

Case Study
of the Social Venture Partners
Boulder County

SOCIAL ENTERPRISE INVESTMENT PILOT PROGRAM



Pilot Social Enterprise Investment Program Overview

From 2013 through 2014, SVP Boulder County conducted a multi-stage pilot program for social enterprise, including:

- **Stage one:** an educational workshop on social enterprise in nonprofits
- **Stage two:** social enterprise development scrimmage for nonprofits
- **Stage three:** a one-year investment modeled after SVP's core capacity building work

The third stage involved investing in two nonprofits for one year. These investments included pro-bono consulting and coaching specific to the social enterprise efforts of the nonprofits. In one case, SVP also provided a supporting cash grant. SVP Partners elected to make pilot investments in nonprofits at different lifecycle stages so it could assess its capacity building strengths and potential for greatest impact.



Boulder Treasures, Inc.



INVESTMENT OVERVIEW

Name: Boulder Treasures, Inc.

Lifecycle Stage: Start-up

Consulting Hours: 149, at a value of \$14,900

Cash Grants: None

Contact Info: Boulder Treasures, Inc. • www.bouldertreasures.org • 720.340.2203

Ramble on Pearl • 1638 Pearl Street, Boulder, CO 80302 • www.rambleonpearl.com • 303.442.2267



RATIONALE FOR SVP INVESTMENT

At the time of the partnership, Boulder Treasures was a social enterprise in mid-start-up that needed capacity building to launch. It fit SVP's original concept of social enterprise investment and came with high investment risk due to its early stage. The securing of a strong fiscal sponsor (Imagine!), an experienced advisory team, and a solid business plan was a key component to SVP's willingness to invest in Boulder Treasures. Partners felt Boulder Treasures had great potential to impact the community – clients need their services and there are no comparable organizations doing this in Boulder. There was also the real potential for it to become an innovative and wholly self-sustaining nonprofit.

KEY SVP IMPACT

- Provided key entrepreneurial insights as the business was developed
- Helped identify and create a target customer persona
- Shared concepts and insights key to naming the retail store
- Provided discipline and structure for the creation of an integrated business plan

SVP PARTNERS AND VOLUNTEERS INVOLVED

Frank	Lead Partner – business planning and marketing; financial modeling
Scott	SVP Advisory Partner – marketing and advertising advice; “know your customer”
Randi	SVP Advisory Partner – administrative infrastructure development advice
Walt	SVP Advisory Partner – “Case for Support” development
Shannon	SVP Advisory Partner – “Case for Support” development
Wendy	SVP Advisory Partner – “Case for Support” development
Meredith	Lead Partner (alternate) – Grand opening advice
Dennis	SVP Advisory Partner – Grand opening advice

INVESTEE PROFILE

MISSION

The mission of Boulder Treasures is to create pathways to meaningful employment for persons with developmental disabilities.

HISTORY

Boulder Treasures launched in 2013 as the brainchild of local parents Andy and Connie Minden, who saw a gap between the aptitude of young adults with developmental disabilities and the availability of work opportunities for them. Their daughter, Kendra, a 2010 graduate of Boulder High, and other capable kids they knew with disabilities were struggling to find work locally. Statewide statistics backed up what they were seeing: across Colorado, 75% of individuals with developmental disabilities are unemployed, underemployed or out of the work force.¹ Of those that do have jobs, they say, approximately two-thirds earn sub-minimum wage. After the Mindens witnessed first-hand the barriers their daughter and her peers experienced

in securing work, they had the innovative idea to launch an apprentice program called Boulder Treasures. The hope was to give these young adults that crucial first job experience that can be very hard to land with an often times misunderstood disability.

MAJOR PROGRAMS

Boulder Treasures operates an apprenticeship program for adults with developmental disabilities within Ramble on Pearl, a retail apparel store established, designed and staffed specifically for that purpose. At Ramble on Pearl, apprentices are provided paid on-the-job training and work experience as a launching pad to securing permanent employment in the broader employment market. Once the apprentices have demonstrated proficiency and independence, the organization also supports them in their search for a permanent job and assists them in their transition to regular employment.

OVERVIEW OF SOCIAL ENTERPRISE

Ramble on Pearl, the social enterprise program of Boulder Treasures is a start-up retail store that hosts the apprenticeship program and is essentially one-in-the-same—neither exists without the other. As a start-up, it has been initially dependent on financial grants and donations common to traditional nonprofits, but the ultimate goal is that once Ramble on Pearl has reached critical momentum in the Downtown Boulder retail market, revenue generated by store sales will allow the program to be financially self-sufficient.

Ramble on Pearl sells recreational and active lifestyle apparel and accessories and benefits from the efforts of the apprentices working alongside a professional retail staff in the day-to-day operations of the store. The apprentices are instructed in both the hard and

soft skills of employment in the retail trades, starting with easier tasks and working progressively to more challenging job responsibilities and with lessening degrees of supervision to prepare them for securing and sustaining employment in the broader market.

Ramble on Pearl sources its product from local, national and international brands in the Outdoor Industry. While some product is acquired through traditional wholesale supply agreements, Boulder Treasures has set up a Brand Partners system, where Partners either make outright donations or offer their goods at a discount off wholesale prices. The commitment of the Brand Partners to its mission results in a lower cost of goods sold than typical in the retail trades and therefore a higher gross profit margin to cover the incremental costs of operating the apprenticeship program at Ramble on Pearl.



RAMBLING IN THE RIGHT DIRECTION: A CASE STUDY OF BOULDER TREASURES AND SOCIAL VENTURE PARTNERS BOULDER COUNTY // By Erin Shaver, for SVP Boulder County

INTRODUCTION

The past two years, SVP has been expanding its awareness and expertise in social enterprises.

As part of this initiative, Boulder Treasures was an investee in a pilot, one-year cycle in 2014. The partnership served to help Boulder Treasures bridge the very quick gap between the “still in incubation” stage of a social enterprise idea in early 2013 to the opening of its retail store, Ramble On Pearl, in August 2014. For SVP, it was a chance to flex its muscles working with a fledgling start-up social enterprise—and also a unique opportunity to see what areas of expertise it could most improve upon for the future.

This investment was different from prior SVP engagements in that it only lasted one year, instead of the normal three-year cycle. The singular goal was to help Boulder Treasures get on its feet and launch its new social enterprise. Most of SVP’s prior engagements did not work with organizations launching new side social enterprises, much less entire organizations that were also in the start-up phase. This partnership was also unique in that SVP did not invest financially in this organization. For Boulder Treasures, founder Andy Minden says he and his wife Connie were just impressed by the caliber of people associated with SVP Boulder County. They were looking for mentoring but also hoped networking with such established people in the local nonprofit sector would help introduce Boulder Treasures to the community.

BACKGROUND

Boulder Treasures was founded in 2013 as an apprentice program for people with developmental disabilities. It is modeled off Cornucopia, a pioneering organization near Cleveland, which has been successfully operating a job training program at its Nature’s Bin natural food store since 1975. After examining that model and assessing the market and

their connections in Boulder, the Mindens decided the apprentice program should be routed through a retail store, and what better “Boulder” option than an outdoor apparel store. With his personal background in engineering and business development, and so many local brands to reach out to, it was a natural fit. Explains Andy Minden:

“Boulder has several treasures, one is the manufacturers in the outdoor apparel industry that are based locally here in Boulder, that is treasure number one. And then treasure number two we have these individuals no one really quite understands how they can be productive employees, but given the chance they have demonstrated they can. So they are kind of hidden treasures we wanted to expose to the world.”²

SUMMARY OF CAPACITY BUILDING ACHIEVEMENTS

BUSINESS PLANNING:

- Developing overall start-up business plan that integrated SVP capacity building projects where appropriate based on resource availability; additional capacity building projects to allow Boulder Treasures to operate a start-up retail store were identified through this process but were completed without SVP’s involvement.

RETAIL STORE OPENING:

- Helping the organization identify how to attract customers to an entirely new retail store in the sometimes-saturated Downtown Boulder market area:
 - » “Customer Persona” established
 - defined value proposition

- » Physical space secured – five-year lease signed; tenant improvements completed; store opened for business August 15, 2014
- » Marketing plan established – branding strategy of Ramble on Pearl vs. Boulder Treasures, launch plan; parallel strategy determined for websites/social media

SUPPLY CHAIN:

- Helping develop collateral materials to market to potential Brand Partners and generate consistent flow of quality product for the store from a variety of identified sources:
 - » 30% of social enterprise gross revenue generated by donated product (excluding grants and cash donations as a nonprofit)
 - » 44% of social enterprise gross profit generated by donated product (excluding grants and cash donations as a nonprofit)
 - » 60% of purchased product obtained at a discount off wholesale prices

ADMINISTRATION:

- Helping determine and phase-in administrative systems, as appropriate
 - » Financial models/accounting systems: initiated with spreadsheets and then converted to QuickBooks
 - » HR/payroll: identified, reviewed and selected service provider
- Launch funding
 - » Developed fundraising strategy, list of targets of opportunity, and case for support

SUMMARY OF SVP INVESTMENTS

Consulting Hours: 149 valued at \$14,900

Partner Volunteers Involved: 8

Projects: 6 plus coaching

SUMMARY OF INVESTEE'S SOCIAL ENTERPRISE GROWTH

Ramble on Pearl went from the beginnings of a business plan (not quite “zero”) to a fully operational retail store hosting an affiliated apprenticeship program (not quite “100%”) within the timeframe of the one-year partnership. A few measures of growth:

- The Apprenticeship Program launched and the initial four apprentices worked more than 300 hours during their apprenticeship training.
- Staff was expanded from the two founders (and Board of Directors) with the hiring of a store manager, a job coach and a sales associate in 2014.
- Revenue generated by Ramble on Pearl went from \$0 to \$63,000 for the calendar year of January to December 2014.
- Donations in the form of grants and cash donations went from \$0 to \$129,000 (2014).
- Donations in the form of product to be sold at the store went from \$0 to \$57,000 (2014).
- Two websites launched with parallel presences established on Facebook
- Ramble on Pearl featured in local press at least six times, including: *Boulder Daily Camera*, *Colorado Daily*, *Boulder Magazine*, *Boulder Lifestyles* and *BizWest*.

EXPLORATION OF IMPACT

The partnership between Boulder Treasures and SVP was a very new experience for both organizations. For SVP it was really a new foray into the investment type, being that Boulder Treasures was both a start-up nonprofit AND start-up social enterprise. For the founders of Boulder Treasures, the partnership offered seasoned advice and consult at a time when they really needed it—the period leading up to the launch of their social enterprise and the grand opening of their very first retail store, not an easy feat in a competitive, bustling Downtown Boulder retail market. With Ramble on Pearl up and running in 2015, all signs indicate the partnership worked

out, although new retail operations face an uphill battle in the first few years. Long-term successes—both in whether Ramble on Pearl can become self-sustaining and if Boulder Treasures can fully realize its mission—will obviously take time to measure.

BUSINESS PLANNING

As an early start-up, business planning was one of the first and foremost tasks for the partnership. Without the discipline of an integrated work plan, Andy surmises that they might not have opened their doors on August 15, 2014—and if they had, they likely would have met more challenges in doing so. Lead Partner Frank offered extensive background in entrepreneurship and active involvement in the business planning process to help ensure Boulder Treasures' founders addressed the challenges and risks of launching the business. Through the business planning process, Andy says, what started as perhaps a too overly enthusiastic, "if we build it, they will come" attitude evolved into one of more pragmatically appraising what needed to be done to launch Ramble on Pearl. There were many things to accomplish in that first year. Not only basic necessities like filing for 501(c)(3) status, but also starting to raise start-up capital, securing suppliers and taking deliveries of initial inventory, developing the apprenticeship curriculum, securing a lease property, designing and building out the store with all its infrastructure of store fixtures and point-of-sale system, determining inventory management, and setting up accounting systems.

Although it was not involved with all aspects of the business plan, SVP encouraged Boulder Treasures to create a SVP Annual Workplan that included not just projects where SVP was involved but to integrate it with the entire business model. "Because of his background in entrepreneurship Frank really helped us work through the entire business model and plan process," says Andy. "It was critiquing what we were writing, saying, you need to do more here, or this doesn't make any sense, or think about this, those sort of things. We were generating the content, but he was critiquing and advising on how to make it stronger."²

MARKETING

In launching an entirely new, mission-driven retail store, marketing was a huge area to address. The



Partners worked in collaboration with additional industry insiders to advise Boulder Treasures on the marketing aspects of launching a retail store. They forced the founders to look analytically at the customer persona and how to market to these potential customers in a way that would attract a loyal following. In particular, it helped two very passionate founders realize that in order to establish a clientele following they couldn't rely solely on customers purchasing because of the mission. While that mission was a solid one, they still needed to offer a quality product at a competitive price. The mission needed to be that unique "value add" that brought customers back or had them share the store with others, rather than the original attractor. Says Andy:

The key thing both Scott and Frank really reinforced is the idea of focus. Especially when starting up something new, sometimes it's 'we could do this, we could do that,' and all these side radicals can be easy to get caught up in. Both of them really emphasized that in order to succeed we need to be very targeted in what we are trying to accomplish, what product we are selling, and who we are selling it to.²

It was also helpful just to have another voice in the room. With his background in engineering and marketing and his wife's background in education, Andy realized that as cofounders they brought very different skill sets to the table. They didn't have as much experience in retail or entrepreneurship, and also as a husband-wife team with two different backgrounds "it was hard to us to critique one another," Andy says. "It's always good to have someone else think through your ideas."²



RAMBLE ON PEARL NAMING

Another impact of the marketing work was significant enough to merit its own section, and that was the naming process of the retail store—Ramble on Pearl. In the initial planning stages, there hadn't been consideration that Boulder Treasures' planned retail store would have a different name. During some of the first meetings with SVP, the issue of the name immediately came up.

"One of the first meetings with Scott, when Frank introduced him as an SVP partner to help out, his comment to us—and he was being a bit careful—but he said, 'exactly where did you come up with this name?'" After a bit of conversation, he told the Mindens very tactfully but succinctly, "you can't call your store that. So he was helping us realize where we needed to make changes, without insulting us."²

Turns out, while the name Boulder Treasures fit well for the nonprofit side, it didn't work as well for a retail store. SVP and other industry leaders showed the founders that the name might cause people to believe their product was that of a very different kind of shop—an impression they didn't necessarily want to make. "The common answer was gift shop, thrift store, antique store or something like that instead of first quality, all-new products, top-notch brands," Andy says. "We didn't want to communicate that. That's kind of where we started 'rambling' down some other roads."²

After a successful brainstorming session led by SVP—augmented with a little beer, wine and food—"we ended up with a good idea," Andy says, of the

name Ramble On. After securing a lease on Pearl Street, the rest of the name in its current incarnation was just a fitting extension.

ANALYSIS & REFLECTION

Being that it was both a start-up and went for shorter duration, this partnership offered a few specific challenges and lessons learned. Looking back, Andy says that without SVP's involvement, he and his wife-partner "probably would have figured out how to open but we would have been scrambling and making a lot more mistakes in the process."²

UNIQUE NATURE

As a start-up social enterprise that is operating effectively within a for-profit business model, Boulder Treasures had needs as an investee that were significantly different than most typical established nonprofits who might be adding a social enterprise component to existing operations. Although some of the consulting SVP offered was instrumental in helping the fledgling organization open Ramble on Pearl, it may be that what "we really needed was the kind of advice more commonly available in a start-up incubator/accelerator," says Andy. He adds:

My general sense was that what we were doing as a start-up social enterprise—a for-profit business model coupled with the nonprofit mission that were really one and the same—it was a bigger challenge than maybe we understood or they understood. Somehow in the process we ended up getting it going. But I think SVP is perhaps more accustomed to an established nonprofit adding social enterprise as a sidebar or an additional activity to a fundamental core.²

Andy suggests perhaps Boulder Treasures could serve as a prototype for future SVP investees creating start-up nonprofits and social enterprises at the same time, which he concedes is not necessarily the norm. "If there are not enough organizations as foolish as us, maybe it's not relevant," he laughs. "Or maybe when we get it all done and someone else comes along, [SVP] will drag us in and say, 'what did you learn?'"²

Another challenge that faced this partnership, while unexpected and out of the control of either the investee or SVP, was the resignation of the Lead Partner during the partnership. “That put things a little on the sidetrack for a bit,” says Andy. “But we did get a lot of really good input [before that]. After the Lead Partner left we were so focused on getting the store open, everything else kind of got put on hold a bit.”²

THE FUTURE

Being so near its inception, it obviously will take some time to measure or calculate the success of Boulder Treasures and Ramble on Pearl. No doubt it is positioned to have as good of a start as any retail business, with local publicity and a highly visible presence for walk up and tourist traffic on the East End of the Pearl Street Mall area. Goals for the coming year include:

- Place the first class of apprentices in permanent employment
- Grow sales revenue to achieve financial self-sufficiency
- Expand Apprenticeship Program from four to accommodate up to six at any given time
- Additional fundraising (~ \$50-\$100K) to support expenses until sales growth achieved

- Establish a network of potential employers willing to explore job matches for the graduate apprentices

“We hope to have gotten a significant ramp up in our retail sales so more people know about us, and are regular shoppers. There is big summer tourist traffic that comes through town so hopefully we can attract attention of that group. We are looking at significant growth in sales,” says Andy.²

On the Apprentice Program end, Boulder Treasures’ first apprentice, Andy and Connie’s daughter Kendra, had completed the program and was actively looking for her first job at press time of this document. They were hopeful for her and the next series of apprentices, who will essentially serve as the pilot group of the project. Their success, coupled with efforts to establish contacts in employment networks to develop meaningful paths, will pave the way for the future for this organization and determine whether it can realize its mission in the long-term. “Hopefully more employers when they are looking for people in the kind of positions where this is a good fit, will know about us and think about us as ways to do their recruitment,” says Andy.²

SOURCES CITED

1 Cornell University Disability Status Reports retrieved from www.disabilitystatistics.org.

2 Phone interview with Andy Minden, 24 February 2015.



Intercambio: Uniting Communities



INVESTMENT OVERVIEW

Name: Intercambio: Uniting Communities

Lifecycle Stage of Social Enterprise: Growth

Consulting Hours: 87, at a value of \$8,700

Cash Grants: \$10,000

Value of Videography: \$1,750

Contact Info: www.intercambioweb.org • 303.996.0275



RATIONALE FOR SVP INVESTMENT

The Intercambio social enterprise was in a classic combination of start-up and growth stage that needed capacity building to move forward. It appeared to fit SVP's capacity building sweet spot and came with low investment risk. Also being that Intercambio was a previous investee, it was a way for SVP to continue its path with the same organization, this time at a different stage in the life cycle. Additionally, the SVP partnership appreciated:

- The project had great scope of impact both locally and nationally
- Good alignment with major national issues regarding immigration reform and how to integrate immigrants into our communities successfully
- Resources to Unite Communities' intellectual property was incredibly valuable

- The enterprise has great potential for growth and increased income
- SVP's grant has potential leveragability for additional grants/funding
- That there was a strong possibility improving the management and success of the social enterprise would free up the Executive and Program Directors to focus more on impact

KEY SVP IMPACT

- Internal development
- Brand integration for Intercambio Uniting Communities and Resources to Unite Communities
- Increased sales

SVP PARTNERS AND VOLUNTEERS INVOLVED

Lynn	Lead Partner
Sue	Friend of Lynn who provided a great deal of valuable sales coaching
Bruce	Traveled with Lee Shainis to Santa Fe conference to film customer testimonials
Olga	One-page brochure development
Stephanie	Coaching around hiring a sales rep and incentive packages
Frank	Provided strategy consulting

*SVP also helped Intercambio secure external volunteers for projects such as grant writing

INVESTEE PROFILE

MISSION

To build understanding, respect and friendship across cultures through educational and intercultural opportunities.

HISTORY

Lee Shainis and Shawn Camden founded Intercambio in October 2000, in response to an expressed need of Boulder County's Latino community to learn English and improve the quality of life for themselves and their families. Likewise, the founders saw that Boulder County was home to many native English speakers with some fluency in Spanish, who wanted to serve their communities, and appreciated opportunities to interact with native Spanish speakers. Originally named Intercambio de Comunidades, the organization began as a project run out of one of their basements, connecting immigrants to native English speakers with some Spanish background through English language classes. By the mid 2000s, Intercambio was highly successful and growing, expanding to open an office in Boulder and then affiliates in Longmont and Denver. It also expanded to serving immigrants from anywhere, not just Latin American countries.

ACCOMPLISHMENTS

From 2005–2008 Intercambio was a SVP investee for the first time. In that first round of investment, Intercambio built a larger, stronger Board of Directors, improved financial controls, integrated program evaluation tools, created better personnel policies, and started a donor database. Over the years Intercambio has won numerous local nonprofit awards, including twice runner-up for *Boulder Daily Camera* Gold Award for Best Non-profit Organization (2010 and 2013).

MAJOR PROGRAMS

Intercambio increases opportunities and independence for immigrants and builds a richer, more integrated community by reducing language

and cultural barriers. Programs include: volunteer-taught English classes, cultural trainings, intercultural events, and Resources to Unite Communities (affordable English Language curriculum and resources that explain the ins and outs of living in the U.S.).

OVERVIEW OF SOCIAL ENTERPRISE

Resources to Unite Communities, the social enterprise arm, offers immediate, affordable and efficient access to Intercambio's tested tools and materials to agencies and organizations nationwide, while increasing earned income to sustain the flagship Boulder County English Language and Life Skills programs.

IMPACT/OUTCOMES

Intercambio has served more than 10,000 adult English language learners since 2000. In fiscal year 2013–14, Intercambio served 1,115 adult English language learners, totaling 55,404 hours of class instruction time, and training/utilizing the time of 400 volunteers. Of those students (2013–14):

- 82% (913 students) completed one term
- 65% (667 students) advanced one or more levels

Students report a variety of positive long-term impacts:

- 43% got a better job, a promotion or pay increase
- 73% are better communicate with co-workers, boss, and clients who speak English
- 79% are more involved in their children's education
- 73% feel confident managing money and navigating U.S. Financial System

- 73% feel confident responding to emergency situations
- 86% feel a stronger connection to their children's school community

- 81% feel more able to follow up on issues their children encounter at school



THE SECOND TIME AROUND: A CASE STUDY OF INTERCAMBIO AND SOCIAL VENTURE PARTNERS BOULDER COUNTY // By Erin Shaver, for SVP Boulder County

INTRODUCTION

The past two years, SVP has been expanding its awareness and expertise in working with social enterprises. As part of this initiative, Intercambio was an investee in a pilot, one-year cycle in 2014. The partnership served to help Intercambio at a key growth stage. While Intercambio's social enterprise arm, Resources to Unite Communities, had been in place for a couple years, it was time for it to build capacity. More specifically, it was clear that Intercambio needed to shift its social enterprise into becoming a more central part of the entire organization's mission.

This investment was different from prior SVP engagements in that it only lasted one year, instead of the normal three-year cycle. And unlike typical investments during which SVP provides consulting on capacity building projects that support the whole organization, this investment was focused solely on projects to build the capacity of Intercambio's social enterprise: Resources to Unite Communities.

For Intercambio, a prior SVP investee (2005–08) it was easy to consider getting involved again. The timing of SVP's venture into social enterprise fit well with Intercambio's need to expand and refine its own such entity. "Originally we joined up with SVP [back in 2005] because we wanted to make our model more replicable and sustainable," says Executive Director Lee Shainis. "Since then we created this social enterprise and we really saw a huge potential for growing it nationally. When SVP announced it had a new focus on social enterprise, it was just a good fit."¹

BACKGROUND

After operating locally for more than a decade, Intercambio officially launched its social enterprise arm, Resources to Unite Communities, in 2012. But the idea of such a business had been in the

incubator many years before that. Lee says its roots go all the way back to 2004, when he began getting cold calls from groups of people from all over—in places like Steamboat Springs, Estes Park and Idaho—who had heard of the work he was doing in Boulder and were interested in started their own similar organization. "They all came to us and said, we really are interested in creating an Intercambio-like program here," recalls Lee. "So we started thinking about, how can we package our stuff? What is saleable and what would we just give away? Since then we have just gotten more and more interest."¹

Between 2006 and 2008 Intercambio developed a low-budget curriculum to begin selling to other groups and organizations. There was a good bit of interest in that, recalls Lee, so they went ahead and developed a more robust curriculum between the years of 2009 and 2012, creating a name and separate branding. It's evolved into the selling of high-quality, practical and ready-to-use tools to start or enhance immigrant integration programs. "It's not just selling materials," explains Lee. "It's coaching organizations that want to start a new program, or restructuring their program using our same model and methodology, philosophy and values."¹

SUMMARY OF CAPACITY BUILDING ACHIEVEMENTS

HUMAN RESOURCES:

- Hiring and training a sales rep (called Partnership Development position) that was able to free up time of other very busy staff members

MARKETING/SALES:

- Developing marketing and outreach plans

- Streamlining sales process
- Offering sales coaching
- Developing a one-page product “brochure”
- Modifying database to reflect changes in sales strategies

MARKETING/WEBSITE:

- Creating six new sales videos to promote curriculum and supplemental materials
- Getting video footage of testimonials from customers from North Dakota, New Jersey and New Mexico
- Creating a new website that combines Resources to Unite Communities and Intercambio

SUMMARY OF SVP INVESTMENTS

Cash Grants: \$10,000

Consulting Hours: 87 valued at \$8,700

Value of Videography: \$1,750

Partners Involved: 6

SUMMARY OF INVESTEE’S SOCIAL ENTERPRISE GROWTH

- Increased Resources to Unite Communities revenue from calendar year 2013 to 2014 from \$191,600 to \$256,100 (34% increase)
- 271 Customers in 2013; 377 in 2014 (39% increase)
- More efficient use of staff time (videos explain products) – five hours a week of staff time saved (approx. \$6,500/year in savings)
- Executive Director spending more time in thought-leader and relationship-building activities

- Program Director re-focused on local programs
- Increased presence nationally
- Spending more time with clients

EXPLORATION OF IMPACT

When looking at the 2014 partnership between Intercambio and SVP Boulder County, the impacts could be described largely as a “ripple in the pond” effect. Intercambio was not at a crisis point or meeting major financial or programmatic hurdles, as some Investees have been in the past. This was a successful partnership because Intercambio was right at the point where a little extra capacity was a game changer in its ability to fully realize the potential of its social enterprise arm and more meaningfully involve it in the entire organization. A slight nudge in the form of financial assistance and consulting gave Intercambio the needed tools to fully begin growth into its next chapter as an organization.

PARTNERSHIP DEVELOPMENT POSITION

As part of SVP’s financial investment in Intercambio, the nonprofit was able to hire a Partnership Development position. Marcie Gorman Smith started in the position in mid-2014, several months into the SVP partnership. The goal was to help Intercambio expand its reach to free up the Executive Director to focus on other efforts while still increasing revenue for the social enterprise. Essentially, they needed someone to run Resources to Unite Communities. “It kind of stemmed from conversations we had about needing to be more present everywhere,” says Lee.¹

Marcie is now essentially the point person for all of the sales around the country—and having that active presence in the position, rather than other staff trying to squeeze sales into their infrequent free time—has resulted in huge growth in only a few short months. “I am the one that now goes to conferences, leads the workshop, talks to people on the phone, follows up with customers in terms of reorder and such,” says Marcie. “Part of my salary came out of SVP support. It was a part-time job that has now grown to full-time in less than a year. It’s a huge job.”²

The hiring of a Partnership Development person has been a huge boon for Intercambio. It has helped a bit to free up Lee's time as well as Academic Director Rachel Fuchs' time. As a result, Rachel has been able to devote more effort on volunteer training, says Marcie, as well as had time to re-do the curriculum books this past year—something that likely would not have happened yet without the SVP investment. Explains Marcie:

By bringing me in, it gave Rachel the time to get all the changes made into the books, which could've taken another year. It's a ripple effect. And I don't underestimate the ripple effect. We have such a synergistic situation here. And the more Rachel and Lee are freed up to work on other things, the more benefit we are getting in program. The more benefit in the program, the more I can bring those benefits into the sale of our curriculum and resources. They are all intrinsically linked.²

SALES STRATEGY

While the idea had been percolating for years, the social enterprise side of Intercambio was still relatively new. As such, the ED and most of the staff were still somewhat inexperienced with sales approaches and methodology for selling books. Thanks to SVP coaching, says Lee, they now understand a bit more how sales processes work—what to say in sales emails, how soon to respond, and in what depth to best cultivate business development.

"I think the biggest [benefit from SVP] was just bringing general sales experience and sales knowledge and suggestions. That is not really our expertise. We are great educators, curriculum developers... I am also an entrepreneur and I am a community guy, but I am not a sales guy," says Lee. "Those types of conversations were very helpful."¹

There was also some big-picture strategy to discuss. As Intercambio decided to step up its investment in the social enterprise, they had to take a hard look at the competition: K-12 academic behemoths like Pearson, Cambridge Press and Cengage/National Geographic, who all already offer lines of adult ESL materials. Marcie says at that point it was particularly helpful to lean on the publishing industry

knowledge of the SVP Lead Partner. "It was [nice] having someone like Lynn with all that publishing experience, in knowing what it's like in going in against someone like Pearson," she says. "How do we define ourselves in that type of publishing space? It was a very productive conversation."²

WEBSITE UPGRADE/MERGING OF MISSIONS

As part of the aforementioned hire and sales strategies meetings, SVP and Intercambio were able to work together to bring about a huge philosophic shift in how Intercambio presented its social enterprise arm, Resources to Unite Communities. As a result of those conversations, Intercambio decided to philosophically "merge" the two organizations into one unified mission and message. Instead of Resources to Unite Communities having its own separate brand and website, the team decided that one cohesive website would better exemplify their unique model and separate themselves a bit from the competition. Having SVP there to help in those decisions was a huge benefit for Intercambio. Recalls Marcie:

There was a seminal meeting where Lynn and [SVP Director] Jennie and Lee were there, and I kind of laid out my strategic thinking about what needed to happen. Quite frankly, it could have been overwhelming to Lee but I think having Lynn as a person from publishing and Jennie from SVP being part of that conversation, and them being able to say, 'that makes sense,' that certainly gave our executive director a lot more comfort in making a pretty significant change.²

The websites were originally set up as separate when Resources to Unite Communities first launched—and "it made sense at the time," Marcie concedes. After all, why did organizations from around the U.S. merely interested in using Intercambio's materials need to see their Boulder events and volunteer training schedules? But after a while, Marcie says, she realized that "everything we are offering to people across the country is based on what we do in Boulder County, which is our big success story. The credibility of what we are selling is based on the Boulder program. I felt that was a very important message and it was a way to step away from the publishing competition. Keeping it separate was



great, it was like a testing ground. But now we are bringing it back into the mothership, so to speak.”²

NEW VIDEOS

As part of the new unified website, SVP and Intercambio worked together to make a series of videos to promote Resources to Unite Communities sales and materials. The idea was to create a way to give potential and current customers a better sense of how the products work without consuming too much staff time. “We got a lot of help with the videos, both actually filming the content and also just the strategies of what to include and how to make them user friendly,” says Lee.¹

As part of the new series of videos, some segments focus on prospecting—to drive people to a portion of the website so they quickly learn about a subject they are interested in. Another series focuses on training people on the materials. “I don’t know if it will fully replace live online training down the road,” says Marcie, “but we’re looking at it and saying, what about using video do we want to improve on in the training? What is it going to have that is going to add value?”²

The videos were not complete as of press time of this case study. Lee shared that some took a bit longer than they had hoped and were still in process after the partnership ended. “The footage is there but our products are evolving and we don’t want to make videos that are quickly outdated,” he says.¹

ANALYSIS & REFLECTION

Overall, this second, one-year partnership between Intercambio and SVP was a solid success. As stated, Intercambio was not in crisis mode so the results are not over the top, especially given that it was a shorter duration than SVP’s typical three-year investments. That said, Intercambio has seen numerous positive effects and ripples in just a short time, proving that they were at that “sweet spot” SVP had predicted—where a bit of investment goes a long way to build capacity. Sales in January/February 2015 had jumped 35% from sales those same months in 2014, from 33,000 to 45,000. Staff at Intercambio believe the SVP investment timing has had a lot to do with that—and that the philosophical changes made in the past year would not have happened yet due to lack of time and resources. “There is just no way at this point in time that our little nonprofit could afford to really rethink our whole mission and present it in a unified front,” says Marcie. Any critiques of the partnership really center on the idea that a bit of opportunity was left on the table. It could have possibly been more fruitful, they say, with just slightly altered timing of a few details.

TOO SHORT/NOT ENOUGH WORK IN LATTER HALF

With only a year to work together, it is possible that this partnership might have been a bit too short to fully realize the potential. Executive Director Lee says at times it was challenging not to get overwhelmed by all the ideas in such a short time span: “A lot of things worked out. But I think at times I got overwhelmed by some of the partners, there was so much to think about, and I kind of just wanted to focus on little bits and pieces here and there.”¹

As Marcie was not hired until the partnership was already well underway, she felt it was a bit unfortunate that the main point person missed some of the key early meetings. “When I came in to Intercambio last summer, the partnership with SVP was in process already. I really didn’t get to enjoy all the benefits of working with SVP,” she says.²

Marcie says it would have been nice, if possible, to spend more time with the Partners after she ramped up the integration and settled further into her job:

I think the fact that [SVP] had somebody with publishing experience that I don’t feel like I really got to tap into enough, that’s a loss. If I could’ve spent a few more hours with Lynn, especially now that I am fully immersed and coming up with pricing schemes, now I could really use her help. I didn’t even know all the questions to ask [before]. The timing was not the best but I think we maximized what we could at the time.²

She suggests slightly longer timing could have also helped with the ED’s level of overwhelm in the early part of the grant, too. In theory, she could have worked with the partners to put together an integrated plan and launch, perhaps even timing set in phases: say, the first third of the year focus on one thing, the second third another, and so forth. “If it were set in phases, it comes out in more bite-size pieces especially for smaller organizations like ours, where bringing in a new person is so huge,” she says. “In all fairness, when the grant first came in, that was not the level of detail Lee or Rachel would have been thinking about yet.”²

On a side note, two other outside factors contributed to the timing issues that were unique to this partnership. The Intercambio ED welcomed a new baby during the year, and that circumstance made him understandably pretty absent during a key period. Thus, he was not able to reap as many benefits of the partnership as he might have otherwise. Also the SVP Lead Partner was more available in the early part of the partnership than the tail end due to personal circumstances outside SVP’s control. “It went by pretty fast to be honest,” says Lee. “A year is a pretty short time period—a little longer might be better I think.”¹

THE FUTURE

The future looks bright for this already award-winning organization to take its replicable model and share it nationwide. With immigration issues continuing to be a huge topic in many parts of the country, the interest for the materials should continue to increase. Now that Intercambio is figuring out how to really enter the publishing world more formally and leverage its successful work in Colorado, it seems poised to take growth to the next level.

Specific initiatives for growth in the next year include:

- Creating additional products that will expand reach
- Hiring regional representatives to present on Intercambio’s behalf at conferences
- Optimizing the use of videos—finishing the ones they have started and creating additional videos with plans to generate millions of views

Intercambio is focusing on measuring not only its own growth, but also the growth of organizations it is selling to, which will ultimately show over time how significant its reach can be. Says Lee:

I think really increasing the numbers of people that are using our materials is our biggest measurement. Every book we sell is going in someone’s hands, and we are really seeing a lot more repeat purchases. We are seeing people not only taking classes but needing the next series of books and advancing levels—that’s a big sign of success. And we’re seeing an increase in their orders and that means they are growing and doing well.¹

SOURCES CITED

- 1 Phone interview with Lee Shainis, 26 February 2015.
- 2 Phone interview with Marcie Gorman Smith, 13 March 2015.



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