

FOR DISCUSSION PURPOSES; SUBJECT TO REVISION.

Creating an Ecosystem for Innovation and Entrepreneurship East of the River

Meta-Proposal to the District of Columbia Department of Housing and Community Development to Conduct Small Business Support Activities in Wards 7 and 8

The Museum for Black Innovation and Entrepreneurship (MBIE) is a community-based, 501(c)(3) nonprofit organization registered in Washington, DC established to create and sustain an ecosystem for innovation and entrepreneurship that will empower start-ups and established businesses in a way that will create jobs and asset-ownership to benefit low- and moderate-income households, principally in Wards 7 and 8, and to attract and keep wealth in these communities.

This meta-proposal seeks to build a multi-organizational, collective approach to revitalization through an ecosystem approach that promotes innovation and entrepreneurship, including business incubation, job creation, and asset ownership in a way that builds and retains wealth in Wards 7 and 8. The Museum, founded two years ago, does not have the internal organizational capacity to meet the technical requirements imposed by the CDHC RFE; however, we do offer programmatic plans that could be integrated with those of winning proposals to produce an even stronger, collective effort. This document presents these plans and is offered to invite discussion and collaboration among all interested groups.

Museum for Black Innovation and Entrepreneurship

As a museum, the principal role of MBIE is to *inspire* innovation and entrepreneurship, drawing out the latent talents and aspirations of community residents much as community basketball courts promote sports and teamwork. The Museum is also a *catalyst* and coach for helping their dreams for innovation and entrepreneurship become a reality in a way that provides them with both *income and asset ownership*. The Museum consists of three principal components:

- a) *Showcase*: a free public space featuring a collection of artifacts and stories of exemplary Black innovators and entrepreneurs. Featured inventors will include, for example, Dr. James West, the inventor of the microphone and member of the Museum's Innovation Advisory Board, and Dr. Lonnie Johnson, the inventor of the SuperSoaker.
- b) *Innovation Lab*: a free electronics and fabricating laboratory to create robotics and other electronic and technical products, combined with supervisory experts to teach workshops and provide feedback. For example, teams of innovators collaborate to design and build a "rowbot" to test in the Anacostia River in competition for a Challenge Prize established by a local company. (See, for example, www.artisansasylum.com.)

c) *Incubator*: a comprehensive business incubation service to assist aspiring entrepreneurs from the community to start their own businesses. Residents who have a dream to start their own business receive a free evaluation prior to signing up for a regime of workshops, proposal writing, and mentoring scaled to their start-up needs. The goal is to start new businesses that increase income and asset ownership for community residents.

These three components, including their elements, contribute to a community ecosystem for innovation and entrepreneurship that will inspire, educate, and support individuals on their way to business ownership.

Entrepreneurship Ecosystem

The ecosystem concept as applied to promoting entrepreneurship is not new, and grows out of the success of creating an ecosystem environment conducive to entrepreneurship in the university context (Fetters, Rice, Greene, & Butler, 2010; Rice & Habbershon, 2007). Key elements of a community entrepreneurship ecosystem appear in Figure 1.

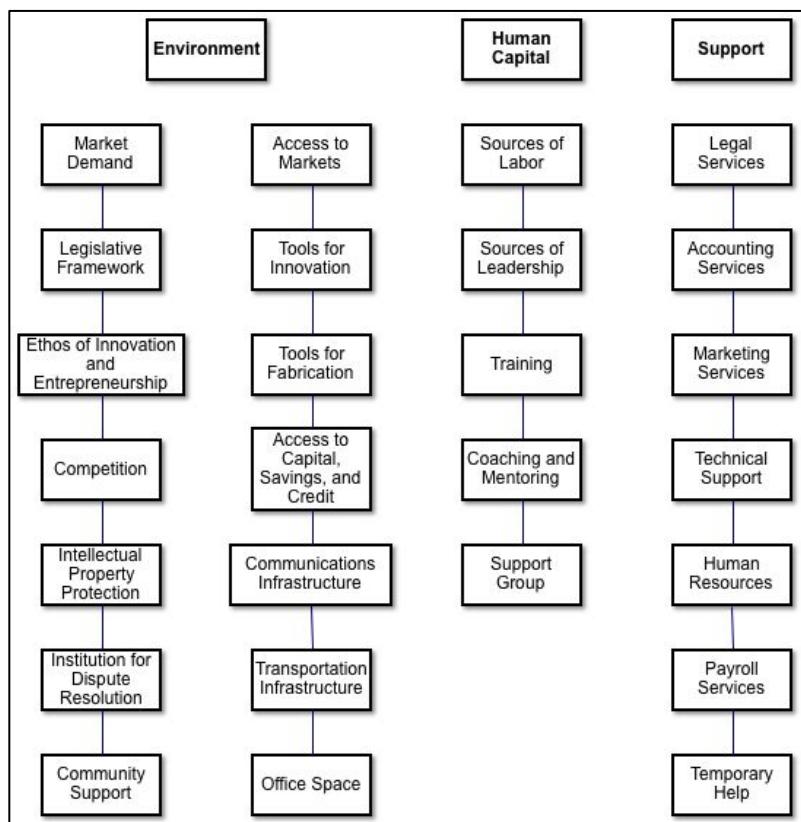


Figure 1:Community Entrepreneurship Ecosystem

Applying the ecosystem approach to community economic and social development is a natural extension of the concept, especially when engaging multiple organizations and resources aligned toward the same goal, as will be discussed below. As

noted in the opening, this proposal focuses on developing the Incubator component of the Museum. The Showcase and Innovation Lab are not further described here.

Key Personnel

The proposed work will be directed by Dr. John R. Whitman, Executive Director of the Museum, in collaboration with a project team directed by Mr. Tendani Mpulubusi El, and including key, collaborating organizations. Dr. Whitman has had extensive public and private sector management experience, including with the Smithsonian Institution, and has started four private companies, including Oakland Group, Inc., an international software tools development company and Surveytools Corporation, a survey research company specializing in creating and measuring customer satisfaction. He has taught in the entrepreneurship and management faculties at the graduate schools of management at American University, Babson College, Georgetown University, Harvard University Extension School, and Northeastern University, where he taught courses in race and ethnicity, and brings extensive expertise as a new business mentor and cooperative business researcher.

Mr. Mpulubusi El is a dynamic entrepreneur and media artist living and working in Ward 8, founder and principal of Design Mind, a creative consulting firm, and serving as chair of Councilmember Barry's Ward 8 Arts and Culture Committee. He has received awards for his videos on the history of the Barry Farm community in Anacostia and his community initiatives, such as his Emancipation Proclamation Day event in 2013. Mr. Mpulubusi El is deeply connected in the communities of Wards 7 and 8 and has an extensive network of other entrepreneurial individuals living in these communities. As Chairman of Councilmember Barry's Ward 8 Arts & and Culture Committee, Mr. Mpulubusi El is steering the committee's main focus toward economic development, as opposed to cultural festivals and social events. While encouraging Ward 8 artists and cultural ambassadors to research the entrepreneurial aspects of their projects and begin to view themselves as creative enterprises, the committee facilitated a number of workshops that exposed artists and others to information that helped them understand the business side of creativity. Residents of all Wards in the District of Columbia, Maryland and Virginia have participated in and benefited from these workshops. Agencies such as DCRA, and local businesses contributed to the workshops, as well. As a result, Ward 8 residents began to more clearly articulate their business interests by writing letters addressing their desire to start businesses and concerns about being included in economic development activities in their Ward. The outcomes of Mr. Mpulubusi El's initiatives now constitute the initial Incubator project described below as the Innovate 8 Initiative.

All work will be guided by the MBIE Board of Directors and its Advisory Boards, which include residents of the communities to be served as well as others with expertise relevant to the proposed work.

Operations

MBIE does not typically undertake activities alone as a single entity, but rather takes an ecosystem approach based on collaboration with other organizations and resources in the community who share a common goal for the community, working together to achieve a synergy and effectiveness that is not possible by any one actor, an

approach referred to as "Collective Impact" (Hanleybrown, Kania, & Kramer, 2012; Kania & Kramer, 2011). More specifically, adaptive problems—complex and beyond the resources of any one organization to solve—require coordination among a number of organizations working together, such that "large-scale social change comes from better cross-sector coordination rather than from the isolated intervention of individual organizations" (Kania & Kramer, 2011, p. 38). As if to anticipate the collective impact approach and apply it to community economic development in a critique against "one-dimensional strategy and simple dogma," John Handy wrote in 1993 (Handy, 1993, p. 42):

Clearly, African-American public officials, business leaders, educators, health professionals, the black church, and historically black colleges and universities (HBCUs) must form the vanguard for community developments. Though coordinating such diverse areas of competencies and interests presents formidable challenges, it nonetheless must be put at the forefront of the African-American social agenda.

It is precisely such a collective approach that we seek to build through this meta-proposal. Collaborating organizations and resources will be addressed below.

Also, MBIE does not itself start up new businesses and hire employees. Inspired by psychologist Carl Rogers, the MBIE mode of operations is client-centered (Rogers, 1989), where the entrepreneur is the client. Instead, using the Showcase and Community Laboratories as magnets, combined with a comprehensive marketing and outreach plan (see below), self-motivated individuals from the community will take the initiative to seek support from the resources and services offered through the MBIE Business Incubator. We will consider their ideas and either encourage them to proceed with the Incubator or direct them, where appropriate, to other sources of assistance. Those interested in proceeding will follow the path below in order to start or develop their own businesses with MBIE support. The MBIE mode of operations is inspired by the successful Enterprise Facilitation model of business development originated by Ernesto Sirolli (Sirolli, 2003/1999, 2012), and documented in a case study written by the Museum Executive Director (Whitman, 2012).

MBIE catalyzes *both* the supply and demand sides of the market in the ecosystem (see Figure 1).

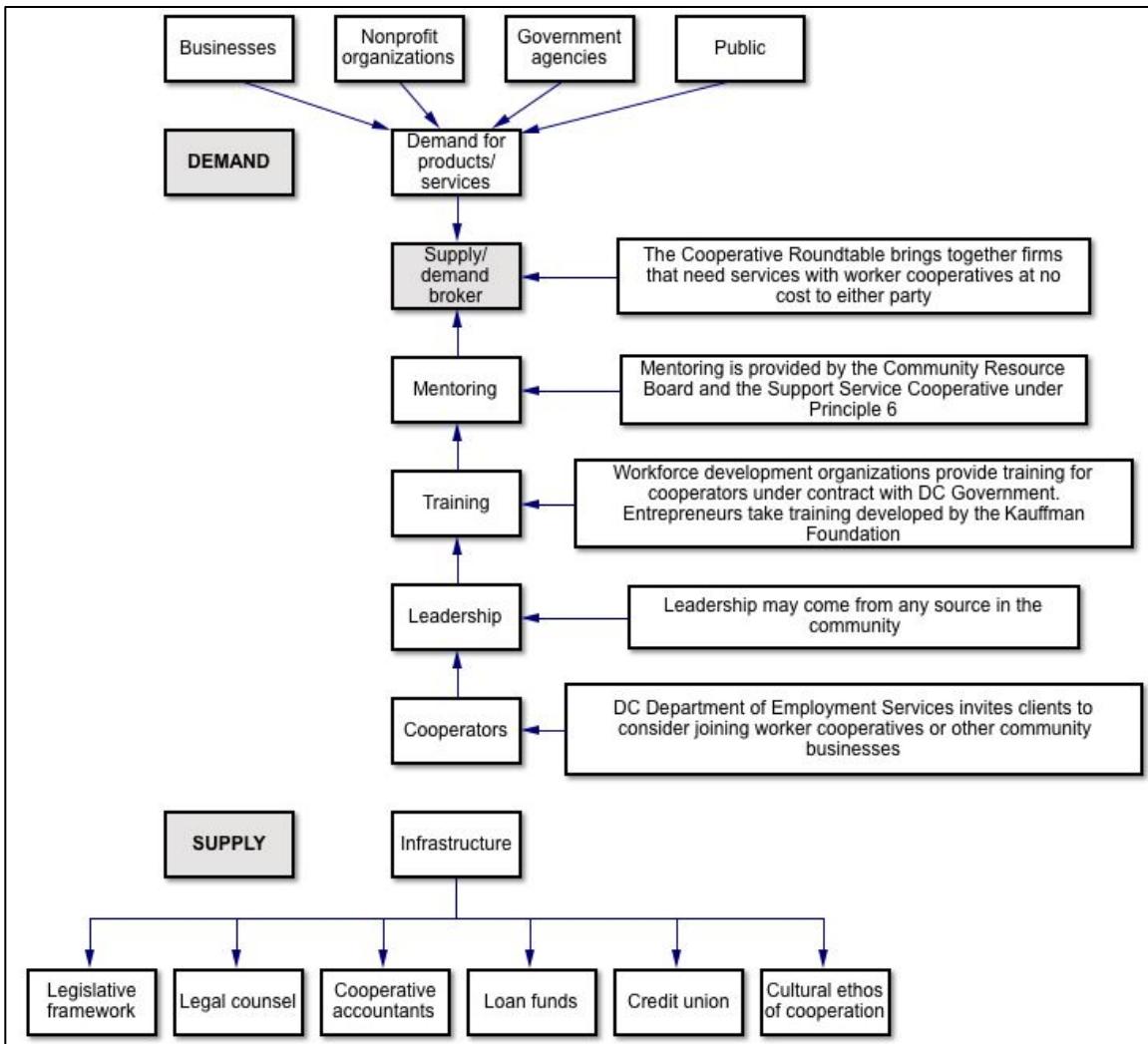


Figure 2: Linking Supply and Demand in the Ecosystem

The Business Incubator focuses on creating the *supply* side of entrepreneurship, working directly with workforce training programs that prepare prospective workers and with aspiring entrepreneurs to help them create their own businesses. MBIE also addresses the *demand* side of the market through the Cooperative Roundtable. The Cooperative Roundtable consists of representatives from major employers in the metropolitan area who opt-in to a collective approach to reducing unemployment in DC and agree to set aside resources to hire businesses emerging from the Incubator. The key to the effectiveness of brokering supply and demand—putting together the demand for services among Roundtable members and the supply of services from businesses catalyzed by MBIE—is the Business Development Facilitator, a role that will be jointly undertaken by Dr. Whitman and Mr. Mpulubusi El, pending hiring a full time Facilitator.

The supply side infrastructure must also be addressed. Here the MBIE has been working with a legal clinic at the David A. Clarke School of Law at UDC, under the direction of Professor Louise Howells, to streamline the District's statute for worker cooperatives, making DC the easiest place in the nation to start worker cooperatives, addressing one of the goals of the Mayor's five year plan for economic development. In

addition, MBIE is working with Board Member Rev. Dr. Kendrick Curry, senior pastor of the Pennsylvania Avenue Baptist Church, to establish a community credit union that will serve residents of Wards 7 and 8 and provide loan funds to local, start-up cooperatives and other businesses, another element of the ecosystem.

In addition, where we see future possibilities or unrecognized opportunities for entrepreneurial ventures, such as may emerge from implementation of the Mayor's Five Year Economic Development Strategy, the St. Elizabeth's campus development plan, the Mayor's Sustainability Plan, the Anacostia Waterfront Neighborhood Projects, and other pending projects, we will bring such opportunities to the attention of entrepreneurs and workers for their consideration. However, all business initiatives and entrepreneurial leadership must come from individuals living in the community.

Types of Entrepreneurial Businesses

Generally, two types of entrepreneurial businesses will emerge from the orientation stage: innovation-driven enterprises (IDEs), which are highly unique and often technologically based, and small- and medium-sized enterprises (SMEs), which may not be particularly innovative, but represent viable business serving community needs (Aulet & Murray, 2013). Also, there are generally two types of individuals who present as entrepreneurs: necessity-driven entrepreneurs (NDEs), who have few or no options for other employment and therefore must be entrepreneurial to secure income, and opportunity-driven entrepreneurs (ODEs), who may already be employed and have employment options, but are motivated to seek an entrepreneurial venture that they own and control (Bosma & Levie, 2010). These two dimensions of venture and entrepreneur type may be illustrated as in Figure 2.

	Innovation-driven enterprise (IDE)	Small/medium-size enterprise (SME)
Necessity-driven entrepreneur (NDE)	Very unlikely	Common by necessity
Opportunity-driven entrepreneur (ODE)	Unusual, but highly valued	Common by aspiration

Figure 3: Venture typology

Although necessity-driven entrepreneurship is typically associated with developing countries, and opportunity-driven entrepreneurship with economically advanced countries, NDEs may be more prevalent here than thought. Recent data on entrepreneurial business creation in the United States indicate that there is greater entrepreneurial activity among high school dropouts than among more highly educated people, suggesting that limited employment opportunity for the undereducated results in necessity-driven entrepreneurship (Fairlie, 2013).

Worker Cooperatives

While the traditional organizational model for business is the investor-owned company, MBIE is emphasizing the value of *worker cooperatives* as a viable and possibly superior alternative, where appropriate. The District has a history of arrested interest in cooperatives. In the late 1800s, Leland Stanford, the railroad tycoon and

founder of the well-known university, as Senator from California introduced Congressional legislation to fund worker cooperatives in the nation, but the legislation died on the table (Altenberg, 1990; Stanford, 1887). In 1919, Arthur Capper, Senator from Kansas, submitted Senate bill S3066 to permit the establishment of cooperatives in the District, but it is believed that this bill never passed (<http://coopdc.org/evolving-history-of-dc-cooperatives/>). More recently, Mayor Marion Barry, inspired by cooperative activist Cornelius "Cornbread" Givens (<http://www.washingtoncitypaper.com/articles/18433/dreams-and-cornbread/>) announced in 1980 (<http://coopdc.org/evolving-history-of-dc-cooperatives/>):

In Washington, as in every other major urban center in America, we have entire sections of our city which have been abandoned and neglected by the mainstream of economic activity... Although private enterprise has neglected or abandoned some areas of our city, we must not give up the fight. It is time for the citizens of these areas themselves to become owners and providers of the basic services needed for daily life. The cooperative movement is just what is needed to provide this opportunity. Within the next month or two, I will announce the formation of a D.C. Commission for Cooperative Economic Development. This Commission will have as its very practical mission the initiation and organization of an effective network of coops in areas of our city which currently lack basic services... Initially, I think the Commission will help stimulate coop food markets in low and moderate income areas of Washington. Later, the Commission will help stimulate and put into effect energy cooperatives, cooperative housing, cooperative shopping centers, cooperative auto repair centers, and whatever else is lacking and needed in areas of our city which are not serviced by our private economic market.

He then created the District of Columbia Mayor's Commission on Cooperative Economic Development, which was abolished in 1998 (<http://coopdc.org/evolving-history-of-dc-cooperatives/>).

It may be surprising, then, that the worker cooperative model is not well known among legislators, policy makers, and government administrators in this region (although see <http://campaign.coop/sites/default/files/bills-112hr3677ih.pdf#overlay-context=legislation>), so a few words of explanation may be helpful. In the cooperative model, the members of the organization own and control the organization for their benefit. There are typically no outside investors only interested in maximizing a financial return on their investment. A common example of a cooperative is the credit union, owned and controlled by its members and not by investors.

Unlike worker cooperatives, credit unions are nationally well known as a result of a major, nationwide campaign undertaken by Edward Filene and Roy Bergengren between 1921 and 1934 to raise awareness of the credit union model and to secure state legislation for credit unions, culminating in legislation at the national level through the *Federal Credit Union Act of 1934* (Bergengren, 1973). Agricultural, or producer cooperatives are well known in the mid-west because that is how small farmers came to compete with agricultural monopsonies (single buyers of commodities) in the early 1900s and through billions of federal dollars invested in rural cooperatives by the US

Department of Agriculture (USDA, 2013, see also <http://www.rurdev.usda.gov/cphome.html>). Moreover, hundreds of millions of dollars have been appropriated by Congress to the US Agency for International Development to develop cooperatives in developing countries (<http://idea.usaid.gov/ls/cdp>). But there has been no similar investment in urban-based or worker cooperatives in the United States. For further information see: US Federation of Worker Cooperatives (<http://www.usworker.coop/>) and the Cooperative Curriculum (<http://cooperative-curriculum.wikispaces.com/>).

Worker cooperatives exemplify *cooperative entrepreneurship*, in which each member is an entrepreneur rather than an employee working for a single, heroic, leader entrepreneur. In a worker cooperative, the workers themselves own and control the enterprise, and therefore can retain the full value of their labor. Since they typically live near the cooperative, this form of organization not only builds asset value among the workers, but also retains this wealth in the community, thus achieving a significant but often overlooked goal in poverty reduction (Sherraden, 1991, 2005). The community and economic benefits of worker cooperatives are well documented (Birchall, 2003; Deller, Hoyt, Hueth, & Sundaram-Stukel, 2009; Yes editors, 2013; Zeuli & Radel, 2005) and they have been shown to be resilient during difficult economic times (Birchall & Ketilson, 2009). Worker cooperatives can be low-tech and high-tech, and can be of any size. Isthmus Engineering of Madison is an SME (<http://www.isthmuseng.com/>), while the Mondragon cooperative is a \$19 billion global conglomerate (<http://www.mondragon-corporation.com/ENG.aspx>).

In worker cooperatives, no one entrepreneur gets rich from the labor or investment of others, but rather all workers, as entrepreneurs, reduce risk collectively and make decisions that are in the best interest of the group and their community. Worker cooperatives must compete with other firms in the market, and will do so based on the same market principles of competition: cost leadership; differentiation; and focus, or niche positioning (Porter, 1980).

There is a long but little known history of Black cooperatives in the United States (Gordon Nembhard, 2001, 2012). Unfortunately, Black farmer cooperatives have been historically poorly treated (Reynolds, 2002), a legacy being contested by the Southern Federation of Cooperatives (<http://www.federationsoutherncoop.com/>). Moreover, cooperatives have unfortunately been neglected as a policy option once seen as crucial for Black community economic development by WEB DuBois (Shipp, 1996), an option passed over in favor of entrepreneurial community economic development regimes that contributed to a Black middle class, but with an outcome of greater disparity within the Black community as the middle class migrated to the suburbs, leaving behind an underclass (Handy, 1993; Harrington, 1993/1962). More recently, as prospects in poor communities have overall worsened, even many poor have simply moved out, mostly to the South (Edelman, 2012).

But times are changing, and there is now a small, emerging trend, particularly among "30-somethings," of moving back to the communities in Wards 7 and 8, though not all are pleased (see, for example, <http://washingtoninformer.com/index.php/local/item/13438-barry-gray-ward-8-is-on-the-move>). Going forward, business models that retain wealth in the community and that build on community values and heritage deserve a place among policy options.

It is time to re-introduce the worker cooperative – a cooperative entrepreneurship model – as an option for community social and economic development. The Evergreen Model, based in Cleveland, is one such initiative that merits study. The principal difference between the Evergreen model and the MBIE approach is that MBIE does not link cooperative development to anchor institutions, such as a hospital or government agency; rather, MBIE supports all efforts to create cooperatives in a community, and also helps create demand through the Cooperative Roundtable. Nor is MBIE itself funded through cooperative revenue streams. Moreover, MBIE incubates various business organizational models, not only cooperatives, depending on the model most appropriate to the founders and the market.

Creating the Business Incubator

This proposal focuses on creating and testing the Business Incubator as an approach to enterprise development in Wards 7 and 8. The approach is described as follows.

Business Opportunity Presentation

MBIE will provide a free, monthly, two-hour Business Opportunity Presentation (BOP) session for all interested community members in Wards 7 and 8, tentatively to be held at THEARC. This session will present new opportunities to start businesses in Wards 7 and 8. This session will review the requirements of a successful business; characteristics of successful entrepreneurs; different models of organization – C corporation, LLC, partnership, benefit corporation, cooperative, and nonprofit organization – required strengths of a successful team in the product/service, marketing, and finance; the business life cycle and challenges at each stage; and harvest options: lifestyle or family business, merger, IPO, and winding down. By the end of the session, each participant should have a sense of whether or not they would like to proceed with the Business Incubation Program.

The monthly Business Opportunity Presentation is open to all types of entrepreneurs, ventures, and organizational models that can be supported through a community entrepreneurial ecosystem. The marketing and outreach effort will be key to raising awareness of the Museum and its business incubator program; however, coordination with the DC Department of Employment Services, with respect to the unemployed, including returning citizens, as a source of potential entrepreneurs and workers will be crucial. Following the Opportunity Session, those who wish to proceed will be interviewed to determine the level of their commitment and the quality of their business idea. For those who qualify, we will suggest registration in the Incubator program.

Processing

All applicants wishing to proceed with the program will be processed and baseline data collected:

- Overall satisfaction with their current, life situation (to be compared to a post-program measure)

- Aspirations and goals for work and life (to be compared to a post-program measure)
- Demographics
- Experience
- Education
- Baseline sales (if already engaged in a venture)
- Obstacles to progress (to be compared to a post-program measure)
- Level of commitment (to be compared to a post-program measure)
- Options available (to be compared to a post-program measure)

All applicants will then undergo an assessment interview, following which applicants will be triaged:

Level 1: Entrepreneurs and aspiring entrepreneurs

Level 2: Workers who wish to remain on call

Level 3: Others referred to appropriate assistance elsewhere

Level 1 applicants will be invited to Register in the Incubator Program. Level 2 workers will be registered in the labor pool database for later use.

Registration

Following the application and assessment interview, individuals advised to proceed will register as Incubator Program Entrepreneurs and pay a \$100 registration fee to indicate their commitment.

Workshops

Registered entrepreneurs will be required to complete the relevant Kauffman Foundation Fasttrac entrepreneurship training program for business orientation and skills (<http://bizdc.affiliate.fasttrac.org/>) and attend the following two-hour workshops presented by Dr. Whitman for additional, contextual understanding, one per week, resulting in either a feasibility plan or a business plan for evaluation (topics subject to change):

1. How do you fit in the *Big Picture*?
2. Why every business needs a Product/Service expert, a Marketing expert, and a Financial expert and how to know which *partners* you need
3. Why we have different *organizational models*, and how they work
4. How *social values* affect the way people and organizations spend time and money
5. Why and how to protect your *intellectual property*
6. How can your business create *social change*?
7. What is the *end of your business*: lifestyle, family, community, harvest, or wind down, and how to plan for it from day one
8. How to determine *financial needs*, monitor daily cash flow, and get money when needed

9. How to make the most of your *support group*: the Business Development Facilitator and the Community Resource Board

Those who complete the MBIE workshops will receive a certificate.

Proposal Evaluation and Classification

Following completion of Fasttrac and the workshops, each entrepreneur's plan will be evaluated according to quality and level of business development. Feasibility plans that are determined viable will be placed in *Track A* for business plan development under the supervision of a mentor.

Track B includes entrepreneurs with business plans that have not yet been executed, who will be mentored and introduced to legal and accounting services necessary for incorporation and operation. Once ready to incorporate and start business, the entrepreneur will move to Track C.

Business plans prepared for those who are already in the market selling products or services will be placed in *Track C* for mentoring, assistance from the Support Service Cooperative (see below) to strengthen their business, access to the Labor Pool Database, and support from the Community Resource Board (see below).

All entrepreneurs will be made aware of the need for activities in the targeted commercial corridors; however, individual startups are likely to select locations within Wards 7 or 8 deemed most conducive to their business and sustainability.

Community Resource Board and Mentoring

MBIE will establish a voluntary Community Resource Board, a team of 30 to 50 business members of the community who are committed to the wellbeing of their community and agree to provide mentorship and support to entrepreneurs. Each board member is required to introduce the entrepreneur to at least 10 other members of the community and to be available for a monthly meeting with the entrepreneur and Business Development Facilitator to review issues and advise the entrepreneur.

Support Service Cooperative

MBIE is establishing an independent, separately organized Support Service Cooperative under the Limited Cooperative Associations statute in the District. This cooperative will provide businesses with the following services at a cost-effective rate below the cost for each business to duplicate such services in-house:

- Business planning services
- Marketing services
- Public Relations services
- Legal services, including intellectual property protection
- Accounting services
- Tax services
- Payroll services
- Human resources services
- Lease advisory services

- Technical support services
- Temporary help services

The Support Service Cooperative will be responsible for seeking additional support services for portfolio businesses, including:

- Microloans and other financing through credit unions and banks
- Membership opportunities in business alliances
- Volume discount opportunities
- Collective space sharing
- Volunteer assistance, including from university students

Testing the Innovate 8 Initiative

The Innovate 8 Initiative, created in 2012 by Tendani Mpulubusi El, provides an excellent opportunity to test the proposed ecosystem model by drawing on a known group of entrepreneurs in Ward 8 who are ready to begin the business startup process. This group will spur development of the ecosystem and provide an immediate path not only to test the ecosystem for innovation and entrepreneurship, but also to speed the launch in actual startups. While the Innovate 8 entrepreneurs seek to launch in Ward 8, this does not preclude including entrepreneurs from Ward 7, or other entrepreneurs seeking to relocate to either Ward. The process would be the same or similar. Indeed, MBIE may locate in either Ward 7 or 8 (pending finding suitable space), but will service residents in both wards from the outset.

Innovate 8 is a business incubator project with the main goal of providing Ward 8 residents equal access to developmental resources, implementing a culturally competent communications and engagement strategy that is comprehensive and feasible to Ward 8 residents, resulting in the incubation of 8 businesses owned and operated by 8 Ward 8 residents.

Cultural Competencies

Many communities like Ward 8 are suffering from decades of economic disenfranchisement while suffering the additional impact of today's globalizing economy. Ward 8, being primarily a lower to middle class African American community is representative of a long cycle of people who are the first to feel the impacts of social service budget cuts and the last to the benefits of revitalization.

Ward 8 is unique in its demographics as compared to other Wards in the District of Columbia. In order for Ward 8 residents to reap the benefits of economic development in their own community, they must be engaged with culturally sensitive programming and actively participate in opportunities for socioeconomic advancement.

When approaching the Ward 8 community with developmental resources a program must be clear about social obstacles and understand how to navigate issues including:

1. Dysfunctional families and parent relationships.

2. Psychological trauma that creates, fears, self-hatred, low self-esteem, insecurity and dysfunctional community relationships.
3. Extreme dependence on social welfare programs.
4. Distrust in government and authority figures.
5. Lack of self-determination and blaming others.
6. Poor education programs because parents are not engaged.
7. Unemployment because of criminal background and lack of education.

When approaching the Ward 8 community with developmental resources a program must be clear about social assets and understand how to build upon them, including:

1. Close knit families with intergenerational ties to the Ward.
2. Individuals who have overcome environmental trauma and social neglect.
3. Residents who seek to rely on their own means of prosperity as opposed to social welfare programs.
4. Knowledge of how to navigate the Districts programs and resources to their advantage.
5. Demonstrates self-determination and accountability.
6. Have discovered educational resources to supplement substandard education .
7. Individuals are very creative, organized and seek business ownership.

Innovate 8 approaches this unique population of residents with an asset based approached. We focus on the core competencies of participants with sensitivity to their daily and past struggles. Innovate 8 will feature concentrated character development modules as a part of its business development training to promote a life style that is conducive to successful business. Innovate 8 facilitates workforce development in a non-traditional innovative manner that is developed based on Ward 8 resident demand for business incubation.

To ensure that revitalization in Ward 8 is inclusive of and benefits today's Ward 8 residents, it is of extreme importance that people who understand Ward 8 through experience, live and work in the community, and have established productive relationships with the community lead and manage this process.

Access to Resources

The present period of revitalization in Ward 8 is the perfect time to build business and cultural development resources and incentives similar to programs that have made urban development projects such as H St., U St., and Adams Morgan successful. Having access to capital is crucial for business development in up and coming communities.

Sustainability

The success of urban development can be demonstrated by the revenue it generates and its lasting social impact the community. The Innovate 8 initiative is focused on developing lasting business and cultural institutions that will benefit the current residents of Ward 8 long term.

Innovate 8 Startups

Below is a list of potential Ward 8 businesses to be incubated, and existing Ward 8 businesses that need the support and services of a business incubator. Each business has been proposed in a letters received from Ward 8 residents (letters attached). Other businesses will be identified through the monthly Business Opportunity Presentation sessions, which can be held in Wards 7 and 8 in alternating months.

1. New Fireside Grill: After the Fireside Grill, a Jamaican cuisine restaurant located on Martin Luther King Jr. Ave closed, key staff members Donovan Lobban and Erica Turner have been struggling to revive the business. They have been doing small catering gigs but strongly desire to reemerge as a full service restaurant with catering services.
2. Commercial Kitchen: Jeff Herrell has bee managing shared workspace venues in Anacostia. He is interested in starting a commercial kitchen that would provide space for those needing to prepare various catering or food vending events. The space and maintenance would be shared, providing the essentials such as refrigerators, freezers, storage and basic supplies.
3. Mary's Little Lambs: This business creates a safe, healthy, learning environment conducive to meeting the needs of the community. By bringing Mary's Little Lambs Child Development Home into the community it will not only create a safe place for our babies to go while their parents are at work, but it will also provide parenting training to the parents and other members of the community, as well as a mentoring program for teens. MLL will offer extended education courses such as: CDA classes, First aid, CPR training, Parenting Classes, Child Abuse and Neglect Awareness, Money Managing Classes, and others.
4. Culture Spiritual Knowledge: Culture Spiritual Knowledge (CSK) LLC will not only produce a tee-shirt line, but it will also provide various free and low-priced services needed in the community. CSK will assist with job readiness skills, resume writing, and fashion advice. We will also offer a clothing bank, consignment, and a number of other community services.
5. Tattoo and Design: A number of youth between the ages of 19 and 24 have demonstrated the skill of tattooing and design and are seeking support to take their interests to a professional level.
6. ENTATY Media Productions: ENTATY Media Productions is a media production company managed by Demetrius Brown, a graduate of Duke Ellington, born and raised in Ward 8. He continues to makes contributions to Ward 8 youth with programming that captures their interest.
7. Southeast Trinity Artistic Productions: Southeast Trinity provides technical and artistic production based on the need of the client and the community. We believe in documenting life and all that develops in it. We have provided and staffed many

television shows, commercials and videos for clients such as BET, ESPN, Clear Channel, Atlantic Records, Kaiser Permanente, DC DPW and several other companies.

The founder of Southeast Trinity, Jason Anderson, has a Bachelor of Arts in Mass Media. Anderson began his production career in 1999 at Black Entertainment Television while still a senior in college. Eventually, Anderson went on to produce and write many internationally televised shows for the company. He won a NAACP Image Award for his contribution to the hit show, "Teen Summit," and had another show, "Cita's World," featured on Nightline with Dan Rather before moving on to create his own company in 2003.

8. Aquaponics: Aquaponics is a closed system that allows one to raise fish and grow plants. The waste from the fish fertilize the plants and the plants in turn clean and purify the water, which gets cycled back into a fish tank. The implementation Aquaponics in SE would serve a dual purpose, firstly it will give residents valuable workforce experience in the fields of energy conservation (based on the solar units used to run the Aquaponics system) and food production. Secondly, it could revitalize SE by selling the food that is produced by the system in the local farmers markets and stores.

Clyde Clarke, founder of Aquaponics, has been a resident of SE Washington DC for about two years. The introduction of new development plans at St. Elizabeth's will have a drastic impact on the future prospects of SE residents, including a call to the community to embrace self-sufficiency and sustainability. Opportunities for economic growth and skills development can both be addressed in SE by tackling the problem of food production and consumption. Clarke proposes using Aquaponics, (which is an cheap and environmentally sound means of producing food), to respond to these opportunities.

Partnerships

Key Innovate 8 partnerships are invited from existing community organizations, including (narrative is taken from each organization's website):

Congress Heights Mainstreets: Congress Heights Main Streets is an extension of Congress Heights – a community-based service organization uniquely positioned to create thriving economic revitalization on the Martin Luther King Jr. corridor in Ward 8. Our work is predicated on the successful outcome of façade renovations building the capacity of new businesses and improving physical and fiscal management opportunity for existing business owners.

Anacostia Economic Development Corporation: For over 35 years, the Anacostia Economic Development Corporation (AEDC) has been at the forefront in working towards the progression of the Anacostia / Far Southeast community. Since its inception, AEDC has built retail facilities, office developments, residential properties and facilitated entrepreneurship leading to an increased number of jobs, first time home buyers, and an overall improved quality of life for the Anacostia / Far Southeast DC community.

Greater Washington Fashion Chamber of Commerce: The Greater Washington Fashion Chamber of Commerce (GWFCC) is a 501(c)(6) trade association

that serves the Greater Washington Metropolitan Area, its mission is to advocate, promote, and facilitate the success of fashion/retail businesses, professionals, and their allies in the Greater Washington area. Its purpose is to promote the business interest of those in the fashion & style industry through advocacy, networking, marketing, and membership.

Workforce Development Initiatives: Training Grounds

Training Grounds' emphasis is on building people while building communities. At the core of every Training Grounds program is the development of the person which helps us make a true impact in the lives of our participants and the community at-large. An individual who 1) has understanding of his/her skills, strengths and interests; 2) understands how to apply those attributes; 3) is given the opportunity to utilize those skills, strengths and interests will be successful not only in the world of work but in every aspect of his/her life.

Secondly, Training Grounds is committed to developing the market of untapped and underutilized workers who may not be college bound but possess useful & marketable skills that are desperately needed and in high demand in today's workforce. As a result of years of neglecting this market, certain employment sectors in the region and country have suffered i.e., health, construction and service to name a few. By equipping and preparing these future workers, Training Grounds makes a difference not only in the life of that worker but in their household, community and region at-large. See <http://www.traininggroundsinc.org/index.html>.

Outcomes

The expected outcomes of the proposed work include ("clients" refers to residents of Wards 7 and 8 who complete the program):

1. Increase in income and asset ownership among clients.
2. Greater social mobility among clients.
3. Increased jobs created by clients.
4. Import substitution by goods and services offered by clients.
5. Increased exports of goods and services offered by clients.
6. Increased dollar turnover within Wards 7 and 8.
7. Rise in multiplier effect resulting from import substitution.
8. Higher quality of life for clients and affected residents in Wards 7 and 8.
9. Greater opportunities for meaningful work for residents of Wards 7 and 8.
10. Increase in community value from client businesses.
11. Decreased risk of job insecurity from employment by external, investor-owned firms.

Table 1: Logic Model

Inputs	Activities	Outputs	Outcomes
Financial support from	-Creation of the ecosystem for	At least 8 new businesses within	1. Increase in income and asset ownership among

DHCD. Financial support from other organizations.	innovation and entrepreneurship. -Collaboration with other organizations producing entrepreneurial and labor supply (workforce training). -Collaboration with other organizations producing demand for new businesses services. -Provision of support services to entrepreneurs in startups and existing businesses.	the first 12 months.	<ul style="list-style-type: none"> clients. 2. Greater social mobility among clients. 3. Increased jobs created by clients. 4. Import substitution by goods and services offered by clients. 5. Increased exports of goods and services offered by clients. 6. Increased dollar turnover within Wards 7 and 8. 7. Rise in multiplier effect resulting from import substitution. 8. Higher quality of life for clients and affected residents in Wards 7 and 8. 9. Greater opportunities for meaningful work for residents of Wards 7 and 8. 10. Increase in community value from client businesses. 11. Decreased risk of job insecurity from employment by external, investor-owned firms.
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Theory of Change

Figure 4 presents a propositional theory of change, in which the current dilemma faced by unemployed or underemployed residents of a community is, "What to do?" The options are bleak. In difficult economic times, jobs are scarce, even following an investment in workforce development training. The default option of existing in a suspended welfare state is also not satisfactory.

The proposed intervention for change is the MBIE Business Incubator, which based in part on the success of the Cooperative Roundtable to create demand, has a higher probability of changing employment and life situations for the better.

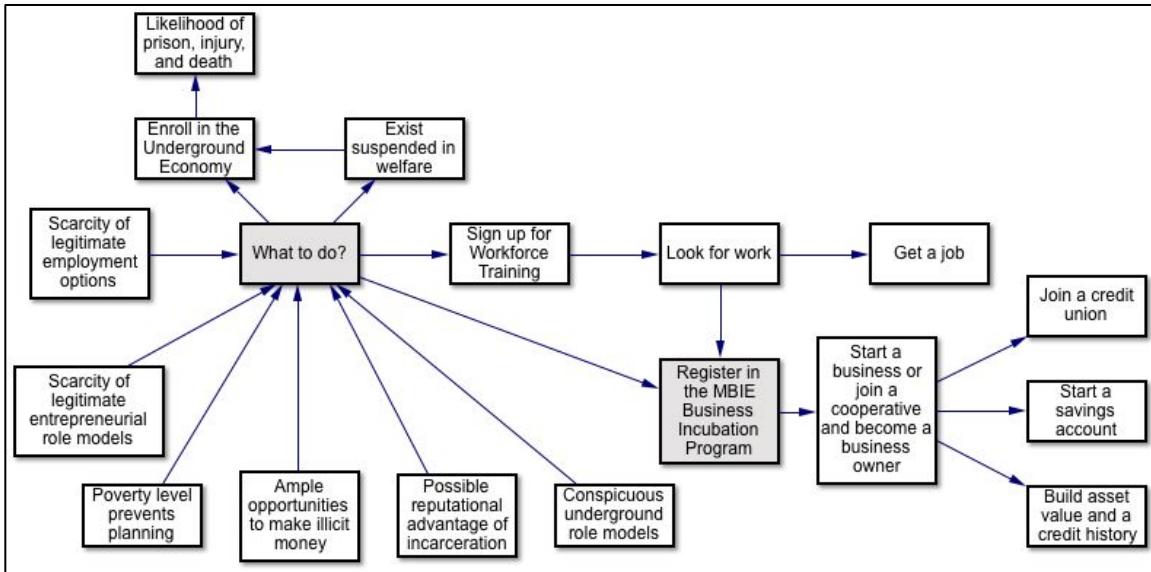


Figure 4: Propositional Theory of Change

Other Community Benefits

The increasing presence of viable businesses in the formal economy has multiple ancillary benefits, including generating tax revenues, creating opportunities for additional private investment, attracting other businesses, and retaining existing ones.

Monitoring and Evaluation

Each participating individual and business will be tracked from the time of registration in the Incubator Program, and an ongoing formative evaluation will measure satisfaction and progress along the process. The results will allow a program description by demographics and other variables, as well as an analysis of critical success factors and factors requiring additional work.

Marketing and Outreach

The goal of the proposed program is to achieve maximum public awareness through continuous and consistent marketing and outreach through participating in community forums, public events, meetings, websites, email distributions, blogs, listserves, and social media, including Twitter, Facebook, YouTube, and others. Because the community is not entirely in the Internet, the program will be promoted through public service announcements on cable TV and other media, as well as through literature distributed to libraries, banks, grocery stores, and other retail establishments.

MBIE will coordinate with any DHCD marketing and outreach efforts, participate in DHCD activities and events related to neighborhood revitalization, and will continuously assess the success and impact of its marketing and outreach efforts to identify those that are most effective in promoting results.

Acknowledgement of DHCD will be made in all relevant materials, with prior approval from DHCD.

MBIE intends to comply with the Language Access Act of 2004 to the extent that resources permit, including drawing on the capabilities of its collaborators, including identifying an MBIE staff member to ensure compliance, currently designating the Executive Director.

Applicant Qualifications

The Museum was founded on 2 May 2011, incorporated in DC on 20 June 2011, and received its IRS 501(c)(3) determination letter on 13 March 2013, effective 21 June 2011. Since its founding, the Museum has had a history of serving residents of the District of Columbia through projects similar to those proposed here. In the past 24 months, MBIE has:

- Announced the Better Community Prize, a cash award to teams of youth who identify and propose innovative and entrepreneurial solutions to community problems
- Conducted an eight-week workshop on Entrepreneurship for DC youth engaged in programs at the Sasha Bruce House
- Submitted a proposal to the Morris & Gwendolyn Cafritz Foundation to create a community-based ecosystem for innovation and entrepreneurship East of the River (unfunded)
- Initiated a community mapping research project to document all existing resources for innovation and entrepreneurship in Wards 7 and 8 (ongoing)
- Collaborated with the David A. Clarke School of Law at UDC to organize a Legal Clinic to craft model legislation on worker cooperatives in the District (ongoing)
- Established a Cooperative Roundtable to engage employers in hiring worker cooperatives (ongoing)
- Established a Research Council for East of the River, held at THEARC
- Initiated the East of the River Writer program to inspire students to write about innovative and entrepreneurial peers
- Conducted a public exhibit on at THEARC in Anacostia for the entire month of March, 2013
- Held a public Reception at THEARC to introduce exemplary Black innovators and entrepreneurs to residents
- Began plans to offer a public cable television show through DCTV, Wealth Street Week, to report on innovation and entrepreneurship activities in Wards 7 and 8
- Participated in a panel presentation to DC entrepreneurs on Crowdsourcing and Community Development at the Do Good Summit, organized by Think Local First, DC
- Proposed collaborating with the Pennsylvania Avenue Baptist Church to establish a Community Development Credit Union for the benefit of residents in Ward 7 and 8
- Collaborated with the Innovate 8 initiative to support local entrepreneurs achieve their business dreams (ongoing)

- Conducted ongoing meetings with individuals and organizations in Ward 7 and 8 to explore ways to promote innovation and entrepreneurship in these communities (ongoing)

In addition to the funding for this proposal, the Museum is seeking funding from other sources to support its other principal components, which, together, will create a powerful synergy.

Collaborating Organizations

The following organizations are invited to collaborate with MBIE on this and other work central to the Museum's ecosystem mission:

- American University Center for Community Engagement and Service
- Anacostia Economic Development Corporation
- Congress Heights Main Streets
- Council for Court Excellence
- Court Services and Offender Supervision Agency for the District of Columbia
- DC Department of Employment Services
- DC Department of Small and Local Business Development
- DC Office of Planning
- DC Office of the Deputy Mayor for Planning and Economic Development
- George Washington University Law School
- Georgetown University Ward 7 Initiative
- Howard Law School, Institute for Intellectual Property and Social Justice
- Marshall Heights Community Development Organization
- University of the District of Columbia College of Agriculture, Sustainability, and Environmental Sciences (CAUSES)
- University of the District of Columbia Community College
- University of the District of Columbia Law School
- U.S. Federation of Worker Cooperatives

Key Personnel

Dr. John Whitman is responsible for the overall program. The Project Director for the Innovate 8 initiative is Mr. Tendani Mpulubusi El, founder and principal of Design Mind, based in Anacostia. Resumes are attached. A full time Business Development Facilitator and Incubator Operations Manager will be hired. Funding also includes compensation for consultants and interns.

Additional personnel to be hired but not directly included in this proposal include a Museum Director and a Collections Curator for the Showcase; an Innovation Lab Director and an Innovation Lab Assistant; and a Lab Operations Manager.

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