



REGIONAL RESILIENCY PROGRAM

MAY 2020 - JULY 2021



LIFELINE GRANTS TO 302 BUSINESSES DURING COVID



**A Partnership Administered by
Venture North Funding & Development**

Unconventional Process: BIG RESULTS

302 grants of up to \$5,000 to businesses with nine or fewer employees.

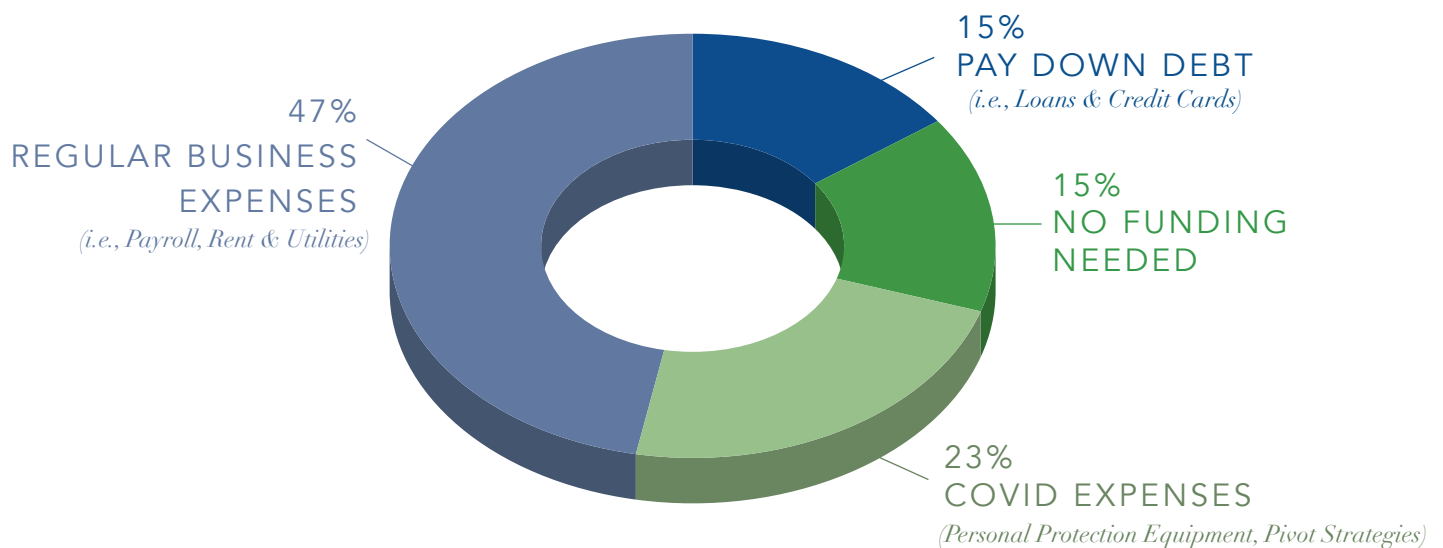
Grants responded to the unique needs of businesses: personal protective equipment; payroll; inventory; on-line ordering systems; rent and leases; supplies and much more, including survival.

Granted \$1,027,725 in each of the 10-counties in the Venture North region.

Decentralized administration: 10 Local organizations – community foundations and economic development nonprofits - formed grant application review teams, promoted and provided feedback on grant application process.

Decentralized decision-making: 100% grant decisions made by local teams.

SMALL BUSINESS COVID-19 FUNDING NEEDS SURVEY RESULTS



"Your grant helped us stay afloat. Costs, bills, taxes, etc. are all increasing. Last year, we survived with your assistance. This year, your assistance provided us with a means to put one foot in front of the other and look forward, not backwards."

Crystal Lake Alpaca Farm & Boutique,
Benzie County



Carolyn Bloodworth, Secretary/Treasurer, Consumers Energy Foundation, made a July 28 visit to one of the beneficiaries of the Foundation's grant to Venture North for the RRP, a yearling Alpaca! Small wonder they became one of the symbols for the RRP.

"They're just so darn cute," Carolyn said.

THE STORY

On March 11, 2020, the World Health Organization declared the spread of Covid-19 to be a pandemic. On April 3, 2020, the National Institutes of Health said that Covid-19 "...has affected day to day life and is slowing down the global economy." On March 10, 2021, McKinsey and Associates reported that "...the 46 million Americans residing in rural counties bear an increasing burden from the pandemic, with viral transmission and death rates outpacing those of urban communities." Following an initial \$200,000 grant in May 2020 to Venture North by the Consumers Energy Foundation to organize the Regional Resiliency Program in northwest Michigan, many small businesses – the economic engine of the region, had closed for good or were shut down. They lost revenues, the ability to make payroll, buy inventory and cover fixed costs. They lost employees and customers. The majority of businesses with nine or fewer employees had received no support, felt ignored, powerless and lost in the maze of programs that were unfamiliar and distant in a pandemic the likes of which few had ever experienced.

The Consumers Energy Foundation awarded \$450,000 to Venture North spanning 2020 and 2021 to make grants to small businesses challenged with the Covid pandemic. The Venture North region encompasses 10 counties in northwest Michigan with over 16,000 business with nine or fewer employees, the size of businesses targeted for Regional Resiliency Program (RRP) help by Venture North. With the support of her Board, Venture North President set several steps in motion:

BUILD OUT THE TEAM

Recognizing her staff of two (Laura Galbraith and Sara Christensen) needed support, Laura assembled a team of experienced consultants as they were needed, each known for hard work, collaboration and getting big things done. They included part-time consultants who became coordinators for: the RRP grants process; local outreach and interface; technical assistance; communications; and fund development.

"The grant helped pay past due debt and continue operations. Thank you so much for choosing my business to assist financially. I am extremely grateful."

Northern Auto and Tire
Benzie County

"The application process and the speed of funding was so well executed. When your business is mandated to operate at a severely diminished capacity, every bit of funding is beneficial."

Julienne Tomatoes, Inc.
Emmet County

BUILD REAL PARTNERSHIPS

Venture North worked at the "grass roots" level with local organizations to: collaborate on outreach and media relations; develop the grant application process, including application scorecards; and identify people who could be objective and independent and serve on local teams that reviewed all grant applications for their area and make funding recommendations to Venture North. **In every case, Venture North explicitly followed local recommendations in making grant awards.** To make the process manageable, Venture North worked with local partners to have grant rounds in stages within the geographic areas served by partners.

BUILD THE FUND: THE POWER OF PHILANTHROPY

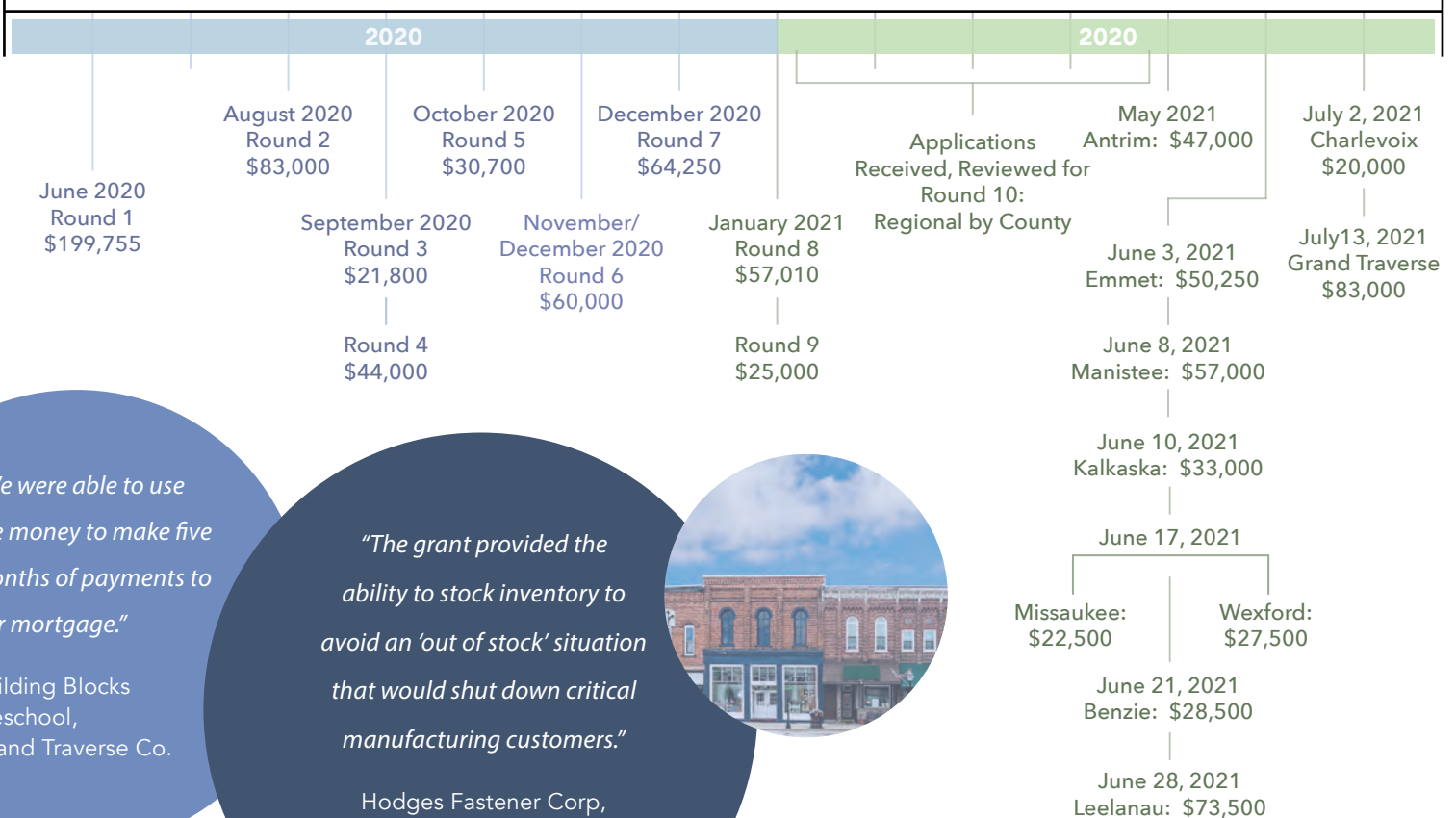
With inspiring financial support from local partners, Venture North received charitable donations and awards from 30 organizations and individuals, a total of \$1,157,750, including the \$450,000 from the Consumers Energy Foundation.

FUNDERS AND PARTNERS

Bellaire Chamber of Commerce Foundation
Benzie County EDC
The Brookby Foundation
Cadillac Area Community Foundation
Cadillac Area Visitor's Bureau
Chemical TCF
Cherryland Electric Cooperative
Consumers Energy Foundation
DTE Energy Foundation
Fifth Third Bank
Frey Foundation
Grand Traverse Regional Community Foundation

Huntington Bank
Kalkaska County Economic Development Corporation (EDC)
Village of Kalkaska Downtown Development Authority
Leelanau Township Community Foundation
Manistee County Community Foundation in coordination with United Way of Manistee County and the Manistee County Human Services Collaborative Body
Manistee Industrial Development Corporation
The Meijer Foundation
Missaukee County Community Foundation
Petoskey-Harbor Springs Area Community Foundation
West Shore Bank

DISTRIBUTION TIMELINE



"We were able to use the money to make five months of payments to our mortgage."

Building Blocks Preschool, Grand Traverse Co.

"The grant provided the ability to stock inventory to avoid an 'out of stock' situation that would shut down critical manufacturing customers."

Hodges Fastener Corp, Grand Traverse Co.



PARTNERS

We are grateful to a large number of local agencies and organizations that provided remarkable guidance, recommendations and outreach, including local chambers, DDA's, civic groups and others. The Venture North website contains a more exhaustive list of organizations that had crucial roles. There were some organizations that generously assumed lead local coordination roles were they helped with: outreach to potential applicants; media relations; application review; formation of local teams to review applications along with significant financial contributions for the RRP in their geographic area. Those organizations included:

Bellaire Chamber of
Commerce Foundation
Cadillac Area
Community Foundation

Leelanau Township
Community Foundation
Manistee Industrial
Development Corp.

Missaukee County
Community Foundation
Petoskey-Harbor Springs
Area Community Foundation

Traverse City Downtown
Development Association
Village of Kalkaska DDA and
Kalkaska County Economic Dev. Corp.

IMPACT

Through surveys, third party information and unsolicited testimonials, a large amount of information has been gathered about the impact of the program, including a survey where one-third of the 302 RRP grant recipients responded.

RESULTS

Total grant applications received: 661
Total funding requested: \$3,414,462
Grant applications funded: 302
Total Grant Funds Awarded: \$1,027,725

Percent of grants, minority-owned businesses: 6%
Percent of grants, women-owned businesses: 69%
Percent of grants, veteran owned businesses: 9%

WHAT THEY SAID...

1. On a scale of 1-10, with 10 being most helpful, how would you rate the program? **Answer: 9/10**

"It was instrumental in starting the summer season after last year's drastic loss of revenue." Baymont Park Café, Emmet Co.

"The application process and the speed of funding was so well executed." The Next Food Group, Traverse City

2. What assistance will help you the most in 2021?

Answers: Forecasting & Budgeting: 64% Technology: 22%
Marketing and Sales: 46% Recruitment: 26%

"At the moment, my husband is quitting his job to come here and become one of our employees so that we can try to cut costs for the daycare. If it wasn't for this funds that were granted by your program I don't think we'd have made it through the month. So thank you."
Lilly and Friends Daycare, Emmet County

3. If you received more funding how best would you use it?

Answers: Stay current with expenses: 42% Pay past due bills: 8% Pay down debt: 18%
COVID-19 pivot strategies: 12% Remodel or acquire more real estate: 5%
Don't need more funding now: 15%

The RRP

Progress for Venture North to Serve Northwest Michigan

The RRP catapulted Venture North into something it had not done before: overseeing a grant program that would ultimately involve grants to 302 grantees. Venture North made the most of the opportunity by building new, lasting relationships and learning how to work at warp speed but with accountability and impact, much to the credit of local partners. Benefits of the experience for Venture North included:

New small business clients – 302 businesses in ten counties that received grants – that we hope to help in the future with customized loan capital to support their growth, new jobs and prosperity.

Collaboration with local agencies and organizations throughout the ten counties that we want to sustain as partners to help us identify where our capital for small businesses is needed and will have the greatest community impact.

Experience collaborating with community members to have significant influence over how our funds are spent for the good of their communities.

A transparent communications process that includes clients and partners alike, featuring stories about their progress and success; a process we are sustaining into the future.

The Venture North Team



Laura Galbraith
President



Sara Christensen
Portfolio Administrator

Part-Time Consultants:



Mary Ann Behm
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Steve Brower
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Elise Crafts
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Coordinator



Johanna Gross
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