

# TN PLACEMAKERS INFORMATIONAL MEETING



TN Placemakers assists entrepreneurs and small businesses across the state create and grow their businesses



# TN Placemakers Entrepreneurship Fund | What and Why

Tennessee ranked No.1 in Small Business Growth in 2017. *Source: PAYCHEX - IHS SMALL BUSINESS JOBS INDEX*

## What is it?

A pool of monetary resources dedicated to assisting communities across the state in developing and training entrepreneurs and small business owners

## Why does it matter?

- Streamlines and simplifies the application process.
- Reduces time spent on multiple programs applications over multiple time periods

*Note:* The programs are now part of TN Placemakers include TNECD's Main Entrepreneur Grants and LiftTN: Microenterprise, Rural and Urban Core Editions

## Application Deadline

Initially: October 1-December 31, 2018, then rolling

*Note:* The programs are now part of TN Placemakers include TNECD's Main Entrepreneur Grants and the LiftTN: Microenterprise, Rural and Urban Core Editions

([tn.gov/ecd/small-business/bero/programs-initiatives.html](http://tn.gov/ecd/small-business/bero/programs-initiatives.html))





# TN Placemakers Entrepreneurship Fund | Deadlines and Amounts

Tennessee ranks No. 2 in Small Business Friendliness. *Source: Thumbtack, 2018 Small Business Friendliness Survey*



## **Contract Length:** up to 24-month

- Months 1-18: Implementation and utilization
- Months 19-24: Observation period, data reporting, and close-out of the grant

## **Application Amounts**

Total available: \$1,000,000

Max /Grant: \$100,000

A 10% match is required by grantees

Your match may include cash, dollars from private foundations or private sources, verifiable salary/benefits, among others.

## **Categories:**

- 1) Assess and Plan: Maximum funding allocation: \$15,000
- 2) Build and Sustain: Maximum funding allocation: \$75,000
- 3) Support and Train: Maximum funding allocation: \$25,000

*Note: All projects must have a clearly defined small business/ entrepreneurship focus.*



# TN Placemakers Entrepreneurship Fund | Application Category 1

Tennessee has ranked among the top 3 states every month in 2018 for small business job growth. *Source: PAYCHEX - IHS SMALL BUSINESS JOBS INDEX*

## Assess and Plan

Assessing the small business and entrepreneurship landscape by assisting communities with information gathering and dissemination.

*Eligible activities:* Determine gaps in the community and plan ways to close them which may include, but are not limited to, retail development, tourism, agribusiness, coworking spaces, commercial kitchen incubators, entrepreneurship training services, etc.

Maximum funding allocation: \$15,000/grantee





# TN Placemakers Entrepreneurship Fund | Application Category 2

Tennessee ranked No.1 in 2017 and for the last 3 months in 2018 for small business hourly wage growth. *Source: PAYCHEX - IHS SMALL BUSINESS JOBS INDEX*



## **Build and Sustain**

Increase the success of local small business and entrepreneurs through stabilization and expansion funds to grantees (and subrecipients) directly engaged in small business and entrepreneurial development.

*Eligible activities:* Furniture, fixtures, and equipment; offset of operational cost to reach sustainability (i.e. rent utilities, installation of technology like gig service into a building without it, etc.), applied primarily to physical locations, such as commercial kitchens, pop-up shops, coworking spaces, etc.

Maximum funding allocation: \$75,000/grantee





# TN Placemakers Entrepreneurship Fund | Application Category 3

Tennessee's small business hourly wage growth has improved from 18<sup>th</sup> in the nation at the end of 2017 to 3<sup>rd</sup> in the nation in 2018. *Source: PAYCHEX - IHS SMALL BUSINESS JOBS INDEX*

## Support and Train

Provide access to education, resources, and tools directly to future and existing small businesses and entrepreneurs.

*Eligible activities:* Small business and entrepreneurial development activities, including, but limited to, mentor-protégé program, coding classes, popup shops, craft and artisan development, food, agritourism (i.e. Etsy), pitch competitions, Co-Starters classes, Economic Gardening.

Maximum funding allocation: \$25,000/grantee





# TN Placemakers Entrepreneurship Fund | Summary

...assists entrepreneurs and small businesses across the state create and grow their businesses

## Eligible Applicants

- ☐ Nonprofit
- ☐ Educational institution
- ☐ Government

(ED, chamber, development district, public-private partnership, etc., ...)

## How to apply

Details and application can be found at  
[tn.gov/ecd/small-business/bero/programs-initiatives.html](http://tn.gov/ecd/small-business/bero/programs-initiatives.html)

## Key dates

### Application webinar

November 15, 2018 at 10am CDT/11am EDT

Recording and presentation posted

### Initial Application Period

Now open until December 31

Then on a rolling basis until funds are fully subscribed





# TN Placemakers Entrepreneurship Fund | Summary

...assists entrepreneurs and small businesses across the state create and grow businesses



## **Contract length:**

Up to 24-months

- Months 1-18: Implementation and utilization
- Months 19-24: Observation period, data reporting, and close-out of the grant

**Total Funds Available** FY2019: \$1,000,000

Max/Grant: \$100,000

10% match required

## **Categories:**

- 1) Assess and Plan: Maximum funding allocation: \$15,000
- 2) Build and Sustain: Maximum funding allocation: \$75,000
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*Note: All projects must have a clearly defined small business/ entrepreneurship focus.*





# TN Placemakers Entrepreneurship Fund | Key Terms 1

what does that mean?

**“DBE”** refers to businesses owned by women, minorities, veterans and persons with disabilities; as well as businesses operating in areas of low income and high unemployment in the state.

## **“Entitlement and Non-Entitlement”**

State CDBG funds cannot be used in Entitlement communities including Shelby County and Memphis, Jackson, Clarksville, Davidson County, Murfreesboro, Oak Ridge, Knox County and Knoxville, Chattanooga, Cleveland, Morristown, Kingsport, Bristol, Franklin, Hendersonville, and Johnson City. Entitlement communities receive funding directly from HUD; these communities are encouraged to work with their local governments to access their annual CDBG funds. The state and other communities can be of assistance in setting up this program. All other communities in the State are non-entitlement.

**“Environmental Review/SHPO Clearance”** is required for all federally funded projects must complete an Environmental Review; for projects that do not involve construction the environmental review will be quick. TNECD will provide training for grantees on the Environmental Review process.

## **“Low and Moderate Income” (LMI)**

This initiative is funded through U.S. Department of Housing and Urban Development’s (HUD) Community Development Block Grant (CDBG) dollars, which means some federal guidelines, must be met, specifically LMI. Detailed LMI information:

LMI is a CDBG National Objective that principally benefits persons of [low and moderate income](#) (LMI). For quick reference, LMI is defined as a household whose income is less than 80% of the area median income and located in a non-entitlement area.



# TN Placemakers Entrepreneurship Fund | Key Terms 2

what does that mean?

*(LMI continued...)* There are a few ways that LMI may be met:

The grantee can document that this project benefits the entire community and that the community consists of more than 51% of people that are designated as low and moderate income. Communities that meet this requirement according to the 2010 census are on the [TNECD CDBG website](#). If a community is not included in this list, they can randomly survey residents' incomes to see if the 51% threshold is met. If a community-wide CDBG Regular Round or Disaster application has been submitted in the last two (2) years, those surveys could be used. Please us to see if a community qualifies as low-income.

The grantee can document that the business owners assisted are low income. This can be done by documenting the income of the business owner and comparing that to the community's average income as provided by HUD.

The grantee can document that people hired with grant funding are low income. If the project will result in new hires, the business can commit to hiring at least 51% low-income people as documented by their incomes before starting the job compared to the county's average income.

LMI Caveat: LMI data is independent of other income related data such as free and reduced lunch programs, unemployment and/or poverty rates, etc.

## How to Count LMI Participants

Applicants seeking to provide education, tools and resources to a set group or cohort of microenterprises/business owners, LMI status should be based on the individual owners. Applicants who propose to offer education, tools and resources that do not have a set group or cohort may wish to base LMI status on the service area. Any questions concerning the LMI requirements should be directed to TNECD before submitting an application.

**“Procurement”** effects all contractors and services must be competitively procured according to federal or local procurement standards, whichever is more restrictive. Minority and female contractors should be invited to bid. For projects that involve construction, Davis-Bacon requirements must be included in bid documents. Bids must be opened publicly, and minutes must be kept of the meeting. Bids should be awarded to the lowest, most responsive bidder. If an organization elects not to use the lowest bidder, justification must be made to and approved by TNECD.



# From Grantees | Recommendations and Suggestions

If I knew then what I know now...

The grantees from the past rounds have some thoughts to pass along that may help as you consider your application for this program. You will note that there are some common threads – take them in account.

## **What they recommend:**

Be proactive, don't assume, and communicate as you go along.

Encourage partnering among grantees – some programs dovetail each other.

Think through the guidelines (uses of dollars) and logistics on the frontend.

Understand your capacity and its limits – the plan is only as good as the participants.

Run the grant through your organization like a for-profit business – understand what you can and can't spend your dollars on before you spend them!

## **Where they found challenges:**

Getting the word out and ramping up the program took longer than anticipated

Didn't think through grant thoroughly enough (logistics, etc.)

Alignment of time, opportunity and expertise

## **Where they found successes:**

Knowing you could reach out (to TNECD) with questions

The check-in calls – hearing the other grantees discuss their challenges and what they learned

Program promotion by TNECD through newsletters, social media, word of mouth, etc.

Reimbursement is easy, not cumbersome



## Propel, Mentor-Protégé, Regional



Rural and Urban Core: East, Northeast and Southeast regions ([knoxvillechamber.com](http://knoxvillechamber.com))

## SEEDCo, Savannah



Rural: TN Main Street Community ([seedco.net](http://seedco.net))



### Etsy, Regional (east)



Rural: Northeast, East, Southeast and Upper  
Cumberland regions ([knoxec.com](http://knoxec.com))

### Casa Azafran, Nashville



Urban Core: Nashville ([conexionamericas.org](http://conexionamericas.org))



## Sub-to-Prime Program, Memphis



Urban Core: Memphis ([memphistn.gov](http://memphistn.gov))

## High School Entrepreneurship, Chattanooga



Urban Core: Chattanooga [Regional partner]  
([launchchattanooga.org](http://launchchattanooga.org))



– resources –

TNSmartStart

Topics for Economic  
Inclusion

Dashboards

Community Quick  
Links

Programs & Initiatives

PDF Resources

TN Placemaker  
Spotlight

About BERO

TN.GOV/ECD/BERO



### Community Quick Links

Opportunity Zones are a new community development tool



### Dashboards

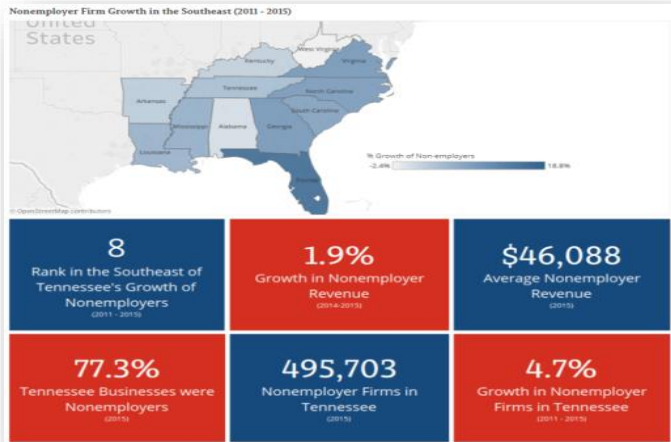
Locate small business and entrepreneurship data from reliable sources



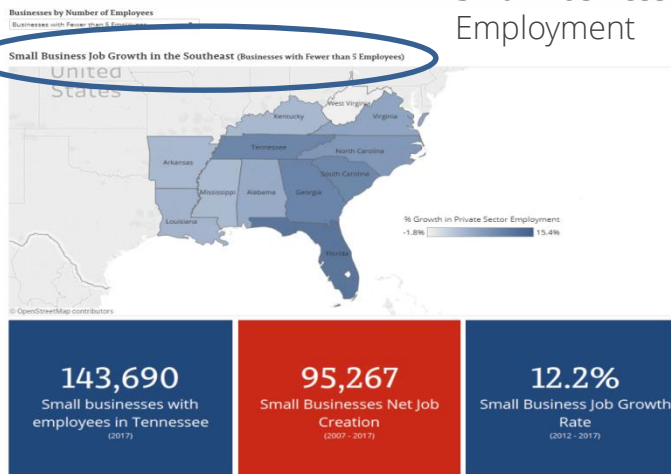
# Locating Resources | Business Data for You

resources about entrepreneurs and small businesses under Dashboards

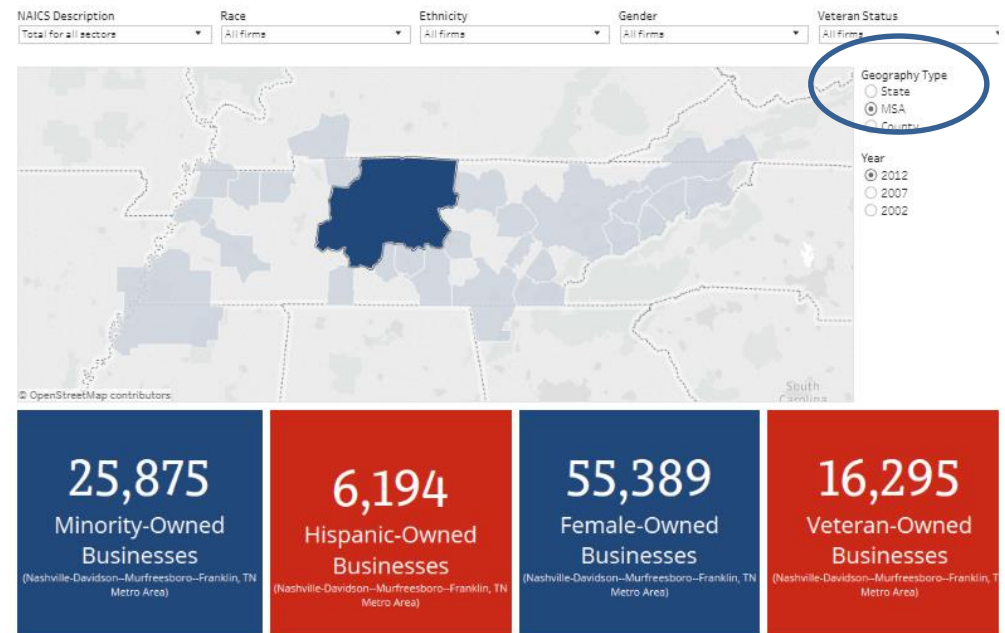
## Nonemployer Firms



## Small Business Employment



## Economic Inclusion of Businesses (data on businesses with and without employees)



TN.GOV/ECD/BERO



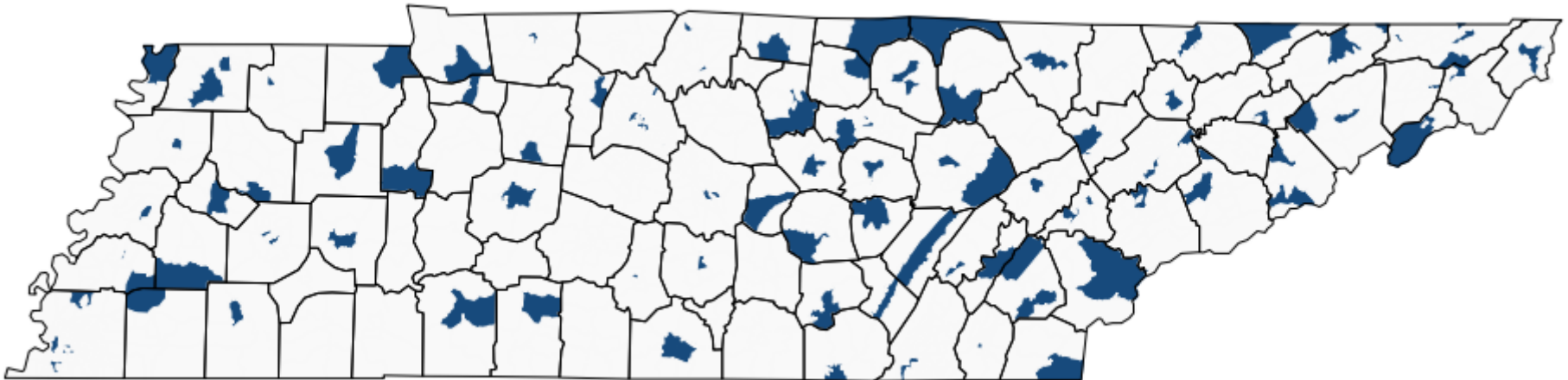
## TNECD | Locating Resources

resources about entrepreneurs and small businesses at BERO and Community Quick Links

### Opportunity Zones

Opportunity Zones are a new community development tool established by Congress in the Tax Cuts and Jobs Act of 2017. This new tool is designed to drive long-term capital to low-income communities. The new law provides a federal tax incentive for investors to re-invest their capital gains into Opportunity Funds, which are specialized vehicles dedicated to investing in designated low-income areas, specifically 176 census tracts.

[tn.gov/ecd/opportunity-zones.html](https://tn.gov/ecd/opportunity-zones.html)



– resources –

TNSmartStart

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### Tennessee SmartStart

A simplified step-by-step guide for small businesses in print and an online applications.

(tnsmartstart.com)



### Dashboards

TN.GOV/ECD/BERO

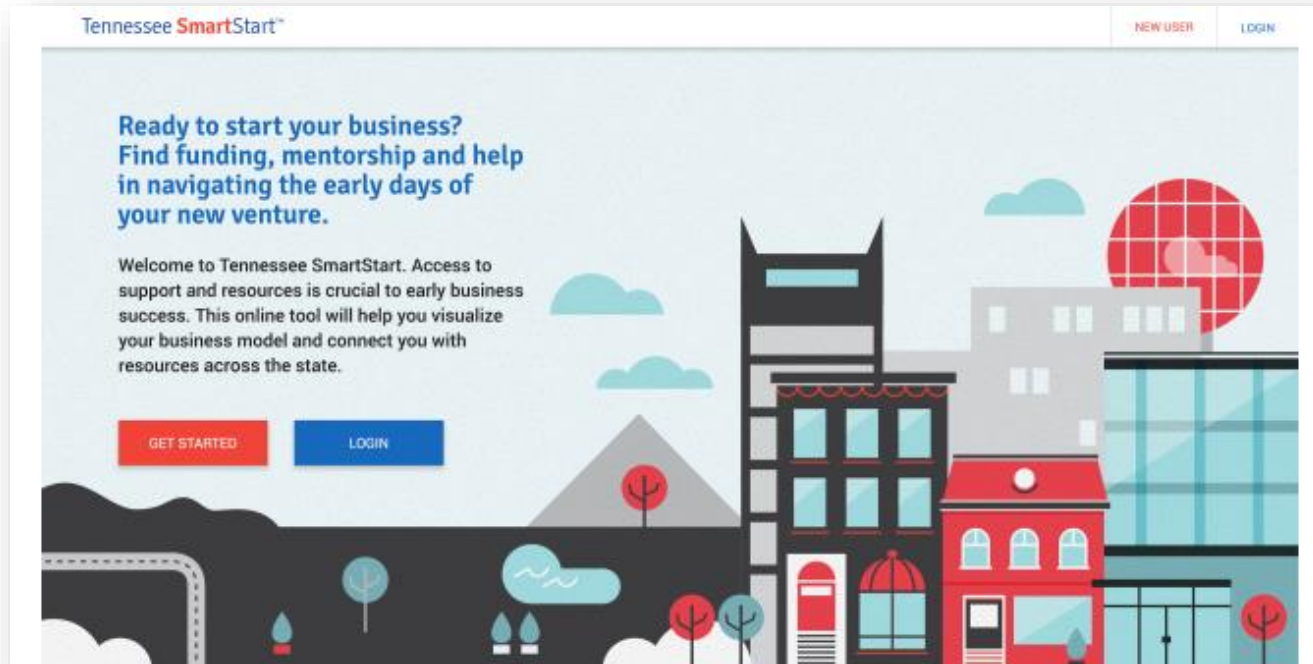
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- Small Business Employment
- Nonemployer Firms



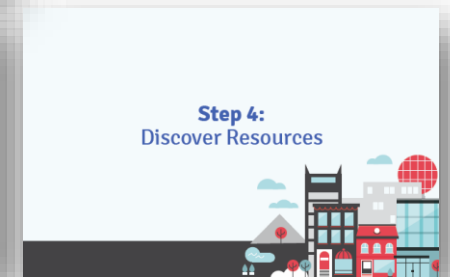
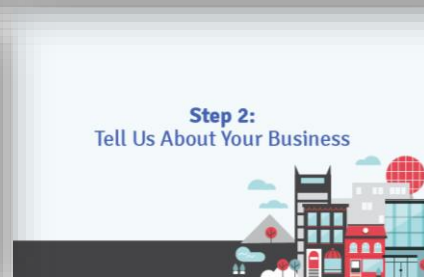
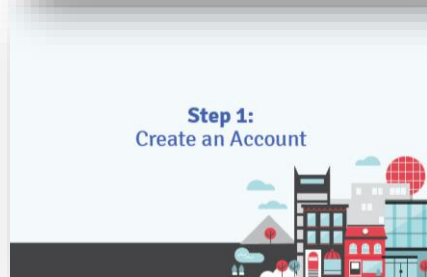
# Tennessee SmartStart | Screenshots 1

Smart Businesses Start Here

## Tennessee SmartStart™



Watch this video to learn how to use the app, and/or visit the website at [tnsmartstart.com](https://tnsmartstart.com) to get started now.







# Tennessee SmartStart | Screenshots 2

**Rack ABC Canvas**

**Customer**  
Identify your customers so you can pinpoint goals and challenges to marketing your business. You will likely have several customers. Do you know who your most valuable customers are yet? Use the following template to create up to three customer profiles. Keep in mind that, "Everyone is our (potential) customer!" isn't narrow enough to help you market your business. Get started with help from our example statement:

**Alternatives**  
How does your customer currently solving their need, pain or desire? What are their product/service alternatives? Consider how your product or service improves upon your customer's experience. Yes, your customer is already solving their need, pain

**Benefit**  
What benefits does the customer gain from your product/service? How does your product/service get to your customer? How do you inform them of your products, developments or services? How do you know you were successful in reaching your customer? Keep in mind that since you have

**Distribution**  
Explain the ways your product or service reaches your customers. How does your product/service get to your customer? How do you inform them of your products, developments or services? How do you know you were successful in reaching your customer? Keep in mind that since you have

**Problem**  
What need, pain or desire does your customer have that your product or service addresses? Customer discovery can help you narrow your focus. Get started with help from our example statement:

**Solutions**  
Describe what value your customer receives by using your product or service. How do you solve their problem? Your solution to your customer's need, pain or desire is called your business's value proposition. Get started with help from our example statement:

**Startup Needs**  
You will need to identify startup needs (money, people, things, activities, etc.). Your startup costs are expenses that

**Advantage**  
What does it cost your customer to make the

**Revenue**  
Describe your plans for at least one of your expected revenue streams. How is your product or service priced? What ways are you using to pay the bills of the business? You have to earn money to continue a successful business, and you may make money via various revenue streams in your

**Message**  
Your business has a story to tell. How do you

**Costs**  
What are your ongoing costs that are essential to keep you going (money, people, things)? Think about your

## Business Model Canvas

Users complete a canvas that may be customized to the specific business.

**Customer**

Identify your customers so you can pinpoint goals and challenges to marketing your business. You will likely have several customers. Do you know who your most valuable customers are yet? Use the following template to create up to three customer profiles. Keep in mind that, "Everyone is our (potential) customer!" isn't narrow enough to help you market your business. Get started with help from our example statement:

## Canvas Starter

Our target customer is primarily  between the ages of  with an average income of  and they work in the  business/industry.

## Details

Tennessee SmartStart™



- ☒ **STEP ONE: Choose a name**  
- What is your business name?
- ☒ **STEP TWO: Choose a Legal Structure**  
- Recommendation: Consult an attorney, CPA, business counselor
- ☐ **STEP THREE: Obtain Your Taxpayer ID Number**  
- SSN or FEIN: Sole Proprietor/General Partnership (Social Security Administration or IRS)  
- FEIN: Corporation, LLC, LLP, LP (IRS)
- ☐ **STEP FOUR: Taxes**  
Identify the basic tax obligations of operating your business in Tennessee.  
- Register: TN Dept. of Revenue  
- County Tax Assessor, possibly others...
- ☐ **STEP FIVE: Register Your Business**  
- Sole Proprietor/General Partnership (Municipal/County Clerk)  
- Corporation, LLC, LLP, LP (TN Secretary of State and Municipal/ County Clerk)
- ☐ **STEP SIX: Employees**  
- Will your business employ additional staff?  
- Yes/No: TN Dept. of Labor and Workforce Development
- ☐ **STEP SEVEN: Regulations/Licensures**  
Is your business required to register with other departments or agencies?  
- Based on business: ABC, Ag, Commerce and Insurance, TDEC, Health, Labor WFD, ATF, USDA, etc

*This information is a general guideline for registering your business. Aspects of your business may require additional steps, registrations and/or licenses. You may need to consult an attorney, CPA or business counselor.*

## Checklist

It provides a simplified step-by-step guide to registering a business in Tennessee.

## Tennessee SmartStart | Next Steps

This is Phase I of development. Resources will continue to be added and updated as well as become more localized. This tool is part of the mobile platforms (see Governor's Rural Task Force Update) as well as the No Wrong Door/Front Door approach to reach the new and existing entrepreneurs and small business in Tennessee.

Other steps that are under consideration are soft referrals and virtual mentorship.





# How to Start a Business | Smart Businesses Start Here



– resources –

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### Rural Opportunity Fund

Access to at least \$18.75M over the next five years for Tennessee's rural small businesses.

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



### Mobile Labs

A mobile resource for youth & adults designed to create awareness and provide technical assistance for future and existing small businesses.

([tndrivinginnovation.com](http://tndrivinginnovation.com))



### Economic Gardening

Targets existing second stage small businesses with assistance on strategic issues and provides customized research so they can grow.



# Initiatives to Know About | “No Wrong Door” Community

Smart Businesses Start Here



**Want more information?  
Ready to sign-up your  
community?  
Great!**

Email BERO at  
[ecd.bero@tn.gov](mailto:ecd.bero@tn.gov) to get  
started.



## What is a “No Wrong Door” Community?

It is a community that partners with BERO to support a thriving entrepreneurial environment by being trained in the utilization of available tools and resources for local entrepreneurs.



## What is the benefit?

- A Resource Toolkit:
  - SmartStart Books
  - Stickers
  - No-Wrong-Door Community’ Decal Sticker
- Value to your community\*
- Increased customer satisfaction\*
- Thriving entrepreneur environment\*



## How does your community become one?

- Attend a 30-minute certification process – online and/or in person.
- A minimum of 3 unique members representing your community
- Maintain communication with BERO



## It all sounds good, but why...?

\*This is part of making Tennessee the easiest place in the country to open a business, and a way you can make your community a welcoming place for it to happen.



## Next Steps | Call to Action

Talent is everywhere.

Opportunity is not. (Nicholas Kristof)

Be a Placemaker.

Placemakers leverage local assets (human and natural) in a way that impacts the cultural, economic and social aspects of their community to intentionally create a good sense of place, and enhance a strong sense of community and wellbeing.

Be A Placemaker

### TN PLACEMAKERS TEAM

Kent Archer · Brooxie Carlton · Wisty Pender · Lamont Price · Nancy Williams

[ecd.bero@tn.gov](mailto:ecd.bero@tn.gov) · Visit: [tn.gov/ecd/small-business/bero/.html](http://tn.gov/ecd/small-business/bero/.html)