



Seedco

and its subsidiary Non-Profit Assistance Corporation

Prepared for Seedco by
MARLA PETTINATO
with LEIGH GRAHAM
June 2004

BACK IN BUSINESS
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Implications of Seedco's Technical Assistance Initiative in Lower Manhattan after September 11, 2001

A Support Strategy for Small Businesses

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Foreword and Acknowledgments

It has been well documented that the terrorist attacks on Lower Manhattan of September 11, 2001, devastated Downtown's small business community. More than 700 small businesses were destroyed in the World Trade Center complex alone. In the 45 days following 9/11, \$795 million in sales were lost at 3,400 businesses made inaccessible by the rubble and destruction at ground zero.

Within a remarkably short time, Seedco, in partnership with the Alliance for Downtown New York, launched The Lower Manhattan Small Business & Workforce Retention Program (LMSB&WRP), which offered emergency financial and technical assistance to very small retail and manufacturing businesses and their low-wage workers in Lower Manhattan and Chinatown. Seven months after the attacks Seedco published a report on the launch and first phase of LMSB&WRP, *Back in Business: The Lower Manhattan Small Business & Workforce Retention Project* by Tom Seessel, which captured Seedco's approach to small business support as a strategy for both disaster relief and economic recovery.

Back in Business focused almost exclusively on Seedco's financial assistance to small entrepreneurs (including grants, loans and wage subsidies); the technical assistance (also known as TA) component of our work in Lower Manhattan has not been examined with the same rigor until now. As we have commissioned the National Community Capital Association (NCCA) and the Taub Urban Research Center of New York University's Wagner Graduate School of Public Service on a comprehensive outcome report of the LMSB&WRP, to be published in summer 2004, we also offer *A Support Strategy for Small Businesses*, an in-depth analysis of our TA program.

On the eve of the third anniversary of the attacks, much has changed in Lower Manhattan. Ground will be broken on the Freedom Tower a few weeks after this report goes to press. Seedco has now been partner and ally to more than 1,300 small businesses scrambling to be competitive in a drastically changed economic environment. We have disbursed \$19 million in emergency grants and loans and provided hundreds of microentrepreneurs technical assistance with business planning, marketing, and other professional services. Through our activities in Lower Manhattan we have not only saved 6,000 jobs: We have increased our own understanding of the roles of technical and financial assistance, both separately and in concert, in aiding small businesses, their employees, and their communities.

In this report, we define our TA methodology, detail our TA product, describe our experience providing TA in Lower Manhattan, and share what we have learned through implementation. Seedco's unique methodology and experience in Lower Manhattan provide an important model for the delivery of TA alongside financial assistance products.

I believe that our model of service delivery—offering linked financial and technical assistance services—has proved key to promoting the stability of our Lower Manhattan business clients and, in turn, that of the Lower Manhattan economy.

Two years ago I sensed that our Lower Manhattan model would be well worth exporting to less frenzied but equally needy settings. I am of the same mind now. Lessons learned downtown are informing Seedco’s new Neighborhood Economies Initiative, a bundled financial-technical assistance approach to supporting small businesses in historically underserved communities throughout the country.

This foreword would not be complete without an acknowledgment of Seedco’s Board, who, as always, encouraged us to rise to this challenge and provided the support that made success possible. I would also like to extend warm thanks to our Lower Manhattan and *EarnFair* LLC program staff and consultants and the staff of our Downtown Alliance partner all of whom worked tirelessly to implement the program.

Thanks are due also to the business owners and recipients of Seedco’s technical assistance who took time out to help us in the making of this report, sitting for interviews, providing feedback, and keeping us updated on their progress. Finally, deepest gratitude for the support of our many foundation, corporate, and individual donors and most especially the staff of the Empire State Development Corporation who were so instrumental in helping us develop our technical assistance strategy. A full listing of these supporters can be found at the end of this report.

William J. Grinker
CEO
June 2004

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Executive Summary

Since October 2001, Seedco has been providing support to businesses adversely affected by the attacks on Lower Manhattan of September 11, 2001. Through the provision of a comprehensive package of business supports comprising grants, loans, wage subsidies, and technical assistance (TA), Seedco has effectively addressed small business needs in post-9/11 Lower Manhattan. While we have previously had the opportunity to evaluate our financial assistance products, it is not until now that we've closely examined the methodology and evolution of our technical assistance response to business needs following 9/11.

Seedco provides intensive one-on-one TA and referral services to Lower Manhattan businesses in areas including business and financial planning, professional services, and marketing. It has been our experience that the provision of linked financial and TA yields positive results for our business clients, as each type of assistance positively reinforces the other. TA can enhance a business's capacity to service debt by addressing core, long-term operational, management, marketing, and financial planning needs. From the perspective of the service provider, in this case Seedco, an ongoing TA relationship with a borrower creates opportunities to monitor the post-debt health of a business and contribute to their future potential to grow and access more ambitious financing. To date in Lower Manhattan, Seedco has provided 338 businesses with TA and has served over 1,000 businesses with our overall business supports combined.

The Needs of Businesses Operating in Post-9/11 Lower Manhattan

In examining our experience providing technical assistance directly following the 9/11 attacks through today, we have classified the needs of businesses (and our subsequent response) as immediate, medium-term, or long-term. Directly after 9/11, businesses were in immediate need of cash infusions to help them defray costs associated with physical damages, looting, rent, and other short-term expenses. Thus, our first response was to facilitate small businesses' access to affordable debt financing. Seedco worked to link small businesses with loan programs such as the U.S. Small Business Administration's Economic Injury Disaster Loan (EIDL) Program. However, many of these programs' loan application guidelines are stringent, and several small businesses we worked with did not qualify. Seedco then stepped in to directly assist small businesses with a program of supports that addressed financial assistance, employee retention, and TA needs. At that time, the highest demand was for TA in legal, real estate, and insurance-related areas with regard to disaster recovery loan and grant programs, tenant-landlord issues, and accessing insurance coverage for damages incurred.

As the assistance we offered small businesses transitioned from immediate disaster relief to a medium-term approach, our TA provision evolved from *reactive* to *proactive*. We sought funding to make our TA operations more responsive to emerging business needs around financial planning, marketing, and operations. Seedco also divided business needs at this

time, creating segmented responses to small retailers, small service businesses, and existing borrowers. Upon receiving additional funding, we created an infrastructure of TA support that ranged from information dissemination, to targeted workshops, to intensive one-on-one TA for business owners.

Our long-term strategy is to address business needs in light of the realities of post-9/11 Lower Manhattan. The Lower Manhattan economy has not returned to its pre-9/11 state, due in part to the national economic recession and in part to the still-significant reduction in foot traffic in the area. Seedco is offering TA with debt management, in-depth financial planning, marketing planning and implementation, and business expansion. Our current role is to develop strategies that will allow small businesses to survive and thrive, no simple proposition given the new economic environment of Lower Manhattan.

Seedco is now looking to harness our Lower Manhattan learning and success to the provision of business support services in other communities. We are investigating opportunities to serve disadvantaged workers and small businesses through a bundled package of supports based on the Lower Manhattan model; considering several New York City neighborhoods where we could pilot such a program; and assessing the applicability of this model to our traditional national target sites.

Lessons Learned

The overarching lesson learned through our provision of TA to small businesses in Lower Manhattan following 9/11 is that the provision of parallel linked financial and technical assistance services (implemented by separate groups of staff) is key to small business success and to the success of a business development service provider.

For example, small businesses benefit from linked services because:

- TA can address management, operations, and financial planning issues that could potentially undermine their capability to repay loans.
- TA can enhance their capacity to identify strategies that will grow their business. and, in turn, position them to take on more ambitious financing.
- Loans can facilitate implementation of plans that were developed through a TA engagement.

As a business development service provider, Seedco benefits from providing linked financial and TA services because:

- When a TA engagement follows disbursement of financial assistance to a client, risk is mitigated through continuous client monitoring, potentially identifying red flags that could jeopardize the financial health of a borrower.
- TA clients are a built-in audience to whom we can target outreach on our financial services.

- When Seedco financing facilitates the funding of plans developed through TA engagements, we can directly influence a business's capacity to grow and create jobs, furthering our organizational mission.

Applicability of the Lower Manhattan Model to Other Locations

As Seedco explores replicating the Lower Manhattan model of linked business development service provision, we pay special attention to identifying the unique versus universal characteristics of a post-9/11 economic environment in Lower Manhattan compared to the traditionally disadvantaged community of any of our target sites. By engaging in such a comparison, we can best determine how our Lower Manhattan learning applies to other communities.

Seedco recognizes that the experience of providing small business supports in Lower Manhattan immediately following 9/11 is unlike any other situation we could encounter. The level of devastation created by the terrorist attacks on the World Trade Center is unparalleled in U.S. history, and we can hope only that such a situation will not be experienced again by any community in this country.

Nonetheless, potential commonalities exist between our immediate experiences in Lower Manhattan and those of organizations that provide post-crisis business assistance. For example, as was our experience in Lower Manhattan, the immediate post-crisis mode of business assistance traditionally focuses on providing short-term cash infusions to remedy glaring physical and inventory losses suffered by businesses that experience a tragedy. Our approach in quickly assembling a response team, developing a package of comprehensive financial and technical assistance, and guiding businesses through the maze of disaster assistance could certainly be of value to organizations focused on providing temporary assistance to businesses in the wake of unpredicted ill fortune.

What differentiates Seedco's experience in Lower Manhattan from the experience of crisis-interventionists is that we have stayed on and served small businesses beyond the period immediate aftermath of the attacks. This has allowed our portfolio of products and services to respond to our clients' evolving needs and transition from a short-term focus to one rooted in forward-thinking strategic planning. The methodology Seedco has employed for the medium-term, long-term, and future is directly applicable to community-based organizations serving businesses in communities struggling, like Lower Manhattan today, to overcome a depressed economic environment. The lessons that have emerged for Seedco along the way will be of use to similar organizations that confront this struggle daily.

I. Background: 9/11 and Its Immediate Aftermath

The impact of September 11 dwarfed that of all previous disasters in United States history. The economic toll was particularly substantial. More than 14,000 small businesses—many of whom employ large numbers of low-wage workers—were badly affected, with a significant loss in foot traffic and client base. Collectively they stood to lose 108,500 jobs.¹

With \$6 million in funding from the Ford Foundation, the New York Times 9/11 Neediest Fund, and Seedco's own Loan Fund, Seedco launched the Lower Manhattan Small Business & Workforce Retention Project (LMSB & WRP) in record time. By October 18, 2001, Seedco had already disbursed six loans to Lower Manhattan nonprofits. Seedco was also quick to expand the scope of services to respond directly to businesses in Lower Manhattan, displaying organizational agility and flexibility in the face of need. The initial start-up funding as well as \$2 million from The September 11th Fund, a donation fund for affected nonprofits, was fully distributed through the final months of 2001. Based on this successful track record, Seedco was able to raise a new round of funding in early 2002, including \$19 million from the Empire State Development Corporation for loans to affected businesses in Lower Manhattan and elsewhere in the City.

Immediately following 9/11, Seedco provided a responsive and comprehensive package of products to assist Lower Manhattan small businesses. With assistance from our implementing partner, the Alliance for Downtown New York, business needs were identified, sorted, and addressed swiftly. Financing was secured and disbursed quickly. Seedco also offered businesses with grants and wage subsidies. In addition, Seedco mobilized internal and city-wide resources to address small business TA needs in the areas of real estate (relocation for displaced businesses), legal, accounting, inventory controls, cash management, marketing, risk management, and overall business planning. Much of the initial TA work was offered on a volunteer/pro-bono basis by organizations such as the Association of the Bar of the City of New York and the Real Estate Board of New York. Seedco's assistance was conceived as a far-reaching effort addressing the financial, employment, and management/operations needs of Lower Manhattan's small businesses. To date, Seedco has provided 383 loans; awarded 763 grants; and aided 276 businesses with wage subsidies, in total assisting over 1,300 businesses.

¹ *World Trade Center Job Impacts Take a Heavy Toll on Low-Wage Workers: Occupational and Wage Implications of Job Losses Related to the September 11 World Trade Center Attack*, Fiscal Policy Institute (New York, NY, New York City Central Labor Council and the Consortium for Worker Education, November 5, 2001).

II. Seedco Small Business Technical Assistance Methodology

The LMSB&WRP combines a number of different financial and consulting services to support small businesses. Grants, loans, wage subsidies, and technical assistance are offered to help businesses cope with the ongoing effects of 9/11.

Similar to the traditional outflow of support, our initial funding for the Project was devoted largely to financial assistance, including wage subsidies. However, unlike traditional lenders, Seedco coupled technical assistance with financial assistance from the outset of the LMSB&WRP. As a U.S. Treasury-certified Community Development Financial Institution (CDFI), Seedco understood that the combined impact of complementary forms of assistance significantly improves a client's probability of long-term sustainability. Thus, Seedco began to assemble a TA program to help entrepreneurs cope with the immediate impact of the disaster as well as plan for an uncertain future.

“There are microlenders making loans at above-market interest rates in Lower Manhattan. They may offer a bit of TA, but they are essentially running a lending operation. What we’ve done is successfully combine several assistance strategies in a way that enhances the likelihood that small businesses will be able to survive.”

— William J. Grinker,
Chief Executive Officer, Seedco

Our TA process assists entrepreneurs in many ways, including:

- Focusing decision-making on key business drivers
- Providing tools to measure, and thus control, costs
- Finding alternate channels for revenue growth
- Engaging in contingency planning
- Identifying achievable milestones for the future

Seedco's TA process has often been initiated through the regular technical assistance workshops we hold. As an outreach measure, Seedco held workshops every two weeks that (1) provided an overview of the forms of assistance we offer small businesses (financial assistance, subsidized employment, and technical assistance); (2) defined eligibility criteria; and (3) outlined the application process. This starting point opened a dialogue between Seedco and small businesses in need. Following the workshops, Seedco spent ample time with each client to conduct a needs assessment and match their identified needs with appropriate and responsive assistance. These initial meetings laid the groundwork for creating customized assistance packages for small business clients; they also served to develop trust between small business clients and Seedco's Lower Manhattan staff.

For example, businesses that may initially have approached the LMSB&WRP for financing sometimes found upon meeting with Seedco staff that their recovery could alternatively be enhanced through employment supports. As noted earlier, of the over 1,300 businesses assisted by Seedco's Lower Manhattan Small Business and Workforce Retention Project,

383 received loans. The preliminary time spent with each small business client—which in Seedco’s characterization marks the initiation of the TA relationship—allowed Seedco to accurately assess and address small business recovery needs with the appropriate financial, technical, and/or employment assistance.

Another distinguishing feature of Seedco’s Technical Assistance product in Lower Manhattan is that applicants for financial assistance undergo a hands-on viability assessment conducted by Seedco staff. The viability assessment examines the financial history and capacity of the business, examines the business’s accounting practices, and evaluates the business’s overall management and operational structure. After a review of relevant financial documents as well as an in-depth site visit, Seedco staff is armed with information key to evaluating the business’s status at the inception of its application. The assessment process, while labor-intensive, provides Seedco staff with crucial information about each client’s strengths and weaknesses. This up-front investment is invaluable to Seedco’s ongoing relationship with clients. The viability assessment is useful in evaluating a potential client’s capacity for loan repayment and, perhaps more importantly, can highlight the specific financial/cash management, inventory turnover, marketing, and human resources challenges that a business is facing. The assessment generates a multidimensional understanding of the dynamics of each business we work with. The data collected at this point in our process forms the foundation for delivery of “Parallel/Voluntary” financial and technical assistance services to our clients.

A report from the SEED (Small Enterprise Development) Job Creation and Enterprise Department of the International Labor Organization (ILO)² recently evaluated the effectiveness of providing linked financial and technical assistance services to small businesses. Seedco’s approach fits under the ILO’s “Parallel/Voluntary” category of linked services. Seedco’s model of financial and technical assistance service provision is categorized as “parallel” because two types of services are offered by two separate groups of people (financial analysts and TA providers/consultants, respectively). Services are then accessed on a “voluntary” basis, as clients choose either one of the services, or both. Seedco’s implementation of the “Parallel/Voluntary” model has been highly effective for the following reasons:

- TA services improve business operations and, in turn, enhance a business’s capacity to repay loans and manage debt. A business may obtain financing but, in overlooking deeper management, operations, marketing, and/or financial planning needs, the business may undercut its capacity to service debt, expand operations, and bump up to higher loan amounts. Financial and technical assistance are mutually beneficial services.
- Risk throughout the repayment timeline is better controlled, as Seedco can maintain an ongoing and close relationship with borrowers accessing TA.

² Op Cit.

- TA clients who choose to access financing from Seedco benefit from an existing relationship with the organization. In assessing a potential borrower, Seedco benefits from key business viability insights through ongoing TA provision.
- The in-depth viability assessment that initiates financial service relationships highlights the need for TA services, and the subsequent development of a TA program is better informed, client-led, and highly responsive.
- When extensive planning or marketing initiatives are recommended through TA provision, business clients are able to access financing from Seedco's Loan Fund to cover implementation of plans developed during their TA process.
- As Seedco develops community awareness of its products and services, its existing roster of financial and technical assistance clients constitutes a built-in audience of potential clients for our outreach efforts.
- A linked financial and technical assistance service delivery program is in line with Seedco's mission to develop underserved economies through business development and, ultimately, job creation.

Seedco's intense, comprehensive approach to delivering linked financial and technical assistance distinguishes us from traditional service providers and, specifically, from the majority of service providers operating in post-9/11 Lower Manhattan. Most of these focused on providing only one type of service, often referring out the complementary service. For example, MBAs for NYC offered technical assistance to business clients but not a financial service component. ACCION New York provided small loans at relatively high interest rates, with group TA and training limited to their Lower Manhattan small business clients. Restart Central, a referral partner of Seedco's, provided intensive one-on-one TA and business mentoring but no financing component. The NYC Department of Small Business Services offered TA, referrals to services and business counseling, and training seminars.

While Seedco prides itself on its specific approach to TA as one component of a package of business supports, part of the uniqueness of our method is the very flexibility of our technical assistance product. Each post-9/11 TA engagement was viewed and dealt with individually. No preconceived formulas for approaching engagements were required of TA providers working with small business clients. The assessment phases detailed above allowed Seedco to target assistance to each business, creating a highly personalized product for each TA client.

An additional feature of our approach that evolved out of our intensive work with Lower Manhattan businesses was geographic- and industry-specific expertise among our TA providers. Working in post-9/11 Lower Manhattan, they began to understand subtle nuances of the area, such as foot traffic patterns. In addition, as providers worked closely with businesses in particular industries, they were able to closely tailor projections and advice to specific kinds of businesses—for example, restaurants—operating in Lower Manhattan.

The network of Seedco TA providers and Financial Assistance providers also created a feedback loop that allowed for key synergies. This often resulted in partnerships among Seedco's business clients. One Seedco TA client developed a brochure as a result of marketing technical assistance. The brochure was then printed by a Seedco financial assistance recipient referred by Seedco staff. The close, on-the-ground nature of our interaction with Lower Manhattan businesses created dynamic relationships that we leveraged to stimulate opportunities for our clients across service portfolios.

Linked Financial and Technical Assistance

Seedco offers financial assistance in addition to technical assistance. While a majority of LMSB&WRP clients started their relationship with Seedco by accessing our financial products, we proactively employed TA for 12 businesses (10 percent) prior to making a loan recommendation. As of October 31, 2003, six had received funding. Loan awards ranged from \$20,000 to \$100,000, with the average \$56,667. The average grant was \$27,797. We expect to make loan recommendations for four of the remaining six ranging from \$15,000 to \$150,000. These average amounts exceed those for clients receiving TA post-financial aid (\$49,877 and \$12,064 in loans and grants, respectively).

Moving forward, a primary goal is to strengthen the links between the staff implementing financial and technical assistance. Communication between these two "lobes of the brain" provides a richer understanding of business clients and enhances the quality of our services. As we have ramped up our TA program since 9/11, we have actively tried to increase communication between financial analysts and TA providers, and to insert TA into the Lower Manhattan process early on. Qualitative feedback from the analysts and TA consultants indicated that this process was more effective than providing reactionary post-loan TA, offering greater leverage for loan dollars as businesses were able to make more effective decisions on using funds.

Initially, efforts to improve communication between Seedco financial and technical assistance providers focused on trying to link our clients whose loans had gone into collections with technical assistance that could position them to repay their loans. However, collections clients are the most difficult TA recipients for several reasons. There is strong owner resistance (the humiliation factor), including a stubborn refusal to admit need for assistance and a tendency to belittle consultants' experience. In collections, entrepreneurs focus on erasing "immediate" financial constraints rather than engaging in forward planning. This sense of urgency negates their commitment to TA. Finally, many of these business owners have limited business acumen. They have coasted through economic boom periods, have not taken on debt in the past, and must overcome a steep learning curve to benefit from TA.

Collections clients typically do not want TA without financial incentives. We found that by offering incentives to clients, TA providers can reduce a client's debt load based on their meeting performance goals. We had four referrals from collections in the third quarter of 2003, all of which were comprehensive TA engagements, unlike our previous experience.

Segmenting Client Needs by Business Sector

In reviewing the needs of our small business clients, we segmented our client population by business sector. The following section encapsulates the TA needs of selected primary sectors. It is imperative that TA providers design a delivery system with the flexibility to accommodate the varying needs of different business sectors.

Artists: The population of artists who have received TA from Seedco continues to grow and is inaccurately depicted here due to the number of pro bono referrals we have made. It consists primarily of home-based independent artists deemed not financially viable. Their median award essentially reflects the cost of TA. Artist clients were interested mainly in marketing (58 percent), yet their financial snapshot indicates weak capacity to take on new business. TA engagements with this population indicate they need rudimentary financial literacy training, including basic financial statement analysis, planning and budgeting help. Furthermore, they need mini-business plans with specific milestones and marketing concepts they can use to work with industry experts to grow their businesses.

Technology: Of our technology clients, 50 percent requested marketing assistance, and 40 percent planning assistance. Although median awards in this sector were small, these clients typically were committed to growing their businesses via marketing and planning initiatives. They were interested in writing or refining full business plans in hopes of using these for future financing opportunities from Seedco or other sources.

Retail: In contrast to the needs of the technology clients, 53 percent of retail clients sought professional services help, primarily landlord-tenant mediation. This indicates a need for collective bargaining or shared tenant space where location is assured. Only 18 percent of retail clients requested assistance with business or financial planning. Their emphasis on legal aid and marketing efforts fits our impression that Lower Manhattan retailers are in financial straits brought about by dwindling foot traffic and are at the mercy of their landlords.

Despite their lack of focus on planning, many retailers require significant operations and financial management assistance. They fail, often deliberately, to maintain accurate records, engage in forward planning, or understand financial statements. TA for this population should focus on financial statement analysis, budgeting, cost reduction, implementing financial controls, and cash flow management.

Excepting retail, at least three-quarters of every sector were interested in marketing and planning assistance. Fifty percent of medical businesses were interested in marketing, whereas 45 percent of food/dining clients needed planning help. However, half of the planning activity for the food/dining clients was at the request of our collections team.

III. Seedco Technical Assistance Recipient Profile

Examining 130 corporations representing 141 businesses, we are able to create a picture of the typical technical assistance client. A sectoral breakdown follows:

- Service Firms: 74 (57 percent)
- Retail firms: 56 (43 percent)
- Top six business categories:

Business Type	Number	Percentage of Total
Food/dining	31	25%
Professional services	19	15%
Retail-shopping	17	13%
Artists/designers	14	11%
Technology	10	8%
Retail-services	10	8%
Total	102	66%

According to self-reported information, 31 percent of our clientele are female and 28 percent are racial minorities.

Race/Gender Identification	Number	Percentage of Total
Non-minority male	73	56%
WBE (White women)	21	16%
MWBE (Minority women)	19	15%
MBE (Minority men)	17	13%

Sixty-three percent of TA recipients received grants; 44 percent, loans. Twenty-eight percent received no financial assistance of any kind. Fifty-nine percent of aid packages were valued at less than \$25,000. The median package was about \$18,000. Only eight percent of clients were bad debt referrals from our Portfolio Management team, although 11 percent of the TA portfolio was in default at the time of this writing.

The entrepreneurs with whom Seedco works share similar characteristics. They are extremely time-constrained, mired in the day-to-day operations of their companies. Despite their interest in business or financial planning, almost none of them have time to set aside for forward planning. Our entrepreneurs usually make decisions alone, despite often relying heavily on a second-in-command for execution. Most of our businesses, particularly the retailers, are low-tech. Our entrepreneurs typically are mid-career by the time we began working with them. Most of them are visionaries, despite their need to focus on daily activity. Few of them have engaged in business planning, and many had previously not taken on debt.

IV. Small Businesses' Needs in the Aftermath of 9/11 and Seedco's Response

Immediate/Disaster Relief

Directly after 9/11, businesses were in need of cash infusions to deal with physical damage, looting, etc. Financial assistance consisted of short-term, low-interest working capital loans; grants to cover uninsured or underinsured losses incurred on 9/11; and wage subsidies to retain the jobs of low-wage employees. Thus, the immediate response targeted to entrepreneurs was making affordable loans available, primarily via the U.S. Small Business Administration's Economic Injury Disaster Loan (EIDL) program. However, with stringent loan approval guidelines and collateral requirements, the SBA and its traditional bank partners made loans an untenable option for many entrepreneurs. In the first three months after the attacks, of the 15,000 referrals received from FEMA by the SBA, only 34 percent (5,172) turned into loan applications, and only 629 of these were approved for funding.³

To fill this gap, Seedco's Lower Manhattan Small Business and Workforce Retention Project was designed to assist the micro- and small enterprises that typically lack access to traditional sources of capital (bank loans, SBA, etc.), either because they do not qualify for or are reluctant to approach such sources. Target entrepreneurs, at least one-third of whom are minorities and/or immigrants, were small retail, manufacturing, and service businesses who were adversely impacted by the terrorist attacks on the World Trade Center. The LMSB&WRP offered a three-tiered strategy: Financial Assistance, Employee Retention, and Technical Assistance.

“Our immediate responsibility was to stabilize Lower Manhattan businesses with capital to cover physical losses, and bridge the business until demand returned to the area.”

— *Nikhil Gadkari,*
Senior Program Associate,
LMSB&WRP

Through the second quarter of 2002, TA responded to the emergency needs of entrepreneurs, including legal, real estate and insurance assistance and aid navigating the myriad disaster recovery loan and grant programs that emerged after 9/11. For example, Seedco partnered with the Association of the Bar of the City of New York to hold workshops for small businesses on topics ranging from landlord-tenant negotiations to insurance and vendor issues. Using a small portion of our initial funding, which would subsequently grow to almost \$45 million, by April 30, 2002, Seedco had offered the following TA services:

³ *Working Together to Accelerate New York's Recovery: Economic Impact Analysis of the September 11th Attack on New York City*, New York City Partnership, 11/01.

- seven workshops on legal aid, real estate and relocation assistance, and filing insurance claims;
- 97 referrals to partner organizations providing pro bono services; and
- one-on-one technical assistance to 35 businesses in Lower Manhattan.

Medium-term Assistance

With no previous experience providing TA directly to entrepreneurs, but with deep understanding of the long-term impact TA can provide, Seedco began to consider how to translate this reactive assistance into a sustainable economic recovery strategy. Some of our entrepreneurs were taking on debt for the first time, and most were unprepared for the severe economic recession that settled on New York City and, in particular, Lower Manhattan after 9/11.

In May 2002, Seedco applied to the Empire State Development Corporation's (ESD) Technical Assistance Services Grant Program (TASGP) to expand TA operations. Citing the devastating economic impact suffered by more than 350 small businesses that received a combined \$10.9 million in assistance from Seedco, we sought to further develop our TA services to respond to their emerging technical assistance needs. In particular, we sought to provide technical assistance in financial management, business planning, marketing, and operations to assist entrepreneurs with opportunities to reduce costs, identify new revenue streams, improve operating efficiencies, and increase market share. Based on intensive review of our target market, we segmented their needs as follows:

“One of the greatest challenges after 9/11 was adjusting businesses’ assumptions, expectations, and intuition to reflect the post-9/11 reality. Businesses would make projections based on ‘how it used to be.’ Part of my job was helping them recognize that business may never return to how it was before.”

— *Roberta Griff*,
TA Provider, LMSB&WRP

- **Small Retailers:** Small retailers sought to reduce costs without laying off employees. To this end they expressed interest in getting help to better understand the financial condition of their businesses and determine whether opportunities existed to achieve operating efficiencies as a way to reduce costs and increase profitability during difficult economic times.
- **Small Service Businesses:** Service businesses needed help in almost every area of financial and technical assistance, many having lost everything with the collapse of the buildings in the WTC complex. These businesses needed to recreate their tangible and intangible assets, including furniture, equipment, historical financial information, historical information on past work, intellectual property, contact lists, trade secrets, etc. Seedco's technical assistance focused on reevaluating business strategies and helping these businesses develop plans to reopen in Lower Manhattan.
- **Existing Borrowers:** Some of the Project's existing portfolio of borrowers faced difficulty in repaying their loans. In these cases, we intervened to determine whether

we could provide specialized technical assistance to help them improve their operations, such as marketing, business planning and/or financial controls.

Seedco was subsequently awarded \$250,000 from the ESD to implement a comprehensive TA program to address these needs. This funding was in addition to \$50,000 from ESD for TA to minority- and women-owned businesses (MWBES), as well as close to \$200,000 in matching funds from Seedco. With this funding, Seedco undertook developing an infrastructure that would significantly expand the scale of our core TA services: information dissemination, referrals, targeted workshops, and one-on-one consulting services to struggling retailers and professional service firms in Lower Manhattan.

Long-term/Future Direction

Over time, our TA program has evolved from its original purpose as a reactive emergency relief initiative to a pro-active, long-term strategic planning effort. One Seedco TA provider expressed that her primary role was to serve as a thought partner for businesses, to help them step back from their day-to-day activities and focus on long-range strategic planning efforts.⁴ Another Seedco TA provider stated that his aim was often to move businesses away from being reactive and toward becoming proactive, and helping businesses to become more open to change—assisting them to “view change as an opportunity, rather than a threat.”⁵ Lower Manhattan is now showing signs of economic dynamism as businesses recover and re-invent themselves within the new Lower Manhattan economy. Seedco's role has evolved to assist businesses in adapting to the new economic environment.

“There are still 100,000 fewer people downtown. This is a major challenge for the business clients that are most reliant on foot traffic. The people that are downtown aren't spending the way they used to.”

— *Ingrid Tiltmann,*
Senior Program Associate,
LMSB&WRP

Seedco's TA services are currently focused on providing owners with the training and tools they need to assess their firm's financial health and make decisions based on solid information. We assist clients with in-depth financial planning, scenario modeling, marketing strategy and implementation, and outcomes measurement. Owners are seeking ways to stabilize their businesses and make smart investments with limited resources. In particular, clients increasingly need debt management assistance. After 9/11, the SBA provided small businesses with billions of dollars in loans, deferring loan payments until the fourth quarter of 2003. Twenty-six percent of our borrowers have taken SBA loans and will be feeling the impact of repayment. Cash flow management is a key TA service. Further, many businesses are seeking new or additional support to build out their existing

⁴ Roberta Griff interview, April 16, 2004

⁵ Keith Wilcox interview, April 9, 2004

operations or open a new facility in Lower Manhattan. These businesses need intensive financial and technical assistance to support their “start-up” activity. This is an emerging area as Lower Manhattan is rebuilt.

As Seedco looks to harness the learning from our experience in Lower Manhattan we are developing a model pilot initiative that will integrate workforce and economic development programming. Building on our experience serving both small businesses and low-wage workers, our proposed strategy employs a “dual customer” approach, addressing the needs of both disadvantaged workers—job readiness and placement assistance, employer-driven skills training, and facilitated access to subsidized benefits and other work supports—and small business employers—access to financing, business planning, and help recruiting, pre-screening, and retaining a skilled workforce. This initiative is an outgrowth of our success in providing linked services in Lower Manhattan as we have seen demonstrated positive results of Parallel/Voluntary service provision. We are exploring the following neighborhoods for piloting this initiative:

- Lower Manhattan/Lower East Side,
- Northern Manhattan/Harlem,
- Williamsburg/Bedford-Stuyvesant,
- Sunset Park/Red Hook,
- East New York, and
- South Bronx/Hunt’s Point.

As the intent of our donors was to use resources in Lower Manhattan, we continue to be committed to directing resources to growth and redevelopment of business activity in Lower Manhattan. In addition, Seedco is involved in larger development strategies emerging in Lower Manhattan including discussions to bring large cultural institutions to the area. Further, Seedco is developing sectoral strategies focused on supporting specific industry sectors (such as retail) in Lower Manhattan. In terms of the larger context of Seedco’s objectives in greater New York City and other target sites across the United States, Seedco hopes to capture our learning in Lower Manhattan, exporting small business supports and applying our Lower Manhattan model to low-asset communities.

V. Outcomes

Seedco has been pleasantly surprised by the performance of our Lower Manhattan portfolio of financial assistance and we feel that this can be directly attributed to our efforts to link financial and technical assistance service provision. Our integrated support strategies have yielded impressive results. Our initial expectation was that a large number of businesses would fail within two to three years, and that a great percentage of borrowers would go into default. This has not been the case, however, despite the significant risk of working with small businesses operating in a post-crisis period. In fact, our loans in default⁶ make up only 17 percent of our total portfolio.

“Thank you so much for having such wonderful and talented people on your team. With their help, my business is finally on the right track.”

—CEO,
Lower Manhattan Printing and
Design

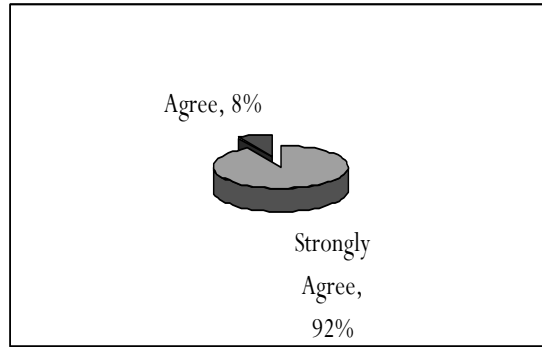
Since September 1, 2002, Seedco has provided TA services to 338 businesses. Of these, 141 (42 percent) received intensive one-on-one consulting services, in which firms go through an in-depth planning process with the goal of producing a business plan complete with financials. The remaining 58 percent received information and referrals. A breakdown follows:

Types of TA	Number	Percentage of Total
Marketing and MWBE Business Development	54 (10 plans)	41%
Business and Financial Planning	43	33%
Professional Services (legal, tax, insurance)	35	27%

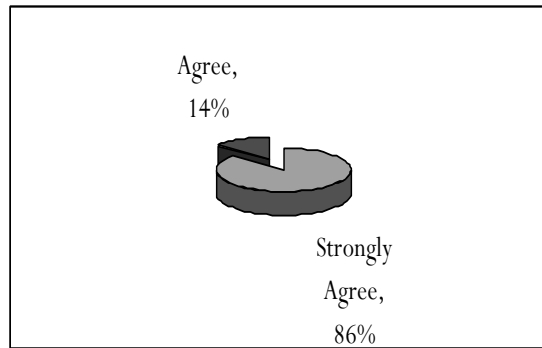
At the conclusion of each TA engagement, both the provider and the client conduct a review, assessing the value added to the business. The client must complete a survey rating the usefulness of the TA provided and indicating the extent to which they will (or will not) be able to incorporate the suggestions of the TA provider into their business practices moving forward. The review and the survey allow Seedco to continually obtain feedback on clients' needs and update our TA products to respond to those needs. Results of the Technical Assistance Client Survey are summarized on the next page.

⁶ As of April 14, 2004.

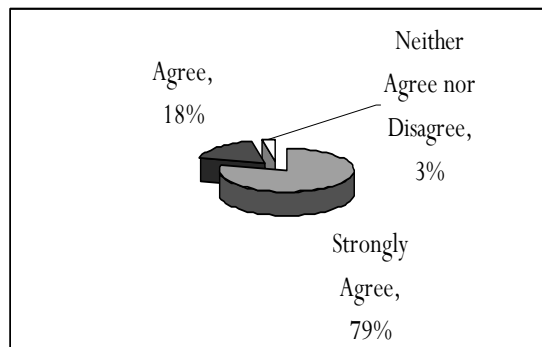
The TA Consultant was prompt, courteous, and responsive.



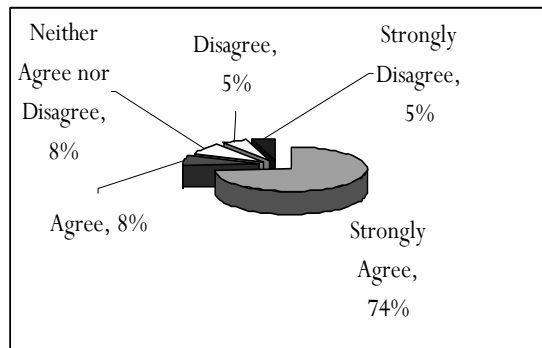
The TA Consultant's expertise was appropriate for my needs.



My needs were addressed in the time allotted.



I plan to implement the TA consultant's suggestions.



VI. Lessons from the Field and Case Studies

In providing technical assistance to small businesses in Lower Manhattan, Seedco observed a series of patterns emerge in our client needs and their responses to our TA products. Following is a summary of what we learned by providing different forms of technical assistance in Lower Manhattan.

Business and Financial Planning

“The business owners I worked with in Lower Manhattan knew their products very well, but often didn’t keep track of expenses and had no month-to-month visibility in terms of cash.”

—Mari Beeck,
Consultant TA Provider,
LMSB&WRP

Business and financial planning is the most critical, logical, scalable, and measurable TA component. Of primary importance is the assistance entrepreneurs need with planning and implementation strategies. Typically they are consumed by day-to-day operations and rely heavily on bookkeepers for financial management. This reliance is problematic, as accountants look only at historical performance versus budgeting for the future, and as entrepreneurs become captive to their accountants for financial information.

The majority of entrepreneurs we have assisted have not engaged in forward planning. They also frequently have not focused on their bottom line, particularly because, as cash businesses, they don’t maintain accurate accounts of their revenues. Our budgeting and forecasting exercises, as well as financial literacy training, assisted business owners in examining their cost structures with a focus on controlling expenses, particularly in a depressed economy. While we created financial and business plans for these purposes, we also took care to convey the long-term value of planning to a business’s long-term health.

Moving forward, Seedco and other TA providers must recognize the mutual goals of education and implementation as part of the TA process. Business owners will look to TA providers not only for strategic planning, but for explicit action plans with measurable milestones. Furthermore, most TA engagements begin with education around the importance of financial literacy, financial forecasting, and business/action planning.

Case Study 1: Lower Manhattan Café* Business and Financial Planning

Impact of 9/11

The Lower Manhattan Café is a deli and restaurant that was established

over 30 years ago in Lower Manhattan, operating for 24 years

**All business names have been changed.*

until 9/11. The business, located directly on the south side of the former World Trade Center, suffered extensive physical damages following the attacks. In the aftermath of 9/11, because of its proximity to ground zero, the deli served as a Red Cross triage site. Prior to 9/11, the business, which was located in a high foot-traffic area, served up to 7,000 customers a day. The company employed up to 40 full-time employees, also using temporary labor.

Liberty Street and the building where the café was located were barricaded until August 2003. The company suffered a total loss of inventory, premises, and equipment, as well as a two-year loss of income. Estimated damages were \$385,700; insurance compensated only the maximum policy coverage of \$200,000. In June 2003, the owners were permitted to begin repairs on the building. The business reopened on September 13, 2003.

Seedco Assistance

Seedco helped the café prepare an abbreviated financial business plan

for the reopening of the business on Liberty Street and pull together the financial section of a business plan for reopening the restaurant. A budget of start-up costs, a Sources and Uses document, and a projected Profit and Loss statement were also created with our assistance.

These documents have proved essential as the client has reopened the business and looked strategically toward future operations in a post-9/11 economy. With tourist and business foot traffic flowing around the WTC site, the Lower Manhattan Café is now stabilizing and meeting or exceeding the projected profits set by the Seedco TA provider.

In addition to the TA Seedco provided, we also furnished financial assistance, namely a \$100,000 loan, a \$50,000 grant, and 10 wage subsidy slots. The financial assistance was contingent upon the café's reopening, furnishing an added incentive for Seedco's TA provider to assist the deli in reopening its doors.

Case Study 2: Lower Manhattan Deli/Food Group, Inc. Business and Financial Planning

Impact of 9/11

The Lower Manhattan Deli/Food Group, owned by a father-son team, opened in 1997. Before 9/11 the staff of eight employees served breakfast and lunch to an average 1,300 customers daily. The deli catered to corporate employees and residents in Lower Manhattan, as well as handling corporate events for

the World Trade Center and other office buildings.

As a result of the 9/11 attacks, the business was closed for a week for extensive cleaning. By September 18, amazingly, the deli was able to reopen to customers. However, in September and October 2001, the

customer count was down by over 50 percent. Revenues improved by approximately 15 percent in November, but then became stagnant. Even as the reduction in customer flow decreased revenue, rent and real estate taxes escalated by 12 percent. For eight months the business barely broke even. In an effort to attract more customers, the owners reduced prices, which in turn decreased the business's profit margin further.

Seedco Assistance

Seedco provided the Lower Manhattan Deli/Food Group with a

\$15,433 grant and a \$100,000 loan. We also provided financial planning TA, developing various restructuring plans for the business and pointing out cost-cutting strategies. For example, reducing the amount of food offered on the buffet bar saved \$4,000 a month. Other strategies we recommended included:

- Reducing costs through better resource management
- Reducing employee hours
- Outsourcing hot/cold buffet items
- Subleasing basement space

Professional Services

Seedco created crucial connections between our business clients and professional service providers. Professional services are a critical need for small businesses, which often lack a network of providers of these services.

Seedco offered pro bono legal, real estate and accounting assistance to entrepreneurs for two years after 9/11. Legal assistance—typically covering landlord-tenant negotiations to sign, renew, or terminate leases, or to negotiate rent arrears—was the most sought-after service. As word of our legal assistance traveled, our professional service initiatives grew (from four to 40 percent) from the second through fourth quarters of 2003. We then added accounting assistance, which became an essential service for a few of our collections clients.

The high demand for legal assistance illustrates the lack of empowerment and resources available to small business owners in their negotiations with landlords. It would be interesting to further investigate an advocacy/community organizing technical assistance role in other communities. Many downtown properties are owned by a few landlords, and our small entrepreneurs might have benefited from collectively bargaining on their lease agreements with these owners. Community organizing could prove useful for group purchasing opportunities or joint marketing efforts. Seedco staff relied primarily on informal matchmaking and network opportunities to bring downtown business owners together and to direct them to resource development opportunities.

Case Study 3: Lower Manhattan Printing and Design Professional Services

Impact of 9/11

Lower Manhattan Printing and Design, a full-service printing and graphics design firm on Varick Street, has served the commercial, professional services, and financial industries for over 20 years. The business suffered considerable setbacks in the wake of 9/11 as its client base diminished significantly. To counter this drop-off in clientele, the business decided to pursue certification as a Minority/Women-owned business enterprise (M/WBE) which would allow it to tap into new markets in an effort to recover.

Seedco Assistance

Seedco provided legal technical expertise to assist the firm in obtaining certification as an M/WBE⁷. Certification would allow the business to pursue contracts that aim to fulfill state, local, and corporate goals for employing M/WBE services. The certification process is extremely complex, and not uniform across Federal, state, local, and corporate entities. As a result, many businesses must seek two to three separate certifications to be fully recognized as an M/WBE. The certification process also requires the provision of significant historical data regarding a business's original legal certification, ownership structure, and stock transfers.

Seedco assisted Lower Manhattan Printing and Design in gathering and organizing its historical legal records and in completing four separate successful applications for certification by the Women's Business Enterprise Council, the New York State Minority/Women Business Organization, the National Women Business Owners Corporation, and the City of New York Small Business Organization. Seedco also provided the firm with assistance in developing a one-page corporate capabilities statement (much like a corporate résumé) that would allow the business to efficiently represent its corporate experience and strengths when applying for contracts as an M/WBE.

Recognition as an M/WBE, combined with the business's newfound ability to communicate its expertise, dramatically broadened the firm's universe of business opportunities both in number and in scale. Seedco's TA provider assisted the firm to initiate a network of contract leads through an introduction to the National Association of Purchasing Managers. As this report was being prepared, the firm was in discussion with two Fortune 500 corporations to whom it had submitted proposals.

⁷ *Lower Manhattan Printing and Design did not receive financial assistance from Seedco.*

Marketing

Marketing assistance was a primary request from Lower Manhattan entrepreneurs, mostly due to their recognition of a shrinking customer base following 9/11. While most of our client businesses suffered from a wide range of operational deficiencies that destabilized them after 9/11, it is possible that the drop-off in clientele was most palpable and clearly identifiable to them as grounds for their downfall and as an area of focus for recovery. Many businesses were accustomed to the high volume of foot traffic in pre-9/11 Lower Manhattan and had to actively recruit a client base, often for the first time, following the attacks. One-on-one marketing efforts by TA providers can be risky, as outcomes are difficult to measure and most entrepreneurs have little cash available for marketing. Most small business owners with whom we worked had no marketing budget of any kind, and were primarily interested in the cheapest means of advertising possible.

We refrained from organizing joint marketing efforts. That was within the jurisdiction of our partner, the Alliance for Downtown NY, and had been done by myriad institutions including the City and American Express. Our one-on-one marketing engagements, while popular, were modest in scope. The main deliverable was a budget and an implementation plan for a direct-mail campaign. This was typically the route entrepreneurs could afford and understand.

If TA providers offer marketing as a service, it is recommended that a marketing consultant help them define measurable outcomes. Furthermore, while it may be possible to design individual marketing plans for area entrepreneurs, it is advisable to either partner or barter with a local marketing agency, or build out the marketing TA internally to offer agency-like services. This will make marketing TA more cost-effective.

It has been Seedco's experience that, to maximize the benefits of marketing TA, clients need to be able to act on recommendations. Many of our clients had the need but not the capital to implement marketing plans. With Seedco grants and loans aiding implementation, clients see an immediate, tangible benefit to their business. Seedco's most successful marketing TA efforts in Lower Manhattan entailed:

- Creating master contracts with downtown marketing service providers, enabling volume pricing with designers, printers and mailing houses;
- Combining campaigns for multiple clients into larger jobs to maximize volume and reduce the cost per item;
- Purchasing a large list of marketing prospects and parsing it out to individual clients; and
- Jointly marketing clients offering complementary services.

Case Study 4: Downtown Press Marketing

Impact of 9/11

Downtown Press, a full-service printing and graphic arts company, has operated in Lower Manhattan since 1932. Today it is run by a third-generation family member. Employing 11 full-time employees, the company provides offset and letterpress printing services.

The Press sustained minor physical damages, including damage to inventory. Their phones were out of operation for four weeks, and supply deliveries were obstructed for almost a month. The business suffered as the corporate print jobs that had once made up the majority of its business portfolio decreased significantly. The most notable client lost was Top of the World, the outfit that ran the observatory deck on the roof of World Trade Center Tower Two, for which the Press produced coupons, price lists, forms, ID cards, and brochures. Deepening Downtown Press's financial instability, many of its clients—suffering their own 9/11-related distress—began stretching out payments.

Seedco Assistance

Downtown Press received a \$15,251 grant, a \$50,000 loan, and seven

wage subsidy slots from Seedco, as well as intensive marketing technical assistance. Seedco first assisted the owner in developing a two-pronged marketing strategy, creating a brochure and launching a Web site. Seedco also provided the framework for penetration of new markets by targeting of the New York wedding market, diversifying the business's client base away from reliance on dwindling corporate contracts.

Specifically, Seedco helped Downtown Press to define its competitive advantage to potential clients. Its differentiating features included competitive prices, highly personalized services, individual project management, and long-standing history in the community. In addition, Seedco identified print and Web resources the press used to disseminate its marketing message.

The assistance to Downtown Press is another example of Seedco's strategic and diverse small business solutions that help clients redefine business operations and image projection to fit the new framework of post-9/11 Lower Manhattan.

Lessons Learned from Unsuccessful TA Engagements

While TA was solicited from Seedco by our client businesses, at times we found that it did not produce the results we'd anticipated. This tended to be due to factors such as:

- Constrained time on the part of the client business;
- Lack of buy-in for the value of big-picture, forward-planning strategies;
- Reluctance to share financial or management details with the TA provider; and

- Unwillingness to dedicate resources (e.g. financial resources, human resources, time) to implementation of solutions determined through TA engagement.
-

Unsuccessful Case Study 1: World Trade Center Deli

Impact of 9/11

The World Trade Center Deli was incorporated in 1997, serving lunch and dinner in Lower Manhattan seven days a week. Prior to 9/11, 60 percent of customers were employees of the World Trade Center and World Financial Center. The business was closed until November 2001 and as a result suffered a total inventory loss and the loss of a commercial refrigerator. Sales for 2001 were down by \$100,000 by the end of the fiscal year and fell an additional 10 percent in 2002. The business was forced to lay off an employee as a cost-reduction strategy.

Seedco Assistance

Seedco provided the World Trade Center Deli with a \$21,208

grant and a \$75,000 loan. The owners expressed interest in TA to develop a marketing campaign, their first, to entail direct marketing and promotion of corporate catering. \$20,000 of our loan was intended to defray the costs of marketing initiatives.

Seedco's TA provider worked closely with the deli to develop a detailed marketing plan outlining next steps for a direct marketing effort. At the conclusion of the TA engagement, the business owners became hesitant to fund the initiatives and did not subsequently implement the marketing strategies suggested by the Seedco TA provider.

Unsuccessful Case Study 2: Lower Manhattan Web Design, Inc.

Impact of 9/11

Lower Manhattan Web Design, Inc., had been creating, maintaining, and hosting Web sites for clients in Lower Manhattan since 1996. Following 9/11 the business was closed for 20 days; no revenue was generated in September or October 2001. As a result of damaged Internet lines, most sites the business was hosting from its on-site servers experienced technical difficulties. As a result the business

lost a client that had generated \$10,000 a month in income. While autumn tends to be the business's busiest time of year, results of 9/11 rendered it unable to service its usual client volume.

Seedco Assistance

Seedco gave the firm a \$6,409 grant and a \$20,000 loan. The owner requested business and financial planning TA. Though Seedco explained that our financial and technical

assistance providers operate separately, the owner was evasive in sharing financial information with the Seedco TA provider, apparently fearing that sharing financial information with the TA provider would have a negative impact on the

business's loan relationship with Seedco. Without access to current or historic financial records, the TA provider was unable to effectively assist the business with financial and business planning. Ultimately, the TA engagement was suspended.

VII. Conclusion

Seedco is committed to a comprehensive methodology of providing services to small businesses. Our experience strongly suggests that linking financial and technical assistance results in:

- Depth of service that addresses businesses' financing and management/operational needs;
- Enhanced capacity of businesses to service debt, grow, and graduate to more ambitious financing opportunities;
- Improved likelihood for implementation of plans (e.g. marketing plans, business plans) developed through TA;
- Mitigated risk for the business development service provider through ongoing client monitoring via the increased client contact brought about by a TA engagement;
- A corps of potential financial service clients in the form of businesses receiving TA; and
- A stronger influence in creating mission-driven outcomes such as economic stimulation and job creation.

Seedco's Lower Manhattan clients responded positively to the package of services we offered. Though we anticipated high default and failure rates among our portfolio of clients, only 17 percent of our portfolio is in default. We attribute much of our clients' success to the bundling of financial and technical assistance services: These services, offered together, reinforce one another. Of our surveyed TA recipients, 82 percent plan to implement their TA consultant's suggestions. The implementation of these plans will likely enhance our client businesses' capacity to survive in the new economic reality of Lower Manhattan. This in turn will bolster their potential to successfully repay their Seedco loan.

Seedco's agile and "clientcentric" approach to TA was tied to the demands we encountered in Lower Manhattan:

- In response to clients' needs for greater involvement and empowerment managing and controlling their businesses' income and expenses, we provided business and financial planning.
- In response to demand for legal, accounting, and real estate assistance, we created a network of professional service providers.
- In response to the predominant client TA request for marketing assistance to address the drop-off in foot traffic, we crafted and offered intensive marketing technical assistance.

In summary, in response to the needs of businesses across key Lower Manhattan business sectors—arts, technology, and retail—we delivered tailored technical assistance that accommodated specific needs.

As Seedco explores opportunities to implement our business development service delivery model in alternate target sites, our focus will be on transferring our commitment to providing linked financial and technical assistance services in a highly client-responsive manner.

**Seedco thanks the generous corporations, foundations,
government agencies, and individuals who contributed to
our WTC Small Business Fund.**

American Express Foundation	National Association of Woman
Anonymous	Business Owners
Bank One Corporation	New York Rotary Foundation
Bertelsmann Victims Relief Fund	New York State Department of Labor
Carvill America	The New York Times 9/11
The Ceres Foundation	Neediest Fund
Cleary, Gottlieb, Steen & Hamilton	The William J. and Dorothy K. O'Neill
The Cowles Charitable Trust	Foundation
Crain's New York Business	Park Avenue Synagogue
CWE (The Consortium for Worker	Paul, Weiss, Rifkind, Wharton &
Education)	Garrison
The Durst Family Foundation	The PepsiCo Foundation
Empire State Development	The Prudential Foundation
Corporation	Scripps Howard Foundation
Ford Foundation	Seedco Loan Fund
The Gimprich Family Foundation	The September 11 th Fund
Harvard Business School Loves	The Sirius Fund
New York City	SoundView Technology Group
William Randolph Hearst Foundation	The Stroock Spirit of New York Fund
Herman Goldman Foundation	Sullivan & Cromwell
The Goldman Sachs Group, Inc.	Union of American Hebrew
International Paper Company Foundation	Congregations
The Peter Jennings Foundation	Unitarian Universalist Committee
The Staff and Attorneys of Latham &	The Warburg Pincus Foundation
Watkins	Vanguard Charitable Endowment
Alan Lawrence Company	Program (Stanley and Linda Sher)
The Litwin Foundation	Vivendi Universal
McCormick Tribune Foundation	VNU, Inc.
Milliman USA (The Seattle Foundation)	Zahn Incorporated
The Moore Charitable Foundation	
Morgan Stanley Victims Relief Fund	63 individual donors

ABOUT THE LOWER MANHATTAN INITIATIVE

In response to the events of September 11, 2001, Seedco—with its partner, the Alliance for Downtown New York—established the Lower Manhattan Small Business and Workforce Retention Project, which through June 30, 2004, provided emergency financial and technical assistance to businesses employing 50 people or fewer afflicted by the attacks of 9/11 and their aftermath. Supports offered included loans, grants and wage subsidies for low-wage workers, as well as assistance with legal, financial planning, marketing, and other professional services to help businesses get back on their feet and increase their competitiveness in a drastically changed economic environment.

ABOUT SEEDCO

Seedco, a national community development operating intermediary, creates opportunities for low-wage workers and their families by engaging with community partners and anchor institutions to develop, operate and learn from model programs that:

- 1) help people join the workforce and achieve economic self-sufficiency,
- 2) assist small businesses, and
- 3) promote asset building for residents and businesses in economically distressed communities.

Seedco's technical and financial assistance complements the model programs and strives to build the capacity of community partners and small businesses through the introduction of sound, outcome based management practices.