TECHNICAL ASSISTANCE FOR GROWTH COMPANIES

John Hamilton
NH Community Loan Fund / Vested for Growth
June 12, 2013

Definition of a “growth company”?

- Adding value (as opposed to commodity)
Definition of a “growth company”?

- Gross profit margin better than 20%

Definition of a “growth company”?

- More than $500K annual sales
- Better than 10% annual growth
Definition of a “growth company”?

- Larger than 10 employees

Why focus on growth companies?

- Creating more jobs and better jobs
- Seeking alternative to equity
  - Forced sale
  - External decision makers
  - Ownership
How is the technical assistance for these companies different?

- More-complex needs

- Solutions need to be customized and ongoing

Products and services

- CEO Peer group
- Advisory boards
Covering technical assistance costs

- Sliding-scale fees
- Cost-sharing with incentives
- Fundraise
- Volunteers (executive advisors)

Impact on businesses

- Set them up for success
  - Coaching
  - Advisory board
  - Peer group
Impact on NH Community Loan Fund

- Fill the pipeline

Impact on NH Community Loan Fund

- Improve due diligence
- Mitigate risks
- Harvest mission reward
Technical Assistance For Growth Companies

Shawn Wellnitz
June 12, 2013

Overview
- Why growth?
- Defining growth businesses
- Services
- Costs
- Impact
  - Companies/Clients
  - Communities
  - Organization
Why Growth?

- Vision & Mission
- Client Needs
- Financing Needs
- Core Competency

What is the difference?

**Stage 1**

- Company
  - < $1M in sales
  - 0-9 employees
  - HR, Fin., Mktng

- Individual
  - Goals varied
  - Operationally focused

**Stage 2**

- Company
  - >$1M in sales
  - > 10 employees
  - Strategic in nature

- Individual
  - Desire for growth
  - Vision or strategic direction identified
Services

- Be Strategic: Grow Your Business
- Strategic Review & Recommendations
- Business Performance Coaching

Be Strategic: Grow Your Business

Grow Your Business by 25%

- Deliverables
- Program
- Keys to Success
- Costs
Strategic Review & Recommendations

Strategic Roadmap
- Deliverables
- Service
- Keys to Success
- Costs

Business Performance Coaching

Getting Results
- Deliverables
- Service
- Keys to Success
- Costs
Business Impacts

- Sales
- Gross Profit Margin
- Jobs
- % of Sales outside the region
- Entrepreneurial Skills
- Individual

Impacts - Community

Number of Businesses by Gross Sales Range 2009 - 2012

- $0 - $250k: 20
- $250k-$500k: 5
- $500-$750k: 4
- $750k - $1M: 3
- > $1M: 5
Impacts - Community

Reaching the 25% Gross Sales Goal:
Number of Businesses by % of Sales Growth
2009 - 2011

Impacts - CDFI

- Lending
- TA Grants
- Fundraising
  - Entrepreneurs
  - Community Dev.
  - Econ. Dev.

- E-Engagement
- Recruitment