Stimulating Small Business Growth

Progress Report on Goldman Sachs 10,000 Small Businesses

Developed by Babson College
The findings presented in this report are based on information collected through the 10,000 Small Businesses measurement and evaluation system. This system allows the program delivery team to share information on the program participants, their businesses, some of the changes that occurred over the course of the program and at six months after graduation. This report includes information on nearly 1,300 small business owners who have completed the program.
Executive Summary

Through participation in Goldman Sachs 10,000 Small Businesses, small business owners from across the United States are gaining valuable skills and experiences that are helping them to grow their businesses. The growth-oriented, practical, peer-to-peer driven classroom experience, linked together with business support services, is driving participants to change their attitudes and business practices, resulting in increased revenues and the creation of new jobs.

The success of small businesses is critical for a strong national economy. According to the U.S. Small Business Administration and the U.S. Bureau of Labor Statistics, over the last two decades, small businesses have created two out of every three net new jobs and currently employ about 60 million Americans, half of the private sector workforce. However, even with general improvement in the nation’s economy, challenges persist for many small businesses.

Launched in 2009, Goldman Sachs 10,000 Small Businesses was inspired by the successes and lessons of Goldman Sachs 10,000 Women, a global program to support women entrepreneurs in developing and emerging economies which served its 10,000th participant in 2013.

10,000 Small Businesses is a $500 million initiative developed to help small businesses in the United States by providing entrepreneurs with an integrated program of practical business and management education, access to capital and business support services. The program is based on recommendations from leading experts that greater access to this combination of education,
capital and support services best addresses the barriers to growth. 10,000 Small Businesses relies on a large network of national and local implementing partners to deliver different aspects of the program.

10,000 Small Businesses currently operates in 18 sites in both urban and rural communities across the United States. Program sites include the metro areas of Chicago, Cleveland, Detroit, Houston, Long Beach, Los Angeles, Miami, New Orleans, Philadelphia, New York, Salt Lake City and the National Cohort hosted by Babson College. In addition, 10,000 Small Businesses capital is available in the following states: Kentucky, Maine, Montana, Oregon, Tennessee, Virginia and Washington.2

Thus far, across the United States, over 2,000 small businesses have participated in 10,000 Small Businesses. In order to understand the potential long-term impact, the program is committed to the rigorous tracking of outcomes from the time participants enter the program, through graduation and at regular intervals thereafter. This report focuses on the first nearly 1,300 small business owners to have completed the education component of the program. The outcomes observed thus far have been encouraging with respect to program impact.

Only six months after graduating from the program, 44.8% of 10,000 Small Businesses participants reported adding new jobs. Notably, this change occurred during a difficult economic period. To

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2 Oregon and Washington counted as one site as both are served through capital partner Craft3, which lends in parts of each state.
place this into the context of the U.S. economy, between July 2012 and July 2013, 18% of U.S. small businesses surveyed by the National Small Businesses Association reported increasing their number of employees.³

In addition, just six months after graduation, 63.7% of program participants increased their revenues. To again provide context, between July 2012 and July 2013, 37% of U.S. small businesses surveyed by the National Small Businesses Association reported increasing their revenues.⁴

Finally, fully 80% of program participants report one or more types of collaboration with their classmates by the time they graduate, including developing new business opportunities, contracting directly or providing referrals.

Overall, 10,000 Small Businesses maintains a 99% graduation rate and holds a Net Promoter Score of 90.4,⁵ demonstrating participants’ extremely high satisfaction and the very high likelihood they will recommend the program to other small businesses.

As participants progress through 10,000 Small Businesses, and move beyond as program alumni, they make substantial behavioral changes to the way they run their businesses which builds and supports their foundation for growth. The business behavioral changes are varied. They include an increased understanding of, and ability to use, various financial statements to make operational and strategic business decisions and an increased use of a formal growth plan, a key program deliverable.

Many participants also report launching new products or services, discontinuing ineffective ones and expanding into new markets. They also report changes in the way they attract, manage and retain employees. Additionally, participants report increased use of formal boards of advisors and mentors.

Based on these outcomes, Goldman Sachs 10,000 Small Businesses is demonstrating the power of investing in small business owners; given the right mix of training and support, America’s small businesses can grow their companies and create jobs in the communities where they live and work.


Small Businesses in the United States
Drive Economic Growth and Job Creation

Entrepreneurship is increasingly recognized around the world as a critical force in creating a strong, stable economy and society. This is true in the United States, where entrepreneurship is an important component of economic development, and where small businesses are the primary source of new job creation. However, exactly which U.S. small businesses create jobs is less well understood.

The actual economic context for the United States is quite different than what is commonly believed. Despite the prominence of large corporations, the vast majority of companies that comprise the U.S. economy are small and medium-size businesses. In fact, less than 1% of the 28 million firms in the U.S. have more than 500 employees.6

Below that level, firms are classified as small and medium-sized businesses according to the U.S. Small Businesses Administration. Overall, 22 million firms (78%) have no employees other than the business owner; an additional 13% employ between one and four people and another 8% employ between four and 20 people.7 In summary, the majority of businesses in the U.S. economy (approximately 98%) have fewer than 20 employees.8 Together, these small businesses make up the overwhelming majority of U.S. firms and also account for the majority of job creation in the U.S.9

In 1979, economist David L. Birch first asserted that small businesses are the job creators and consistently create the majority of net new jobs. A variety of reports from the U.S. Small Business Administration support that assertion, showing that since the 1970s, small businesses have accounted for 55% of all jobs and 66% of all net new jobs. And while the much-publicized, high-growth “start-up” enterprises may, often deservedly, claim headlines for creating jobs, the U.S. Small Business Administration reports that about 60% of the private sector’s net new jobs were created by existing establishments, with the remaining 40% attributed to start-up companies.

However, whether they be existing or start-up companies, “growth companies” are rare. While the definition of a so-called “growth company” varies, annual revenue growth benchmarks for “growth companies” typically range between 30% and 50%. Regardless of the absolute definition, most experts agree that these firms are relatively rare, representing only 2% to 3% of U.S. employer firms. Goldman Sachs 10,000 Small Businesses supports the development of these growth companies, as well as those seeking any measure of growth, as the U.S. economy and labor market rely on them. Any job creation, be it one new job or five hundred new jobs, is to be celebrated and contributes to overall economic growth.

Data about the U.S. economy, small businesses and growth companies is shared with every 10,000 Small Businesses participant during the program’s orientation. Rarely do participants arrive to the program aware of the crucial role they play in the national or global economy. It is a role to be understood, supported and celebrated.

ANGELICA RIVERA, NEW ORLEANS
Angelica is owner of Colmex Construction, a family-owned contractor for residential and commercial construction and renovation. Since joining 10,000 Small Businesses, her company has added 16 new jobs (growing by 44%) and increased annual revenues by over 350%, all while winning five new contracts valued at over $1 million.
What is 10,000 Small Businesses?

An Investment in Growth
Announced in November 2009 and with the first class held in April 2010, 10,000 Small Businesses is a $500 million commitment by Goldman Sachs and The Goldman Sachs Foundation to unlock the job-creation potential of small businesses across the United States. The program is based on the broadly held view of leading experts that greater access to a combination of education, capital and business support services best addresses the barriers to business growth.

For the education component, The Goldman Sachs Foundation has committed $200 million to fund business owner training at partner community colleges and other educational institutions, as well as faculty training and technical assistance to help build the capacity of each program partner. Through these partners the small business owners receive a practical education that focuses on skills they can apply immediately.

For the capital component, $300 million has been allocated nationally for a combination of lending and philanthropic support to non-profit Community Development Financial Institution (CDFI) Loan Funds and other community-based lenders. The investment increases the amount of growth capital available to small businesses in underserved communities and expands the capacity of mission-driven lenders to deliver financing and technical assistance to small businesses.

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**Deliver Best in Class Business Curriculum**
- **EDUCATION PARTNERS**
  - Deliver 80-100 hour business management education
  - Practical, implementable curriculum and entrepreneurial focus
  - Peer learning from fellow small business owners

**Provide Business Support Services**
- **BUSINESS ADVISORS, LOCAL ORGANIZATIONS AND GS EMPLOYEES**
  - Offer advice, technical assistance & networking
  - Integrate business education with business needs

**Provide Opportunity to Access Capital**
- **LOCAL FINANCING ORGANIZATIONS**
  - Opportunity to learn how to assess additional resources
  - Advisory services for resource applications

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**REVENUE GROWTH & JOB CREATION**
A Network of Partners

10,000 Small Businesses is designed to help business owners build and implement a plan to grow their businesses by increasing their revenues and spurring new job creation.

To achieve this, the program includes a network of over 90 local and national partnerships. Each partner organization brings to bear their expertise to best serve the small business owners enrolled in the program. These partners include members of the 10,000 Small Businesses Advisory Council, which guides the program through support from national experts and is co-chaired by Goldman Sachs Chairman and CEO Lloyd Blankfein, Berkshire Hathaway Chairman and CEO Warren Buffett and Dr. Michael Porter of the Initiative for a Competitive Inner City and Harvard Business School.

Partners also include Babson College, which leads on curriculum design and development, faculty and business advisor training, alumni services and program measurement. In turn, Babson works with community colleges and other local higher education institutions that offer their expertise in teaching adult learners, supporting entrepreneurship programs and serving the communities targeted by the program. The Initiative for a Competitive Inner City is another key program partner, providing nationwide support in administering the program’s admissions process. In addition, 10,000 Small Businesses partners with local and national business development organizations, which recruit small businesses to join the program and provide technical assistance for participants. Finally, the program makes capital available through partners including CDFIs and other nonprofit lenders.

Across these partnerships, the investment by 10,000 Small Businesses is designed to increase each organization’s capacity to serve small businesses owners beyond the scope and duration of the program. Moreover, by bringing together educational institutions, business development organizations and lenders, as well as professional service firms and local governments, 10,000 Small Businesses is helping to develop local entrepreneurship ecosystems.

What’s in the Program?

The comprehensive suite of services included in 10,000 Small Businesses—a business and management education, business support services and access to capital—is what drives the program’s impact on participants and on economic growth. The type of education the participants receive is critical. Thus, the program is driven by a practical curriculum and a supportive, peer-to-peer learning environment.
“10,000 Small Businesses has been an eye-opener. The program gives you practical skills that you can put into practice right away. I want to show others that the sky is the limit.”

MARIA RIOS
OWNER OF NATION WASTE
HOUSTON

Babson College, ranked by U.S. News and World Report as the number-one undergraduate and graduate business school in entrepreneurship for 17 and 20 years running, respectively, led the design and development of the 10,000 Small Businesses curriculum and has trained over 200 faculty and staff at local education program partners. The American Association of Community Colleges, LaGuardia Community College, Long Beach City College and Los Angeles City College informed the program’s design and provided guidance on teaching adult learners from a variety of educational and professional backgrounds.

CORE CURRICULUM

Entrepreneurship is behavioral—business growth is the result of taking action steps.

1. YOU & YOUR BUSINESS
2. GROWTH & OPPORTUNITIES
3. MONEY & METRICS
4. YOU ARE THE LEADER
5. IT’S THE PEOPLE
6. MARKETING & SELLING
7. OPERATIONS & PROCESSES
8. BEING BANKABLE
9. ACTION FOR GROWTH

LEGAL CLINIC

FINANCIAL STATEMENTS WORKSHOPS

NEGOTIATIONS CLINIC

ORIENTATION

geographic backgrounds. In 2010, Babson piloted the curriculum with Long Beach City College and Los Angeles City College in Southern California.

The pilot program was based on five guidelines:
1. Focus on entrepreneurial growth, especially the creation of new jobs
2. Emphasize a peer-to-peer learning environment where each participant brings his or her current business challenges and opportunities into the classroom
3. Design a program that is highly scalable
4. Directly connect the curriculum to business support services and access to capital
5. Measure and evaluate business owners’ progress and curriculum efficacy.

The Curriculum
Since the pilot, the program’s education component has grown to include twelve delivery sites across the United States. At each site, the approximately 100-hour, three-to-four-month curriculum is delivered in a combination of full-day modules and evening clinics with thematic topics such as Money & Metrics and It’s the People, rather than traditional business disciplines, to allow participants to focus on the actions they must take to grow their businesses. The 10,000 Small Businesses curriculum promotes peer-to-peer learning and integrates trained program business advisors who provide coaching along the way. Every exercise is explicitly designed to allow participants to immediately practice and apply what they are learning to their businesses. Participants consistently report making changes to their businesses during the program, while bringing their own experiences into the classroom to help their peers make changes.

RHYS POWELL, NEW YORK
Rhys is the President and Founder of Red Rabbit, a Harlem-based healthy school meal provider to the New York metro area offering made-from-scratch food and educational programs. Since completing 10,000 Small Businesses, Rhys has hired more than 100 new employees, increased revenues by more than 200%, tripled his delivery fleet and opened a new kitchen facility.
“When I started 10,000 Small Businesses, I knew the direction I wanted to take my business, but didn’t have a clear road map. Now I’ve got a clear plan that I’m executing that will not only benefit my business, but my community.”

MIGUEL GUAJARDO
OWNER OF EL CAMINO CONSTRUCTION
LONG BEACH

The curriculum incorporates each participant’s growth plan for his or her business, which they must complete and present to the class in order to graduate. Somewhat unexpectedly, given the rigor of the program and the time required away from running the participants’ businesses, the program maintains a 99% graduation rate. This rate is particularly important for the program’s success since, given the emphasis on peer-to-peer learning, it has implications that go beyond individual retention to impact the overall experience for all participants.

The process of developing the participants’ growth plans begins early in the program. Each individual works with an assigned business advisor to first identify and evaluate opportunities for growth and then create the corresponding growth plan. These plans are tools, specifically designed for the 10,000 Small Businesses program, that are similar to a business plan but are more tactical, more timely and more personal. It is the personal aspect that captures the business owner’s motivation, vision and level of commitment. As the curriculum progresses, each module and clinic influences the development of the growth plan.

Also, the class of business owners is arranged into several growth groups on the first day, and the members of these groups provide the primary peer support for growth plan development. The growth groups share and critique ideas and provide support for each participant to develop their plan. Notably, the growth groups are specifically organized to provide for business diversity—of industry, size, stage, market and age—to promote innovative and expansive thinking about business growth.

The growth groups and peer-to-peer learning environment are fundamental to the efficacy of the program. They are designed to leverage participants’ shared objective to grow their businesses, increase revenues and create jobs. To support that objective, the initial curriculum design was guided by the premise that entrepreneurship is behavioral—business growth is the result of taking action steps. The 10,000 Small Businesses curriculum promotes these action steps through training on how to identify and evaluate entrepreneurial opportunities, acquire and organize resources and provide authentic and entrepreneurial leadership.
“The interaction and active learning with other business owners was invaluable. It is like having my own advisory board. Through continued support of my classmates and program advisors, we have doubled our sales volume and added 30 new employees since joining the program.”

Ronda Jackson
Owner Decor Interior Design, Inc.
Los Angeles

Business Support Services
The experience and perspective of the dedicated 10,000 Small Businesses business advisors play a crucial role in supporting the success of each participant. Like the 10,000 Small Businesses curriculum, the advising element of the program focuses on a practical, direct approach; it delivers a combination of advice, guidance and coaching and culminates in the business owners’ development of the growth plan.

Each participant is offered at least six sessions with his or her business advisor. Most sessions are one-on-one, while others may occur with members of a participant’s growth group. The business advisors also attend every curriculum session.
session, partnering with the faculty members to ensure that all program participants can apply their new knowledge in order to grow. Program faculty and business advisors work together to review the growth challenges of each business owner and suggest specific community resources that participants might use to target those challenges. This approach also helps participants to understand the range of resources in their community and the most effective ways to use them both during the program and after graduation.

One of the most important elements of the program’s business support services is improving participants’ access to capital. Building from the eighth curriculum module, Being Bankable, the business advisors work with participants to make them aware of the different sources of capital potentially available to them, with particular regard to what might best fit their growth goals. As part of this exercise, the program invites different types of financial institutions to share with participants what they look for in a borrower or in an equity investment. In addition, 10,000 Small Businesses directly improves access to capital in the markets served by the program through partnerships with CDFIs and other community-based nonprofit lenders.

**Finding Small Businesses**

10,000 Small Businesses is designed for established businesses that need guidance and resources to grow. Given the organization’s years of experience in working with inner-city businesses, The Initiative for a Competitive Inner City, founded by 10,000 Small Businesses Advisory Council co-chair Dr. Michael Porter, played a key role in establishing the profile of the target participant and now also administers the admissions process. Applicants must be the owner or co-owner of a business that typically meets the following criteria:

- In operation for at least two years;
- A minimum of four employees; and
- Revenues greater than $150,000 in the most recent fiscal year.

Beyond these basic guidelines, the selection process aims to identify small business owners who have the potential to grow their businesses with the program’s aid and who would support the program’s emphasis on peer-to-peer learning. Information from application forms and applicant interviews is used to assess:

- The entrepreneur’s and the business’ track record;
- The entrepreneur’s ambition for their business; and
- The entrepreneur’s potential to benefit from the program and to contribute to other participants’ development.

10,000 Small Businesses is open to businesses in all industry sectors and, as a result, each group in the program is highly diverse in terms of both participants and businesses. The key commonality is that all participants share the desire and the potential to grow their businesses. This shared interest in growth serves as a strong foundation for quickly building trust among the participants and support for the peer-to-peer learning approach.
Growth capital is a critical ingredient in helping small businesses to increase their revenues and create jobs. However, lack of access to capital is often reported as one of small business owners’ most difficult challenges. The access to capital component of 10,000 Small Businesses seeks to address an unmet need in the marketplace. The need arises from the fact that there exists a significant population of underserved businesses unable to access funding through conventional lenders for a variety of reasons, including the age of their businesses, the potential loan size or credit issues. Goldman Sachs committed $300 million for a combination of lending and philanthropic support to mission-driven small business lenders.

The investment is designed to increase the amount of growth capital available to small businesses in underserved communities and to expand the capacity of the program lenders to deliver financing and technical assistance to small businesses.

10,000 Small Businesses-supported lenders not only provide capital; they also provide extensive technical assistance to help businesses become “bankable.” The lenders specialize in making loans in amounts less than what conventional banks like to offer—the average loan size is approximately $200,000 and can often be made as an unsecured loan for working capital.

Goldman Sachs and The Goldman Sachs Foundation also provide significant grant support to these lenders to support their growth and sustainability, including funding for a loan loss reserve and for capacity building. To date, Goldman Sachs has committed or approved nearly $150 million of capital to small business lenders across the country. These lenders have originated over 300 loans to small businesses totaling over $60 million. Seventy-five percent of the businesses served are located in low and moderate income areas.

Business owners in the educational component of the program have the opportunity to also apply for capital. However, they may already have access to capital, or through the program, find ways to improve their operations and cash flow to avoid taking on loans. Of all loans made through the program, 13% have been provided to graduates of the 10,000 Small Businesses educational program. To ensure that local business owners’ funding needs are met in each site, capital is provided broadly to the market, and loan recipients are referred into the educational program as appropriate.

Together, 10,000 Small Businesses capital partners are lending in parts of the following states:

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Who are the 10,000 Small Businesses?

The Entrepreneurs and Their Businesses

10,000 Small Businesses participants represent a broad spectrum of American entrepreneurs. Their ages span from 26 to 74 years old, with an average age of 46. The participants’ level of education similarly covers a wide range, from a high school GED to graduate degrees in a variety of disciplines, including several M.D. and Ph.D. degrees.

To date, almost half (47.8%) of the 10,000 Small Businesses participants are women. This proportion is similar to that of the overall U.S. economy, in which 46% of U.S. businesses are at least half owned by women. Most of the business owners (55%) started their businesses alone, or with others (25%), while the other 19% either bought or inherited their businesses. Seventy-four percent of program participants are the largest shareholder in the company, owning on average 74% of their businesses.

The businesses of 10,000 Small Businesses are as diverse as their owners, crossing all kinds of industries and representing a variety of business entities. They range between being two years to 102 years in business, with an average operational age of 14 years. In addition, 47% of the businesses are family-owned, with several of them now operated by the third generation. Most of the businesses are organized as S-Corporations (50.9%), a slightly higher rate than the national average for small businesses (44%), and a number that is likely driven by the owners’ interest in growing the business.

The next most-reported types of entities are Limited Liability Corporations (25.8%) and C-Corporations (16.2%). The largest portion of participants’ businesses is in the professional services industry (35%), which includes, among others, firms performing accounting, architectural, engineering, design, computer and advertising services.


After the professional services segment, there is a great deal of variety and no other segment comprises more than 10% of the participants. The program was designed with this diversity in mind, to expose participants to many types of businesses, and encourage innovative and expansive thinking when cultivating a growth opportunity and a formal growth plan.

While the owners and their businesses are quite diverse, there is greater similarity in their business practices and concerns. One of the most compelling themes they reported is the difference between how they currently spend their time and how they wish they spent their time. When entering the program, participants said they spend an average of 43% of their time at work on day-to-day business operations, while wishing to cut that amount nearly in half. Not surprisingly, participants largely would like to devote the time saved on day-to-day operations to working on their business strategy, doubling the portion spent on this activity from 12% to 24% of their time. Program participants report desiring little change in the time dedicated to other major activities such as sales (17% to 20%) and would actually like to spend slightly less time on financing activities (12% to 11%).

The most common top business challenge cited by participants entering the program is finding and keeping customers (31%), followed by financing their business (21%), developing and updating a business strategy (16%) and hiring and keeping good employees at reasonable wages (15%). Overall, the business owners of 10,000 Small Businesses almost unanimously recognize the challenges they face in dedicating time and resources to actually working on their own business growth. The program is dedicated to helping them make this adjustment.
About the 10,000 Small Businesses Program

**CORE CURRICULUM**

1. **Orientation**
2. **You & Your Business**
3. **Growth & Opportunities**
4. **Money & Metrics**
5. **You Are the Leader**
6. **It’s the People**
7. **Marketing & Selling**
8. **Operations & Processes**
9. **Being Bankable**
10. **Action for Growth**

**BUSINESS INDUSTRIES**

- **35%** Professional, Scientific and Technical Services
- **9.9%** Construction
- **9.7%** Accommodation and Food Services
- **6.9%** Manufacturing
- **5.5%** Retail Trade
- **5.5%** Information
- **5.3%** Real Estate Rental and Leasing
- **4.9%** Health Care and Social Assistance
- **4.2%** Other
- **3.3%** Educational Services
- **3.2%** Transportation and Warehousing
- **2.2%** Management of Companies and Enterprises
- **1.8%** Wholesale Trade
- **1.6%** Finance and Insurance
- **1%** Other Services (Except Public Administration)

**10,000 SMALL BUSINESSES EDUCATION PROGRAM LOCATIONS**

- **Los Angeles, CA**
  - Los Angeles City College
- **Long Beach, CA**
  - Long Beach City College
- **Salt Lake City, UT**
  - Salt Lake Community College
  - Oakland Community College
- **Chicago, IL**
  - City Colleges of Chicago
- **Cleveland, OH**
  - Cuyahoga Community College
- **Detroit, MI**
  - Macomb Community College
  - Wayne State University
- **Philadelphia, PA**
  - Community College of Philadelphia
- **New York, NY**
  - LaGuardia Community College
- **New Orleans, LA**
  - Delgado Community College
- **Miami, FL**
  - Miami Dade College
- **Wellesley, MA**
  - National Cohort at Babson College
- **Houston, TX**
  - Houston Community College

**TOP CHALLENGE REPORTED BY BUSINESS OWNERS**

- **30%** Finding & Keeping Customers
- **21%** Financing Their Business
- **18%** Developing and Updating a Business Strategy
Program Impact

**Increasing Revenue**
- 63.7% of participants increased revenue 6 months after graduating.

**Adding New Jobs**
- 44.8% of participants added new jobs 6 months after graduating.

For comparison, 37% of U.S. small businesses surveyed by the NSBA increased revenue from July 2012 to July 2013.

- 258% increase in funding received from banks by graduates.

Access to Capital
- Before program: $287,180
- 6 months after graduation: $1,028,391

**Growth Rates**
- 30% of business owners who enter 10KSB finish the program.

Percent of participants that added jobs at designated rates:
- 5% grew 1-10%
- 15%
- 29% grew 11-50%
- 29%
- 6% grew 51-100%
- 12%
- 5% grew >100%
- 9%

Percent of participants that increased revenues at designated rates:
- 36% average job creation growth rate
- 68% average revenue growth rate

For comparison, 18% of U.S. small businesses surveyed by the NSBA added jobs from July 2012 to July 2013.
Behavioral Changes

MARKET EXPANSION

DOMESTIC EXPANSION 6 MONTHS AFTER GRADUATION
26%

DOMESTIC EXPANSION AT GRADUATION
18%

CLOSING THE GENDER SALARY GAP

FEMALE GRADUATES’ AVERAGE SALARY RISES BY 12 PERCENTAGE POINTS RELATIVE TO MEN’S

AT START OF PROGRAM

WOMEN 80%
MEN

6 MONTHS AFTER GRADUATION

WOMEN 92%
MEN

AFTER THE PROGRAM THE AVERAGE GENDER SALARY GAP IS REDUCED BY 60%

GREATER FLUENCY WITH FINANCIAL STATEMENTS

INCREASED USE OF INCOME STATEMENTS
15%

INCREASED USE OF BALANCE SHEETS
32%

INCREASED USE OF CASH FLOW STATEMENTS
23%

INCREASED USE OF BUDGETS
41%

INCREASE IN NUMBER OF PEOPLE WHO USED FINANCIAL STATEMENTS FOR DECISION MAKING
66%

PRODUCT OR SERVICE IMPROVEMENTS

PARTICIPANTS REPORTED LAUNCHING A NEW PRODUCT OR SERVICE

37% 6 MONTHS AFTER GRADUATION
25% AT GRADUATION

PARTICIPANTS IMPROVED THE QUALITY OF A PRODUCT OR SERVICE

54% 6 MONTHS AFTER GRADUATION
44% AT GRADUATION
This report was produced by Babson College, which leads on curriculum design and development, faculty and business advisor training, alumni services and program measurement for the Goldman Sachs 10,000 Small Businesses program in the United States. Babson, in turn, works with the community colleges and other local higher education institutions that deliver the program and offer an expertise in teaching adult learners, supporting entrepreneurship programs and serving the communities targeted by 10,000 Small Businesses. This report provides information on program rationale and design, and presents some early evidence of its impact on participating small business owners.

10,000 Small Businesses is built on a robust platform of Measurement and Evaluation (M&E) to facilitate continuous learning and improvement, provide evidence of impact and promote accountability and transparency. The original system design was done with the help of nonprofit management consultancy The Bridgespan Group, whose Chairman and Co-founder, Thomas J. Tierney, continues to serve on the 10,000 Small Businesses Advisory Council. The goal of the M&E process is to be simple and valuable for everyone in the program. It ensures that all partners are fully equipped to administer and benefit from the M&E system.

The key metrics of 10,000 Small Businesses are job creation and business revenue growth. This provides a framework to monitor the goals of the program, while also making adjustments to ensure that it has a strong and positive impact in the communities where it operates. The surveys ask other relevant information in addition to revenue and employment numbers; this report utilizes some of the collected data.

The program participants respond to standardized surveys when they begin the program (the “baseline” survey), upon graduation, approximately six months after their completion of the core program and at other subsequent intervals. These surveys are administered via an online survey system.

The baseline survey is intended to determine participants’ circumstances prior to entering the program in terms of revenue, employees, business management, business planning, access to capital, networking and business challenges. This survey is administered prior to the first curriculum module, to afford participants, business advisors and faculty the opportunity to review the diagnostic results in class. Subsequent surveys enable changes in the same variables to be tracked over time. The graduation survey is administered immediately before the last module and the follow-up survey is administered six months after graduation, as well as select times thereafter. Each participant is responsible for logging in and completing the diagnostic, following the instructions of the program team.

To ensure the accuracy of key data points collected from participants, randomized data validation is performed by the local program staff after each survey is administered. This also helps to ensure that the reported results reflect the true changes for participants and their businesses and confirms participants’ understanding of their businesses.

Participants’ revenue and employment levels are validated using data from a participant’s application, survey responses and financial documents. The validation rate of survey respondents is 80% for the baseline and graduation surveys and 50% for the follow-up surveys. While the validation process cannot ensure the 100% accuracy of all program data, it does help to ensure a higher level of data reliability. For this report, the greatest outlying revenue and employment figures were double-validated to ensure accuracy.

Target response rates are 80% for the baseline and graduation diagnostics and 60% for the follow-up surveys. For this report, the baseline data is based on the 1,288 responses collected from the possible 1,297 (48 cohorts) survey respondents, resulting in a remarkably high response rate of 99.3%. Similarly, the graduation survey achieved a response rate of 97.1% (1,095 out of 1,127 [42 cohorts] possible responses).

The six month data was collected from 572 respondents (out of 891 [32 cohorts] possible respondents), resulting in a response rate of 64.1%. The number of completed surveys at each time interval will continue to increase as greater numbers of small business owners participate in the program.

Data used in this report is based on the responses from baseline, graduation and six month surveys. However, the main changes reported are based on the comparisons between baseline and six month survey figures. Please note that the surveys allow participants to omit responses to the survey questions, and the collected information therefore has some missing or invalid data that does not allow direct comparisons across the surveys.

### MEASUREMENT METHODOLOGY

<table>
<thead>
<tr>
<th>AS OF AUGUST 30, 2013</th>
<th>BASELINE</th>
<th>GRADUATION</th>
<th>6 MONTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>NUMBER OF RESPONSES</td>
<td>1,288</td>
<td>1,095</td>
<td>572</td>
</tr>
<tr>
<td>NUMBER OF POSSIBLE RESPONSES</td>
<td>1,297</td>
<td>1,127</td>
<td>891</td>
</tr>
<tr>
<td>NUMBER OF COHORTS INCLUDED</td>
<td>48</td>
<td>42</td>
<td>32</td>
</tr>
<tr>
<td>RESPONSE RATE %</td>
<td>99%</td>
<td>97%</td>
<td>64%</td>
</tr>
</tbody>
</table>
10,000 Small Businesses is designed to help small businesses grow and create jobs by supporting business owners through education, support services and access to capital. Because the impact on participants will potentially be felt for years to come, the program is committed to the rigorous tracking of participant outcomes from the time they enter the program, through graduation and the months and years immediately following.

The early evidence presented in this report suggests that many program graduates feel a significant impact in the period from when they enter the program to six months after graduation. There is evidence that 10,000 Small Businesses is, in fact, helping graduates to grow their revenues and create jobs. There is also evidence that participants make changes to the way they lead their businesses, access capital and capitalize on networks.

The findings presented in this report are based on information collected through the 10,000 Small Businesses measurement and evaluation system. This system allows the program delivery team to collect information on participants and their businesses in order to understand how each is impacted by the program. This report includes information on the nearly 1,300 small business owners who have completed the program. (Note: For further information on the methodology used to collect, validate and analyze the data please see page 19.)

Creating Jobs
10,000 Small Businesses works at the intersection of entrepreneurship and economic development, with the explicit objective of helping small business owners to grow revenues and create jobs. Only six months after graduating from the program, 44.8% of 10,000 Small Businesses participants have reported adding new jobs. To place this into the context of the U.S. economy, between July 2012 and July 2013, 18% of U.S. small businesses surveyed by the National Small Businesses Association reported increasing their number of employees.18

The amount of job growth is also notable, with some program graduates reporting dramatic job growth. Across all respondents at the six month follow-up, over 10% had grown their employment by more than 50%. And when looking at all respondents together, the average job growth rate at the six month follow-up is 36.1%.

While exactly comparable statistics are quite difficult to place, one way to consider this figure is to refer back to the U.S. Bureau of Labor Statistics finding that in 2012, private sector job growth in the U.S. increased by an average of 2.1%.19 An additional measure is provided by the ADP Research Institute, which shows that companies with up to 49 workers employed 2.6% more people in March 2012 than they did in July 2009.20

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Ayala Donchin is the Owner and Executive Chef of Evelyn’s Kitchen, a specialty foods company that creates “dangerously delicious goodies and elegant comfort food.” Evelyn’s Kitchen has full-service wholesale and catering divisions, as well as a retail cafe with nationwide delivery via its e-commerce online boutique. Ayala founded the business in 2009 and operates it from East Harlem, New York. Since joining 10,000 Small Businesses she has hired 10 new employees (a 250% increase) and increased her annual revenues by 150%. As the visual below shows, Ayala has capitalized on the 10,000 Small Businesses network to find advisors, clients and suppliers.

“After collaborating with each other in the classroom, we continue to work with each other as business partners.”

AYALA’S COLLABORATION WITH HER 10,000 SMALL BUSINESSES PEERS

Ayala Donchin
Evelyn’s Kitchen

Ramon Veras
Facility Value

JANITORIAL SERVICE

Karl Azizi
Yes Neko

PRINTING SERVICES

Mario Fichera
Visual Millwork

CONSTRUCTION & RENOVATION

Charles Sosik
Environmental Business Solutions

HOLIDAY GIFTING

Maisha Taylor
Bibi Salon

WEBSITE & ECOMMERCE

Michelle Cruz
East Harlem Cafe

INFORMAL BUSINESS GROUP COLLEAGUES

Aliyah Baylor
Make My Cake

STYLING SERVICE

Joe DeMicco
AIMG Design
By either measure, the graduates of 10,000 Small Businesses are clearly outperforming trends in the larger economy.

**Growing Revenues**

While not impossible, it is difficult to create jobs without generating additional revenue. Between their start in the program and six months after graduation, 63.7% of participants increased their revenues. To put this into the context of the U.S. economy, between July 2012 and July 2013, 37% of U.S. small businesses surveyed by the National Small Businesses Association reported revenue growth.21

As with job growth, the amount of program participants’ revenue growth is also notable. When averaging across respondents at six months after graduation, participants demonstrate an average revenue growth rate of 67.8%. Comparing the degree of revenue increases to a national standard is even more difficult to find. One study from the Intuit Small Business Employment and Revenue Indexes shows that in 2012, small business revenue actually dropped 1.2%.22 Again, as with job growth, even by a conservative comparison with national trends, the graduates of 10,000 Small Businesses are clearly outperforming trends in the larger economy.

For those participants that reported growth, tracking across time is quite revealing. When looking at results at entry into the program, graduation and after six months, we see significant progress in the amount of growth. For instance, between the start of the program and graduation,
24% of the participants report growing between 1% and 10%, with an additional 24% growing between 11% and 50%. At the six month point, only 15% reported growing between 1% and 10%, while 29% were now in the 11% to 50% category.

The upper growth categories are even more intriguing, showing that from program start to graduation, 6% of the participants grew revenues between 51% and 100%, with 6% reporting growing more than 100%. By the six month point, these numbers had increased to show that 12% of the participants had grown by between 51% and 100%, and that 9% had grown more than 100%. Together, these figures show that by the time of their six month follow-up, over 20% of the participants increased their revenues by more than 50%. It is clear that for most 10,000 Small Businesses graduates, the further out from the program they are, the more their revenues have grown. This is encouraging as higher numbers of participants progress further beyond graduation, gaining more time to implement what they learned in the program and see it manifest as increased revenues. The program will report on these trends in the future.

**Acquiring Capital**

Capital plays an essential role in business growth. A key aspect of the 10,000 Small Businesses program design is to guide participants through the process of accessing capital by increasing their understanding of the business models of funders—in particular, traditional funders such as commercial and retail banks. Upon joining the program, the business owners were fairly evenly split between
those with a strong banking relationship (53%) and those with little to no relationship with anyone at a bank. Ten percent of participants report not knowing anyone at their bank, while an additional 36% said they had only a weak relationship with anyone at their bank.

As a specific component of the program’s design, participants learn how they, as small business owners, can better work with financial providers to not only access capital, but to better use banking products and services. At the time of entering 10,000 Small Businesses, 59% of those who had recently applied for capital had been approved for at least some funding. Six months after graduating from the program, this number had increased to 63%. While the approval rate perhaps only improved modestly, the average amount of funding received rose dramatically, by 258%, from $287,180 to $1,028,391.

The 10,000 Small Businesses participant network is further supported by alumni services including networking events, additional educational clinics and an active LinkedIn community that helps alumni get answers to their business questions 24 hours a day, seven days a week. These services not only provide valuable continuing education for participants, but also promote collaboration across different cohorts and different sites.

A Powerful Network of Small Businesses

One of the earliest observed results of the 10,000 Small Businesses program is the bond that quickly forms among business owners with a shared interest in growing, who come together despite, or perhaps because of, the diversity of people and businesses. From collaborating with each other in the classroom, participants move quickly to working with each other through their businesses in a wide variety of ways. This trend exists at every program site and involves almost every participant in one way or another. Eighty percent of participants report one or more types of collaboration with their classmates by the time they graduate, including:

- Partnering to develop new business opportunities/initiatives;
- Contracting to buy or sell each other’s products or services; and
- Providing business referrals for potential customers and/or suppliers.

### ACCESS TO CAPITAL
FUNDING RECEIVED FROM BANKS BY GRADUATES

<table>
<thead>
<tr>
<th>BEFORE PROGRAM</th>
<th>6 MONTHS AFTER GRADUATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>$287,180</td>
<td>$1,028,391</td>
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</table>

Funding increased 258% six months after graduation.

SECTION 4 PROGRAM IMPACT
Participants’ Views of 10,000 Small Businesses

Two of the strongest measures of any program are whether people attend and finish the program and what they say about it to others. Business owners who enter 10,000 Small Businesses finish the program at a rate of 99%, an exceptional number for any program, especially considering the rigorous curriculum and requirements to complete a detailed growth plan. The second important measure of success is whether or not a participant would recommend the program to other small business owners.

The “Net Promoter Score” (NPS) is a customer loyalty metric introduced by Fred Reichheld in his 2003 Harvard Business Review article, “One Number You Need to Grow.” NPS is based on a direct question: How likely are you to recommend our company/product/service to your friends and colleagues? NPS can be as low as −100 (everybody is a detractor) or as high as +100 (everybody is a promoter). An NPS that is positive (e.g., greater than zero) is felt to be good, and an NPS of +50 is excellent, or in Reichheld’s terminology, “World Class.” The use of the scale crosses both large, highly recognized companies and smaller social programs. 10,000 Small Businesses has a Net Promoter Score of 90.

99% OF BUSINESS OWNERS WHO ENTER 10,000 SMALL BUSINESSES FINISH THE PROGRAM

90% WOULD RECOMMEND 10KSB TO FRIENDS AND COLLEAGUES

Behavioral Changes

To meet the admissions criteria for 10,000 Small Businesses a business owner must have already grown his or her business to a certain size and age. After entry into the program, participants report a variety of underlying behavioral changes that help us better understand how small business grow and create jobs.

“We targeted a new market not previously serviced by Federal Gear. After talking with potential customers we were able to modify our supply chain, shortening our lead times and reducing our costs. This resulted in significant value for our customers. This premium service allowed us to increase our profit margins 25-30% on these gears.”

DAVID HEGENBARTH
OWNER OF FEDERAL GEAR
CLEVELAND

As participants progress through 10,000 Small Businesses and become program alumni, many find they must make substantial behavioral changes to build a foundation for growth. Some must even take a few steps back to refocus their business, adapt a product or service, change members of their team or make other fundamental adjustments. Overall, program participants report many kinds of changes. Our data indicates that change occurs from the beginning of the program, to graduation, and on through to six months after graduation, the period covered in this report.

**Understanding and Using the Numbers**

Learning how to create and use essential business documents, such as growth plans and various financial statements, is a key component of 10,000 Small Businesses. The Money and Metrics curriculum module, as well as two clinics dedicated to understanding financial statements, are key elements of the curriculum. Between entering the program and six months after graduation, the number of participants using financial statements to make decisions in their businesses increased by 66%. As part of their greater use of financial statements, 41% increased their use of budgets; 32% increased their use of balance sheets; 23% increased their use of cash flow statements; and 15% increased their use of income statements.

The increased understanding of their financial statements—and equally important, the ability to use them to make decisions—is a key element of each participant’s development of a growth plan. When entering 10,000 Small Businesses, only 17% of participants report having a business plan, while almost half (49%) have formal written mission/vision statements. By the end of the program, graduates have a growth plan that includes detailed actions steps to follow and the numbers to support them.

“Before the program I couldn’t tell you what an income statement was or anything about cash flows or balance sheets, but Salt Lake Community College faculty helped me focus on my business financials. Now not only do I understand my numbers, I also am using them to grow my business.”

STERLING LYMAN
OWNER OF TRIUMPH YOUTH SERVICES, LLC
SALT LAKE CITY
“The spirit and motivation of my staff has increased. I am working in the business less and on the business more.”

Jason Horne is the owner of XS Martial Arts Dojo (XS MAD), a martial arts studio that offers parents an alternative to after school care, the only studio offering this service in the New Orleans area. XS MAD also provides leadership workshops and conflict resolution courses to corporations and schools. Since joining the program, Jason has hired six new employees and increased his annual revenues by 30%. Jason is also the recipient of a loan through 10,000 Small Businesses capital partner Hope Enterprise Corporation. As the visual below shows, Jason and his colleagues from the first class in New Orleans have found several ways to work together.
New Products and New Markets
Grounded in the Growth and Opportunities module, 10,000 Small Businesses participants spend the first part of the program identifying, developing and assessing the opportunity from which they want to grow. Many of the proposed opportunities are based on new or changing products, services or markets. Later in the program, the Marketing and Selling module helps participants to refine the details of their growth plan to be most effective, while Operations and Processes helps them figure out how to actually make it all work and put these plans into immediate action. Taking steps to make changes to support growth is therefore a necessary part of progressing through 10,000 Small Businesses.

Often a pivotal point of their growth opportunity, 25% of participants reported launching a new product or service by graduation; that number climbed to 37% after six months. Forty-four percent additionally said they had improved the quality of a product or service by graduation and 54% had done so after six months. Participants also demonstrated an improved understanding of costs and profitability, with 25% reporting having discontinued products or services that no longer fit their business model. The indication is that doing so would allow the small business owners to focus resources on the higher growth-potential products or services at the core of their growth plan.

Participants’ growth plans often also include expanding current products or services to new markets. By graduation, 18% of participants reported expanding their markets domestically. After six months, the number expanding their business domestically rose to 26%. In addition, participants refined their location approach.

GREATER FLUENCY WITH FINANCIAL STATEMENTS

<table>
<thead>
<tr>
<th>Metric</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Increased use of income statements</td>
<td>15%</td>
</tr>
<tr>
<td>Increased use of balance sheets</td>
<td>32%</td>
</tr>
<tr>
<td>Increased use of cash flow statements</td>
<td>23%</td>
</tr>
<tr>
<td>Increased use of budgets</td>
<td>41%</td>
</tr>
<tr>
<td>Increase in number of people who used financial statements for decision making</td>
<td>66%</td>
</tr>
</tbody>
</table>
Six months after graduation from *10,000 Small Businesses*, 10% of participants reported they had expanded an existing location and 9% said they had opened a new location. Of course, depending on the type of businesses, new and expanded locations may or may not be a relevant step for growth. However, the occurrence of these often capital-intensive developments reflects a positive growth outlook.

**Attracting and Retaining Employees**
Two program modules, You Are the Leader and It’s the People, provide *10,000 Small Businesses* participants with training in leadership and management, recognizing that it is the small business owner who actually achieves the overall program goal of growing their businesses and creating jobs. Refining their vision for their business growth is an important step in the program.

### PRODUCT OR SERVICE IMPROVEMENTS

After starting the program, participants reported launching a new product or service.

- **37%** 6 months after graduation
- **25%** by graduation

Participants improved the quality of a product or service.

- **54%** 6 months after graduation
- **44%** by graduation

**Payal Kamdar, Long Beach**
Payal is the CEO of VSolvit, which provides geospatial and information technology consulting services and solutions to government and private sector clients. Since joining *10,000 Small Businesses*, VSolvit was awarded a five-year, $53 million software development contract with the U.S. Navy and selected as the 2013 Los Angeles Minority Business of the Year. Payal was also chosen as the 2012 Small Business Administration Region IX Minority Small Business Person of the Year. Since joining the program VSolvit has grown from 16 to 121 employees and increased annual revenues by 500%. 
To do this, participants must address the challenge of hiring and keeping good employees at reasonable wages, which is reported as a top challenge by those entering the program. This challenge often escalates in importance as the businesses begin to grow, often at a pace owners are unaccustomed to, as they find themselves surrounded by many new employees to lead and manage. 10,000 Small Businesses graduates therefore focus on addressing that challenge, often finding ways to increase the benefits, training and advancement opportunities they can offer employees. At six months after graduation, program participants report changes in several areas that are beneficial to employees:

- The number of participants providing on-the-job training at the worksite for all employees increased by 15%;
- The number of participants providing medical and or dental coverage for all or most employees increased by 20%; and
- The number of participants providing formal plans to offer career progression opportunities for all employees increased by 165%.

**Support and Counsel**

10,000 Small Businesses is an extremely intense three-to-four-month learning experience.

Participants benefit from advice and questions from their peers, growth groups and dedicated business advisors. However, one of the questions that drove initial program development was, “Where will the business owners get help after the program is over?”

While many participants continue to work with and support each other after graduation, and although 10,000 Small Businesses provides ongoing alumni educational programming, throughout the curriculum participants are exposed to the idea of developing a continuous support network, as well as connecting with specific professional service networks and resources. This is of paramount importance in supporting the overall goal of helping small businesses to continue to grow.
“I applied to the program in hopes of increasing my knowledge of business practices, especially in areas of finance, negotiations and marketing. The course encouraged my cohort to think in innovative ways about our businesses which led to the development of my growth plan for a new division of CAD services and custom designs, which we believe will grow to $700,000 in revenues and create five new jobs.”

AMY VOLOSHIN
OWNER OF PRINTFRESH LLC
PHILADELPHIA

It is encouraging, then, that after participants completed 10,000 Small Businesses, significant changes are seen as they develop long-term support relationships. The number of business owners who have formal boards of advisors more than doubles from program entry to six months post-graduation, from 6% to 13%. The change in the use of mentors is also significant, from 35% reporting that they had worked with at least one mentor prior to the program, to 56% reporting the use of at least one mentor by the six-month point.

Exposure to new ideas, markets and networks—as well as developing trusted advisors who will share in the exploration of ideas while holding the business owner accountable for execution—are each instrumental in supporting a continued culture of growth.

Closing the Gender Salary Gap

FEMALE GRADUATES’ AVERAGE SALARY RISES BY 12 PERCENTAGE POINTS RELATIVE TO MEN’S

AT START OF PROGRAM

<table>
<thead>
<tr>
<th></th>
<th>WOMEN</th>
<th>MEN</th>
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<tbody>
<tr>
<td>80%</td>
<td>80%</td>
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6 MONTHS AFTER GRADUATION

<table>
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<th></th>
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<th>MEN</th>
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<tbody>
<tr>
<td>92%</td>
<td>92%</td>
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AFTER THE PROGRAM THE AVERAGE GENDER SALARY GAP IS REDUCED BY 60%

Many small business owners pay themselves a regular salary, while others may take a less systematic approach. This is an area in which we see significant change among 10,000 Small Businesses participants.

One unexpected finding of the program relates to gender differences in the relative amounts of those salaries. The gender wage gap for median weekly full-time earnings in the United States was reported as 19% in 2012, with women earning 81% of wages paid to men. Consistent with this national figure, at the start of their participation in the 10,000 Small Businesses program, female participants, on average, pay themselves 80% of the salary of male participants. However, six months after graduating from the program, female graduates’ average salary rises to 92% of male graduates’ average salary, reducing the gender gap by 60%.

There are two potential reasons for this change. First, the participants in the program learn through the curriculum the importance of paying themselves, and reporting in their financial statements, a livable salary to demonstrate fiscal health to potential funders. Second, through the peer connections made in the program, participants have the opportunity to learn about the “going rate” for their own salaries and develop the confidence to value their own time.

Implications and Conclusions

The findings detailed in this report are encouraging with regard to the impact of Goldman Sachs 10,000 Small Businesses, and there are several implications that may broadly apply to support for small businesses in general.

A New Perspective
For many participants, 10,000 Small Businesses presents an opportunity to look at their business in a new way. The program starts with a deep consideration of what types and sizes of opportunities fit with each business owner and their growth objectives. Business models and markets are reconsidered, with an emphasis on innovative models of growing the business. In addition, the classes, often held in full weekday sessions that separate participants from the day-to-day operations of their businesses, serve to literally force the business owners to take a step back and delegate some measure of control to their employees. This is a critical first step for participants to gain the space to begin to think and act strategically. It must be said that the business owners’ families and employees deserve a great deal of credit for supporting participants as they take time away from their businesses and work longer hours. But it is precisely this support that allows each participant to gain a new perspective on his or her business and chart a course for growth. Training is important, support is important, capital is important, but a new perspective is essential to grow a small business and create jobs.

Further aiding the development of this new perspective is the diversity of businesses that the program has supported in growing. And, even where there are businesses in the same class that might seem to be competitors, collaboration is seen before conflict. Rather than seeing competition for the same customer, as they gain their new perspective, participants begin to see how to create or identify new customers, thereby expanding markets and effecting growth. The broad implication here is that, if given the chance, in a structured supportive setting, small businesses can develop previously unimaginable growth ambitions and gain the skills to make that growth a reality.

Partners Matter
The program’s strength is derived from a network of over 90 national and local partnerships. In addition to Babson College and other national partners, this includes community colleges and other institutions of higher education that deliver the education program, as well as business support services in each local market. In addition, Community Development Financial Institutions and other mission-driven small business lenders make capital available and provide technical assistance to help businesses become bankable. Program partners also include nonprofits like the U.S. Hispanic Chamber of Commerce, the National Federation of Independent Business and the National Urban League, which recruit small businesses to take the program and provide technical assistance for participants.

Each of these partners brings a particular expertise to the program that makes it possible to best serve small businesses. They represent the unique and comprehensive suite of services the program brings together under one umbrella for participants.
This has two critical benefits: first, given the extreme time pressures faced by small business owners, the program streamlines delivery services to participants. Second, there is a virtuous circle in which each of the services delivered by each partner actually improves from the integration with the others. For example, program capital partners see better loan applications informed by what has been learned in the classroom modules, and community college faculty gain insight into the local small business landscape from capital partners and local economic development partners.

The partnership model not only benefits program delivery, but over time will continue to strengthen the overall capacity of the entrepreneurship ecosystem. For the colleges leading education program delivery, the program has served to enhance their general ability to teach entrepreneurship and even to act more entrepreneurially as institutions. More broadly, partners are already working together outside the context of 10,000 Small Businesses. For example, in New Orleans, 10,000 Small Businesses was an early participant in the entrepreneurship ecosystem planning by the office of Mayor Mitch Landrieu and is a regular contributor to New Orleans Entrepreneurship Week (NOEW).

National partners are also being strengthened through the program. For Babson College, new materials and an integrated entrepreneurial approach to teaching finance and accounting are now in use in the campus classrooms at both the graduate and undergraduate level.

RYAN WALSH, NEW YORK
Ryan Walsh is the President of Walsh Electrical Contracting, Inc., an electrical contracting firm serving the residential, commercial, industrial and green energy markets in the five boroughs of New York City. This family-run business was founded by Ryan’s father in 1979 and operates from Staten Island, New York. Since joining 10,000 Small Businesses, Walsh Electrical has grown its staff from 44 to 127, secured a $3 million credit line and increased annual revenues by 109%.
Unique and Universal
The 10,000 Small Businesses program is unique, but its application is universal. The program has grown by using consistent design principles that:

• Advance the development of skills that support business growth (opportunity identification, resource acquisition and entrepreneurial leadership);
• Deliver with an experiential emphasis, leading the participants to immediately apply their learning to their own businesses; and
• Focus on the small business owners learning from each other.

While 10,000 Small Businesses has been a success in each of the education sites launched, the program plans to offer new models for delivery. As the program has grown, requests from prospective participants have come in from across the country from areas not currently served by the educational portion of the program. In response, 10,000 Small Businesses launched a blended model targeted at small businesses outside of the program’s locally focused education program sites. This blended model offers the full 10,000 Small Businesses curriculum, combining online learning with face-to-face instruction at Babson College. Portions of the curriculum have been transformed into online toolkits that will be linked with virtual discussions between the participants and with their advisors, as well as live sessions with instructors. Business advisors from across the country work with the participants to guide them in the development of their growth plans. As with the original program, the business owners will also work within growth groups, virtually and during their sessions at Babson, to provide peer advice and support to each other on growing their business.

With the addition of this national resource, together with existing education partners across the United States, 10,000 Small Businesses has the potential to expand its impact well beyond the scope of this report. As more businesses enroll, and graduates have more time to implement what they have learned, we look forward to reporting on this progress in the years to come.

ACKNOWLEDGMENT
Babson 10,000 Small Businesses Team:
Richard Bliss, Dennis Ceru, Anne Donnellon, Michael Fetters, Patricia Greene, Biguita Hernandez and Andris Zimelis
Goldman Sachs 10,000 Women

10,000 Women is a $100 million, five-year campaign to foster greater shared economic growth by providing 10,000 underserved women around the world with a business and management education. The program is founded on research conducted by Goldman Sachs, the World Bank and others, which suggests that this kind of investment can have a significant impact on GDP growth. Today the program reaches women in 42 countries.

10,000 Women operates through a network of nearly 90 academic and nonprofit institutions. These partnerships help develop locally relevant coursework and improve the quality and capacity of business education worldwide.

The women selected for the program enroll in customized certificate programs ranging from five weeks to six months. Topics covered include marketing, accounting, writing business plans and accessing capital.

Students are offered mentoring and post-graduate support by partner institutions, local businesses and the people of Goldman Sachs.

Investing in women is one of the most effective ways to reduce inequality and facilitate inclusive economic growth. Research conducted by Goldman Sachs over several years has shown that investing in education for women has a significant multiplier effect, leading to more productive workers, healthier and better-educated families and ultimately to more prosperous communities.

Goldman Sachs 10,000 Small Businesses UK

The Goldman Sachs 10,000 Small Businesses UK program is also designed to provide high-quality, practical education and business support to leaders of high-growth small businesses and social enterprises across the country.

These small businesses play a vital role in creating jobs and driving economic growth in the UK through innovation and market expansion. The program also includes social enterprises, which also increasingly contribute to UK economic and community development through sustainable business models that are less dependent on traditional grant funding.

Goldman Sachs launched the 10,000 Small Businesses UK program in 2010 to specifically address the support gap for small enterprises, helping them to unlock the economic and job creation potential of their businesses. The curriculum design and material development of 10,000 Small Businesses in the United States was the foundation for 10,000 Small Businesses UK, and the program was adapted for UK use by leading experts and is run in partnership with some of the country’s top business schools.