Community Organizations Offer Resources for Entrepreneurs

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Community organizations are an important and somewhat overlooked locus of entrepreneurship training. Many non-profit organizations that help communities across the United States and the world provide resources and training for entrepreneurs in their neighborhoods. In Chicago alone, over 130 business service organizations (BSOs) have been identified as providing resources for entrepreneurs. Many of these organizations are very small, while others serve the needs of multiple constituents with impressive scale and scope of operations.

For example, Sunshine Enterprises works with entrepreneurs across under-served neighborhoods of Chicago and trains them in programs like their 12-week Community Business Academy. Each year Sunshine Enterprises serves hundreds of entrepreneurs, such as Dana Todd Pope, an artist-turned-entrepreneur from Chicago’s South Side. Dana’s offerings include a children’s art series, branded as Fearlessly Hue, which provides encouragement and inspiration with a focus on children of color. Dana says the Community Business Academy training helped her improve the recordkeeping of Fearlessly Hue LLC, and also provided emotional support when she was going through rough times.

Currently, we know little about what is being taught, and how, in the non-academic entrepreneurship training programs of neighborhood BSOs. So, in an effort to better understand and assess the content of these programs, I worked with Morgan C. Chase to study the curricula of 16 such programs in Chicago.

Our efforts were supported by a grant from the Coleman Foundation. And recently we generated a report summarizing our findings. The full report is available here, but I’ll summarize below some key elements of what we learned.

What we studied

The programs we studied serve nascent and aspiring entrepreneurs, microentrepreneurs, and business owners who seek to grow their companies across Chicago, with a focus on the traditionally underserved South and West sides of the city. The programs are run by non-profit organizations that typically serve their neighborhoods in a variety of capacities, including supporting economic development and entrepreneurship. Some of these non-profits are affiliated with religious organizations, and all of them have deep roots in their respective neighborhoods.

For the 16 programs we studied, we analyzed the written curricula of the programs. We also attended seven training sessions and interviewed eight students and fifteen instructors in these programs. We also reflected on the content of the trainings in light of what we know about best practices in adult entrepreneurship education. Our knowledge of best practices was based on previous academic literature as well as nine expert interviews that we conducted.

What we learned

Our research identified some best practices that were common to all of the programs, and which were aligned with what entrepreneurship education experts have suggested before:

Financial management training
The supremacy of financial management topics was evident throughout the programs we analyzed. Fifteen of the 16 programs featured financial management topics, and some programs were solely focused on this topic. The students and the instructors we interviewed considered financial management an important area of focus. Instructors commented on the low levels of financial literacy among the students, and how learning about budgeting, profitability, and cash flow management can help them avoid the typical pitfalls that entrepreneurs face. These comments are aligned with previous research (https://www.e-elgar.com/shop/usd/poverty-and-entrepreneurship-in-developed-economies-9781788111539.html) suggests. Furthermore, students could see the immediate value of an improved understanding of how to manage their business finances. They particularly valued the immediate applicability of the financial management ideas and tools in their own business situations. Many of the programs also had sessions focused on the personal finances of the entrepreneurs. These sessions serve to contextualize the financial management of the business in the entrepreneur’s life experience, and that of their family.

Experiential entrepreneurship education, but not the way academia views it

Many schools regard “experiential education” as a chance to help students get a “real-life perspective” on entrepreneurship. But community entrepreneurs participating in the programs we studied already have a real-life perspective! They often run multiple part-time businesses to meet their obligations and to generate additional revenue streams. Compared to academic settings, where there is time for conceptual learning, the community programs were described by one of our interviewees as “the emergency room of entrepreneurship.” Hence, the experiential focus of entrepreneurship education research and literature in recent years—the need to provide students with practical entrepreneurial experiences—does not directly translate to the context of community entrepreneurship training. Indeed, the programs we studied approach the “experiential” part of entrepreneurship training from the bottom up: If you are immersed in an entrepreneurial experience, how do you make sense out of what is happening and learn to manage the entrepreneurial experience that you are a part of? To address this issue, all of the programs we studied rely heavily on providing entrepreneurs with tools that they can implement—some of them immediately—in their businesses. Most value was perceived to come from instructors and guests providing students with tools they had been using themselves that were easy and quick to implement. Examples included using Powerpoints for company presentations, Google Sheets for budgeting and accounting, and apps to manage social media posts.

Inspiration from one’s own community

All the programs emphasized the importance of community building. Speakers included other entrepreneurs from the same neighborhood and program alumni who shared stories about their journeys and served as role models for the students. Students and instructors commented widely on the importance of the networking and community-building that the programs facilitate. Another aspect that was common to all programs was a close connection between students and instructors. In many cases, this relationship continued well beyond the duration of the program, and the instructors helped the student entrepreneurs beyond what was stipulated in the written program descriptions. One-on-one advising sessions outside of class time seemed to be a norm.

Conclusion

As more and more people from diverse backgrounds turn to business ownership, the need for community entrepreneurship education can be expected to increase. Our study helped to document some of the important, front-line work being done in this area by organizations in one major US city. Taken together, our findings suggest that community entrepreneurship education is providing critical skills, role-modeling, and connectedness to many entrepreneurs.

At the same time, our study also identified some potential improvements to the programs we studied. In particular, when developing these programs, we believe the focus should be broadened beyond practical tools to include more help with long-term strategic thinking. Indeed, the flipside of the highly practice-based approach of the trainings we saw is the relatively weaker focus on long-term business considerations and outcomes. The training programs we analyzed had scarce coverage of topics related to staying innovative through continuous product and service development, for example. What could be helpful is a means-oriented approach (https://journals.aom.org/doi/abs/10.5465/amle.2017.0092) to recognizing opportunities for new products and
services. In this kind of training, entrepreneurs focus on using their available means as the starting point for identifying new opportunities. Among community entrepreneurs with limited means, this approach has proved to work better (https://journals.aom.org/doi/abs/10.5465/amle.2017.0092) than pursuing more distal ideas that begin with ideal visualizations of what could be created.

Finally, higher education institutions can play an active role in supporting community organizations that train entrepreneurs. For one, many entrepreneurship courses in higher education already provide service learning opportunities, where college students assist local enterprises with strategic issues. The key to success in these efforts is bridging the divide between academics and practice – a divide that was mentioned as a challenge in many of the interviews we conducted. Students should see the work they do as an opportunity to learn about the everyday practice of running a business, including challenges that may be unfamiliar to them. In other words, community enterprises should be thought of as partners for two-way learning, not just a context for applying the theory and lessons learned in university classrooms. Furthermore, universities could also partner with community organizations directly by providing teaching resources. In the words of one of our interviewees: “You need to go in thinking that everything is already there, that you need to bring the community up, not education down. Because they already have smart, great ideas and abilities and don’t respond well to condescending outsiders.”