

# ECDC Enterprise Development Group



# What is a Microenterprise?

- Microenterprises are businesses with 5 or fewer employees
- The majority of businesses in America are microbusiness.
- In Prince William County, Manassas and Manassas Park, 89.7% of all businesses are micro.
- In these same jurisdictions, 21.3% of all private sector employees work for microenterprises---more than 1 in 5.

# What Do You Need to Start

- Capital (significant or negligible)
  - Location (could be home based or other location). May require permits.
  - Expertise (yours or someone else lined up)
  - Business plan and income projections.
- 

# Common Problems

- Poor location
  - Over optimistic business plan and cash flow projections.
  - Not sufficient reserves to cover expenses until profitable
  - Expertise
- 

# Resources

- Community Business Partnership—  
Springfield. Focus on training.
- Business Development Assistance  
Group—Falls Church/Arlington. Training  
and counseling.
- Latino Economic Development Corp—  
focus on lending and some classes
- ECDC Enterprise Development Group—  
focus on lending and direct technical  
assistance

# EDG's Geographic Scope

- Serve Metro DC Area
- Includes Arlington, Alexandria, Falls Church, Fairfax, Prince William
- Through Partnerships, Serve Broader Area As Well

# EDG's Focus

- 5 or fewer employees
- Loan requests of \$50,000 or less
- Average loan size is \$15,000-20,000
- Soon able to do loans up to \$250,000, with SBA guarantee
- Goals is to start or expand businesses and create jobs

# Details

- Interest rate at 8.9% currently
- Loans up to 4 years, with 3 the most common
- Businesses include transportation, hair salons, restaurants, ethnic food, auto repair, nursing school, street vendors, etc.

# Application Process

- Look at credit score
- Look at collateral
- Look at experience/business knowledge
- More flexible than banks
- Internal and external loan committees
- Length for evaluation depends on applicant and details of application

# Training

- Training is not a requirement to receive a loan
- Loan officers will sometimes refer people for additional assistance or training, depending on details of application.
- Loan officers provide technical assistance during application process, depending on the clients' needs.

# Sources of Loan Capital

- SBA Microloan Program
  - Community Development Financial Institutions Fund and Small Business Loan Fund (U.S. Treasury Dept.)
  - Virginia Enterprise Initiative
  - Banks
- 

# Success Stories

- Our own—U Street Parking---from scratch to several hundred employess and multi-million dollars in revenue.
- DC restaurant—ranked among best in DC first two years of existence
- National example—Colorado—Boppy—  
New invention with national market

# Other

- Individual Development Account Program—Matched savings account that can be used toward starting a business
- Entrepreneurship Certificate Program—series of 9 classes in conjunction with Northern Virginia Community College-Alexandria
- Business Incubator in our building

# Contact Information

- Kevin Kelly
- ECDC Enterprise Development Group
- 901 S. Highland St.
- Arlington, VA 22204
- 703-689-0510 ext. 225
- [www.entdevgroup.org](http://www.entdevgroup.org)
- [kkelly@ecdcus.org](mailto:kkelly@ecdcus.org)