

Niles, MI Entrepreneurial Ecosystem:

Findings and Recommendations

Niles, Michigan March 12, 2022

Prepared by Matthew Wagner, PhD Chief Program Officer National Main Street Center





Place-Based

This factor relates to the physical spaces, building fabric, amenities, and place assets that collectively provide the environment for small-scale producers to be successful. Place-based indicators tend to focus on real estate support tools, like incubators, drop-in spaces, and maker spaces. However, amenities such as trail systems, diversity of housing options, and "fail fast" pipelines (like pop-ups, pitch it contests, and in-store product displays) represent critical indicators to having a place-based ecosystem factor.

Place-Based Factor	in Niles
Owner	Niles Main Street
NMS Role	Primary Lead, Convener and Developer
Existing Strengths	 On a solid note, there is high demand for space by entrepreneurs in downtown Niles.
	 A key support facility is the Niles Entrepreneurial and Culinary Incubator.
	Covid has had an impact on the Incubators ability to service new businesses.
	 There is a great deal of demand from new business ventures looking to locate in downtown Niles.
Primary Gaps	 There is a distinct void of place-based programming like pop-ups and pitch contests that would assist with "pipeline" development of new entrepreneurs.
	 There is a lack of available "ready-made" spaces for new businesses and entrepreneurs to locate in downtown. Most spaces are too large.
	 Consistent with the lack of space is a lack of place-based grants like sign and/or façade grants that help with maintenance and design.



Government Policy/Regulations

This factor focuses on the public sector's role within the Ecosystem targeting small-scale producers. Indicators reflect the government's role in developing supportive business policies and creating streamlined regulatory, permitting, and zoning practices that encourage a broad range of business ventures, while also making critical capital investments in cell service and internet fiber that result in strong public infrastructure.

Government Policy	Government Policy/ Regulations Factor in Niles			
Owner	City of Niles			
NMS Role	Advocate			
Existing Strengths	 In general working with the city on permits, zoning, etc. was deemed fairly positive from local entrepreneurs. City has low interest loans for small businesses. And Michigan Main Street runs the Match on Main program. 			
Primary Gaps	 The downtown is located in a historic district and there exists a Historic District Commission. Entrepreneurs that were executing building improvements mentioned challenges and delays with the Commission. 			



Financial Capital

This factor examines the depth and breadth of financial resources available to small-scale producers at all stages of the business life cycle, including traditional bank lending, crowdfunding, and microlending.

Financial Capital in	Niles			
Owner	Local Banks			
NMS Role	Provider and Connector			
Existing Strengths	 SBA backed funding programs at local banks was felt to be adequate, but there is some disagreement, primarily around the diversity of financial service offerings. 			
Primary Gaps	 Most small businesses leveraged PPP and EIDL during COVID. Some expressed a need for additional micro grants. The area of financial capital programming was felt best at a more regional level as well as out of MEDC. Currently the group felt that there was a lack of financial capital locally especially as it relates to real estate and building improvements. Local programming was believed best directed toward contests, grants, micro grants, or loans. 			



Social Capital

Small-scale producers exist in a world where relationships, trust, and connections are significant in all aspects of the launch, growth, and sustainability of a business. This factor evaluates the community programs and activities that either proactively and/or organically add value to the small-scale producer's social network by promoting trust, reciprocity, and cooperation.

Social Capital in Nil	es
Owner	Greater Niles Chamber of Commerce
NMS Role	Connector
Existing Strengths	 In general, the group felt that while there may have not been formal networks and mentorship opportunities for entrepreneurs, there was a good sense that small businesses across sectors support one another. There is renewed interest from a regional SCORE chapter for coming in to provide more technical assistance and guidance. Young Professionals was identified as a possible partner for more local based social networking.
Primary Gaps	 There is interest in launching a more dedicated business owners association. Connections are also needed to professional services providers within the area that are being recommended by other entrepreneurs.



Education and Training

Technical assistance in the form of education and training opportunities represents a critical factor for the building a Small-scale Production Ecosystem. Indicators examine opportunities for small-scale producers to participate in the basics of entrepreneurship, as well as more sophisticated programming in logistics, multichannel marketing, retailing, etc. Communities should have a sound grounding in both public and private education and training programming.

Education and Train	ning in Niles				
Owner	WBC, SBDC, SCORE				
NMS Role	Connector				
Existing Strengths	 While the SBDC is not located in downtown Niles, a number of entrepreneurs identified receiving technical assistance from the SBDC, as well as that of the WBC and SCORE. In fact, inquires have doubled during COVID. Most education and training resources are regionally and/or state based. As such, connectivity is a strategic key for Niles Main Street. 				
Primary Gaps	 There is interest at the K-12 level, however, currently there is no organized entrepreneurial program like Junior Achievement for example. Entrepreneurs identified for a need for more "on demand" training. More programming is needed around workforce, supply chain, model pivots, and space utilization. Most local educational programming for entrepreneurs and small businesses is largely targeting larger manufacturers. 				



Culture

Localized attitudes toward entrepreneurship as a career option, and those specifically launching small-scale businesses help to define regional entrepreneurship culture, which in turn impacts personal choices to engage in entrepreneurial activities, as well as investor confidence. This factor contains indicators that examine a community's perspectives on risk-taking, innovation, career self-determination, business regulation, and acceptance from outsiders and their ideas, as well as how entrepreneurship is portrayed in the media.

Culture in Niles					
Owner	Currently Vacant – Primary Lead Needs to be Identified				
NMS Role	Provider				
Existing Strengths	 Stakeholders and entrepreneurs felt that traditional and social media were highly supportive of small businesses and celebrated wins. In addition, there was openness and a track record of small businesses and entrepreneurs participating in other civic opportunities. 				
Primary Gaps	 There was an indicated disconnect between entrepreneurship and small- scale programming and the knowledge about those programs. 				



Human Capital

Human Capital explores whether communities are creating pipelines of small-scale producer talent from example academic institutions and whether they have the human capital in their workforce to fill positions as entrepreneurs grow their businesses. This is especially important in areas facing workforce shortages and/or areas where small-scale producers operate in niche fields need specialized talent (apparel or leather making).

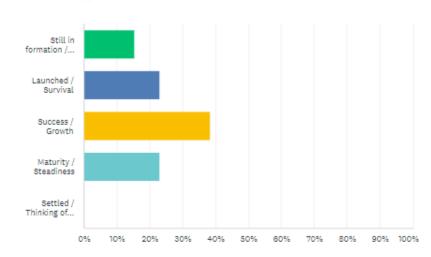
Human Capital in Niles				
Owner	LMC/Niles Chamber of Commerce			
NMS Role	Connector			
Existing Strengths	 Michigan Works is a likely conduit as is the Niles Chamber for workforce solutions. Unfortunately, much of the weaknesses are in the area of retail and services which most workforce groups are not equipped to address. 			
Primary Gaps	 Workforce overall like much of the country remains a challenge to attraction and retention. The local K-12 program does not currently offer any entrepreneurial programming. 			

Niles Entrepreneurial Survey Results

Q1

What stage best characterizes you and your business's current state?

Answered: 13 Skipped: 0



Q2

Q

What forms of business support and technical assistance have you used or could you benefit from as part of your entrepreneurial journey? (Please check all that apply.)

	USED AT LAUNCH	USE OR COULD BENEFIT FROM AT PRESENT	HAVE HAD NO USE OR NEED FOR THIS	TOTAL RESPONDENTS
Assistance with business planning	0.00%	27.27% 3	72.73% 8	11
Legal assistance	0.00%	58.33% 7	41.67% 5	12
Marketing / Graphic design assistance	7.69% 1	69.23% 9	30.77% 4	13
Support with workforce development	0.00%	58.33% 7	41.67% 5	12
Assistance with website / Online development	7.69% 1	76.92% 10	23.08% 3	13
Networking / Mentorship support	8.33% 1	66.67% 8	25.00% 3	12
Comments (0)				



What forms of real estate, design, or architectural support have you used or could you benefit from as part of your entrepreneurial journey? (Please check all that apply.)

	USED AT LAUNCH	USE OR COULD BENEFIT FROM AT PRESENT	HAVE HAD NO USE OR NEED FOR THIS	TOTAL RESPONDENTS
Real estate assistance	16.67% 2	16.67% 2	66.67% 8	12
Support with permitting or zoning issues	25.00% 3	25.00% 3	50.00% 6	12
Use of a business incubator space	0.00%	8.33% 1	91.67% 11	12
Use of a co- working space	0.00%	7.69% 1	92.31% 12	13
Use of a maker space	0.00%	8.33% 1	91.67% 11	12
Development / use of a mobile or kiosk version of my business	0.00%	30.77% 4	69.23% 9	13
Implementation of a pop-up or marketplace version of my business (e.g., farmers markets, festivals, etc.)	0.00%	38.46% 5	61.54% 8	13
Architectural assistance	25.00% 3	50.00% 6	33.33% 4	12

Q4



What forms of financial assistance or support have you used or could you benefit from as part of your entrepreneurial journal? (Please check all that apply.)

	USED AT LAUNCH	USE OR COULD BENEFIT FROM AT PRESENT	HAVE HAD NO USE OR NEED FOR THIS	TOTAL RESPONDENTS
Credit cards	15.38% 2	38.46% 5	46.15% 6	13
Financial assistance from yourself, your family, or friends	61.54% 8	23.08% 3	23.08% 3	13
Bank financing	33.33% 4	58.33% 7	25.00% 3	12
Home equity loan	10.00% 1	30.00% 3	60.00% 6	10
Angel investment	7.69% 1	53.85% 7	38.46% 5	13
Venture capital	0.00% 0	53.85% 7	46.15% 6	13
Crowdfunding	8.33% 1	25.00% 3	66.67% 8	12
Public / Non- profit funding source	16.67% 2	58.33% 7	25.00% 3	12
Business competition or pitch contest	0.00%	45.45% 5	54.55% 6	11
Micro financing	0.00% 0	33.33% 4	66.67% 8	12
Grants	9.09% 1	81.82% 9	9.09% 1	11
Minority business development funds	0.00%	41.67% 5	58.33% 7	12



What issues/barriers related to business planning, operations, and financing have you faced, either as you were launching your business or at present? (Please check all that apply.)

	FACED THIS ISSUE AT LAUNCH	FACING THIS ISSUE AT PRESENT	I HAVE NOT FACED THIS ISSUE	TOTAL RESPONDENTS
Securing financing	15.38% 2	30.77% 4	61.54% 8	13
Branding / Marketing challenges	7.69% 1	46.15% 6	53.85% 7	13
Finding employees	8.33% 1	50.00% 6	50.00% 6	12
Retaining employees	0.00%	50.00% 6	50.00% 6	12
Finding mentors	0.00%	25.00% 3	75.00% 9	12
Selling goods and products online	0.00%	46.15% 6	53.85% 7	13
Lack of technical assistance	7.69% 1	53.85% 7	46.15% 6	13
Legal issues	0.00%	33.33% 4	66.67% 8	12
Incorporating delivery, pickup, or takeout services	0.00%	16.67% 2	83.33% 10	12

Q6 Q

What issues/barriers related to your business location and its design have you faced, either as you were launching your business or at present? (Please check all that apply.)

	FACED THIS ISSUE AT LAUNCH	FACING THIS ISSUE AT PRESENT	I HAVE NOT FACED THIS ISSUE	TOTAL RESPONDENTS
Securing my business location	38.46% 5	23.08% 3	53.85% 7	13
Issues with the condition of the property where my business is located	30.77% 4	46.15% 6	38.46% 5	13
Obtaining permits	23.08% 3	0.00% 0	76.92% 10	13
Meeting zoning requirements	30.77% 4	7.69% 1	69.23% 9	13
Having enough parking	7.69% 1	46.15% 6	53.85% 7	13
Accommodating outdoor dining or shopping	0.00% 0	46.15% 6	53.85% 7	13
Accommodating curbside / storefront pickup	0.00% 0	16.67% 2	83.33% 10	12
Difficulties getting my goods sold in third-party shops or businesses	0.00% O	23.08% 3	76.92% 10	13

Q7



What is your greatest current need for your business? (Or, if you can't choose one, your top three greatest needs for your business at the present moment?)

- Workforce
- Capital
- Debt Relief
- Legal Advice
- Ecommerce
- Accounting
- Marketing



Overall, how would you rate Niles in terms of its support for entrepreneurs?

Answered: 13 Skipped: 0



	VERY POOR	POOR	FAIR	GOOD	EXCELLENT	TOTAL	WEIGHTED AVERAGE
☆	0.00%	23.08%	30.77% 4	23.08%	23.08%	13	3.46



What could Niles do differently to make it more hospitable and supportive of entrepreneurs?

- Design Enhancements Ready properties
- More engagement from public officials with business owners
- More communication about resources available
- Scheduling of activities or perhaps more recorded or virtual

Q10

Tell us what makes Niles a great place to be an entrepreneur. Why should someone choose this community for their business?

- · Great community to both live and work
- Great place for unique and/or boutique stores
- The DDA is supportive of entrepreneurs
- Great location
- Supportive peers

Imagine someone handed you \$1M and said: "Invest this in your community to grow it as an innovative place." What would you do and why? What project would have the biggest impact on establishing the community as an

- Artisan Co-Op and Educational Space
- Investment in Building Improvements
- Restore the Theater

innovative place?

- Workforce/Affordable Housing
- Development of 3rd Street Corridor
- · More downtown housing
- Develop the former Woolworth's into a co-work and incubator space.
- Streetscape improvements



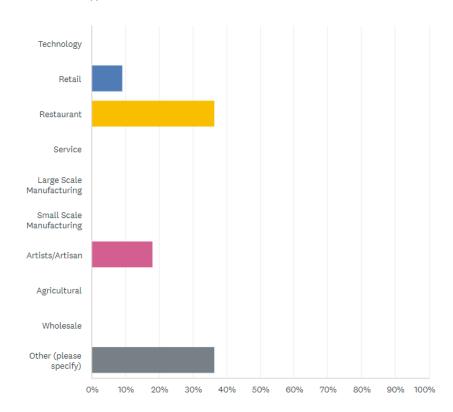
Which of the following words or phrases could describe your business location(s)? (Please select all that apply.)

ANSWER CHOICES	RESPONSES	
Independent ground floor storefront	90.91%	10
Ground floor storefront shared with other businesses	18.18%	2
Office on an upper floor of a commercial building	0.00%	0
Basement	0.00%	0
Home-based business	0.00%	0
Mobile business	0.00%	0
Pop-up business	0.00%	0
Farmers market, trade show, flea market, etc.	0.00%	0
Historic building	27.27%	3
Strip mall	0.00%	0
Remote commercial building away from other businesses	0.00%	0
Commercial shopping center with a large parking lot	0.00%	0

Q13

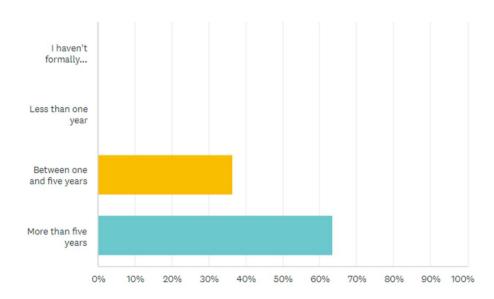
What sector best describes your business or idea?

Answered: 11 Skipped: 2



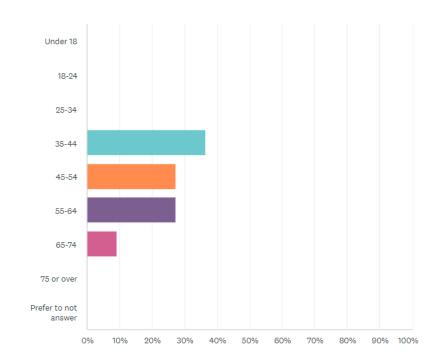
Q14
How long have you been in business?

Answered: 11 Skipped: 2



Q15 How old are you?

Answered: 11 Skipped: 2

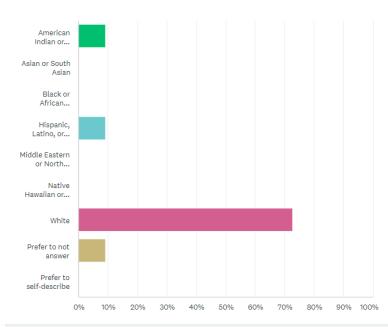


Q16



How do you identify in terms of race and ethnicity? (Please select all that apply.)

Answered: 11 Skipped: 2

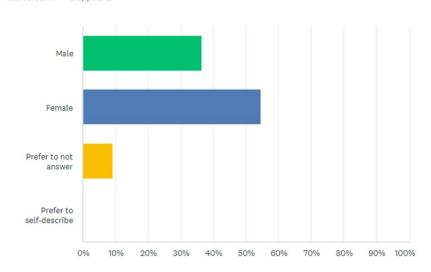


Q17

Q

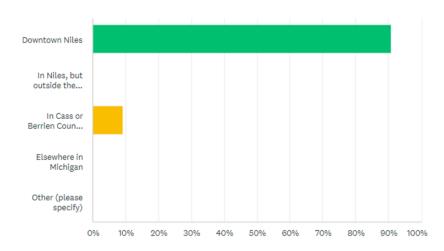
How do you identify in terms of your gender?

Answered: 11 Skipped: 2



Q18 What is the location of your business?

Answered: 11 Skipped: 2



Critical Gaps and Strengths: Results of the Audit Tool

The Entrepreneurial Ecosystem Audit tool was developed to help communities better understand critical gaps within the support system in order to better direct collective resources and capacity, as well as areas of strength in which to build or scale. In addition, the Tool highlights what areas there needs to be either a local (L) focus or regional (R) partnerships developed in order to fill a critical gap.

The tool represents an evaluation of 37 specific indicators that will help community leadership determine where they fall on a spectrum of support for local entrepreneurs and more importantly, where efforts can be made to strengthen that support. You will note in the report that the audit summary is divided into the seven ecosystem factors (financial capital, social capital, culture, human capital and workforce, education and training, government policy and regulatory, and placed-based factors). Individuals representing a number of key local and regional stakeholder organizations completed and rated each indicator on a color scale of Orange (Low Performance), Yellow (Neutral Performance) or Green (High Performance).

Performance Level PLACE-BASED FACTORS Neutral High How would you rate the number of new business startups in the past three years? Does your district have dedicated space for emerging entrepreneurs such as an incubator, accelerator, maker space, etc.? Does your district leverage proximity to other entrepreneurial hubs? Is there enhanced local digital infrastructure including cell, fiber, and WIFI networks? Is there a diversity of district housing available (workforce, market, condo, apartments, etc)? Has your district launched a pop-up program? Does your district have access to free design services and/or funding in support of entrepreneurs locating to district properties? Does your district operate an entrepreneurship pitch-it and/or "Shark Tank" like contests for new entrepreneurs? Does your district have a diversity of "Third Spaces" (e.g., Third places can be churches, coffee shops, gyms, hair/nail salons, post offices, bars, beer gardens, bookstores, parks, community centers,

and meet-up spaces)?

Does your district offer access to a range of transportation options (e.g., passenger rail, bike lanes, neighborhood sidewalks, recreation trails, transit, cabs/uber/lyft, interstate highway access)? Is your district actively engaged in supporting entrepreneurial pipelines (e.g., Farmer's Markets, Incubators/Accelerators, Maker Spaces, Etsy Vendors, Pop-Ups; Mobile Retailers;)? Does your district have adequate vacant space to accommodate new business startups? Has your district examined the market and identified target entrepreneurship opportunities that are aligned with your community (assets, anchors, geography, economic strengths)?

The place factor is one of those in which a locally driven strategy for the most part is needed. This is consistent with how Niles is evaluating the factor, with weaknesses identified in nearly every indicator. As such, key stakeholders should look to coalesce capacity and resources under the leadership of Niles Main Street to address both real estate needs as well as programming areas. Note this is consistent with our local entrepreneurs ranked need areas.

Performance Level FINANCIAL CAPITAL FACTORS High Neutral Does your district offer incentives to drive targeted new entrepreneurial investments (e.g., Grants, Micro Loans, Contests, etc.)? Does your district operate a local crowdfunding program for real estate and/or small business investments? Does your district have a group of local angel investors formed or other non-family equity sources available for entrepreneurial investments? Does your local banking community offer SBA and any other federal small business development funding tools?

Financial capital was another area in which indicators were deemed as weak or neutral. However, there area resources available, they just tend to be at a more regional level. As such, much of the focus and lease strain on capacity would be to foster more communication and connectivity to regional resources.

Performance Level CULTURE FACTORS High Does the local media commonly feature local entrepreneurs? Is there ample social capital amongst existing and aspiring entrepreneurs? (i.e. strong networks and a spirit of collaboration, cooperation, and trust amongst existing and aspiring entrepreneurs) Are new entrepreneurs actively engaged in civic and other district groups, boards, committees, etc.?

Stakeholders in examining indicators of Culture were neutral on the impact and effectiveness of this work. Consensus was also around the fact that culture is derived locally. It's likely that culture is not a huge need area for the community.

HUMAN CAPITAL AND WORKFORCE FACTORS	Peri Low	formance Neutral	Level High	L or R
Does your district have a local college and/or university that offers degree, programs, or courses in entrepreneurship?		✓		L
Does your community school system offer entrepreneurship programs for area children?		\checkmark		L
Does your workforce development office provide entrepreneurship training funds to dislocated workers?	✓			R
How closely does your community gender demographic data match your small business ownership profile?		\checkmark		L
How closely does your community race and ethnicty demographic data match your small business ownership profile?	✓			L
How closely does your community age demographic data match your small business ownership profile?		\checkmark		L

Human capital is one has shifted in the last couple of years as to "pain points" for most ecosystem builders. Historically the lens was focused on the human capital of the entrepreneur themselves. Today, the focus has shifted to more around human capital needed to grow and scale with staffing issues. In addition, equity and inclusion relative to the alignment between the local population and the profile of small business owners. That is also an area in which a number of communities need to enhance efforts locally.

SOCIAL CAPITAL FACTORS

Are there district related clubs or networking activities for young professionals and entrepreneurs (i.e., the Kauffman Foundation's 1 Million Cups)?

Is there an active SCORE Chapter and/or other mentor program operating in your district?

Are current business owners supportive of entrepreneurs through relationshipbuilding, mentorship, referrals, etc.?

Performance Level Low Neutral High

Stakeholders along with entrepreneurs identified Social Capital as a need area locally. There are some regional programs, however it was felt that many small businesses and entrepreneurs in Niles were unable to connect into those offerings. In addition, SCORE was identified as a prospective resource and perhaps one that could be scaled more locally in Niles.

EDUCATION AND TRAINING FACTORS

Is there local technical assistance available, provided by the public sector, to support small business development (e.g., succession planning; business plan development, financial analysis, feasibility analysis, multi-channel marketing)?

Are Small Business Development Centers and/or other entrepreneurship technical assistance efforts offered in the district?

Do entrepreneurship and small business education and training activities reflect the entire lifecycle of the business, ranging from launch to exit?

Is the local private business service sector actively involved in supporting new businesses (e.g., marketing/social media, design, accounting, legal, contractors, web development, architects, etc.)?



Education and training are pretty solid with a lot of access at the regional level. One challenge that remains is programming that cut across the lifecycle of small businesses, with much of the need area in a business exit or transition.

GOVERNMENT POLICY AND REGULATORY FACTORS

Does your city make the permit process easy for new businesses?

Does current zoning allow for a diversity of business types in downtown, such as smallscale manufacturers, mixed-used housing developments, and breweries?

Does your city allow for outdoor café/bar/restaurant dining along the sidewalk and in alleyways?

Does your City and/other Economic Development leadership place a priority on local entrepreneurship by committing capacity and resources in comparison to incentivizing the recruitment of businesses located in other communities?

The highlight from the audit was in the government policy and regulatory area. The city was deemed a good partner with small businesses. The only area that was not evident in the audit, but indicated as a concern from local entrepreneurs, was in the area of getting approvals through the Historic Review Commission.

Niles Ecosystem Organizational Map

	_						
		Social Capital		Govt Policy and Regulatory	Education/Training	Culture	Human Capital/Workforce
	Banks; Cornerstone Alliance (CDFI); GROW (CDFI) Think Regionally	Chamber	Main Street	City	WBC, SBDC, SCORE		LMC/Chamber
-SUPPORTER			City			Grand LV	
-CONVENER			Main Street				
-ADVOCATE				Chamber; Foundations; Main Street		Chamber; Grand LV	
-PROVIDER		SCORE ; Michiana Business Support	City ; Grand LV; WBC	СІТУ		General Niles Citizens Posting; Chamber ; Main Street; Local Newspaper	Michigan WORKS (KINEX
-CONNECTOR		Main Street	City	PTAC; SBDC; WBC; SCORE	Main Street; Chamber		
-DEVELOPER			Main Street				

Niles Main Street Recommendations

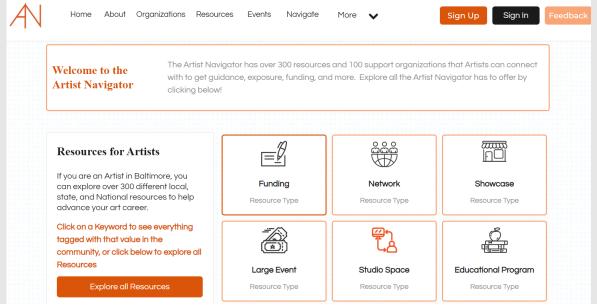
 Conduct Feasibility Analysis for a Food Truck Incubator facility. There is a great example in Lovington, NM called the "Local Innovators Institute." The program includes training and the opportunity to work for a set period of time out of the Mobile Food Truck Incubator.





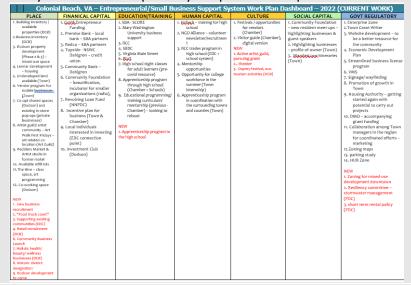
2. There are a number of companies (e.g., GoDaddy; Google) and industries like the National Restaurant Association that have developed on demand educational program. A lot is available in digital commerce, but many more subject matters are being developed. GoDaddy's Empower program also includes a free mentor program as part of participation. Assemble an "education center" on the Niles Main Street that agglomerates a number of these just in time/on-demand

- training programs. A number can be found through Main Street America's Empower portal: https://msa.empowerbygodaddy.com/collections
- 3. Niles Main Street should examine pipeline program designed to spark current at-home micro ventures to become more engaged in Niles's programming like pop-up programming, pitch contests and the aforementioned Food Truck Incubator. NOTE: Examine the information resources provided within the report. As part of this Niles Main Street should consider developing an actual entrepreneurship "pipeline" program plan. This plan would outline calendar of activities (pitch contests, soup events, pop-up programs), lead groups, budgets, etc.
- 4. Examine a more locally supportive financial program for downtown Niles through Rural LISC, which has a crowdfunding platform program through KIVA. Niles Main Street could be positioned as KIVA Trustee, enabling the organization to target new and scaling businesses for crowd funding opportunities. Given the gap on local financial programs, having a crowd funding platform managed by a national group may be a good alternative to consider. https://www.lisc.org/rural/ Contact Information: Emily Avery, Director: Alignment & Rural Financial Opportunity Centers eavery@lisc.org 419-217-7707
- 5. Catalog local and regional technical and financial programming for entrepreneurs and set up as a share web page shared with all the organization stakeholders. Create a marketing plan and tools for communication. Niles Main Street may want to consider a resource like SourceLink https://www.joinsourcelink.com/ or EcoMap https://www.ecomap.tech/ An example is below from EcoMap's work with Artists in Baltimore.



- 6. Catalog the potential "pipeline" of new micropreneurs by maintaining a database of local Etsy vendors, participants in SBDC/SCORE training programs, micro grant applicants, pitch contests, pop-up programming, etc.
- 7. The City of Niles should develop a "How to Get Started in Niles" checklist and/or guide. This effort could be combined with the technical and financial resources catalog. Here is an example from Boston, MA. And while this is obviously a larger city, these features are all scalable. Evaluate based on the type of information provided, sequencing, etc. https://www.boston.gov/starting-business

- 8. Develop a target entrepreneurs' "wish list" that is aligned with niches focused on food, and perhaps artists/artisans/makers. Align any new local funding programs as well as any newly developed entrepreneurship programming (i.e., pitch contest, pop-up programs) toward this list.
- 9. Formalize the E.E. Stakeholder Group by creating a joint workplan focused on entrepreneurs. The work plan should focus on critical elements within the EE summary. Meet with the group every two months or quarterly to update. Example below:



10. Regroup the Entrepreneurs Focus Group participants. Engage them organically to discuss how they view their role in supporting entrepreneurship programming in Niles, and how/if they would like to either informally or formally continue to engage with each other. I think this will enable you to support small businesses more broadly rather than an exclusive downtown business association. This would enable you to engage pipeline businesses as well.

Addendum: COVID19 Impacts on Small Scale Production

- Etsy, the online marketplace for artisans, makers, and artists, may represent the best COVID insight into the future impacts on small-scale production. While overall ecommerce is up 18 percent in 2020, Etsy's April 2020 sales exploded up more than 100 percent year over year to \$781 million. This drastic expansion represents the site's largest sales increase since becoming public in 2015. What this demonstrates is that consumers remain interested in unique, experiential products from artisans and makers.
- Research demonstrates that in times of high unemployment (40+million to date), there is a large increase in rates of entrepreneurship proceeding (typically a year lag). Look for 2021 and 2022 to bring about massive opportunities to scale side hustle small scale producers.
- National survey of small employers with less than 20 employees revealed less than onethird had e-commerce sales. Small scale producers generally have already developed capability, positioning them to benefit from accelerated consumer shifts.
- Likely difficulties along with changing business models in restaurants, presents an opportunity for food-based small-scale producers to occupy at potentially leveraged rental rates to utilize commercial kitchens for production.
- Expect more "pop-up" or shared space opportunities for small-scale producers in existing stores, as inventory shifts create space for complementary producers and existing stores seeking to drive more foot traffic.
- Increases in remote workforce, will attract some to seek out rural lifestyles. They usually bring with them higher incomes then local economies. Those with trailing spouses/partners represent pipeline opportunities for small scale entrepreneurs.
- New consumer and economic trends have created new small-scale opportunities in the following areas:
 - Health More natural and organic products, as well as gardening aimed toward increasing our overall health and immunity
 - Recreation Bike sales for example have dramatically increased anything related to recreation accessories, "craft" bikes, trail users, etc.
 - Home stay at home orders have increased our focus on products for cooking, our new home offices, and home décor to make living more pleasant/enjoyable.
 - Upcycled household saving rate increases coupled with high unemployment will have consumers looking for "used" but creative products that speak to lifestyle.
 - Hobbies boredom creates time for learning new talents, so products geared toward the arts, "brain training," music, etc.
 - Apparel the casualization of apparel (somewhere between roll out of bed look at business attire) that can be worn on Zoom meetings and makes a statement that co-workers and others can see as new work norms.

Appendix – Resources for Place Programming

Pipeline Development Resource – Pitch It Events

Pitch competitions can be an invaluable component of entrepreneurship development programs. Preparing for a final pitch competition can keep participants motivated throughout the program as they work towards presenting their businesses to an engaged audience. While pitch competitions offer a clear benefit to winners — such as cash prizes, investments, and consultancy services — benefits also

accrue to those not selected for an award.

Entering a pitch competition encourages an aspiring entrepreneur to refine their business model, distill their business story to its essentials and craft a wellarticulated business proposition. Practicing for and delivering the pitch at the competition allows the entrepreneur to build storytelling and communication skills, both essential for entrepreneurship. Pitching in a



competition can led to new ideas from judges and attendees, new publicity, new contacts, and newfound confidence.

This is an opportunity to engage with a number of nascent entrepreneurs as part of pipeline development, but also to specifically target small-scale producers by offering a specific prize category, awarding bonus points for small-scale producers, and/or aggressively marketing to that target segment to participate.

Depending upon community culture, there are ways to make this more of a "Shark Tank" related activity to one that is more friendly and encouraging to the nascent entrepreneurs. The folks from Small Biz Survival developed this list of ways to make your pitch contest more friendly:

- Add a pop-up event where all the contestants can test out their ideas for a short try. Invite the public and let attendees vote with their money.
- Spread the prizes out to a lot more than just one winner. Have a year's worth of free rent? Don't award the full year to one winner. Award one month each to 12 contestants. Split up your big prize package of services, too.
- Match the prizes to the contestants who could most use them. Give the marketing help to the one who has a promising start, but just needs to reach more people and give the business counseling to the one who has never been in business before and is likely to have more problems that they aren't sure how to deal with.
- Turn your judging panel into "venture capitalists of new ideas." Their job isn't to pick one winner. It's to match up each person with the resources, opportunities to test, and services that will best help them succeed.

In designing a Pitch It contests, research suggests some common elements to consider:

- **Prizes.** All startup competitions by definition exist to reward compelling pitches or business plans delivered by individual entrepreneurs or teams. They virtually award cash prizes to at least one outright winner, and usually multiple finalists or runners-up assigned to size, stage, or industry categories. Most pitch contests also feature a "services package," which may involve pro bono legal services to help with incorporation, vendor contracts, etc., marketing services, graphic design and logo services, web page assistance, and the list goes on in terms of services a new start up would be needing.
- Eligibility Restrictions. Many startup competitions are restricted to specific industries or sectors, such as green technology or consumer software. Some are further restricted by participant identity or geography: Student-only and statewide competitions are both common, for instance. The next section outlines some common competition types.
- Location and Relocation Requirements. Even if they're not geography-restricted, competitions generally take place in defined locations. Participants are expected to be physically present for competitions' culminating events, known as pitch days. Some competitions may require participants to be physically present for the entire duration – weeks or months, potentially.
- Network Access. Startup competitions generally provide at least some exposure to subject matter experts and industry leaders, who may serve as advisors or mentors throughout the process. Startup competitions also attract potential investors and partners. It's quite common for advisors or mentors to invest in promising startups that surface during competitions, provided no conflicts of interest or prohibitions against such activity exist.

Example Contest: Soup Events

Saginaw Soup, Saginaw, Michigan

Most "Soup" like pitch contests are run more as a social gathering, enabling the community to come together in support of entrepreneurial ideas. Typically for a donation (\$10 suggested), attendees receive soup, salad, bread, and a vote and hear from presentations ranging from art, agriculture, small scale manufacturing, social entrepreneurs, education, technology and more.

Each presenter has four minutes to share their idea and answer four questions from the audience. At the event, attendees eat, talk, share resources, mentor, and vote on the business they think benefits the community the most. At the end of the night, ballots are counted, and the winner goes home with all the money raised to carry out their project. Winners come back to a future SOUP dinner to report their project's progress.

Saginaw Soup is a pitch competition for entrepreneurs and small business owners to get their business started or take it to the next level. First place winner receives a \$1,000, second place receives \$500, and both will get up to a \$1,000 in pre-approved business services and three to six months of consulting services from BlueWater Angels, a local investment group.



Example Contest: Traditional

StartUp North – Adams County, Colorado

StartUp North Adams County Pitch Competition brings together the top entrepreneurial talent from across Adams County to showcase the latest and most innovative business ideas. The mission is to foster the development of entrepreneurs and small businesses by providing an immersive, experiential program and wrap-around services that include business plan development, pitch coaching, and real-time feedback. The competition winners will receive cash prizes and in-kind support services that are designed to support their business venture.



Example Contest: A Friendly "Shark Tank"

Springboard Enterprises Dolphin Tank - Throughout USA

Springboard Enterprises Dolphin Tank® programs are "helpful feedback-driven" pitch sessions for entrepreneurs to receive constructive insights from knowledgeable professionals. Dolphin Tanks aren't about sharks, piranhas, dragons, or competing for the best idea — they're about channeling the expertise of the people in the room. The Dolphin Tank is an interactive discussion led by an expert panel that focuses on one thing: "How can we help?" The objective is to provide connections and advice to enable entrepreneurs to overcome their challenges and capitalize on their opportunities.

THREE CORE ELEMENTS

Our Dolphin Tank sessions have been featured in corporate board rooms, business school competitions, and at entrepreneurial association conferences across the world. While the venues and audiences may change, every session share three core elements:

The Presenters: Companies are selected through an application process or by referral from our partners and affiliates. Guidelines and prep calls are provided.

The Pitch: Companies deliver a 2-minute pitch, including a specific "ask" addressing a challenge or a unique opportunity.

The Audience: Solutions, connections, and strategies are crowd-sourced from the audience, and all are provided a means to connect digitally.

Pipeline Development Resource – Pop Up Retail Program

There are two underlying objectives of retail/service pipeline development for small-scale production in Niles. The first objective is that any program effort should strive to leverage underutilized space rather than look to build new space. There are number of large vacancies and a pipeline program can help as a funnel, both short- and long-term to address vacancies. The second objective is that programming will align with small-scale opportunities in food-based producers and outdoor recreation (apparel, accessories and/or art). This is not to suggest that programs exclude business opportunities/prospects outside of these strategies, but only that greater consideration may be given to those that align with the strategies.

Recommended Strategy 1: The Development of a Comprehensive Pop-Up Program

Analysis and experience show that pop-up programs facilitate short-term activation of vacant space through innovative entrepreneurial, artistic, and programming activities. Pop-ups can offer an affordable and creative means to address many problems that challenged retail districts face. Small, temporary investments fostered by pop-up programs can help advance larger, more permanent investments or broader organizational or community goals.



For the intents of this report, a "pop-up" is a temporary use, such as a business, art installation or event that activates a vacant or underutilized space. While many definitions and variations exist, the operative word is temporary. NOTE: This does not, however, mean that the supporting real estate space has to be a temporary one in support of Pop-ups...only the businesses themselves are thought to be temporarily occupying that space.

Pop-up retail spans a large spectrum of user groups and purposes. One common theme is marketing and brand development. Up-and-coming entrepreneurs use pop-up as a way to build buzz and an audience, while marketing and testing a new business, product, and/or concept. Small businesses and first-time entrepreneurs have strategic objectives for their experiments. Entrepreneurs can use pop-ups to test their business concept live in real time. They evaluate

customer traffic, reactions to products and service as well as the viability of a building, landlord and downtown.

A second benefit: Vacant storefronts signify a lack of "ownership." Many Main Street organizations across the country are using temporary uses to innovate around the concept of ownership. Pop-ups can provide opportunities for residents and community stakeholders to help define what they want in their community. The space allows a venue to quickly implement those ideas. Events and engagement come together to build a sense of ownership over space while building buzz that can sustain other efforts beyond temporary activation. Vacant storefronts are not the only source of under-utilized space. Seldom visited civic spaces can be activated to encourage residents and visitors to create new user experiences. Empty lots previously thought of as a liability can be transformed into assets. Existing businesses with underutilized space can be a host site for complementary pop-up businesses. For example, Vera and Buck's Florists in Bloomington, Illinois commonly hosts pop-ups that relate to her niche in high end weddings. Most recently she hosted an artist that crafted hand painted thank you cards.

Pop-Up Program Best Practices: Challenges

The following are best practices for pop-up programming as highlighted by Michigan State University's Center for Economic Development.

Project Scoping: The Balance of Planning Versus Doing. Interview findings suggest that preplanning is imperative to the launch of a pop-up or a series of pop-ups. With the pop-up itself being an experiment, structure must be set in place to ensure a smooth execution before, during, and after the pop-up term. While all agreed that it will always be a learning process, they urged that a clear objective would direct the project efficiently. "Take on something you can handle and make sure you can do it well," says Morton Brown of Project Pop-Up: Downtown. Think about the mission and the motives of the project and the impact it will have on the creative and economic economies, as well as all other parties involved. All Program Managers gathered information on the location, people, and leaders of the community to help collaboratively devise strategies for execution. They considered potential partners and specific ways to engage the people of the community throughout the planning process. It is

essential that the project remains practical and doesn't stray too far from the framework. A strong program structure builds the confidence of those who will be involved, gains trust, and inspires action.

Growing Financial and Social Capital. For pop-up programs and entrepreneurs, there is a large gap between starting a business and getting it to the next level. Local financial resources and support can help fill the gap for upstart entrepreneurs. Additionally, demonstrating the feasibility of a new business venture in a specific space and location can garner important data to justify sales forecasts that assist with the small business lending and underwriting. Building relationships with community stakeholders while developing a pool of potential funders and lenders also helps sustains a project long after its launch. Strong community partners and resident customers can help volunteer and donate materials to the project when financial resources are at a minimum. This helps create a sense of ownership within the community and builds stronger owner-customer relationships. Residents also help market and promote the project and events, gain support from the neighborhood, and recruit additional volunteers and customers. For landlords and building owners, pop-ups offer an excellent opportunity to vet new tenants while also marketing the space to prospective tenants. When pop-ups sign permanent leases, it demonstrates cash flow and justifies landlord investment. Some pop-up programs create a performance model that issue larger build-out grants once a pop-up becomes permanent to incentivize action. When pursuing program funding, pop-up program managers evaluate the areas of need: support: staff, product, site renovation, marketing materials, utility bills, and more. Doing the project is often necessary to determining program processes, need and cost. Building relationships with prospective program funders throughout the process helps establish long-term funding relationships to sustain the program after initial investments. All parties should be working to leave the neighborhood with positive outcomes that allow them to thrive. Funders look to support programs that aim to benefit the community long-term and have strong partners backing their initiative.

Community Engagement. When a program develops a project for a downtown and does not involve the people, neither thrive. It is crucial to develop a brand for the initiative that has clear connections to the community. To gain project sustainability, the people of the community must be empowered and see their piece in the puzzle. Events should be in place to launch the project and to uphold community engagement consistently. In this case, interview findings from city and state pop-up programs reveal that community and economic development partners are essential. Clearly defined procedures for partnerships are a must. In some cases, launching a storefront that acts as a community hub and demonstration pop-up project to kick off a larger initiative has proven successful to engage residents and develop local partnerships.

Entrepreneur Services. Entrepreneurs come to the table with different skill sets. They must have the capacity to manage the day-to-day operations that is required of their business. Some have been doing this for a while, some may be new to the pop-up model and want to see if their business is viable. Some cases come with a practical business, paired with an inexperienced entrepreneur or vice versa. While entrepreneurs are expected to bring forth viable skills and knowledge to the project, interview findings suggest effective pop-up program should be able to provide entrepreneurs with necessary support to ensure that they are equipped with the required experience, tools, and resources to contribute the survival of their business.

Transition and Momentum. Before, during and after the pop-up phase, a program must be able to help with the transition to permanence or help create something new if the temporary use doesn't produce

permanent results. This often times requires guidance on practicalities, legalities, and logistics, requiring pop-up programs to become an accountability partner that checks in monthly, or both with entrepreneurs, landlords and community partners. For a program, developing an exit strategy is an important consideration. Once momentum is built in a community, it must be unceasing. This requires collaborating with local leaders to set up continued programming for community engagement and keeping the spaces active. One frequently cited challenge is developing a long-term vision for temporary uses. The key is developing a framework that sets the community up for a continued presence. Ideally, temporary uses become permanent, and lack of vacancy reduces demands on a program.

Pop-Up Program Best Practices: Positive Lessons

Partnership and Collaboration. Based on interviews, it is clear that having a strong network streamlines the process, furthers collaborative opportunities, and results in larger impacts. Partners bring forth their own respective expertise and function in the program. As a whole, this produces a high-quality, high-energy project. Partners included: local leadership and other stakeholders, the people of the community, building owners, entrepreneurs, and artists.

Small Investments and Big Wins. When a pop-up program produced substantial results, including permanent activation of vacant space, change of community perception, and job creation, more opportunities became available for similar revitalization. Many programs had "big wins" that resulted in secured funding and partnerships for future initiatives. This also spurred other revitalization efforts and increased funding by other community groups and programs that collaborated with others. Some programs measure success by the ability of their community partners to raise additional funds for similar placemaking initiatives.

Programming and Community Engagement. Program Managers aimed to change the perspective of residents and onlookers from other areas. Many used creative means of community engagement as a tool to do so. Certain programming events were set in place to build excitement and gain feedback. Public art initiatives allowed the community to join in and interact with artists as installations were taking place.

Small Business Consulting. While many entrepreneurs involved in these initiatives had some experience with pop-up or of selling their product, many were unprepared in running their business full-time and without assistance from the programs. The transition from pop-up to permanent was rocky for most. Support teams amongst retailers were developed, and many existing businesses were also there as a support-system to serve as mentors. Many learned the importance of not rushing and the value of accountability. Program Mangers agreed that a mentorship program for participants has been a benefit to all involved.

Finding and selecting participants. When recruiting participants, such as artists and entrepreneurs, a clear procedure needs to be set in place. Programs developed advisory boards amongst their partners to help issue, review, and select proposals. Many programs issue "call for entries" or "requests for proposals" to help identify participants and begin building awareness for the initiative. The request for proposals should include the program's mission and goals, timeline, what they are looking for in participants, prospective spaces for activation, and a clear community objective. Programs should select entrepreneurs who are ready, and desire to get to the next level. Often times these participants lack the financial resources or risk factors delay their action. Being part of a larger program to activate multiple

spaces ensures no one entrepreneur has to be the pioneer. Program supports also help reduce the risk and elevate the comfort level of new entrepreneurs. Review of call for entries procedures show that most organizations use their website as the base camp for distributing the call. Websites provide a place for prospective participants to ask questions and get answers. Property tours are commonly set up as well as open houses for community feedback to help build awareness or in some cases help with the selection of finalists. Finally, interviews, educational forums, and expectations are often part of the process of vetting finalists.

Marketing and Promotion. No one can promote a brand better than the author. Having a clear brand makes it easy to talk about and easy to understand. This means knowing your market and the overall story that is to be told. Telling the story in segments, featuring people in the community, and highlighting the great things that already exist are great ways to start. Documenting the project through social media platforms, press, video, and photography is a way to keep people updated and connect with people outside of the immediate community. Thus, it's important to create a pop-up program name, image, and identity to promote.

Continue to Learn. As entrepreneurs are encouraged to further their learning and experience, so too are the programs. As rules, policies, and codes change, programs should stay up to date. Relationships should be built with other programs around the world that have the same common goal. If everyone is learning from one another, the collaborative effort becomes an even greater phenomenon.

Next-Level Thinking. All programs should be prepared to answer this question: what happens after the launch? Once the businesses open initially and/or once their pop-up term is up, a clear plan should be in place. Program managers cite that the program and participants need to be set up for success. This means, assisting retailers in building their brand along the way and building relationships with the community/their customers.

Program Examples

Example 1: ReVolve Detroit

REVOLVE Detroit is a collaborative program of the Detroit Economic Growth Corporation that partners with local leaders, building owners, entrepreneurs, and artists to activate vacant storefronts with transformational businesses and art installations. Michael Forsyth is the Program Manager where the goal of the program is to foster the evolution and vibrancy of Detroit's neighborhood business districts. "Detroit is well-suited to be a leader in the world in rethinking the redevelopment process," says Forsyth. At its core, REVOLVE uses "pop-up" (defined as temporary businesses and art installations) as an innovative marketing and engagement tool to accomplish three main objectives:

- 1. Recruit or grow full-time tenants,
- 2. Spark private investment
- 3. Change the image of neighborhood business districts.

REVOLVE combines pop-up with other economic development tools, such as financial incentives to support rehabilitation of vacant retail space and technical training for entrepreneurs, to sustain long-term revitalization and investment in neighborhoods, small businesses, and key buildings. Partnerships remain the most important tool in the tool box "Engaging the residents in the redevelopment process

creates a strong sense of ownership, stated Forsyth, "residents were able to help create the businesses they wanted to see." Since the launch of its pilot phase in 2012, REVOLVE has produced unprecedented results:

- Activated 17 sites
- Started eleven full-time businesses (six currently open, five under development)
- Executed 16 business pop-ups
- Led 20 art installations
- Worked with 56 entrepreneurs
- Generated 30+ instances of media coverage

Example 2. Covington, KY – Renaissance Covington (Main Street Program)

Covington is now a standard for how to develop pop-up shops. In December 2012, Renaissance Covington launched its first "Make Covington Pop" initiative, an idea of former board member (and current managing editor of The River City News) Jerod Theobald. Then, a pair of pop-up shops operated for the holiday season with The River City News teaming with Roebling Point Books & Coffee to place a pop-up "News-Cafe" on Pike Street and vintage clothing retailer District 78 operating out of Theobald's flow - a shop for men. District 78 was the first pop-up success story as it became a permanent shop and now operates on Pike Street (and has since hosted a pop-up shop, too).

The following summer, Renaissance Covington hosted a pop-up symposium that attracted national experts to the city to discuss the topic, including Griffen Van Meter of the wildly popular "Kentucky Kicks Ass" campaign.



retail spaces on the street level.

Christmas 2013 saw a much bigger holiday popup shop effort with three stores operating in the empty commercial spaces of the long vacant Mutual Building at Madison Avenue & Pike Street. The shops sold more than \$23,000 worth of merchandise and two important stories followed: one pop-up shop, Kelley's Kloset, now operates a permanent location at Newport on the Levee, and the Mutual Building itself is now in the midst of a complete renovation that will place luxury apartments on the upper floors and new

They've expanded Pop Up to other elements of downtown revitalization. They scored a grant to develop Madlot, a pop-up performance park in a downtown parking lot. It has since hosted multiple concerts and events and a pop-up miniature golf course.

Currently, multiple pop-up shops are operating under one roof at 801 Madison Avenue for the latest holiday effort to Make Covington Pop.