



## **Title: Bringing the Power of Lean Start Up to Lower-Income Women Entrepreneurs**

### ***Page 1: Resource Partner Capacity***

#### **Organizational Background**

Renaissance Entrepreneurship Center (Renaissance) breaks the cycle of poverty by helping lower-income English- and Spanish-speaking women and men achieve economic mobility, build assets and create better futures for themselves and their families through small business ownership. Our mission is to empower and increase the entrepreneurial capacities of socially and economically diverse women and men, and thereby strengthen our communities through the creation of sustainable businesses, new jobs and the promotion of financial self-sufficiency.

Renaissance was launched in San Francisco in 1985 with small business planning classes and has grown into a regional organization serving lower-income English- and Spanish-speaking women and men through our Centers in South of Market (SoMa) and Bayview Hunters Point in San Francisco, East Palo Alto in San Mateo County, and Richmond in Contra Costa County. Renaissance has served as the U.S. Small Business Administration (US SBA) San Francisco Women's Business Center (WBC) since 1999. In 2014, we further expanded our women-focused programs as we assumed the programs and services of Women's Initiative, a 25 year old training program for high-potential lower-income women, following their closure.

Renaissance has experience adapting new principles and methods to update and customize curriculum for our clients. Throughout our 31-year history we have developed and refined small business training and financial education classes. Most recently, we redesigned our four-week (12-hour) introductory *Start Smart* class using Lean methodology to train clients at the idea feasibility stage to collaborate with their peers and develop Visual Business Model Canvases. We also incorporated Lean principles into the marketing section of our intensive 12-week, 72-hour *Business Planning* training in which clients gain foundational small business skills and graduate with a written Business Plan.

#### **Background of Representatives for I-Corps Training**

***April Gilbert, PhD, Renaissance Program Director:*** April Gilbert previously was the principal of her own negotiations coaching and training business. Prior to that, for nine years, she was an assistant professor at the Lorry I. Lokey Graduate School of Business at Mills College in Oakland where she taught entrepreneurship and business planning to women. She also served as the Executive Director at the Alumni Consulting Team at Stanford Graduate School of Business and worked in finance in New York and London. A Bay Area native, April earned her PhD in Organizational Behavior from the Haas School of Business at UC Berkeley, her MBA from Stanford Graduate School of Business, and her BA in Politics from Princeton University. April is familiar with Lean methodologies, spearheading our efforts to apply Lean principles into our *Start Smart* training and elements of the *Business Planning* classes. Ms. Gilbert is the primary contact ([agilbert@rencenter.org](mailto:agilbert@rencenter.org); 415-348-6210)

***Nga Do, Renaissance Manager of Women's Programs and Director of the WBC:*** Nga Do brings experience in small business and non-profit management and is trilingual speaking Vietnamese, English and Spanish. Nga previously owned a small business creating an online marketplace for international entrepreneurs. She also worked as a software engineer in Silicon Valley and as a Foreign Service Officer for the U.S. Department of State. Nga coordinates women-focused outreach, classes and events and provides individual consulting support.

While Ms. Gilbert is familiar with Lean principles, Renaissance staff has not been trained on I-Corps curriculum and would benefit tremendously as we seek to further bring the power of Lean to women entrepreneurs.

## **Page 2: Rationale for I-Corps Training**

### **Interest in I-Corps and Lean Methodology**

Renaissance has initiated incorporation of Lean Start Up methodologies into our current classes, including Start Smart, which focuses on the visioning and idea stage, and the marketing section in our Business Planning with focuses on all components of starting and running a business and supports clients through the creation of a traditional business plan. The next critical step towards integrating Lean Start Up methods and enriching our curriculum is to add training on extensive market research, testing, validation and customer research and development.

While the Lean LaunchPad is widely relied upon and promoted throughout the Bay Area, Silicon Valley in particular, and within universities, many women outside of the technology sector including lower-income entrepreneurs who are not in university environments are not benefitting from exposure to these important and invaluable Lean principles and tools. Renaissance staff, while familiar with Lean methods, has not been trained in these methods and thus Lean has yet to be fully incorporated into our programming.

Renaissance is a regional leader in entrepreneurship training. By further training our staff in Lean methods, we can help broadly spread this knowledge to main street businesses. For example, later this month, Renaissance Program Director April Gilbert will train eight English- and Spanish-speaking contract instructors in how to use the Visual Business Model Canvas that serves as the basis for the Renaissance *Start Smart* curriculum. Ms. Gilbert presented the Canvas model and application at a well-attended (35 attendees) workshop in the SF Small Business Week conference in May 2015 and is likely to do so again this year.

Renaissance's current women-focused programs include a vital empowerment component to support women in building the confidence necessary to succeed, but lack the in-depth market research that benefits many tech start-ups in Silicon Valley. By integrating Lean principles, Renaissance can bring together the empowerment lessons and support structures that make our women-focused programs especially powerful for female entrepreneurs with the market research rigor and standards required to launch and grow sustainable small businesses.

### **Target Audience for Adapted I-Corps Curriculum**

Economic inequality in the Bay Area is growing at unprecedented rates. According to a Brookings Institution report, San Francisco has the second fastest growing income gap in the nation. The disparity in earnings is greater now than ever before, and lower-income women, particularly women of color, face the greatest challenges. The National Partnership for Women & Families reports that Latina women in California face a pay gap of 43 cents to the dollar compared with white male counterparts.

Small business ownership is recognized as one of the surest routes to economic mobility for lower-income, women, immigrants, and people of color. When women small business owners succeed, so do their children, their families, and our communities. However, the challenges faced by women entrepreneurs who are lower-income are compounded by bad or no credit history, debt, language barriers and lack of access to quality education. In addition, with fewer women leading businesses, aspiring women entrepreneurs lack mentors to guide and support their growth. Women also tend to be less confident in starting their own business making additional empowerment learning critically important.

Renaissance clients are 71% women and 81% very low to moderate income. Preparing our pre-start and very early stage clients with solid market knowledge is a key element of empowering them to succeed. The I-Corps training and consulting will enable us to adapt the Lean Start Up principles to empower women who are lower-income, women of color, and immigrants with the technical tools for in-depth market research necessary to launch and grow their own small businesses.

### ***Page 3: Description of Intended Activities***

#### **Implementation and Assessment Plan**

Building upon our work with Ryan MacCarrigan, Chief Experimenter for LeanStudio, to incorporate Lean methodologies into our *Start Smart* and *Business Planning* classes, with support of the US Small Business Administration Renaissance will pilot an intensive market research curriculum based on Lean Start Up and specifically designed for lower-income women entrepreneurs in the pre-start stage of business development. By joining the training with a cohort of like-minded economic development agencies from across the country, we will be able to adapt the curriculum for main street businesses in a truly meaningful way.

Following Renaissance staff participation in the training, we will work with I-Corps experts and Mr. MacCarrigan to integrate Lean into the critical middle component of training, which includes extensive market testing, validation, and customer development that is such a significant part of the Lean Start Up model. This will require incorporating a rigorous market testing period with experiential teaching methods for our pre-start clients to create a realistic business model and a research-based knowledge of their target clients before or instead of choosing to write a traditional business plan. This pilot will integrate the important empowerment elements of our existing training with the comprehensive market research of the Lean methodologies that has enabled well-resourced start-ups to succeed.

Renaissance will complete the training within 11 weeks of selection (by May 15), propose our adapted curriculum with Lean methodologies within six months, conduct the first pilot program for women entrepreneurs in early Fall, and report to the SBA within a year.

Ultimately we seek to scale this model more broadly throughout our programs serving lower-income English- and Spanish-speaking women and men. The entire curriculum will support entrepreneurs from idea feasibility (*Start Smart*) to intensive market research to business launch and growth (*Business Planning*), combined with on-going consulting and networking support.

Our five metrics for success include:

- Develop average target number of market research interviews held by the pilot participants
- 90% of clients complete training with a viable business model
- 100% of graduates report that the market research better informed their business model
- 100% of participants determined pricing for their product or service
- Instructors report that pilot clients are better prepared for *Business Planning* classes