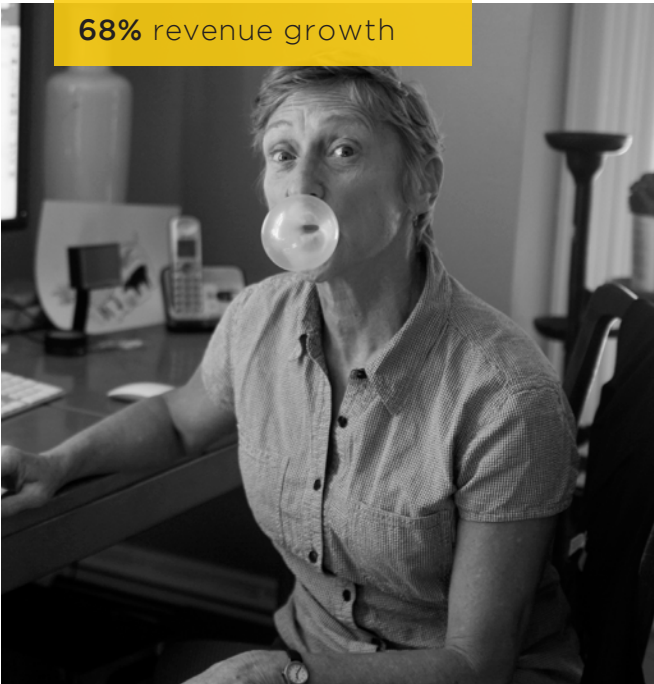
Allen participated in the ICCC program to learn how to raise capital to support his company's exponential growth. After working with his ICCC coach to refine his pitch and connecting with several investors, Allen determined his preferred financing option was debt. Armed with new knowledge, Allen approached a local bank and received a sizeable loan that allowed him to better manage the company's inventory and hire employees to facilitate its business growth. Allen's coach also advised him to invest in search engine optimization to appear first in Google searches. Since participating in 2007, Allen continues to drive growth for Excellent Packaging.

*“Wonderful access to the world of equity investments.”*



Since ICCC

68% revenue growth



*“ICCC helped us to reevaluate our sales and marketing strategy and increase our competitor analysis to catapult the growth of our business.”*

## GLEE GUM Est. 1995

*An all-natural gum manufacturing company that produces gum from sustainably harvested rain forest ingredients.*

Inspired by a trip to Guatemala where she learned the secrets to sustainably harvesting a key ingredient of organic gum called chicle, Glee Gum CEO, Deborah Schimberg, created the first-ever aspartame-free gum. This was Deborah's first venture and she sought to learn the best strategies to expand her product line in the U.S. market. Deborah credits the ICCC program for the drastic change in Glee Gum's growth.

Deborah learned from ICCC professors and her ICCC coach the best ways to understand her customer base as well as her industry. She subsequently altered Glee Gum's sales strategy and saw a 68% increase in revenue growth.







## CAPOGIRO GELATO Est. 2002

*Makers of Fine Artisanal Gelato and Sorbetto.*

Stephanie and John Reitano, Co-founders of Capogiro Gelato and Italian by birth, always strive for excellence. After a trip to Italy sparked their interest in gelato, John and Stephanie decided to start their own premium gelateria. Instead of making something low grade and cheap, the couple created a high-quality product sourced from local ingredients that could sustain a competitive edge in both the U.S. and Italian markets.

John applied to ICCG to gain perspective on why he was having difficulty obtaining capital. ICCG taught him key negotiation skills and pitch strategies for influencing investors, and connected him to the resources needed to adjust his talent management strategy. Recognizing a need for exceptional talent, John hired a new Chief Financial Officer who serves as his right-hand man in charting the company's financial trajectory.

Capogiro Gelato now consists of four gelaterias, one combined gelateria and pizzeria, and a 15,000 square foot dairy. John is working to continue the momentum gained through ICCG and expand his company to several other major cities on the East Coast.

*Since ICCG*

**76%** employee growth



*“After ICCG, I am in an ‘investor ready’ stage.”*

# VINTAGE TEAWORKS Est. 2011

*A tea company offering unique tea blends inspired by the complexities of different wines and premium loose tea leaves.*

When Vintage Tea Works CEO, Brandon Ford, realized his company was failing to meet its maximum potential in sales revenue, he turned to ICCC to hone his financing strategy and build capacity for long term growth. ICCC connected Brandon to a coach and experienced capital providers who helped him dissect the gaps in his company’s growth strategy. This knowledge enabled him to effectively communicate the value of his company to investors. In fact, he used the same company presentation he developed and perfected with his ICCC coach to pitch to potential wholesale customers. Brandon has secured six new wholesale customers within the past year, increasing his company’s bottom line by approximately 5-7%.



*“Provided insight into what providers want.”*

## THE GREAT DIVIDE

Securing capital and building capacity are hurdles for even the most successful inner city entrepreneurs. Companies cannot achieve maximum success without a growth strategy that encompasses both capital infusion and capacity building. Failing to achieve these key variables more often than not prevents business owners from taking steps critical to growth such as hiring new employees, taking on new customers and purchasing new equipment or buildings.

The capital gap faced by inner city entrepreneurs is even more stark when viewed through the lens of race and gender. Minority-owned businesses are major sources of employment in underserved communities, yet they are much less likely to receive financing needed to support their growth. The average loan for a minority firm is 48% less than that of a non-minority firm and the average equity invest-

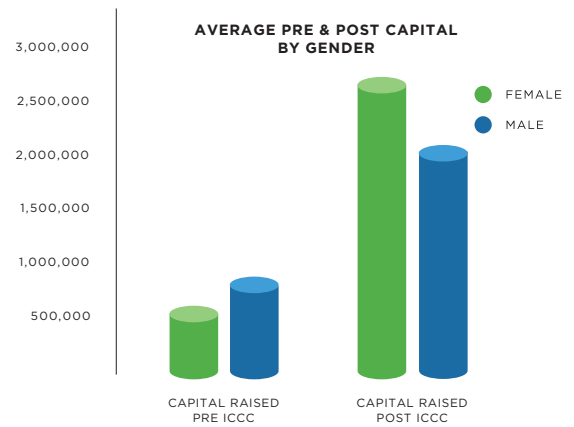
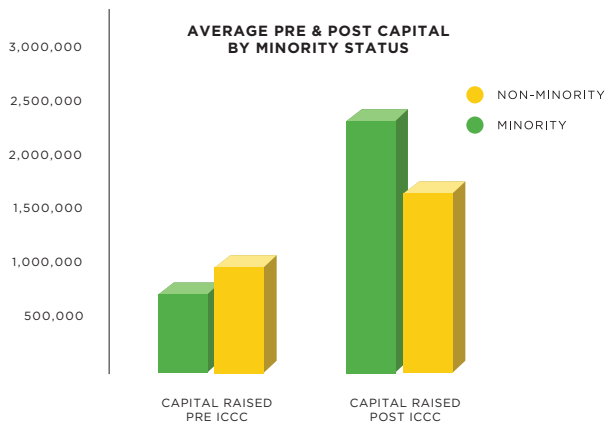
ment for a minority firm is 43% less than that for a non-minority firm.\* The National Women’s Business Council states that 29% of all American businesses are women-owned, yet they account for only 16% of business loans.\*

The Inner City Capital Connections program was launched to address the disparities faced by minority-owned and women-owned businesses. By marrying executive education and access to growth capital, ICCC unlocks capital flow for both women- and minority-owned businesses, enabling these firms to scale and serve as sustainable engines of growth in their neighborhoods.

*\*Source, MBDA*

Since ICCC

900% employee growth



# Capital Access in Select Cities

**73%**

Raised debt capital less than 1 year after the program

2005-2013 Participants

**90%**

Raised debt capital less than 1 year after the program

2014 Participants

**84%**

Raised equity in less than 1 year after the program

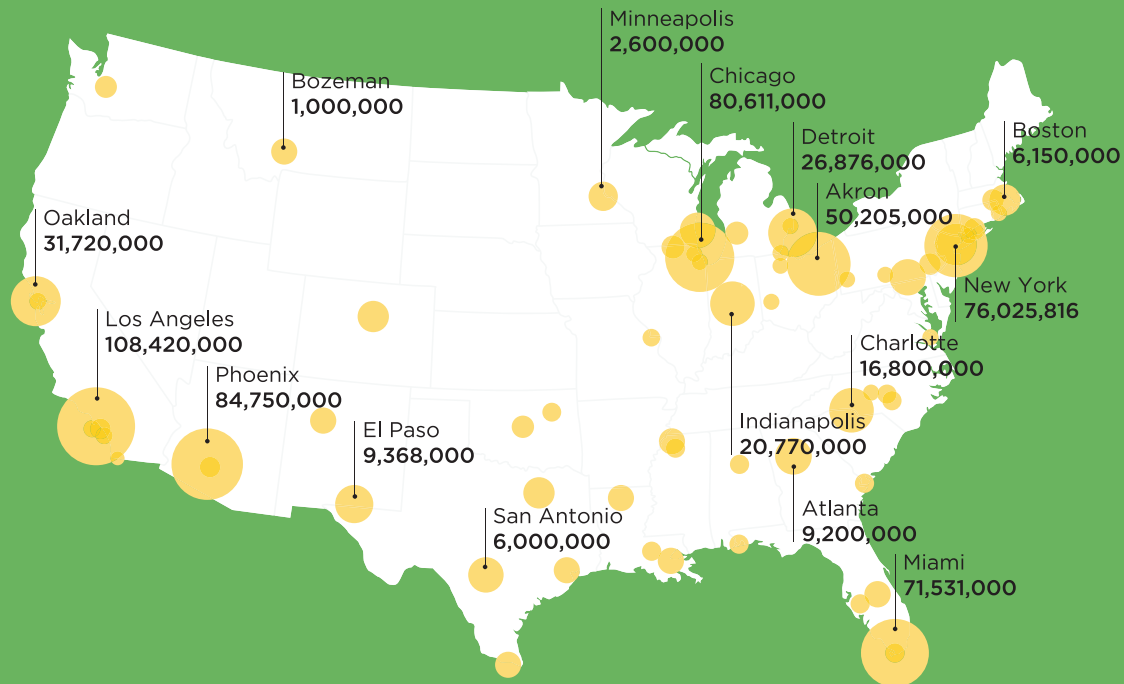
2005-2013 Participants

**100%**

Raised equity in less than 1 year after the program

2014 Participants

Participants on average raise **204% more capital** after they complete the ICCG program



## AVERAGE LOAN PER BUSINESS

**\$1,621,986**

AVERAGE LOAN FOR AN ICCG BUSINESS

**\$371,000**

AVERAGE LOAN FOR AN SBA BUSINESS

## ICCG FIRMS HAVE CONSISTENTLY RAISED CAPITAL ACROSS THE COUNTRY

The map showcases many of the cities where ICCG participants have secured capital throughout the program's 10-year history. Los Angeles leads with the highest capital raised at \$108 million, followed by Phoenix at \$84.8 million, Chicago at \$80.6 million, New York at \$76.0 million and Miami at \$71.5 million. The majority of participants are located in the city and state where the ICCG program is held.

Since ICCC

50% employee growth



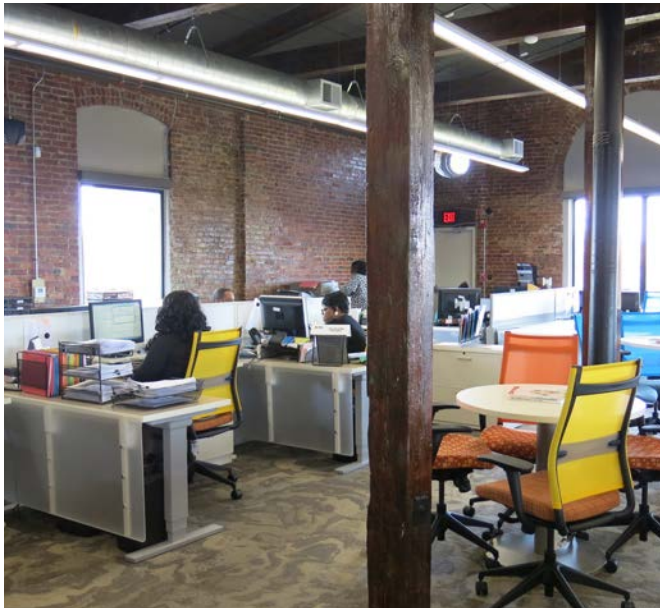
*“One of the best CEO training and awareness programs in the country.”*

## ALPHA OFFICE SUPPLIES Est. 1985

*Distributor of office supplies catering to millennials.*

CEO of Alpha Office Supplies, Chet Riddick, and senior team attended ICCC seeking capital but ended up gaining much more. Chet and his team originally sought capital to fund the implementation of their “Office of the Future,” an idea that catered to millennials, which incorporated high-tech office supplies with sustainability practices. ICCC connected Chet to a lender at Bank of America, an ICCC coach, which led him to raise over \$1 million in debt. This financing enabled his vision for a sophisticated warehouse and innovative showroom to come to fruition.

Not only did Chet receive funding, but he also learned new strategies and the importance of putting talent management at the center of his business growth. This inspired him to implement a buy-sell agreement and purchase insurance policies on his executives after listening to a presentation given at ICCC on “6 Top Major Business Killers.” Since ICCC, Alpha Office Supplies has experienced a 15% increase in revenue.

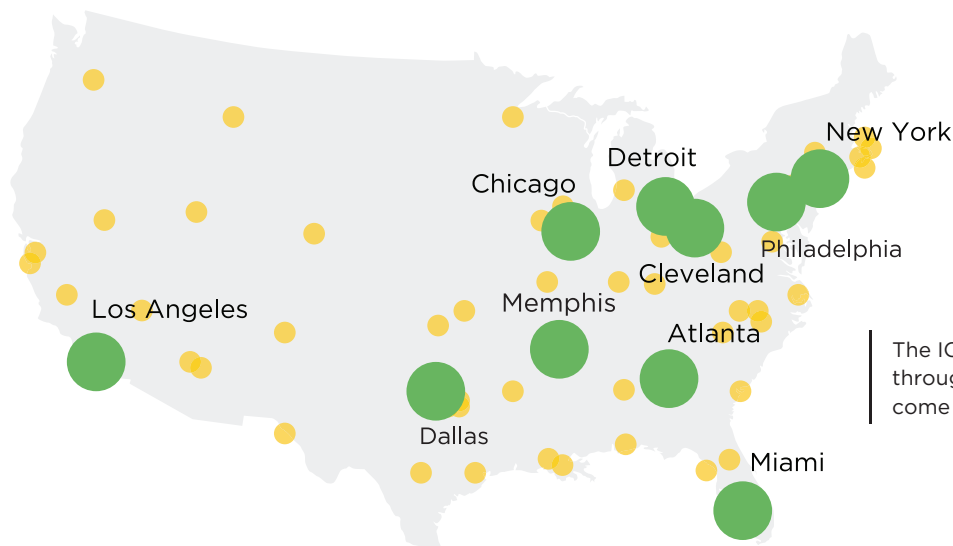
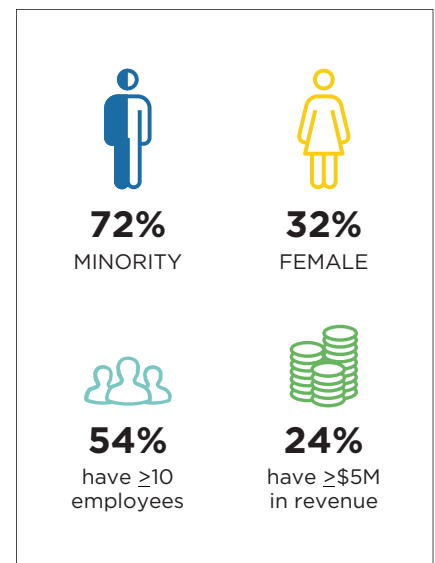
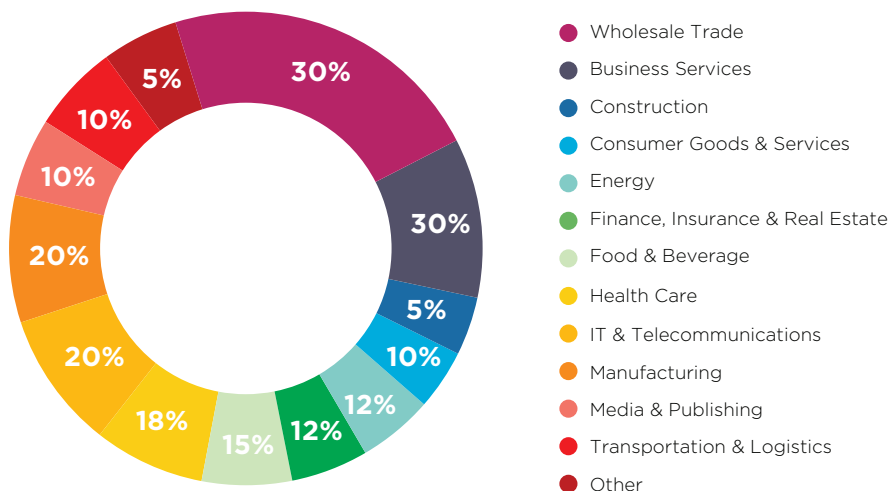


# ICCC HAS A PROVEN TRACK RECORD OF HELPING BUSINESSES BUILD CAPACITY AND ACCESS CAPITAL

# 837

small businesses from across all different demographics and geographies have participated in ICCC.

**They represent the following industry sectors:**



The ICCC program has been held in 10 cities through 2014, and the businesses that participate come from **39 STATES AND 231 CITIES.**

## FACTORS THAT HAMPER GROWTH IN WOMAN-OWNED AND MINORITY-OWNED BUSINESSES

**29%**

of American business owners are **women**

But they account for only **16%** of business loans

Average loan for a minority firm is

**48%**

less than that of a non-minority firm

And the average equity investment is **43% less** than those for non-minority businesses

**40-45%**

of inner city businesses are **minority-owned**

But their loan denial rates are **3x higher** than that for non-minority businesses

Source MBDA and NWBC

## ICCC FIRMS RAISE CAPITAL TO SPARK GROWTH, TAKE ON NEW DEALS, AND CREATE JOBS.



**\$1,325,833,150**

Total capital raised from 2005-2014

### OF THE 2014 PARTICIPANTS WHO RAISED CAPITAL

**90%**

raised debt  $\leq$  1 year after the program

**100%**

raised equity  $\leq$  1 year after the program



**23%**

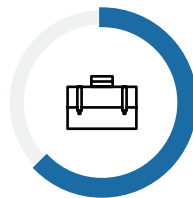
average revenue CAGR after ICCC 2005-2014



**56%**

average increase in employment after ICCC 2005-2014

### Small Businesses



Create **2/3** of net new jobs in the country



Employ **1/2** the nation's private sector workforce  
Source: SBA



In addition to raising capital, ICCC firms created

**11,074**

total jobs since 2005.

**61%**

were inner city jobs.

ICCC positioned **68%** of participants for **future growth**

ICCC positioned **63%** of participants for **capital**

After ICCC, **33%** of participants **adjusted their financing strategy**

Since ICCC

From **\$2 million** to **\$200 million** in just 9 years



## SUNDIAL BRANDS Est. 1992

*Sundial Brands encompasses Nubian Heritage and SheaMoisture and is an innovative health and beauty brand that creates skin and hair products inspired by the natural ingredients and cultural traditions of ancient Nubia.*

One of the most compelling and extraordinary examples of Inner City Capital Connections' 10-year track record of advancing small businesses is that of ICCC alumnus Sundial Brands. At the heart of the company's dramatic growth is the careful and strategic positioning for capital that CEO Richelieu Dennis learned through his ICCC training.

Richelieu was born and raised in Liberia and Sierra Leone, later moving to the United States to pursue a college education and escape the turmoil of a brutal civil war plaguing the region. The war made it impossible for him to return home and he was forced to remain in the U.S. In order to pay the bills, Richelieu became a self-made salesman on the streets of New York City, selling the only thing he knew how to make: hair products his grandmother made and sold when he was in Sierra Leone.

Richelieu quickly learned to rely on his customers, whose feedback helped steer executive decisions and product development. He went on to incorporate this grassroots sales strategy into a customer-centric business model. Richelieu's business grew and he and his team transitioned from selling on the streets of New York City to a variety of marketplaces, including local churches, beauty supply shops, and mom and pop stores.

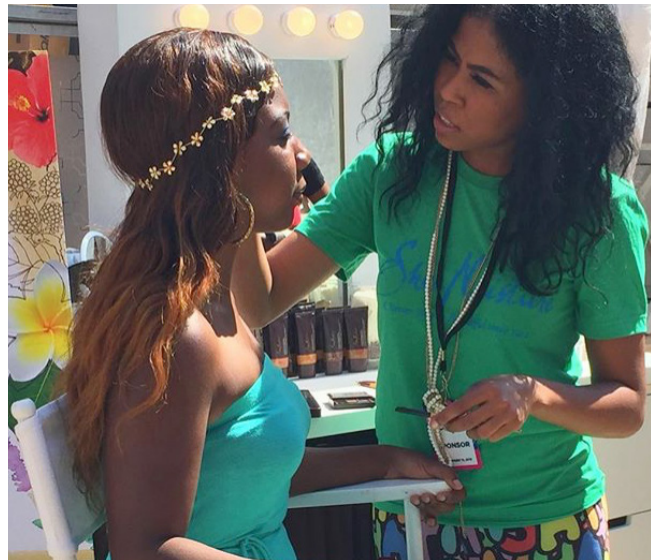


*“Before coming to ICCC in 2006, Sundial Brands employed 30 people...This year, Bain Capital took a minority stake in Sundial Brands helping it grow to 280 full time employees...”*





Sundial Brands employed just under 30 people and saw annual revenues of between \$2 and 3 million before Richelieu attended ICCC. Richelieu's goal was to secure equity capital to support his business growth. Richelieu worked with his ICCC mentor, an equity investor, who later introduced him to a debt provider in addition to helping him better prepare his business for future equity infusion. Sundial Brands experienced such rapid growth that it actually outgrew the financial capabilities of its ICCC mentor. As a result, Richelieu sought out other equity investors who had the capacity to support his rapid growth. In 2015, Bain Capital took a minority stake in Sundial Brands helping it grow to 280 full time employees and an estimated yearly revenue of around \$200 million. Today, Sundial Brands products are available at national retailers and the company is expanding its reach to new markets.



*“This program totally transformed how I think about my business.”*



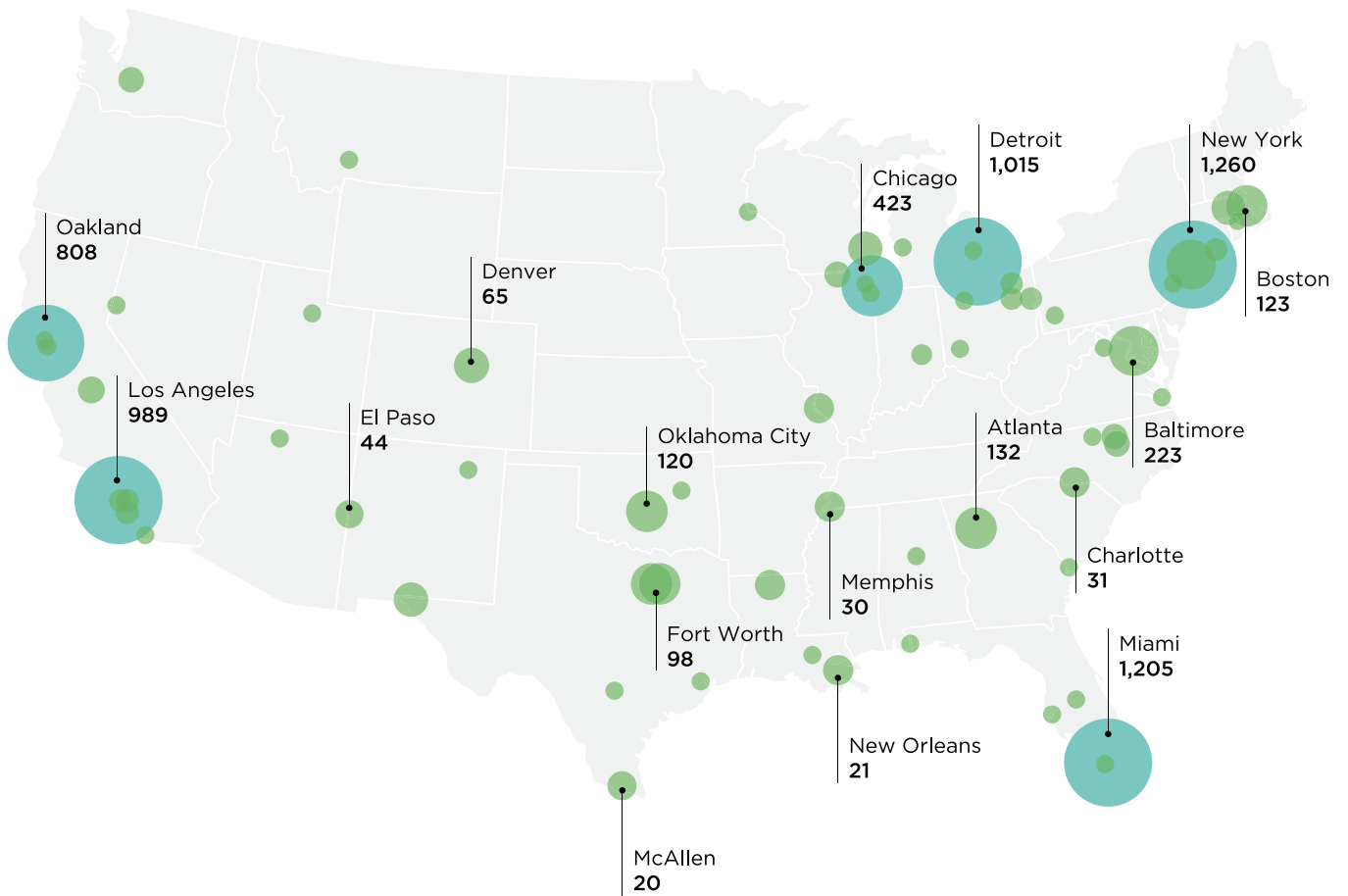
## VALENTINE MEDICAL Est. 2005

*A medical practice specializing in complete family medical care.*

Valentine Medical is one of many ICCG companies that have revitalized the small business landscape in New Orleans. After Hurricane Katrina and a slew of natural disasters destroyed her office, Valentine Medical CEO, Dr. Christy Valentine, was in serious need of capital. ICCG gave Dr. Valentine the resources she needed to rebuild her company by connecting her to larger healthcare firms, strengthening her professional network and showing her the steps she needed to take in order to build capacity. ICCG worked with Dr. Valentine to secure a loan that enabled the company to relocate to a new office, purchase new equipment, and expand her client and employee base. Her ability to sustain a profitable firm in the midst of such devastation started with ICCG and was perpetuated with her perseverance and skill.



# 10 Years of Job Creation in Select Cities



**82%**

of jobs created pay over  
**\$40,000** in salary

*2014 Participants*

**71%**

of jobs created pay over  
**\$40,000** in salary

*2005–2013 Participants*

**73%**

increase in employment for  
participants who **raised capital**

**41%**

increase in employment for  
participants who did **not raise capital**

**61%**

of jobs created are located  
in the inner city

Since ICCC

31% employee growth



## DONALD L. MOONEY ENTERPRISES Est. 2004

*A staffing, healthcare, IT, logistics and vendor management services provider for commercial businesses and government entities.*

Donald Mooney, CEO of San Antonio-based Donald L. Mooney Enterprises, attributes his procurement of capital and the company's consequential growth to ICCC. When Donald participated in the program, he gained insight into which sources of financing were best for the company, and also learned new strategies to better manage and incentivize his current workforce and recruit new employees. After discussions with several lenders, Donald ended up securing over \$5 million in debt. As a result, Donald invested in hiring an experienced CFO, who brought about key changes to the company's sales strategy and operations. Donald L. Mooney Enterprises later generated approximately \$23 million of new business and experienced a 6% increase in revenue growth.

*“The information and training I receive from ICCC improves and makes me a better leader. I return from their conferences refreshed and teeming with new ideas and methods to grow and energize my company.”*





## CLARION SECURITY Est. 2009

*A traditional security guard business that uses high-tech tools to promote efficiency and cost savings.*

A nationally recognized security company, Clarion Security illustrates the powerful effects that ICCC and capital infusion can have on women-owned businesses. Despite the strides made by the company in security software and automated reporting, Clarion Security CEO Kim Heathcott experienced challenges securing a loan and knew she needed guidance in order to drive the company to the next growth stage.

Kim attended the ICCC program seeking capital, and was blown away by the entire ICCC experience. She learned how to value her company, navigate the business financing landscape and prepare a company presentation to pitch to capital providers. Kim successfully secured a loan after the program that took her company to a new growth stage next. Kim notes that the ICCC program allowed her to develop a clearer vision for the future of the company and marshal her resources to obtain sustainable growth. Clarion has seen a 74% increase in revenue growth.

Since ICCC

**74%** revenue growth



*“The ICCC program is designed around subject matter experts in certain fields... ‘Cash is King’ and that’s what I learned growing your business is about.”*



## CITY SPOTLIGHT **CHICAGO**

**100**

ICCC Chicago  
businesses trained

**\$80,611,000**

total capital raised by  
ICCC businesses in Chicago

**423**

jobs created by  
ICCC businesses in Chicago

A study by the Woodstock Institute sheds light on the capital access disparity in Chicago. The study found that small businesses in low-income, majority-minority areas of Chicago were less likely to receive loans, disabling these businesses from contributing to the region's prosperity. Although these businesses generated about 8% of the region's business, they received only 3.8% of available loans. The Woodstock Institute study exemplifies the rampant financial challenges faced by minority-owned and women-owned businesses operating in low-income areas of Chicago.

ICCC recognizes that these inner city entrepreneurs are invaluable to Chicago's inner city economic vitality. The program was hosted in Chicago over several years to support the advancement of 100 businesses. Those firms that sought funding raised \$80 million in capital and participants overall created more than 400 jobs in Chicago. Here are a few stories of success.



## COMMONGROUND/ MGS Est. 2002

*An ad agency on a mission to elevate culture to its rightful place as the most valuable currency on the planet.*

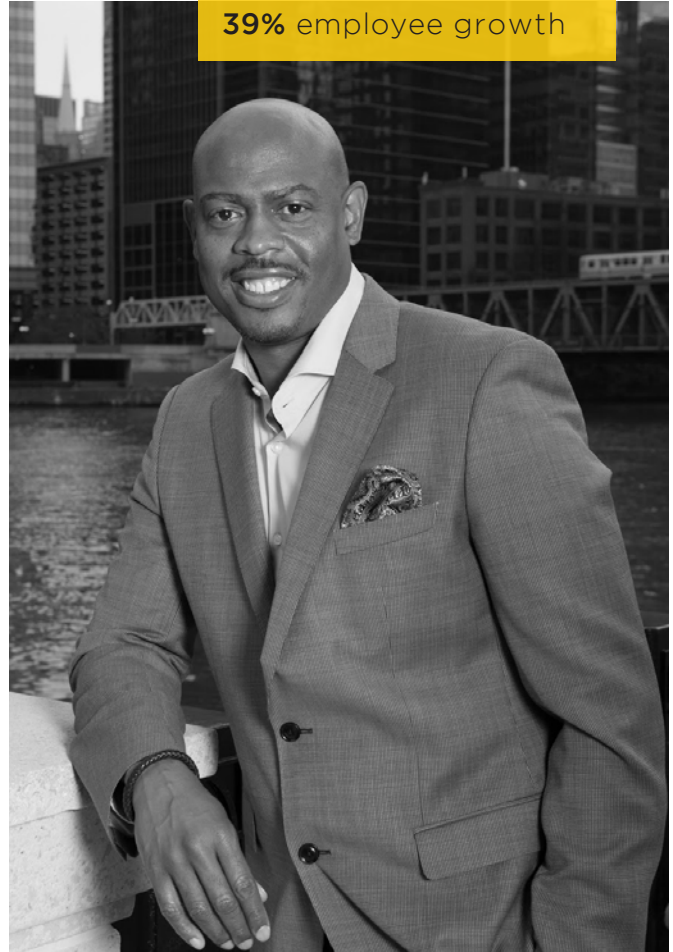
Now a nationally recognized Chicago-based company, Commonground was the first full-service minority-owned advertising firm in its industry. Today the company employs around 300 employees specializing in “cross-cultural” or “transcultural” marketing.

For Commonground CEO Sherman Wright, the ICCC program was an opportunity for experts to analyze his company in an unbiased way. These experts offered an outsider’s perspective on the company, allowing Sherman to ask himself important questions about future growth. In particular, he learned more about mergers and acquisitions transactions. Armed with this knowledge, Sherman expanded into two new markets. Later, he confidently navigated the merger and creation of the Commonground/MGS holding group.

As an employer of 160 people before the merger, Sherman believes that Commonground/MGS has deeply impacted Chicago and states the company plans to hire additional staff in Chicago to stimulate local job creation. In recognition of his commitment to the Chicago community, Sherman has been inducted into the Chicago Area Entrepreneurial Hall of Fame and invited to sit on several boards in professional, social, and civic capacities. Sherman is proud to have increased his company’s capacity to contribute to the revitalization of Chicago.

Since ICCC

**39%** employee growth



*“Even for a 2-day session, the contacts I made and relationships I made were very beneficial.”*

*“It got me out of the office and thinking about bigger picture business issues.”*

## MICROLUTION Est. 2005

*Microolution is a precision machine technology company that sells automotive, biomedical, and aerospace components to Fortune 100 companies.*

To be competitive, Microolution needed to build customized precision parts more efficiently. CEO Andy Phillip needed funding to achieve this goal, and attended the ICCG program to secure capital. He learned how to succinctly state the value proposition of his business when pitching to capital providers. Putting his knowledge to work, Andy connected with a lender at ICCG and successfully secured over \$1 million in debt. Andy stated that capital infusion was crucial to his company’s growth, specifically with hiring more employees to expand his salesforce. In fact, 2015 was a record year for sales and profits in both Microolution’s top and bottom lines. Since ICCG, Microolution has experienced 21% revenue and 16% employee growth.

The strategies Andy learned at ICCG have not only turned Microolution into a leader in the micro manufacturing industry, but have also made the company a force to be reckoned with. Headquartered in Chicago, the company continues to play a vital part in Chicago’s resurgence, creating new jobs and bringing fresh energy to the city’s manufacturing industry.

Since ICCG

21% revenue growth





## REGIONAL IMPACT, NATIONAL PROGRESS

The impact of ICCC businesses can be seen in communities across the nation. Businesses that enter the ICCC program face a myriad of challenges that relate to capacity building and capital access, but exit the program with practical knowledge, a robust network and a plethora of capital connections from which they can draw.

Through the ICCC program, small businesses can fulfill their potential for growth. The program brings market-based solutions that help support real, tangible progress in urban communities and, in turn, the surrounding regions. This is a program that preserves the American tradition of small business entrepreneurship. The success of the program can be measured not only by enthusiasm and engagement of our participants, but also by the growth and job creation of a diverse range of women-owned and minority-owned companies that participate year after year. ICCC will continue working with small businesses that will grow to be the architects and builders of revitalized cities throughout the country.



# NOMINATE A COMPANY FOR INNER CITY CAPITAL CONNECTIONS

ICCC is a national program designed to accelerate small business growth and access to capital. ICCC helps firms in the growth-to-exit stage overcome obstacles to reach their respective goals. Our participants experience different business challenges from the need for capital to restructuring growth strategies.

## QUALIFICATIONS

Independent, for-profit corporation, partnership or proprietorship  
Inner city location—headquarters or 51%+ of physical operations in economically distressed urban areas of the U.S. or have 40% or more of your employees residing in an economically-distressed area.

*\*on the recommendation of the nominator ICCC will consider businesses with revenues below \$2 million.*

**For more information, contact Hyacinth Vassell at [hvassell@icic.org](mailto:hvassell@icic.org).**

## GET TO KNOW US BETTER



[iccapitalconnections.org](http://iccapitalconnections.org)



Inner City Capital Connections Alumni Group



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617.238.3019

ICIC's mission is to drive economic prosperity in America's inner cities through private sector investment to create jobs, income and wealth for local residents.

[www.icic.org](http://www.icic.org)



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