



# Strategic Planning Grant Executive Summary



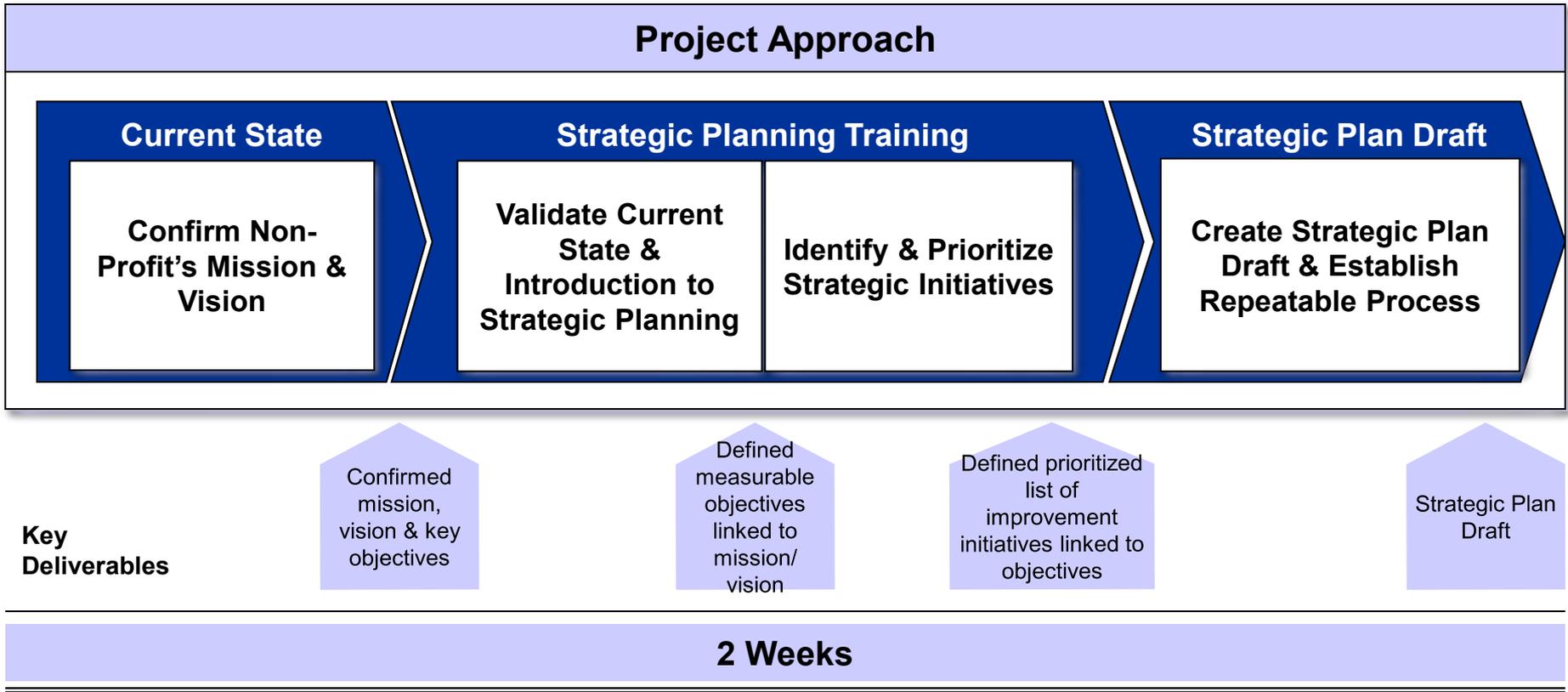
## Agenda



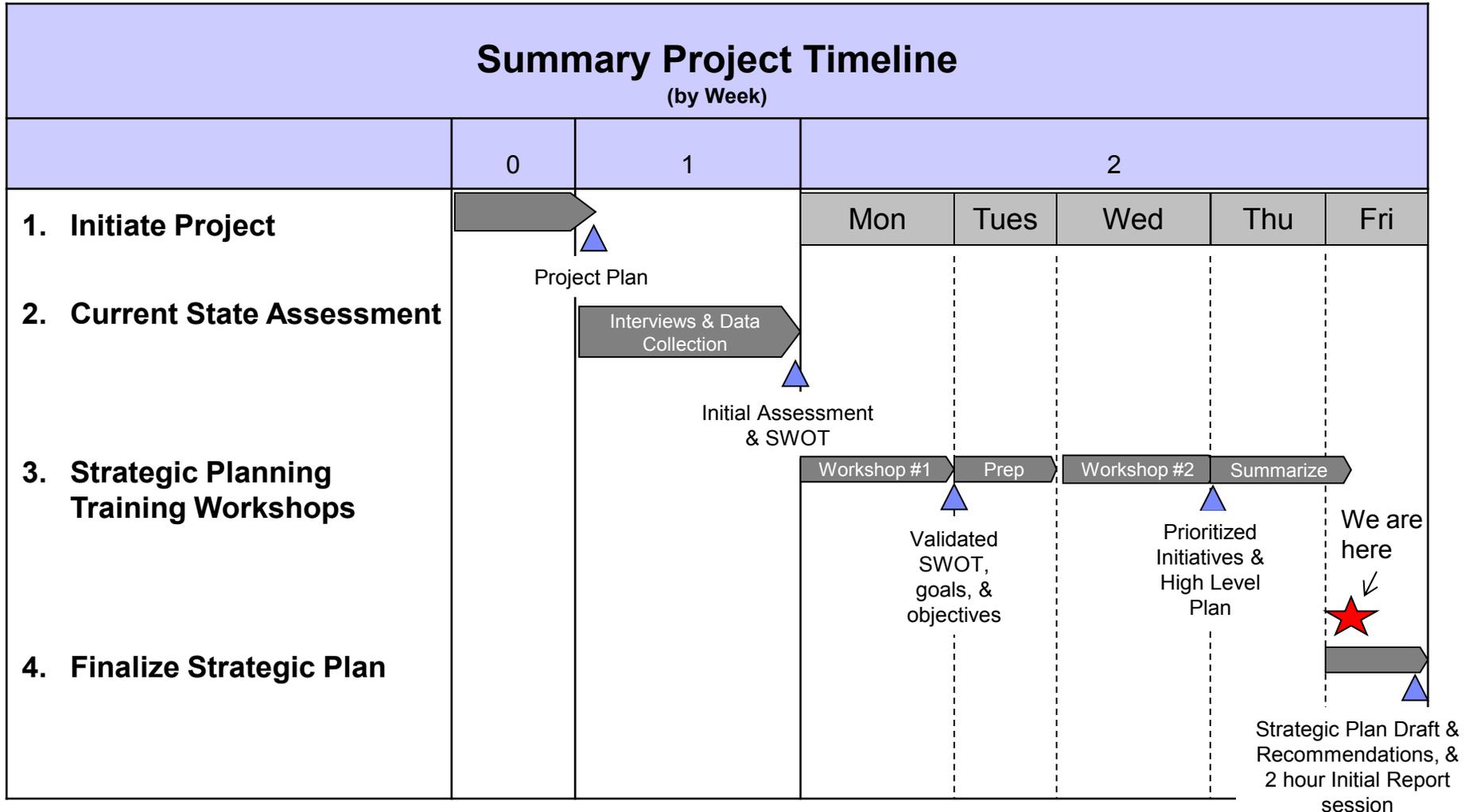
## *Strategic Planning Project Executive Summary*

- **Recap of Strategic Planning Grant Process**
- **Observations**
- **Interviews and Workshops**
- **SWOT Analysis**
- **Strategic Planning Process**
- **Mission, Vision, Objectives, and Initiatives**
- **Criteria and Prioritization Exercise**
- **High Level Project Plan/Initiative on a Page**
- **Action Items and Next Steps**

***The approach was to confirm your strategy, begin to develop a strategic plan with supporting improvement initiatives, and establish a repeatable strategic planning process***



## We anticipated a two week effort to complete the Strategic Planning Project



## ***Objectives for the Strategic Planning Grant***

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- Provide a high-level training regarding the strategic planning methodology and the processes used to develop a Strategic Plan
- Identify **strengths, weaknesses, opportunities** and **threats** (SWOT Analysis)
- Validate the preliminary assessment of the organization's mission, vision, goals and objectives and SWOT analysis
- Discuss measurable criteria for successful achievement of the organization's objectives
- Score and prioritize initiatives based on objective criteria
- For each identified initiative, complete "Initiatives on a Page", and define benefits estimates, high level scope, required resources, timeframe, and dependencies
- Review and engage in discussions around the strategic planning process
- Finalize **strategic plan draft** and final recommendations
- Package **strategic planning approach and draft strategic plan** for hand-off to RBTC (for future use)

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## ***Observations and Recommendations from Strategic Planning Grant Project***

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- Prior to the process, the mission and vision was not clear and major efforts were targeted toward building expansion
- Performance and success metrics need to be strengthened
- Tenancy model and “graduation” from RBTC is critical to promoting client sustainability and wealth generation
- Repositioning of RBTC and go to market efforts as a business incubator for “all” is needed
- As demographics of clients shift through repositioning, diversification of incubator efforts away from “procurement” and “contracting” opportunities will be more important
- Increased leverage and use of technology, current workspace, and training rooms will be critical to attracting new clients and furthering public and private partnerships
- Job training efforts with greater focus towards technological and analytical roles to prepare community and further align with new public/private partnerships

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## Interview Process

- We interviewed key stakeholders, including leadership/management from all areas of the organization and external subject matter experts that have a history/relationship with the Raleigh Business and Technology Center

<b>Name</b>	<b>Title</b>
<b>Bob Robinson</b>	Executive Director, RBTC
<b>Gail Roper</b>	Chief Information & Community Relations Officer, City of Raleigh
<b>Mitch Silver</b>	Chief Planning & Economic Development Officer, City of Raleigh
<b>David Diaz</b>	President and CEO, Downtown Raleigh Alliance
<b>Vince Taylor</b>	Director of Business Development, Capstone Civil Group
<b>Dan Calloway</b>	Business and Finance, RBTC
<b>Kimberly McClain</b>	Founder and CEO, Creative Force Studios
<b>Mary Lassiter-Green</b>	Planning Room Support

## Workshop Attendees

- Many of the interviewees attended the workshops, which is key to creating buy-in for the Strategic Plan

<b>Name</b>	<b>Role</b>
<b>Bob Robinson</b>	Executive Director, RBTC
<b>Gail Roper</b>	Chief Information & Community Relations Officer, City of Raleigh
<b>Vince Taylor</b>	Director of Business Development, Capstone Civil Group
<b>Dan Calloway</b>	Business and Finance
<b>John Bacon</b>	Human Resources Management
<b>Jamie Godfrey</b>	Grants, contracts and accounting management (President, Genuine Accounting Services, Inc.)

## ***Recap of Workshops - Participant Objectives***

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### **Workshop #1**

- Pathway set for Tier 2 partnering
- Strategy to partner with Downtown Raleigh Alliance
- Establish and focus on objectives for RBTC
- Strategy to increase brand awareness for training/apprenticeships/employment opportunities
- Garner more input from city on potential future direction
- Strategy to enhance synergy with the city

### **Workshop #2**

- End up with strategic plan
- Align with goals of Downtown Raleigh Alliance and vice versa
- Have focused, concise strategic plan with benchmarks to keep on track
- Generate actionable goals and have manpower to implement them
- Seek city input/involvement

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## Refined SWOT (Strengths, Weaknesses, Opportunities & Threats) Analysis from Workshop #1

<p style="text-align: center;"><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Attractive facilities and location (proximity to downtown)</li> <li>• Business model fosters economic development (small business) which in turn fosters community development and revitalization</li> <li>• Plan Room provides an avenue for funding</li> <li>• Responsive to employer-partners' special population hiring needs</li> <li>• Training room now high-speed enabled, on city fiber network, computers/VTC/VOIP capable, ready for training</li> </ul>	<p style="text-align: center;"><b>Weakness</b></p> <ul style="list-style-type: none"> <li>• Lack of resources (monetary and staff)</li> <li>• Lack of performance metrics</li> <li>• Recent Board departures have left gaps – need increased board participation, and representation in new markets</li> <li>• Have not fully realized the “technology” part of the RBTC name</li> </ul>
<p style="text-align: center;"><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Seek out public-private partnerships where corporations support RBTC based on demonstrated public value</li> <li>• Building expansion could provide more programming and more revenue opportunity</li> <li>• Broader footprint and greater outreach to other parts of the Raleigh community</li> <li>• Need criteria for length of tenancy</li> </ul>	<p style="text-align: center;"><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Current economic downturn could reduce the continuing and future service contract offerings</li> <li>• Drop or withdrawal in government funding</li> <li>• New ‘disruptive’ competing programs or government efforts that reduce the organization’s visibility or effectiveness</li> </ul>

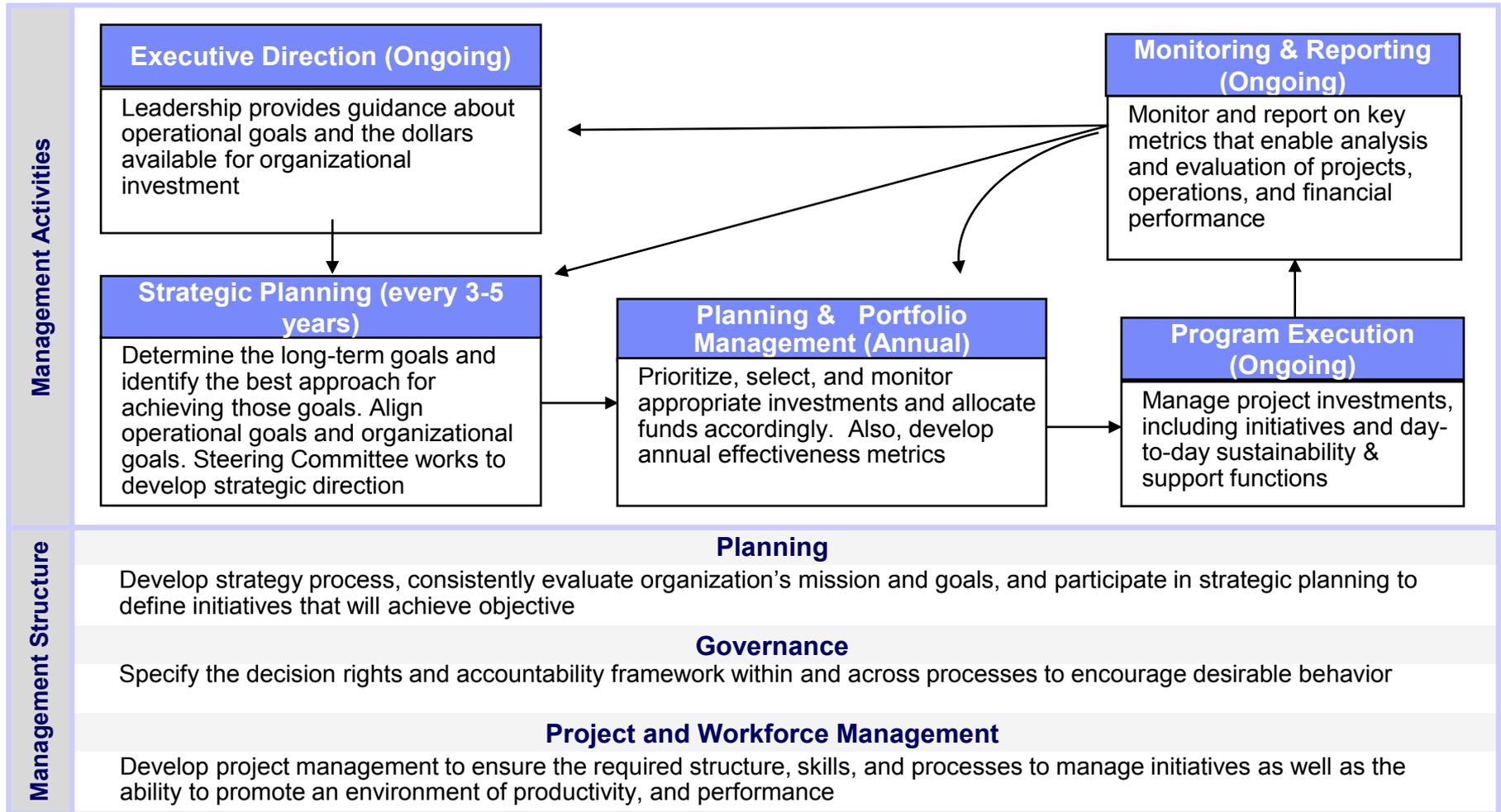
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# A recap of the major strategic planning activities carried out by the organization...

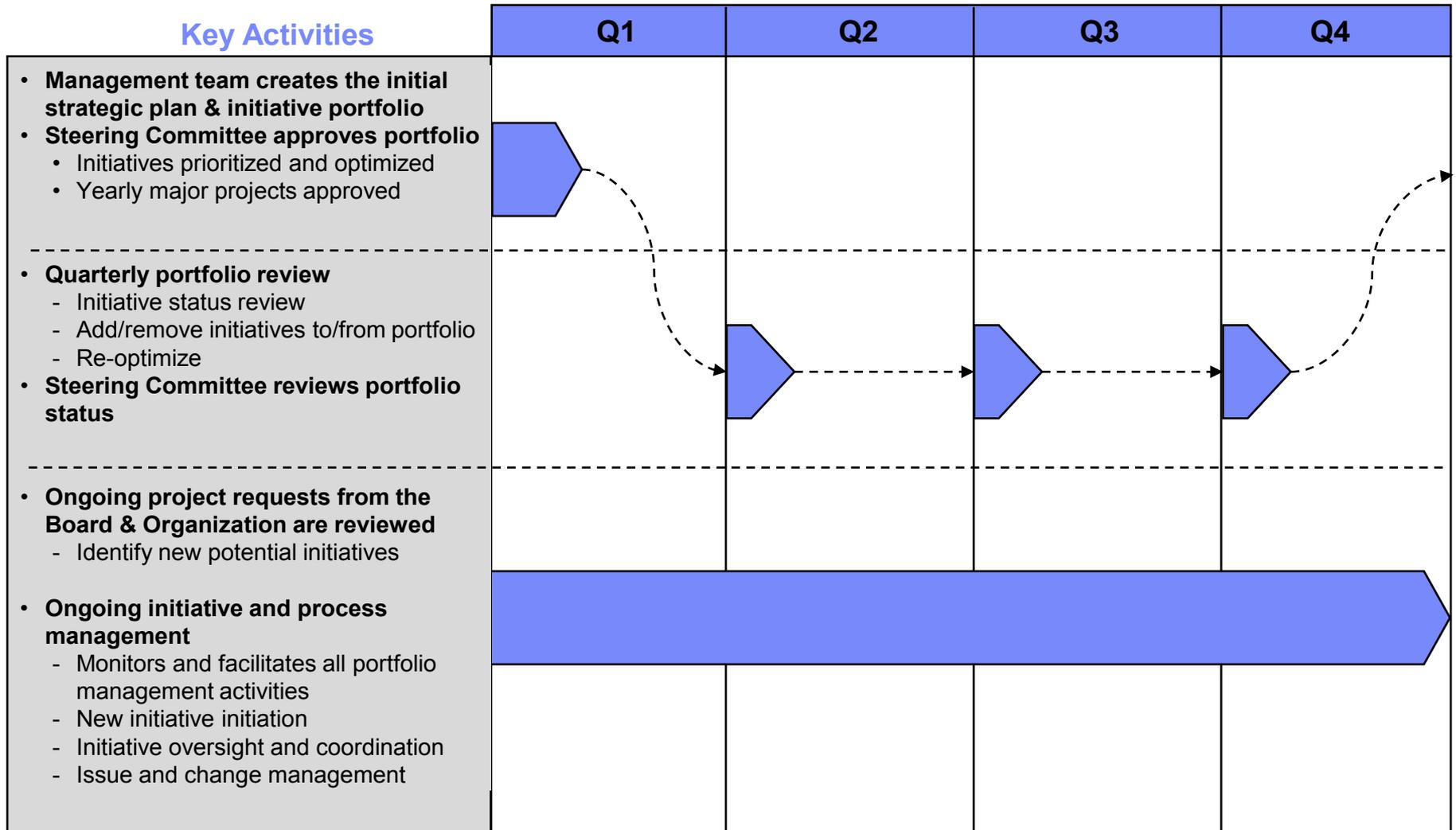


***Each strategic planning role carries particular responsibilities and follows a regular timeline for its key activities***

<b>Role</b>	<b>Description</b>	<b>Responsibilities/Activities</b>	<b>Timeline/Frequency</b>
<b>Executive Committee</b>	Encourages a holistic view and provides input to ensure initiatives & decisions are well-informed	<ul style="list-style-type: none"> <li>▪ Initiative Portfolio Validation</li> <li>▪ Organizational Strategic Plan Validation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Yearly with Quarterly Review</li> <li>▪ Yearly with Quarterly Review</li> </ul>
<b>Management Team</b>	Focuses on driving value and considers several levels of effort	<ul style="list-style-type: none"> <li>▪ Initial Initiative Portfolio</li> <li>▪ Strategic Planning                             <ul style="list-style-type: none"> <li>– Capabilities</li> <li>– Business Alignment</li> <li>– Initiative/Plan Generation</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Yearly</li> <li>▪ Yearly with Quarterly Review</li> </ul>
<b>Project/ Initiative Manager</b>	Provides guidance and structure on initiative governance	<ul style="list-style-type: none"> <li>▪ Initiative Execution Management</li> <li>▪ Portfolio Management Administrations</li> <li>▪ Workforce Planning</li> <li>▪ Capturing and Reporting Metrics</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ongoing</li> <li>▪ Quarterly/Yearly Review</li> <li>▪ Ongoing</li> <li>▪ Weekly/Monthly</li> </ul>

## A management-level Steering Committee completes numerous activities on a yearly cycle, linking strategy and budgeting to maximize effectiveness

### Key Activities



## Agenda

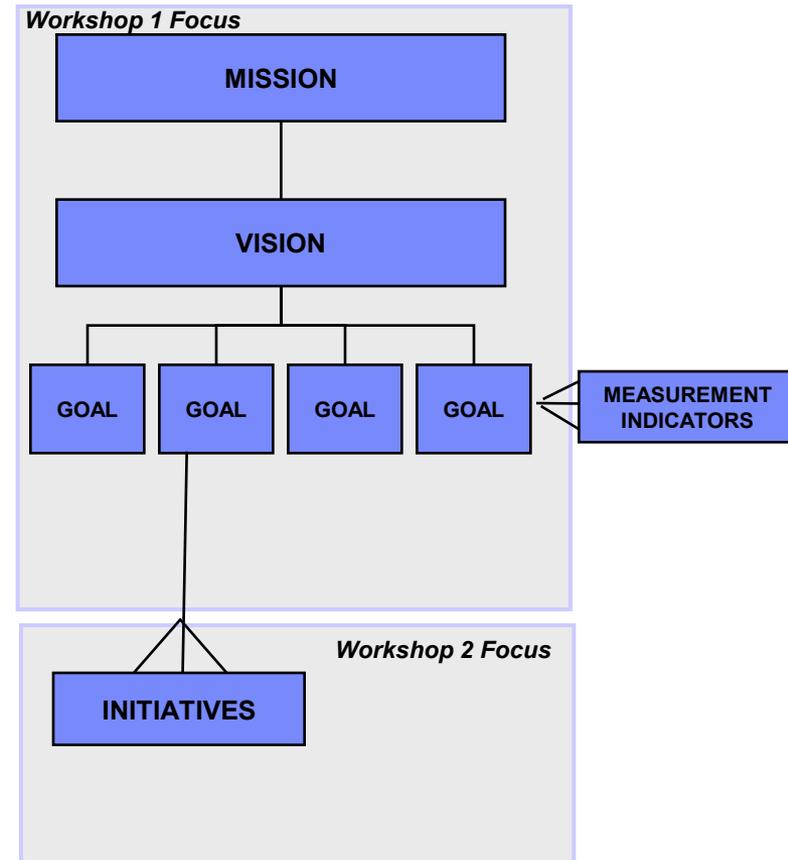


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**The Strategic Planning Process addresses key components that work in tandem with one another to achieve the organization’s core mission**

Mission	“Why the organization exists...”
Vision	“Statement of direction in the coming years”
Goals/ Objectives	“Short to medium term quantification of objectives...”
Tactic/ Initiative	“Actions to be taken to implement goals...”
KPIs/ Targets	“Measure of performance...”



**Clear definition and traceability of the mission, vision, goals, objectives, and capabilities of a program ensure that the strategic plan is shaped in direct response to organizational needs**

## ***Visioning Exercise - Summary Statements***

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1. The RBTC offered a productive and profitable experience to emerging businesses.
2. The RBTC created an environment where all employees felt empowered to participate through world class customer service to each employer-partner, prospective business, and CBO who entered the building.
3. The RBTC serves as a catalyst for emerging businesses to learn how to grow in local communities and global markets. It's leadership understands the struggles a small business encounters and has partnered with public and private entities to implement programs that enable their success in the 21st Century.
4. The RBTC has established a strategic vision that is results-driven and competitively aligned with economic development drivers of the 21st Century.
5. The RBTC's innovative public and private partnerships have resulted in effective strategies for economic development in Raleigh and throughout the state.

## ***Visioning Exercise – Draft Compilation Vision Statements***

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- Below, we created draft vision statements, encompassing the summary statements created in Workshop #1
- Option 1: RBTC's Vision promotes a world-class business services platform that enhances businesses' human capital using innovative strategies and technologies that support the community economic development for our clients and those we serve.
- Option 2: The RBTC fosters innovative public/private partnerships and programs which empower emerging businesses and engender economic development in Raleigh and beyond.
- **Combined Draft Vision: The RBTC operates as a business incubator, offering a world-class business services platform that fosters business growth. The RBTC drives community economic development through innovative technologies and partnerships in Raleigh and beyond.**

*We conducted a visioning exercise, and here are the results*



Wordcloud generated by [www.wordle.net](http://www.wordle.net), by IBM Researcher Jonathan Feinberg

***Based on the background information provided, the interviews, and the workshops, we developed this view of the organization's goals***

**MISSION:** Our mission is to provide entrepreneurs, start-ups, and owners of small businesses with the tools and a blueprint for commercial and financial success, to foster economic and community development.

**VISION:** The RBTC operates as a business incubator, offering a world-class business services platform that fosters business growth. The RBTC drives community economic development through innovative technologies and partnerships in Raleigh and beyond.

**GOAL 1:**

To operate as a business incubator in the greater Raleigh community to provide advice, access to networks, and resources to entrepreneurial and small businesses to promote their growth and sustainability.

**GOAL 2:**

To promote economic development by providing education, job training, and financial assistance to the business community.

**GOAL 3:**

To serve as conduit to connect established organizations with small businesses to further each entity's goals.

# RBTC has identified three organization goals, and related initiatives that will help achieve those goals

## GOAL 1

To operate as a business incubator in the greater Raleigh community to provide advice, access to networks, and resources to entrepreneurial and small businesses to promote their growth and sustainability

1.1 - Develop criteria for length of tenancy (incubation period)

1.2 - Create incubation curriculum (for both virtual and tenant-based) with stages, education, mentoring, graduated rents, and launch resources

1.3 - Establish key performance metrics, measures of success, and create scorecard

## GOAL 2

To promote economic development by providing education, job training, and financial assistance to the business community

2.1 - Create marketing plan to re-brand RBTC as resource for all small businesses, not just minority businesses

2.2 - Create a services catalog of the infrastructure, operational, and strategic support offerings

2.3 - Create an implementation plan to pursue offering technical certifications to held in the new training room

2.4 - Create an implementation plan to pursue additional call center training to be held in the new training room

2.5 - Create a Training (or Certification) Implementation Plan to expand use of the Plan Room to train and assist construction contractors through electronic media

2.6 - Write a business plan to consider expansion into the backyard to reduce reliance on grant funding

## GOAL 3

To serve as conduit to connect established organizations with small businesses to further each entity's goals

3.1 - Create an action plan to seek out public-private partnerships where corporations could support RBTC based on demonstrated public value

3.2 - Create a marketing plan to promote use of the existing call center on 2<sup>nd</sup> floor

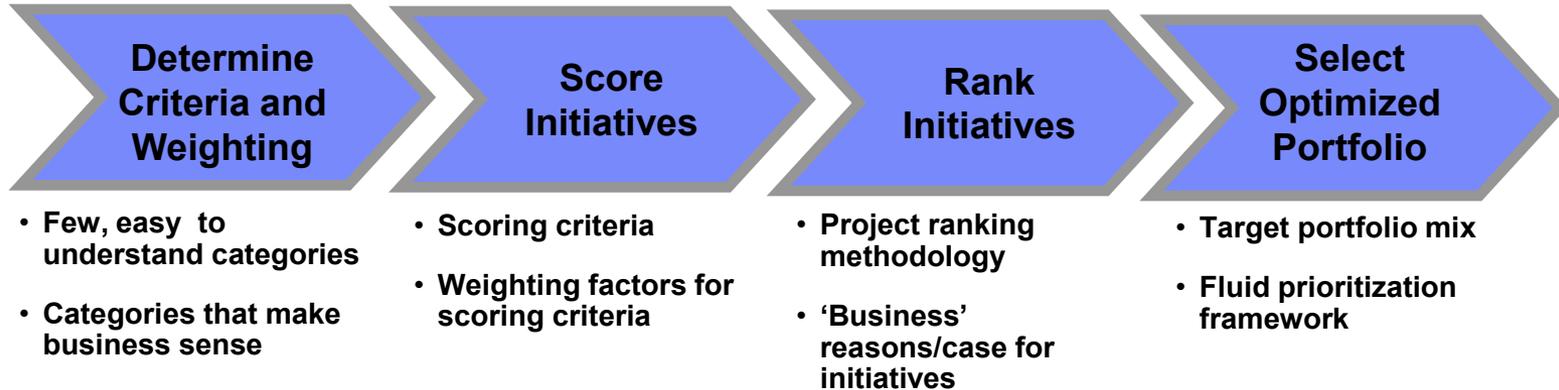
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# In Workshop #2, we used an overall approach similar to this to score and rank the strategic initiatives we identified...

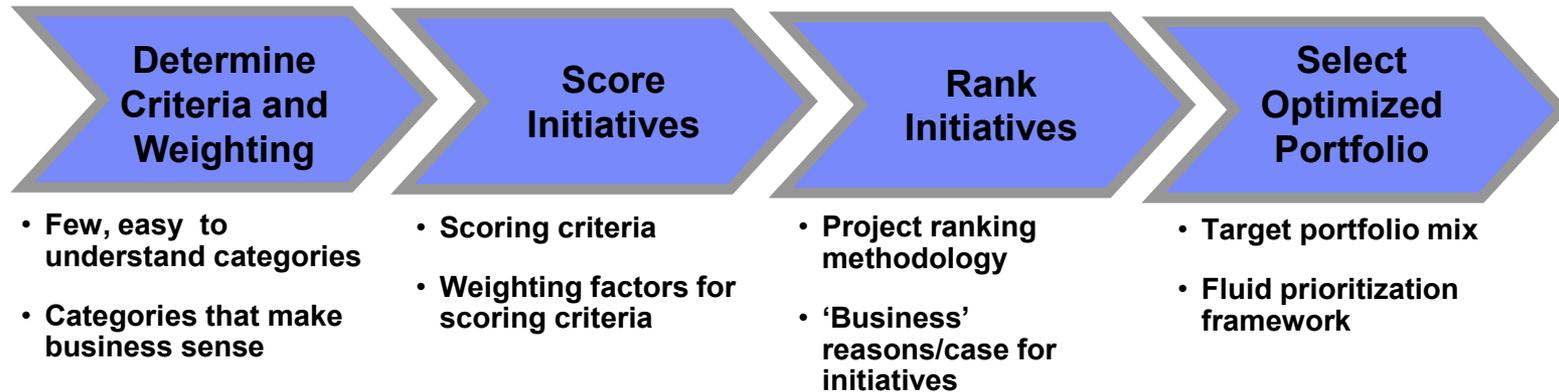


Criteria	Weight
<b>Client/ Organization Criticality</b> 1 = Low criticality/community need (based on data) 3 = Med criticality 5 = High criticality	25%
<b>Strategic Fit</b> 1 = Does not fit with organization long term mission/vision 3 = Somewhat fits with organization long term/vision 5 = Fits with organization long term mission/vision	25%
<b>Funding/ Economics</b> 1 = Dollars don't exist and we cannot raise them, poor ROI 3 = Dollars may exist, we may be able to raise them, unclear ROI 5 = Dollars exist and we can raise them, and good ROI	25%
<b>Implementation Feasibility/ Sustainability</b> 1 = Difficult to implement/sustain (resources, OH, post-funding) 3 = Some challenges to implement/sustain 5 = Easy to implement/sustain	25%

$$(\text{Criteria A Score} * \text{Criteria A Weight}) + (\text{Criteria B Score} * \text{Criteria B Weight}) + (\text{Criteria C Score} * \text{Criteria C Weight}) + (\text{Criteria D Score} * \text{Criteria D Weight})$$

Initiative	Client/ Organization Criticality	Strategic Fit	Funding/ Economics	Implementation Feasibility	Overall Score
	30%	20%	40%	10%	
Initiative 1.1	5	3	3	3	3.6
Initiative 1.2	3	3	3	1	2.8
Initiative 2.1	4	5	5	5	4.7
Initiative 2.2	3	1	1	1	1.6

***This approach works best when it's backed by management and easy to repeat***



### **Elements Needed for Successful Implementation**

- Secure management buy-in
- Strong commitment from stakeholders to strictly follow the process
- Easy-to-use, repeatable process
- Criteria weighting mix that is aligned with the organization's strategy
- Multi-year commitment

***We recommend a set of criteria IBM has used with many clients to successfully rank key strategic initiatives***

**Criteria**

**Client/  
Organization  
Criticality**

Addresses unmet client, customer, stakeholder, internal need or opportunity

**Strategic Fit**

Alignment with organization's mission, vision, objectives and strategies

**Funding/  
Economics**

Provides financial benefits/payback in excess of investment requirements

**Implementation  
Feasibility/  
Sustainability**

Initiative can realistically be expected to meet goals given acknowledged risks, organizational capabilities and timing constraints

***A minimal set of criteria for initiatives prioritization helps enable scoring and ultimate planning and optimization***

**Here are some sample critical questions to help shape the criteria**

**Criteria**

**Client/  
Organization  
Criticality**

1. Does the project address an identified need or pain?
2. How strong is that need/pain?
3. How deeply does the initiative impact that need/pain?

**Strategic Fit**

1. Does this initiative align with a strategic objective? How well does it further that objective?
2. Does the initiative fit with the organization's technology platform?
3. How does it help lead in the non-profit marketplace?

**Funding/  
Economics**

1. What is the risk and return on investment?
2. What is the payback period?
3. What are the investment costs?
4. What are the on-going business and technology costs?
5. What are the cost reductions?
6. What are the revenue increases?

**Implementation  
Feasibility/  
Sustainability**

1. Does organization possess the competencies required for the implementation or can they be easily acquired?
2. How acceptable is the operational impact?
3. How new and how complex is the change or new technology?
4. How much effort is needed for execution/implementation?
5. How well is the initiative (and related measurements/ KPIs) defined?

***We developed criteria and weighted the criteria relative to the organization's priorities***

Criteria	Weight
<b>Client/ Organization Criticality</b>	1 = Low criticality/community need (based on data) 3 = Med criticality 5 = High criticality
<b>Strategic Fit</b>	1 = Does not fit with organization long term mission/vision 3 = Somewhat fits with organization long term/vision 5 = Fits with organization long term mission/vision
<b>Funding/ Economics</b>	1 = Dollars don't exist and we cannot raise them, poor ROI 3 = Dollars may exist, we may be able to raise them, unclear ROI 5 = Dollars exist and we can raise them, and good ROI
<b>Implementation Feasibility/ Sustainability</b>	1 = Difficult to implement/sustain (resources, OH, post-funding) 3 = Some challenges to implement/sustain 5 = Easy to implement/sustain

***During the second workshop, each person scored each of the key initiatives against the criteria, and we calculated the weighted average and ranking***

Initiatives	Ranking Criteria (1-5)				Final Ranking		
	Client/ Organization Criticality	Strategic Fit	Funding/ Economics	Implementation			
	20.0%	35.0%	25.0%	20.0%	Overall Score	Rank	
1.3	Establish key performance metrics, measures of success, and create scorecard	5	5	4.4	4.6	4.77	1
3.1	Create an action plan to seek out public-private partnerships where corporations could support RBTC based on demonstrated public value	4.6	4.8	4.6	4	4.55	2
1.1	Develop criteria for length of tenancy (incubation period)	4.2	5	4.2	4.2	4.48	3
2.1	Create marketing plan to rebrand RBTC as resource for all small businesses, not just minority businesses	4.4	5	4	3.6	4.35	4
1.2	Create incubation curriculum (for both virtual and tenant-based) with stages, education, mentoring, graduated rents, and launch resources	4.4	4.2	4	4.2	4.19	5
2.2	Create a services catalog of the infrastructure, operational, and strategic support offerings	3.8	4.2	3.6	3.8	3.89	6
2.3	Create an implementation plan to pursue offering technical certifications to be held in the new training room	4	4.2	3	3.8	3.78	7
2.5	Create a training(or Certification) implementation plan to expand the use of the Plan Room to train and assist construction contractors through electronic media	2.6	3.8	3	2.6	3.12	8
2.4	Create an implementation plan to pursue additional call center training to be held in the new training room	2	3	2.6	2.2	2.54	9
2.6	Write a business plan to consider expansion into the backyard to reduce reliance on grant funding	2.8	2.8	2.2	2	2.49	10
3.2	Create a marketing plan to promote use of the existing call center on 2nd floor	2.6	2.2	2.6	2	2.34	11

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## Initiative on Page – 1.3 Establish Key Performance Metrics

**Initiative Owner: Bob Robinson**

**Start Date: xx/xx/xx**

**Completion Goal: xx/xx/xx**

### Scope and Objectives

- \_\_\_\_\_  
\_\_\_\_\_
- \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- \_\_\_\_\_  
\_\_\_\_\_

### Benefits

- Ensure that RBTC is meeting stated goals/expectations and remaining capable of change in business climate
- Transparency to funders and Board

### Major Activities

Key Activities:

1. Select measures to report on scorecard – look at sample and sample scorecards
2. Determine data sources and format
3. Collect data for pilot scorecard
4. Create pilot scorecard and circulate internally for feedback and make adjustments
5. Launch pilot scorecard to Board and adjust as needed
6. On an going basis, report results to board and make adjustments in operations where needed to achieve desired metrics
7. Publish reports with Board of Director clients and tenants for transparency

### Risks & Dependencies

- Inability to meet stated goals which could jeopardize funding

### Estimated Cost, Resources & Duration

- Capital Cost: TBD
- Internal Resource Commitment: 2 People
- Time Commitment (weeks): 2 people x 20 hours per week x 1 week = 40 hours total

## Initiative on Page - 1.1 Develop Criteria for Length of Tenants

**Initiative Owner: Dan Calloway**

**Start Date: xx/xx/xx**

**Completion Goal: xx/xx/xx**

### Scope and Objectives

- Description:
  - Develop criteria for length of tenancy
- Objectives:
  1. Work towards model that will encourage movement and launch of incubator businesses.
  2. Expand perception of RBTC's accessibility to community
  3. Evaluate revenues of tenants
  4. Demonstrate commitment to development of tenants

### Benefits

- Development of a systematic business model and personal growth for tenants
- Ensure RBTC's mission/goal accomplishment
- Positive community reception of new model
- Positive cash flow

### Major Activities

Key Activities:

1. Review current tenant revenues and leases for length, end date and revenue
2. Develop incubator tenancy model, with objectives and rules
3. Consider individualized leases for type of business/business plan for each tenant (need buy-in)
4. Develop plan to handle/action current tenant leases
5. Establish semi-annual dates for periodic review and feedback
6. Incorporate into Overall RBTC Incubator Model (Graduation model)

### Risks & Dependencies

- Overextension of RBTC's resources to implement and administrate

### Estimated Cost, Resources & Duration

- Capital Cost: TBD
- Internal Resource Commitment: 2 people (to share ideas)
- Time Commitment (weeks): 2 people x 10 hours per week x 2 weeks = 40 hours total

## Initiative on Page -

**Initiative Owner: TEAM MEMBER TBD**

**Start Date: xx/xx/xx**

**Completion Goal: xx/xx/xx**

### Scope and Objectives

- Description:
  - TBD
  
- Objectives
  - TBD

### Benefits

- TBD

### Major Activities

- Key Activities:
  - TBD

### Risks & Dependencies

- TBD

### Estimated Cost, Resources & Duration

- |                                 |     |
|---------------------------------|-----|
| ▪ Capital Cost:                 | TBD |
| ▪ Internal Resource Commitment: | TBD |
| ▪ Time Commitment (weeks):      | TBD |

## Tenancy Model - Work in Progress

### Goal

- To create an objective application/decision making process for length of Incubatee Tenancy

### Guiding Principles

- Use research premise from Dr. James Johnson (UNC) for predictors of incubator company success
- For the model, use a scoring mechanism to apply objective rankings

### Approach

- Assign a point value to the incoming Tenant Incubatee for each predictor
- Sum the total points to determine the lease length/graduated rent

### Assumptions

- Formal education is a proxy for management skills
- Access to markets is assessed by RBTC staff member

Predictor	Definition/Considerations	Points Legend
<b>Management Skills</b>	Owner's management abilities and formal education	1 point = High School Graduate or GED 2 points = Undergraduate Degree 3 points = Graduate Degree
<b>Access to Markets</b>	Access to what % of total market? Is market defined by Raleigh/NC/USA? # and strength of competitors/ players? Ability to get product/service to market? Contracts already in place?	1 point = Low Access 2 points = Medium Access 3 points = High Access
<b>Access to Capital</b>	Proven Year 1 expenses in hand. Year 1 expenses as defined by mandatory business plan, reviewed by RBTC	1 point = Proven 25% of Year 1 expenses in hand 2 points = Proven 50% of Year 1 expenses in hand 3 points = Proven 100% of Year 1 expenses in hand

## Tenancy Model - Work in Progress

### Additional Assumptions

- Rent is applied on an annual basis, for simplicity
- Each Tenant Incubatee is allowed a maximum rental term of 3 years
- On a special exception basis, there is a 4th year rental option, at 100% of market rate

Score	Lease Length	Graduated Rental Rules
8-9 points	1 year	Year 1 Rent = 90% of Market Rate
6-7 points	2 year	Year 1 Rent = 70% of Market Rate Year 2 Rent = 90% of Market Rate
3-5 points	3 years	Year 1 Rent = 50% of Market Rate Year 2 Rent = 70% of Market Rate Year 3 Rent = 90% of Market Rate

## ***Tenancy Model – Work in Progress***

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### **New rules to consider**

- Tenant Applicant must
  - Submit business plan, that is then reviewed/approved by RBTC (this is a mandatory submission)
  - Include an Exit/Fold Strategy in Business Plan if business not viable at the end of the lease term
  - Prove that they have at least 25% of Year 1 expenses in hand, in business account prior to move in
  - Agree in the lease to pay graduated rent
  - Agree to move out at the end of lease term, even if business is not yet viable (rationale: RBTC is not a landlord, it is a business incubator)
  - Be aware that there is an optional 4<sup>th</sup> year tenancy at 100% of market rates

## ***Tenancy Model - Future Questions to Answer***

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### **Predictors**

- Is formal education a good proxy for management skills or is there another objective way to measure (e.g., a managerial skills test, “qualified” managerial experience, have launched business in the past)
- What is an objective way to evaluate a business plan submitted to RBTC?

### **Leases**

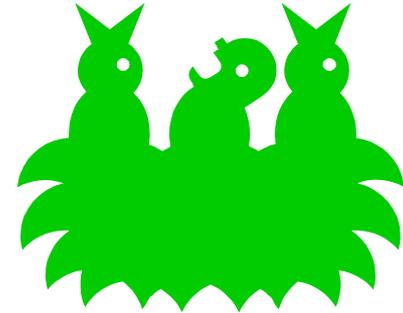
- Should there be a single lease length (i.e., 3 years) or different lease lengths (e.g., 1, 2, 3)?
- Should lease rates be annual or partial (e.g., 1.5 years, 2.25 years, 3 years), since partial years are difficult to administrate?
- How long should length of lease be? What is the incubator market average?
- How much are current commercial real estate market rates by square foot in downtown Raleigh? How do these typically change year over year?
- Should there be an exception clause for an extra 4<sup>th</sup> year under special circumstances? What are those circumstances?
- What is the action plan for Tenants who refuse to move out at the end of their tenancy period?
- Do you start all current tenants at year 0 (and issue new leases) or do you give them 1 year to vacate if they’ve already been tenants for 5 years?
- Is it realistic for RBTC to dictate the length of time before a business is viable? Probably not, but if the Tenant Incubatees are treated the same as Pacesetter Incubatees, then Tenant Incubatees should be released on their own at the end of 3 years just like Pacesetters to promote fairness

## *Incubator Definition*

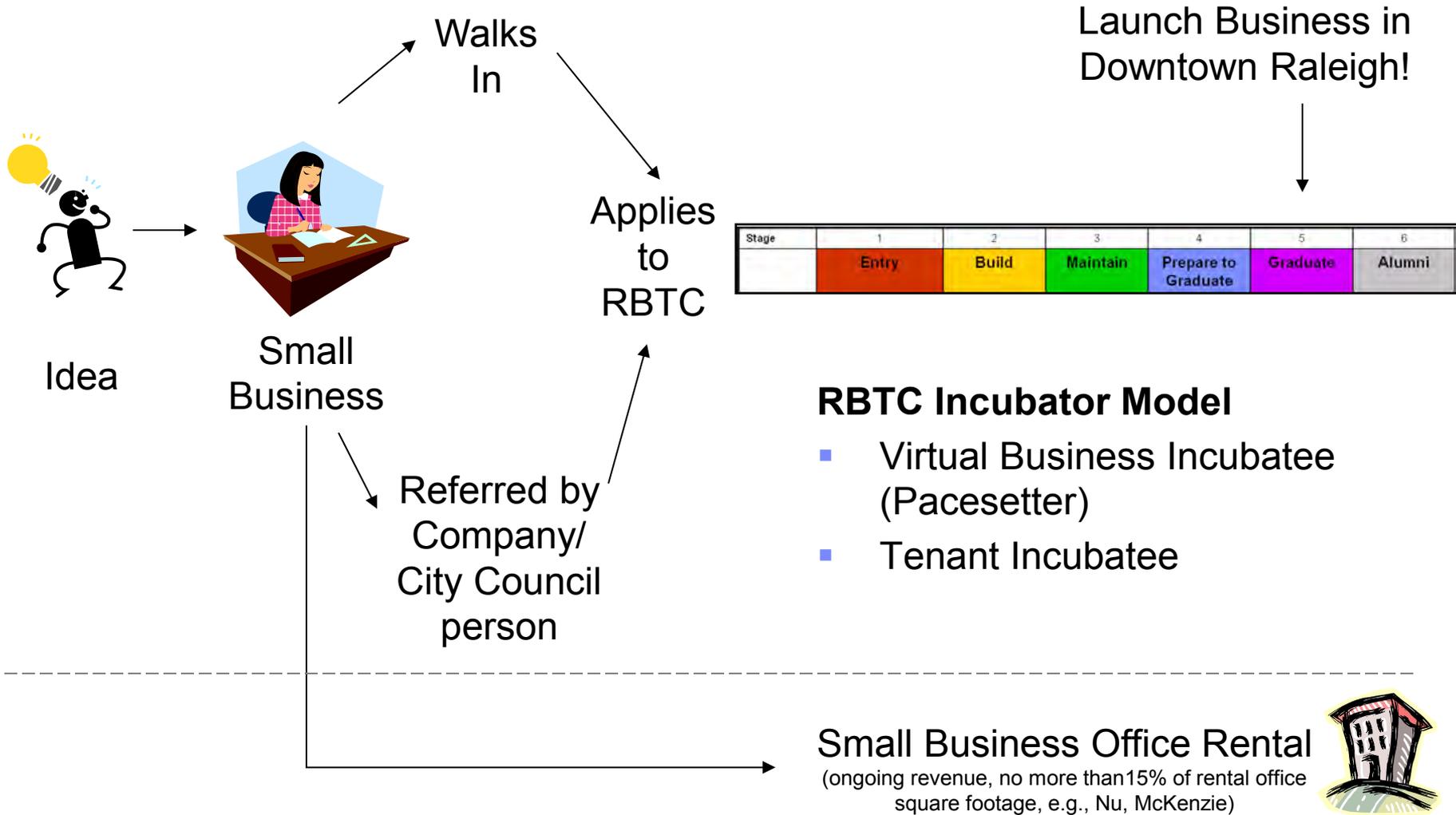
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### **Incubator (noun):**

1. a person, animal, or thing that incubates
2. an apparatus in which eggs are hatched artificially
3. an enclosed apparatus in which prematurely born infants are kept in controlled conditions, for protection and care, until they are **strong enough to survive in the normal environment**
4. an insulated enclosure in which temperature, humidity, oxygen, and other **environmental conditions can be regulated at levels optimal for growth, hatching, or reproduction.**
5. **a commercial property, divided into small work units, which provides equipment and support to new businesses**



# RBTC Incubator Model – Work in Progress



## Incubator Model - Work in Progress

Stage	1	2	3	4	5	6
	Entry	Build	Maintain	Prepare to Graduate	Graduate	Alumni
<b>Timing</b>	2 months	10 months	15 months	6 months	3 months	Ongoing
<b>Lease</b>	Apply for Loan Sign Lease Move In Rent = 50% of Market Rate	Rent = 50% of Market Rate	Rent = 70% of market rate	Rent = 90% of market rate	Move out of RBTC Building	
<b>Operations</b>	Submit Business Plan Ensure "green" commitment	Build customer base Market product/service Added to RBTC Database	Refine delivery model Realize efficiencies	Ensure viable operating model Sign new commercial lease	Move business to downtown Raleigh location	Expectation to volunteer 5 hours per month giving back to RBTC businesses
<b>Training/ Education</b>	Access to RBTC Training resources Mandatory Curriculum (Must pass test for basic proficiency skills, e.g., email, excel, quickbooks)	Be mentored by a company in stage 4 Mandatory Curriculum	Give Brown Bag Lunches Mandatory Curriculum	Mentor a company in Stage 2 Be mentored by a company in Stage 6 Mandatory Curriculum	Mandatory Curriculum	Mentor a company in Stage 4 Be guest speaker at foyer events Mandatory Curriculum
<b>Networking</b>	Attend foyer and Pacesetter networking events Added to RBTC Database	Attend foyer and Pacesetter networking events	Attend foyer and Pacesetter networking events	Attend foyer and Pacesetter networking events	Attend foyer and Pacesetter networking events	Attend foyer and Pacesetter networking events

## Agenda



## *Strategic Planning Project Executive Summary*

- **Recap of Strategic Planning Grant Process**
- **Observations**
- **Interviews and Workshops**
- **SWOT Analysis**
- **Strategic Planning Process**
- **Mission, Vision, Objectives, and Initiatives**
- **Criteria and Prioritization Exercise**
- **High Level Project Plan/Initiative on a Page**
- **Action Items and Next Steps**

## ***Next Steps - RBTC***

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- Complete Initiatives on a Page for the remaining 2 initiatives
- Refine the existing 2 initiatives
- Determine milestones, deadlines, cost estimates for highest priority initiatives
- Determine if any initiatives were missing from the ranking exercise
- Seek Board approval for revised mission/vision/goals and to undertake longer term changes
- Send invites for quarterly and annual strategic planning sessions

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## ***Next Steps - IBM***

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- Finalize and send to Bob
  1. Executive Summary
  2. Excel Ranking File with raw data and scoring
  3. Tips on Making a Wordle
  4. Wordle Raw Data File

***Thank You!***

# *Appendix*

## ***Interview Questions for Key Stakeholders (Internal)***

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1. Please describe your area of responsibility in the organization.
2. What is your vision for your area of responsibility in the next year? in the next five years?
3. Please describe the strategy of the organization in the next three to five years.
4. What are the key opportunities the organization has to improve/grow, etc. now and in the future?
5. What are the key challenges or threats the organization is facing in the next 3 to 5 years?
6. What are your organization's greatest strengths?
7. What are your organization's greatest weaknesses/vulnerabilities?
8. What are the key challenges you face while doing your job?
9. What are the highest priority business problems the organization needs to solve for you to do your job?
10. What key initiatives or projects are underway in your department or in the organization?
11. How do you measure your success?
12. What critical information do you need?
13. What would be your 'wish list' for your organization in the future?
14. Do you feel you are staffed properly to meet the expectations of your customers and Management? If not, how do you know you are not staffed properly?

## Now we will determine the most relevant and important SWOT elements to achieving the RBTC's mission and vision

### Strengths

Areas in which an organization has an absolute or comparative advantage to its peers. Includes:

- Assets
- Unique expertise
- Superior performance in key activities

Which **Strengths** are most relevant and important to achieving the RBTC's mission & vision?

1. Facilities attractive (outside building) - 0
  2. Proximity to downtown - 0
  3. Community based programming - 0
  4. Community relations - 0
  5. Workforce development - 0
  6. Commitment of executive management to Pacesetters program - 1
  7. **Attractive facilities and location (proximity to downtown) - 5**
  8. **Plan Room provides an avenue for funding – 3B**
  9. Community economic development programming - 1
  10. **Responsive to employer-partners' special population hiring needs – 2A**
  11. Create contract opportunities for small businesses, thereby creating workforce development - 1
  12. Resource in community to facilitate hiring of special populations - 0
  13. **Training room now high-speed enabled, on city fiber network, computers/VTC/VOIP capable, ready for training – 2B**
  14. **RBTC Business model fosters economic development (sb) which in turn fosters community development and revitalization (SE Raleigh individual and other customer-location communities) – 3A**
  15. Title 6 problem solver - 0
- *Define business opportunity and workforce development:*
  - *Title 6 – by law, company demographics must mimic community demographics*

## Customers/Stakeholders

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- Tenant Small Businesses Incubatees
- Virtual Small Business Incubatees
- Pacesetter Businesses (Virtual Business Incubator Program)
- Other small businesses
  
- Pacesetters may or may not be a tenant (most likely not – almost prerequisite) = Virtual Incubatees, part of the RBTC incubation program/curriculum
- Tenant/In-House Incubatees, part of the RBTC incubation program/curriculum
  
- Employer Partners = (e.g., Progress Energy, Strata Solar, Capstone Civil Group) Established entities that contract with Pacesetter and other small businesses for services OR subcontract through to hire entry-level labor (may or may not provide revenue to RBTC for branding awareness, in turn for sb database inclusion)
  
- Programming Partner = (DOT, HHS, City of Raleigh) Provide service contract with RBTC to provide human capital development (to be good employees e.g., tax writs, expunge record, job skills) and/or Pacesetters
  
- Brand Sponsor (e.g., PAN)
  
- Employee Trainees (men and women, special populations, referred by community orgs, city of Raleigh police dept, workforce development commission, YMCA, wounded warriors, youth aging out of foster care)
  - Don't use terms like ex-offenders, chronically unemployed, underserved

## ***Now we will determine the most relevant and important SWOT elements to achieving the RBTC's mission and vision***

### **Weaknesses**

Areas in which an organization is at a disadvantage in absolute terms or relative to peers

Which **Weaknesses** are most relevant and important to address so that RBTC can achieve their mission & vision?

1. Technological limitations - 0
2. Incubation model that houses tenants longer than several months - 1
3. Organizational governance - 2
4. Diversity of background, quantity, and time commitment by Board members - 0
5. Limited resources and internal communication - 0
6. Inability to cover expenses with revenue - 0
7. Image and perceptual gap as a true incubator - 0
8. **Lack of performance metrics – 3 + 4 = 3B**
9. Lack of a strategic plan and business model - 0
10. Unclear appropriate length of time for incubation tenancy - 2
11. **Lack of resources (monetary and staff) – 3 + 5 = 3A**
12. Lack of strategy/planning to take advantage of new technology infrastructure - 0
13. **Recent Board departures have left gaps – Need increased board participation, and representation in new markets – 3+2 = 3C**
14. Need more focused strategic plan and business model - 2
15. **Have not fully realized the “technology” part of the RBTC name – 3+1 = 3D**

## ***Now we will determine the most relevant and important SWOT elements to achieving the RBTC's mission and vision***

### **Opportunities**

Possible ways for a an organization to improve its current situation:

- Business performance
- Strategic competitive advantage

Can be both internal and external factors

Which **Opportunities** are most relevant and important to achieve the RBTC mission & vision?

1. Increased demand for high-tech start-up incubation in Raleigh - 1
2. Improved internal workspace and technology to increase collaboration among businesses - 0
3. Cross-train employee capability for multi-function roles - 0
4. **Broader footprint and greater outreach to other parts of the Raleigh community - 3**
5. Leverage the brand name to offer training courses/certifications in technology - 2
6. Expand strategic alliances (to foster more RBTC service contracts) - 0
7. Expand board diversity (quality not number of people) - 0
8. Growth in intellectual resources and capital - 0
9. Foster ongoing and sustainable training for employee trainees - 2
10. **Need criteria for length of tenancy - 2**
11. Use FEMA trailer to bridge time before expansion into backyard - 0
12. **Building expansion could provide more programming more revenue opportunity - 3**
13. **Seek out public-private partnerships where corporations support RBTC based on demonstrated public value - 5**

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***Now we will determine the most relevant and important SWOT elements to achieving the RBTC's mission and vision***

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**Threats**

Possible and likely events that can negatively affect an organization's performance or positioning:

- Specific trends
- Competitor activity

Can be both internal and external factors

Which **Threats** are most relevant and important to address so that RBTC can achieve their mission & vision?

1. Level of government regulation and/or tightening of grant rules - 0
2. **Drop or withdrawal in government funding – 5**
3. **New 'disruptive' competing programs or government efforts that reduce the organization's visibility or effectiveness - 3**
4. Expansion for long term building tenants might not mesh well with current operations - 2
5. **Current economic downturn could reduce the continuing and future service contract offerings - 6**

## ***Visioning Exercise – Sticky Notes – 1***

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### **Clients/Customers**

- Employee Involvement focused on decisions, based on input from all customers; internal and external
- Training doors were opened
- Its ease in which they met your needs
- Its flexibility and attention to detail
- Provides excellent business solutions to customers
- State of the art facility for technology and capability
- Accessible assistance
- Opportunities

**Statement 1: The RBTC offered a productive and profitable experience to emerging businesses.**

## ***Visioning Exercise – Sticky Notes – 2***

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### **Employees**

- Teamwork provided a chance to help others and myself better SE Raleigh, the city and the state
- The feeling that I got was tremendous because of the leadership from the board of directors and officers
- Other conversations supported the fact that the community was targeted for economic development and leadership
- The employees describe their work environment as a learning and growth experience that has led them to think in a broader fashion
- The employees base their day to day work as a contribution to the broader success of the city
- They take care of businesses and understand people
- Those guys really care!
- Proud to be a part of an organization to afford its employees and opportunity to have input as to the direction in which the company is going
- The RBTC is a hub of economic activity for SE Raleigh and the broader community
- The RBTC was given a mandate and where-with-all to achieve it

**Statement 2: The RBTC created an environment where all employees felt empowered to participate through world class customer service to each employer-partner, prospective business, and CBO who entered the building.**

## ***Visioning Exercise – Sticky Notes – 3***

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### **Methods/Plans/Actions**

- They helped to change the face of small business in Wake County and the state
- Business is not a name but the individuals
- They learned from the past and worked hard to provide opportunities for anyone who wanted to succeed
- RBTC was a success because they kept their finger on the pulse and did not take no for an answer
- This organization has proven that well thought plans tempered with compassion can change a community's past and shape the future
- The RBTC is most noted for their ability to align with 21st century economic development strategies
- The executive director says he/she owes all of the RBTC success to the group of business leaders that contributed to the vision
- The RBTC understands that the community needs to be competitive in a global and competitive market
- City of Raleigh gives RBTC award for significantly expanding the capacities of Raleigh businesses through the Pacesetters program
- Their commitment to my success as a small business
- Commitment, Fortitude, Patience, Goal oriented, Mission Driven

**Statement 3: The RBTC serves as a catalyst for emerging businesses to learn how to grow in local communities and global markets. It's leadership understands the struggles a small business encounters and has partnered with public and private entities to implement programs that enable their success in the 21st Century.**

## Visioning Exercise – Sticky Notes – 4

### Accomplishments/Results

- Successfully recruited corporations to Raleigh because of business support to small businesses with partnerships
- Created 1000 jobs by connecting corporations to small businesses
- Developed a plan and worked toward its goals but made adjustment when needed
- Board, staff, and business partners worked together
- Strategic alliances committed to meeting needs of small businesses owners
- Accessing key resources (building/IT capacity/staff/software packages)
- RBTC implemented policies and procedures to attract larger customers to small businesses that want to increase sales
- Promoted the first minority-owned sustainability company
- Incubated the most profitable minority and small business technology company that is currently listed on the Fortune 500 list
- Helping people make positive differences in the lives of people
- Empowering business owners to prosper
- Improving S.E. Raleigh
- Trained 200 youth to compete in the global 21st century environment
- RBTC continues to leverage the business community and relationships in Raleigh
- Developed a workforce of the future by being ahead of the technological wave
- RBTC provided small businesses in the surrounding community an atmosphere that promoted growth through its leadership by providing training and resources to enable organizations to learn and experience what a successful business looks like
- The Executive Director describes his/her ability to reach out to a diverse group of businesses enablers for a strategy that is flexible and comprehensive

**Statement 4: The RBTC has established a strategic vision that is results-driven and competitively aligned with economic development drivers of the 21st Century.**

## ***Visioning Exercise – Sticky Notes – 5***

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### **External Environment / Competitors / Other Stakeholders**

- Global thinkers
- Innovative Strategy
- Collaborative approach
- 21st century organizational focus
- Self-sustaining and accountable
- We understand the small business owner and are adamant about their success in creating jobs in the community
- Good business is an inclusive business
- Participated in the economic development arena in the City of Raleigh that led to Raleigh being named the best place in the country for minority start-ups
- RBTC receives award for provision of technology driven services to business clients
- Secretary of commerce gives RBTC an award for innovations which have engendered significant job growth
- RBTC stands out in contract opportunities, business education, and technical assistance

**Statement 5: The RBTC's innovative public and private partnerships have resulted in effective strategies for economic development in Raleigh and throughout the state.**

## Durham Stampede Characteristics

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### Entrepreneurial

- Practice pitches
- Get feedback from companies that have been in business
- Competitive application process to anyone in the country – focus was top 11 companies, focused on North Carolina

### True Incubation

- Giveaway free space for 60 days
- Resources to get them up and running such as wifi, furniture, meeting space

### Culture

- Surrounded by other entrepreneurs – talking points
- Community aspect for startups to interact with each other
- Location close to nearby coffee shops, bars, and restaurants

## *Durham Underground*

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### Technology Acceleration

- Home to LaunchBox Digital (seed stage investment firm), the Council for Entrepreneurial Development, and Joystick Labs accelerator providing mentors and advisors

### Modern Facilities

- Holds a 60 person classroom, arcade, shared break rooms, and conference rooms
- Destination that is perceived to be “cool” with glass windows and starkly lit
- 26,000ft space designed for flexibility and creativity
- Flexible leasing terms and space

## Objectives Measurement/KPI brainstorm continued

Objective	Possible Measure(s)/ KPI's
<p><b>To operate as a business incubator in the greater Raleigh community to provide advice, access to networks, and resources to entrepreneurial and small businesses to promote their growth and sustainability</b></p>	<ul style="list-style-type: none"> <li>- Number of companies who joined incubating program (Tenant and Pacesetter)</li> <li>- # of companies who graduated ...</li> <li>- # that did not complete (attrition) (and why)</li> <li>- Number of jobs created by graduates (jobs retained as function of funding)</li> <li>- Survival rate (still in business) of graduates (1, 3, 5, 10 years)</li> <li>- Average length of time in business</li> <li>- Number of business plans developed/reviewed (mthly)</li> <li>- Number of IPO's</li> <li>- Client company revenues</li> <li>- Capital raised (loans, investment capital, bonding)</li> <li>- Contracts obtained (with RBTC assistance)</li> <li>- # of seminars/workshops held</li> <li>- Impact/% increase in overall community commercial real estate space occupancy</li> </ul>
<p><b>To promote economic development by providing education, job training, and financial assistance to the business community</b></p>	<ul style="list-style-type: none"> <li>- Number of entrepreneurial courses/seminars/workshops offered</li> <li>- Number of technology training courses offered (type)</li> <li>- Number of individuals trained</li> <li>- # of community-based people placed in jobs</li> </ul>
<p><b>To serve as conduit to connect established organizations with small businesses to further each entity's goals.</b></p>	<ul style="list-style-type: none"> <li>- Increase the tax base</li> <li>- # of mentor protégé relationships facilitated (through survey)</li> <li>- # of service contracts established, value in \$, # of people placed</li> </ul>

## Proposed Metrics – Sample Scorecard

### ■ Business creation and innovation

- Number of companies created
- Number of jobs created
- Survival rate of companies
- Number of business plans reviewed

### ■ Wealth generation

- Number of IPO's
- Client company revenues
- Capital raised

### ■ Value to the community and education

- Number of entrepreneurial courses and workshops offered
- Number of technology training courses offered
- Number of individuals trained
- Increase the tax base
- Impact on overall community commercial real estate space occupancy

