



STANISLAUS 2030

SMALL BUSINESS STRATEGY AND IMPLEMENTATION ROADMAP

EXECUTIVE SUMMARY

The Stanislaus 2030 **Small Business Supports** initiative is dedicated to building a high-performing, diverse economy and creating pathways to achieve mobility for all Stanislaus County community members. Stanislaus 2030 engaged Next Street to analyze and recommend strategies for achieving that vision. Next Street is a mission-driven advisory firm committed to revolutionizing access to capital, customers, and services for small businesses.

This document summarizes Stanislaus 2030's small business strategy and includes critical inputs provided by the Stanislaus 2030 Small Business Collaborative (the Collaborative), which convened with a shared goal of bolstering entrepreneurship and small business dynamism in the County. Participating stakeholders throughout the process included entrepreneurs, local government representatives, nonprofit and philanthropic sectors, and national experts in community and economic development.

PROCESS OVERVIEW

Community engagement and data-driven decision-making have been at the heart of these recommendations. The approach included:

- Synthesis of research
- Additional data collection
- Facilitation of stakeholders through 1:1 interviews and collaborative sessions
- Collection of insights from small businesses through a series of listening sessions

Stanislaus Equity Partners (STEP) supported this work by conducting a listening tour with small business owners. Next Street conducted further research including interviews with key stakeholders.

Next Street also brought its national expertise to help support the standup of our long-term community coalition plan, which builds on the six convenings to date to review data, align on a vision, prioritize initiatives, and plan for implementation.

Small Business "Listening Tour"

Stanislaus Equity Partners conducted a listening tour with **32 small business** owners to gather insights on small business needs, particularly those underserved

Stakeholder Interviews

Stanislaus 2030 and Next Street conducted **21+ one-on-one interviews with key stakeholders** to draw out key themes and opportunities for small business support

Data Analysis

Next Street **assessed the small business and capital landscape** in Stanislaus through benchmarking and analysis of public, lending, and other data sources

Collaborative Sessions

Since the beginning of 2023, the **collaborative has convened six times**, including one full-day strategy session, which included representatives from small businesses and support organizations

SMALL BUSINESS LANDSCAPE ANALYSIS

5 Landscape Highlights

Small businesses are a well-known, critical lever to creating pathways for economic mobility. They also represent a greater percentage of the County's employers and workforce than many might expect -- and have far fewer employees per business than prior assumptions .

- 1** Small businesses account for **99.9% of companies and >50% of the workforce**
- 2** **>70% have fewer than 10 employees,** while <5% have more than 50 employees
- 3** More convenors and Community Development Financial Institutions (CDFI's) are emerging
- 4** The number of small employer firms increased by 1.3% and employment rose by 1.4%
- 5** Retail Trade is the #1 industry, followed closely by Healthcare and Social Assistance

* 2015 to 2021 and 2018 to 2022, respectively

Source: U.S. County Business Patterns (2015, 2021); U.S. Census Bureau
^Less than 500 employees



Total (#) Small Businesses and Employment

Small Business Needs

Research findings also highlight that entrepreneurship supports are not at the required scale to serve small businesses across their growth journeys.

"The process of launching my business was overwhelming at times; more support to complete local, state, and federal filing requirements would have gone a long way"
—Local Entrepreneur

"Growth capital is not easily accessible in the County and inequities exist between underserved communities and economically strong ones"
—Local Entrepreneur

- The ecosystem lacks the capacity-building and investigator roles required to create long-term, scalable impact for small businesses
- Stark inequities exist in access to capital, which, along with scarcity of capital, highlights a need for more alternative lenders and flexible options for entrepreneurs
- Finally, there is no centralized resource to navigate across ecosystem initiatives

OUR FOCUS

Insights from area businesses and research by Next Street and the Collaborative highlighted specific, addressable gaps and areas of opportunity from startup to scaling as shown below. Results also identified that scaling existing businesses represents a growing market opportunity.

The Implementation Plan centers on high-impact workstreams for Main Street and Supplier businesses. These two categories are critical to the County's economy and also promise high potential to leverage opportunities. Defining and focusing on these categories aligned the Collective on the “WHO” and set the groundwork for the overarching vision and six key initiatives. These initiatives include access to capital, better-integrated services and resources, and tools for building capacity and growth.

	Main Street	Supplier
Representative Industries	Accommodation and Food Services Healthcare and Social Assistance Personal and Repair Services Retail Trade	Agriculture Construction Manufacturing Transportation and Warehousing
Impact Potential	<ul style="list-style-type: none"> • Represent nearly half of small businesses • Increase economic equity for historically underserved business owners and workers • Foundation for further business growth 	<ul style="list-style-type: none"> • Aid fast-growing, high-potential industries • Large-scale public funding available • Significant quality job creation potential
Key Gaps and Needs	<ul style="list-style-type: none"> • Increased access to flexible debt capital • Access to quality services across journey • Centralized resource across capital, support, and permitting regulations 	<ul style="list-style-type: none"> • Access to contract opportunities from private and public buyers • Supplier- / industry-specific technical assistance and financing

STRATEGIC DIRECTION

Collaborative members aligned on six key initiatives that make up Stanislaus's small business strategy. The strategy seeks to fill gaps by building the capacity of the ecosystem to better serve Main Street and Supplier businesses, while building the enabling environment that supports entrepreneurs long-term.

THE VISION

By 2030, any person who wants to **start, sustain, or scale** a business in Stanislaus County will have the support they need to be successful.

Main Street	Supplier Businesses
<i>Support entrepreneurs — particularly those underserved — in starting and sustaining their business</i>	<i>Develop capabilities and opportunities for Supplier businesses to scale</i>
Revolving, flexible LOAN FUND ONE STOP SHOP for support and financing	PROCUREMENT practices, matchmaking, and support Tailored TA & FINANCING programs and partnerships
Streamline LICENSING & PERMITTING Launch an INCUBATOR SPACE Fund OPERATIONS & TRAINING CAPACITY for CDFI's and Business Service Organizations	

IMPLEMENTATION ROADMAP

Implementation of these initiatives will require a phased approach over the next three years, based on momentum and progress thus far across strategies, with key milestones to guide the Collaborative going forward.

	2025	2026	2027
Main Street	Kickstart LOAN FUND and design ONE STOP SHOP	Promote LOAN FUND and launch ONE STOP SHOP	Enhance/expand LOAN FUND and ONE STOP SHOP
Supplier	Conduct PROCUREMENT ASSESSMENT	Convene ANCHOR INSTITUTIONS and design READINESS program	Connect ANCHORS & SUPPLIERS and launch READINESS program
Enabling Environment	Identify PROCESS IMPROVEMENTS and do INCUBATOR FEASIBILITY STUDY	Begin to STREAMLINE PROCESSES and build out INCUBATOR SPACE	Launch ADVOCACY PLATFORM and open the INCUBATOR SPAC
Overarching	Impact monitoring and reporting Fundraising and investments Convening and collaboration Ongoing capacity building of existing collaborative ecosystem in line with small business strategy		

To create long-term impact, the rest of the year will continue to leverage and build on the strength of the Collaborative members, building the structure and capacity of organizations to execute on the strategy going forward. By the end of 2024, we aim to invest in building the capacity of and standing up the working groups that will lead the implementation of the small business strategy.

We will look to invest in the ecosystem by identifying working group leads for execution, detailing out capacity-building needs, and sourcing additional external supports where needed. We will also activate the workstreams around the initiatives, which will involve co-designing programs with the working groups, initiating “quick win” initiatives, and promoting the Collaborative initiatives and engaging small businesses.

JOIN THE COLLABORATIVE

Whether you are a local business owner, government official, business service or capital provider, funder, or other community members, we invite you to participate in the future of this work. Here are some ways to do so:

- Read the full Small Business Strategy and Implementation Plan at stanislaus2030.com
- Sign up for or newsletter while you're there to stay informed.
- Provide funding and/or support key proposals.
- Access the many existing and fantastic small business assets and supports we have today