

EXECUTIVE SUMMARY

DOWN TO BUSINESS

Examining Milwaukee's small business supports



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Our 2021 report, [Up to Speed](#), explored the technology challenges facing Milwaukee’s small businesses. Among our conclusions were that 1) small business owners in the city use and rely heavily on various types of technology but would benefit from better access to training and learning opportunities; and 2) many Milwaukee small business owners “feel they are a grant or loan away from the technology they need, but they are not always aware of available financial assistance.” Those findings raised larger questions about the adequacy of Milwaukee’s overall “ecosystem” of services to support small businesses, which are widely seen as the lifeblood of local economies.

In this report, we analyze Milwaukee’s small business support landscape and seek to identify strengths, weaknesses, and opportunities for greater effectiveness. Our analysis is supported by information gathered and synthesized from 50 organizations active in Milwaukee and 17 interviews with organizational leaders and other key stakeholders. For additional insight, we provide information on promising strategies being used in several peer cities nationally to help spur small business creation and development.

We initiated our analysis by defining the small business support landscape in Milwaukee. For purposes of our analysis, organizations that are considered to be part of that landscape must be based in the Milwaukee area or have a physical presence here and provide services to at least a portion of the city of Milwaukee. We also limited our list only to those organizations that focus partially or exclusively on “Main Street” type businesses (e.g. retail stores, restaurants) and micro businesses (very small enterprises with fewer than 10 employees). Finally, we limited our list to organizations that provide services in one of more of the categories defined in the table below:

Service Category	Description
Business Planning	Assistance in drafting targeted or holistic short-term and long-term goals for businesses in areas such as products or services offered, target customers, scale or size, evaluation of credit and financial resources, budgeting, organizational structure, personnel policies, and opportunities for growth
Marketing and Sales Development	Support in designing or implementing marketing methods for businesses including advertising, branding, physical or digital promotions, pricing, and overall business presentation
Operations and Technology Management	Support in utilizing technology in business operations, such as transaction methods for goods or services, accounting software, finance and funding management, managing operations (inventory, supply chain), and digital communications within the business
Access to Capital	Guidance in finding and accessing capital or direct distribution of financial resources to small businesses to support their operations or any part of their business development plans
Mentorship and Peer Support	Access to mentorship networks that provide individualized advice or opportunities for business owners to communicate with peers about similarly experienced issues and to share resources and ideas

Overall, our research shows the 50 organizations we identified using these parameters constitute a relatively strong and collaborative small business support ecosystem in Milwaukee. It also reveals a



number of challenges that could be addressed, including limited leadership over the area's broad network of business supports, barriers preventing some entrepreneurs and small business owners from accessing otherwise available services, and a number of capacity gaps. Key observations from our analysis include the following:

- **Milwaukee is home to a strong network of business service providers, and promising efforts are underway to foster collaboration among them.** The 50 public and private sector organizations provide an array of business support services in Milwaukee, from training and coaching to assistance in accessing capital to peer networking opportunities. Overall, it appears that a sufficient number of service providers exist and that there are no major service types that are needed but entirely absent.

Through our interviews with local leaders, we also heard that Milwaukee's business support organizations (BSOs) generally collaborate well with one another and that many have established formal and informal relationships with other organizations in the area for referrals or program "stacking" or combining of services. Several broader efforts also are convening groups of local BSOs to make connections and solve problems collectively.

- **No local organization or initiative serves as a "backbone" for strengthening Milwaukee's business support ecosystem.** Although some groups convene BSOs in Milwaukee regularly (e.g. Marshaling Our Resources, a volunteer-led initiative), our analysis shows that in other large Midwest cities, one or two organizations have emerged to take on clearer leadership roles in their local business support ecosystems.

For example, Kansas City's [KCSourceLink](#) identifies itself as the backbone of that metro area's entrepreneurship resource network, directly assisting entrepreneurs to navigate available services while also convening BSOs and other key leaders and stakeholders to identify service gaps and develop solutions. Similarly, the [New Economy Initiative](#) in Detroit (a "funder collaborative" comprised of 13 local and national philanthropic organizations) identifies itself as a "network steward, convener, analyst, and catalyst" for that region's entrepreneurship support system, often partnering with the city-affiliated [Detroit Means Business](#) in its work.

Small business stakeholders in Milwaukee might take note of the clear leadership and more extensive collaboration and coordination that has developed in recent years to address the city's housing challenges. The [Community Development Alliance](#) (CDA), an affiliation of numerous public and private sector organizations that provide or help to finance housing services in Milwaukee, has built a common agenda for its many partners through a [collective affordable housing strategic plan](#). The coalition is now working to implement that plan, with the CDA serving as the steward that ushers the overall effort forward. A similar local effort could be considered focused on small business creation and expansion.

- **Getting entrepreneurs initially connected to Milwaukee's business support ecosystem is a key challenge, and the local resource network currently lacks an obvious "front door."** Many local leaders we interviewed said new or expanded efforts are needed to make current and aspiring entrepreneurs aware of and connected to the network of business support services in Milwaukee. This may be particularly helpful for reaching those in lower-income Milwaukee neighborhoods. Establishing some sort of "front door" may be beneficial, whether through



one organization taking the lead on navigation services (like KCSOURCELINK has done in Kansas City) or through other means.

One possibility would be to establish a business center where multiple BSOs could provide seamless assistance to local entrepreneurs in one place. The [Milwaukee Rental Housing Resource Center](#), which co-locates several public and private sector organizations that provide housing and eviction prevention assistance, could be one model.

Many local leaders we spoke with also stressed the need for a “no wrong door” approach that would ensure business owners could receive referrals to other area service providers regardless of which group they approached first. A referral tool currently being beta tested by the Ethnic and Diverse Business Coalition could help the staff of area BSOs guide clients more effectively to other organizations in the network that provide the services their clients need. It will take a considerable effort, however, to expand usage of that tool to organizations throughout the area, train staff in how to use it, and keep the information in the tool updated.

- **A number of capacity gaps exist that limit opportunities for entrepreneurs to access services to advance their businesses.** Although our research does not reveal major gaps in the availability of business support services, those we interviewed pointed to several service types for which the local need outstrips current capacity. The three we heard most consistently were one-on-one business coaching, financial education, and access to capital.

Several local leaders we interviewed said one-on-one business coaching from a qualified expert is highly effective but that few organizations offer it and their capacity is limited. Personalized coaching can be expensive but valuable, particularly at certain phases of development, such as in positioning a business to access capital or solving specific problems an established business is facing.

Poor financial management skills among entrepreneurs in Milwaukee is another common concern, and though some financial education services for entrepreneurs exist (such as WWBIC’s [Make Your Money Talk](#) boot camp), expanded programming could be helpful. One option for increasing access to financial coaching would be to utilize UEDA’s Financial Health Counselor Certification program to train cohorts of individuals who specifically work with entrepreneurs and small business owners.

Several community development financial institutions (CDFIs) offer flexible business loans to entrepreneurs who face challenges in accessing financing through traditional means. The city’s network of CDFIs is viewed by many as a strength of the local ecosystem, but some leaders we interviewed said more capacity is needed to meet the demand from individuals working to develop small businesses. This was not a universal sentiment, however, as one organizational leader we interviewed said local demand for lending is being met and that “saying no” to those with underdeveloped business ideas is sometimes the best thing to do.

- **Local philanthropic organizations could play a bigger role in supporting entrepreneurship in Milwaukee.** Our analysis of peer cities shows that both Detroit and Chicago have developed funder collaboratives focused on supporting their local entrepreneurship ecosystems through grants to BSOs, collaborative efforts among local BSOs, and other initiatives. In Milwaukee, no such collaborative effort exists for entrepreneurship. Again, the Community Development Alliance could be a good local model, as its membership includes several philanthropic



organizations who coordinate their giving to affordable housing strategies and initiatives that have been identified as priorities. A similar, coordinated approach to funding business support services in Milwaukee could help to expand the capacity for needed services and drive more collaboration within the ecosystem.

Detroit's New Economy Initiative also shows that funder collaboratives can contribute by evaluating the effectiveness of their local small business support ecosystems and of individual BSOs, identifying what is working and what is not and pushing organizations to focus on their strengths. This could help to address another common concern raised by local leaders about the need for many Milwaukee BSOs to specialize their services to a greater extent. A funder collaborative could start to do this by tracking a common set of metrics for the organizations they support that could include outcomes such as businesses formed, jobs created, loan delinquency rates, business profits or losses, and survival rates.

It is clear that both public and private sector stakeholders in Milwaukee have devoted considerable attention to the impediments facing small businesses and have contributed substantial resources to the various types of support required to encourage their creation and help them grow. Our research suggests that with more focused leadership, coordination, and financial support, the city's current small business support ecosystem could become even healthier and achieve greater effectiveness in addressing the varied needs of small business owners and entrepreneurs.

We hope the information and insight gleaned from this analysis will assist policymakers, civic and business organizations, and others in their efforts to strengthen business supports in Milwaukee and to foster entrepreneurship and business development in the city and region.