Emerging Leaders At-a-Glance

Businesses must be at least 3-years old

7-month intensive training

Businesses develop a custom 3 year growth plan

Preparing Small Business Leaders for Growth

Building on the success and expressed interest in the initiative, SBA’s Emerging Leaders doubled in size in FY 2015 expanding to 48 communities and graduating more than 800 participants. Since its inception in 2008, more than 3,300 business owners have participated in the seven-month intensive training that prepares established business owners for growth by building on their business experiences and combines classroom sessions, out-of-class preparation work, and peer-mentoring groups. Participants complete the program receiving more than 100 hours of intensive entrepreneurship education to develop a Strategic Growth Action Plan that guides their business expansion and prepares them for the next phase of growth. The strength of the initiative is due not just to the robust curriculum, but also the integration and collaboration with financial institutions, attorneys, accountants, economic development organizations and other local support organizations.

In the 2015 program year, the average participant business was 14 years old and had $1.7 million in revenue. The initiative continued to reach underserved entrepreneurs with 55% of participants belonging to a racial or ethnic minority group and over 35% of businesses located in a low or moderate income tract.

Since the inception of the initiative, SBA has annually assessed the outcomes of graduates for three years post graduation. Graduates indicated that their businesses have directly benefited from the Emerging Leaders initiative. The 2015 assessment showed that graduates significantly increased the use of management best practices learned, such as better use of financial data and analysis, perfecting how to pitch for new funding, and more effectively marketing and selling products and services. Not only did graduates apply new techniques, the assessment also indicated that graduates saw an improved bottom line and increased revenue on average by $362,000, a 39% growth rate after one year. Graduates continue to see growth two and three years post graduation. Those who have been out of the program increased revenue by 14% after the second year and 11% after the third year. Graduates also created jobs. After one year, graduates created 400 new jobs, a growth rate of 32%. Second year graduates grew employment at 14% and third year at 8% post program. In 2015, the initiative received a 96% satisfaction rating. Looking forward, the assessment indicated that graduates desire to continue with mentorships and advisory groups to maintain peer to peer learning.
Anna Shawver, founder of Apple Canyon Gourmet located in Albuquerque, New Mexico was able to make her business thrive after participating in Emerging Leaders. She learned the importance of delegating work and hired an accountant to fine tune the company’s finances, allowing her to expand the business.
Demographics of Admitted Businesses, 2015 Cohort

812 small businesses

14 years
average business age
14% 1 to 4 years
38% 5 to 10 years
48% 11+ years

$1,761,915
average revenue

Top industries represented
- Professional, scientific and technical services: 35%
- Construction: 29%
- Retail Trade: 14%
- Manufacturing: 8%
- Health care and social assistance: 7%
- Other: 7%

Participating under-served founders and communities
- Certified minority-owned businesses: 28%
- Certified disadvantaged business enterprises: 26%
- Certified women-owned businesses: 19%
- 8(a) certified: 18%
- Certified service-disabled veterans: 5%
- HUBZone certified: 4%
- Located in low- or moderate-income census tracts: 36%

Race and Ethnicity
- White: 45%
- Black or African American: 24%
- Hispanic or Latino: 21%
- Asian: 8%
- Two or more and other racial/ethnic groups: 7%

Gender
- Male: 59%
- Female: 41%
Outcomes of Recent SBA Emerging Leaders Graduates

### Revenue Growth

- **$65,800,000** total revenue growth
- **39%** average revenue growth rate
- **$361,773** average revenue growth

### Job Growth

- **68%** retained or added jobs
- **408** total employment growth
- **32%** average employment growth rate

### Capital and Contracts

- **16%** obtained non-SBA loans totaling **$7,039,978**
- **2%** obtained SBA-guaranteed loans totaling **$1,062,500**
- **30%** obtained government contracts worth a total of **$152,000,000**

### Participant Feedback

- **95%** recommend the program
- **96%** were satisfied with the program

### Improved Skills

- **55%** increased the creation of and adherence to written goals and/or a growth plan
- **45%** increased regular use of financial data and analysis to manage their businesses

Source: Survey of Emerging Leaders 2014 cohort, fielded May 2015
Emerging Leaders

Jalin Phelps and his brothers, Clifton and James, started JCP Construction at what many considered the worst possible time—in 2008 during an economic recession that hit the construction industry particularly hard. Jalin and James, both employed in the industry, anticipated their jobs would be lost due to the downturn and wanted to take control of their situation. Keeping overhead low, JCP started with small projects to build a strong foundation in the tough economy.

A colleague told Jalin about the SBA Emerging Leaders initiative. A carpenter by trade, Jalin spent many years in the field, working strategically on project management and construction. As Vice President of Field Operations at JCP, he saw the Emerging Leaders initiative as a great opportunity to enhance his business operations skills.

The SBA Emerging Leaders initiative helped Jalin determine when and how to sustainably grow his family business. Now, the company is growing fast, winning major contracts, and hiring more employees both in the office and in the field. In the past year, the office staff has increased 38% and field staff has increased 20% despite overall stagnant growth in the construction industry. Growth is expected to continue in both areas. JCP has worked on high profile projects such as General Mitchell International Airport and the new restaurant at Lambeau Field. The Daily Reporter, a Milwaukee newspaper, named JCP Construction its 2015 Sub-contractor of the Year.

Provider: Emerging Leaders Milwaukee
Location: Milwaukee, WI
Business: JCP Construction

Enhancing Business Acumen