

# MicroEnterprise Institute

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Michael Bauhmol Introduces Dorothy Browning:

Today's podcast will review the Goodwill MicroEnterprise Institute and its business program. Our guest speaker is Dorothy Browning, Program Manager responsible for management of the MicroEnterprise Institute and Community Education programs at Goodwill SWFL.

Dorothy has over 10 years of experience in the non-profit sector, working with individuals who wish to start or expand a small business. Her key responsibilities include business development, customer support and training both administrative and content areas related to the First Step FastTrac program and other Kauffman FastTrac programs.

What is the MicroEnterprise Institute?

- A Program of Goodwill, a class that helps low to moderate income individuals to develop a feasibility plan for their business to determine if they should go into business. We also can help in a very small way in some instances with startup funding

How does the program work/how is it structured?

- 6 weeks two nights a week, participants methodically work through developing their plan, starting with defining what they are going to sell, why customers will buy it, what is the market like ( i.e. real-estate in 2007), who are their competitors and how do they operate, and then the numbers side – how much will it cost to start up and operate, what price will work for their customers and their business, how long will it take them to become profitable and what options they have to fund their business

So is it like a college class?

- No, we do use a facilitator who leads the group in some activities but we also bring in subject matter experts almost every night who do short talks on topics like legal, accounting, marketing, social media marketing
- We use a workbook that really helps in getting initial thoughts on paper and now there is also an on-line component that people can use to develop the report if they want to.
- But the secret sauce of the class is the use of business coaches – individuals who have been actual business owners for the most part – who work with a small group of participants, usually 4-5. Generally during each class there are a couple of breakouts so the coach gets to help the participants think about the information they just heard from the facilitator or the subject matter expert and think about how it applies to their business. That helps tremendously, you have an experienced person to give you the

benefit of their experience, to challenge you sometimes and they frequently know about resources that can be helpful to you. They also look at the homework week over week and give feedback on how to strengthen the plan being developed.

That's a big commitment by a coach, six weeks two nights a week, where do you find people willing to do that?

- Here in Collier County we are really fortunate to have a great relationship with the SCORE program and we have mostly used SCORE counselors. There are some real advantages to that because after class, one of the key ingredients to a successful startup can be having a business advisor who can continue to work with you. Everybody benefits from having a business coach that can take a look at what they are doing and give advice. Plus I said people were developing a feasibility plan. I describe that as 70% of a business plan, it gets you to a point that you can make an informed decision about your business idea – is it worth time and money to pursue. But you will want to develop it further – for example you will want a very detailed marketing plan, not just the highlights of a marketing plan that you do in the class.

You mentioned an on-line component, tell me more about that

- Our workbook we use is a very good tool and really if you don't have good access to a computer or you don't have good computer skills, it won't slow you down. But the on-line component does have some other tools and resources that are bonus features. For example, you can benchmark your company against other companies – that means if your number show you are spending 40% of your sales on producing your product, you can look at other companies in your industry and see how that compares. If they are all only spending 20% on producing their product, you probably should go back and look at your numbers and see if there is a good reason for you to be that different.

You also mentioned that you can sometimes assist with startup costs. Tell me more about that because I know that is where many businesses stall and can't get off the ground.

- Yes, unfortunately there is this great American myth out there that there are grants to help people startup businesses. That's mostly not true. For most of the everyday type businesses there just are not grants readily available. The other thing people don't understand is that even if you do a wonderful business plan, you can't take it to a bank and get money to start your business. Banks only lend to businesses that have a track record, so really you have to have been in business for two years before a bank will make a business loan. We have two ways to help graduates, but the dollar amounts are small, at most \$2,500. I really don't want people to take our class just because

there is the potential to get funding at the end. First, there is only potential, not that many graduates ask for or get assistance and secondly we don't see ourselves as a lending program, we are a training program that has some limited ability to help individuals.

That's a good point, if I am looking at taking the class, how would you talk to me about the benefits, what makes it worth six weeks, two nights a week for me?

- Good question, I really want people to think about their level of commitment, because it's not just two nights a week. There is a lot of homework involved if you really want to get a feasibility plan on paper. I tell people a minimum of three hours of homework outside of class for each session, but that's a minimum. When you think about all the research you need to do, it can be more. The biggest reason I think the class is worth the time is because planning reduced the number of mistakes you make. Mistakes cost money and can put you out of business. Plus, when you have an idea for a business in your head, it always sounds great, right? But when you actually research it, think about all the day to day details of running it, thing about the financial commitment it takes, sometimes the cool idea turns out to not be something you want to invest time, energy and money in. We consider it as big a success when a participant decides not to go into business as it is when they do go into business. It's also a success when someone comes in with a big idea and realizes it may be too big, but they can do something smaller and grow into their original idea. For example, we have had a lot of people who want to start a restaurant. That costs a lot. Many of them come out of the class deciding to start a food truck, or use the cottage food law and make a product in their home kitchens or find a commercial kitchen and cater.

On that topic, what has been the success of your program and your graduates?

- We just graduated our 500<sup>th</sup> person from the program and I am proud to say that we have never had a graduate who didn't value the process, no matter what their decision regarding their business. We survey our graduate every year and we can currently track 195 of our graduates who have an existing business and they have created employment opportunities for 123 other individuals. When we look back, we can say that for businesses that started 3 years ago, 60% are still in business which is a good survival rate.

What are some local businesses that have started as a result of the class?

- A lot of our businesses are home based businesses so you don't drive down the road and see them. But we have a few like Park Place Salon in Bonita, Studio 13 Nailtique, a

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nail salon in Naples, and Juicelation on Tamiami Trail that are retail locations, but we also have Michelle's Royal Cleaning Service, Drouin Helping Hands, a handyman service and Southwest Custom Coating, a painting and coating company that are not so visible. We have a directory of all our businesses posted on the MicroEnterprise page of the Goodwill SWFL website.

How many classes do you do in a year?

- We do ten classes a year across Lee, Collier and Charlotte County. Specifically in Collier we will do three classes in 2017. Our first class will start in February; we do a Spanish language version of the class in May and a fall class that starts in October. Some Collier residents take our class in Fort Myers as well.

What is the cost of the class and how do people apply?

- The class costs \$80. If individuals are very low income we will allow them to substitute volunteer time in lieu of payment. To apply they can go to our website – [goodwillswfl.org](http://goodwillswfl.org) and click on the "How We Help" tab. One of the options is "Start a Business" and it lists the Microcenter class dates as well as an application link. They can also go to our Job Links site at the Goodwill store at Towne Center and ask for an application.

Closing Comments:

I want to thank Dorothy Browning for taking the time to explain the MicroEnterprise program. I encourage everyone who is just starting a small business or individuals who are thinking about starting a business to check out the MicroEnterprise page of the Goodwill SWFL website. It's a great program.