New York Professional Advisors for Community Entrepreneurs or “NYPACE” is a non-profit organization that seeks to stimulate job creation and economic development of New York City by offering pro-bono consulting services to local entrepreneurs and small business owners from under-resourced communities across the five boroughs. NYPACE provides a unique opportunity for both entrepreneurs who aspire to realize a new or refined strategic vision for their business, as well as for the volunteer “advisors” who seek to make a positive contribution to the local community. The NYPACE program strives not only to support the development of community-based entrepreneurs, but also to engender an open dialogue between two disparate communities with the ultimate goal of improving both.
Note from NYPACE Board Chairman
Dan Zamlong
NYPACE is very excited to publish its first ever Impact Report. As you will read in this report, NYPACE has significantly increased its activities, volunteer network, donor base and most importantly, impact on small businesses from underresourced neighborhoods in the New York City area over the past three years. We are fortunate to have dedicated volunteer advisors, board members and leadership committee members who are crucial to the organization carrying out this important work for the community. For those of you who have been supporters of NYPACE for many years, you will have noticed a marked recent change in the trajectory of the organization’s activities and professionalism. We have our Executive Director, Stephanie George-Bombaci, to thank for leading the organization through this impressive growth period since she joined in late 2012 and positioning NYPACE to have an even greater impact on the community going forward. I would also like to extend a warm welcome to Brian Burke, NYPACE’s second full-time employee and our first Director of Development. Brian will lead NYPACE’s marketing, fundraising and community outreach initiatives. We hope you find this Report informative about the need for small business support as these entrepreneurs provide the bedrock to the economies of New York’s low-income neighborhoods as well as NYPACE’s grass-roots, consultative approach to assisting these small business owners. We very much appreciate your continued support.

Note from NYPACE Executive Director
Stephanie George-Bombaci
The development of our first Impact Report has allowed NYPACE to take time to evaluate the organization’s numerous accomplishments over the past few years, as well as identify areas where we can improve to better serve our local small business community moving forward. NYPACE has supported an increasing number of small business entrepreneurs over the years and, in 2015, has already tripled the number of projects launched from just three years ago. NYPACE has also introduced follow-on projects with many of our entrepreneurs who have returned for additional support. This growth is wonderful to see and inspiring to be a part of.

As you read this Report, I hope you are inspired by our many successes and become energized for the future of NYPACE as we continue carrying out our mission. Thank you to all in the NYPACE network.

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NYPACE ADDRESSES REAL CONCERNS FACED BY NYC’S SMALL BUSINESSES

Small businesses in the United States constitute approximately half of all private sector employment and 99% of all businesses. They are critical to the growth of the economy and a prime driver of employment. Since the end of the “Great Recession”, small firms accounted for 60 percent of new jobs.

Small business owners face more challenges today than ever before. They lack access to meaningful sources of capital, are faced with complex tax and regulatory compliance requirements, fiercely compete for talent, and have high barriers to entry in many industries. In the United States, approximately 20% of small business fail in their first year and over 40% fail after two years.

New York City is a microcosm of what’s occurring at the national level for small business. In New York State metro areas, the odds of failing are even greater: new business have about a 30% chance of closing in the first year of operation. In the retail and construction sectors the rate may have about a 30% chance of closing in the first year of operation. The results of a recent study on small businesses, by a renowned international accounting firm, remarked the following about failed small businesses: “Small business owners are prone to a ‘lone wolf’ approach in decision-making” which often leads to poor choices. NYPACE is proud to stand by its small business entrepreneurs to provide them with the support they need as they face difficult decisions while they grow their business. By connecting our entrepreneurs with our volunteer advisors, NYPACE helps increase their chances of success, which in turn benefits communities by creating more jobs, future investment and overall prosperity.

NYPACE TAKES A UNIQUE APPROACH

Unlike other programs that offer funding and mentorship programs to entrepreneurs and small businesses, NYPACE offers a dedicated team of volunteer advisors to work with an entrepreneur to achieve project objectives over a specific time period. These advisors are matched on a project based on their applicable skill sets and interests in order to pursue positive outcomes for the entrepreneur.

Benefits to entrepreneurs include direct access to a team of business professionals with functional expertise in areas that closely align with the entrepreneur’s needs, including (but not limited to) market analysis, finance, accounting, marketing and operations. The team provides deep knowledge and resources to help the entrepreneur tackle critical issues or impediments to their small business.

Benefits to NYPACE advisors include the opportunity to work with and share expertise with entrepreneurs in need, and to collaborate with other professionals from other organizations. NYPACE provides a meaningful way for professionals, young and seasoned, to volunteer their time while leveraging their backgrounds. It also gives them an opportunity to meet, interact, and network with other young professionals who care about giving back to the community.

Benefits to the community include job creation and the many ancillary benefits that a community experiences when a local small business succeeds. Many of the entrepreneur organizations supported by NYPACE also provide services to assist others in the community. For example, past entrepreneurs have launched businesses that provide child support and education programs, after school programs, computer literacy education and health and wellness classes.
NYPACE started in 2001 as a small grass roots organization supporting a few entrepreneurs each year. As the demand for our services grew, so did the organization, to where we have operated as a larger, stronger community service organization for the past few years. Since inception, NYPACE has enlisted more than 200 Advisors from over 60 firms in New York City. These Advisors have supported nearly 70 entrepreneurs and their businesses to date through our unique small business consulting approach.

Prior to 2012, NYPACE was operated primarily by its Board of Directors and volunteer committee members with some part time consulting help. Since our current Executive Director, Stephanie George-Bombaci, was hired in late 2012, NYPACE’s has experienced tremendous developments in key growth metrics.

2012:
- Hiring of Executive Director and $25k Ford Foundation grant awarded

2013:
- Doubling of small businesses served and $100k in total funds raised

2014:
- Significant growth in projects as well as increased volunteer advisor involvement

2015:
- Addition of a Development Director and release of first Impact Report

LOOK HOW WE’VE GROWN!

We are so grateful for the guidance we received from NYPACE. Our Advisors were able to help us by contributing their experience and knowledge to the areas of our business where we were lacking in skill. Most importantly, our team was always interested in our thoughts and in staying true to the mission of our company. Our meetings always turned into long conversations, and one project with NYPACE turned into two! We know that there is always an open door for future projects as our company expands and as we face new challenges. Our experience with NYPACE has been fundamental to the growth of our company and we are so thankful to our NYPACE team.

– Rylee Card & Kerri Ford, Dance Laugh Learn

• Approximately 35% of entrepreneurs return to NYPACE for second projects or to provide additional support in another capacity
• Approximately 50% of our volunteers stay involved with NYPACE by joining additional projects or one of our Leadership Committees

KEY ACCOMPLISHMENTS

2012: Hiring of Executive Director and $25k Ford Foundation grant awarded
2013: Doubling of small businesses served and $100k in total funds raised
2014: Significant growth in projects as well as increased volunteer advisor involvement
2015: Addition of a Development Director and release of first Impact Report

• Fundraising per year is expected to double, from $75,000 in 2012 to $150,000 in 2015
• Funds received from corporate sponsors, grants and individual donations
• Funds support program expansion, recruiting events and other operating expenses
Our pro-bono consulting model ensures that both entrepreneurs and corporate supporters receive differentiated value from NYPACE. NYPACE’s program and organizational costs associated with supporting an entrepreneur are approximately $3,000 per project. Through our extensive volunteer network of experienced business professionals, we are able to significantly amplify the value we are able to offer our entrepreneurs. In addition to NYPACE paid staff time, a team of NYPACE volunteer advisors donates 150 hours of time on average over the course of an approximately six month project. Additionally, our teams are supported by volunteer leadership committees made up of experienced business professionals. At an assumed hourly bill rate of $200/hour for professional advisors (e.g., strategy consultants, lawyers, marketers, accountants, who bill at $200-$1,000/hour), this equates to a value of at least $30,000 of volunteer time per entrepreneur. In total, we estimate that for $3,000 of funds deployed by NYPACE, we are able to provide approximately $30,000 of value to our entrepreneurs. That is over a 10x multiplier on our cost of service!

“... My NYPACE team helped me think holistically about my business and boosted my confidence to pursue my goals.”

– Angelic Sealy, Acalan Corp, Staten Island, NY

THE NYPACE VALUE PROPOSITION

65% of entrepreneurs reported an increase in revenues 6 months or longer after working with NYPACE

30% of entrepreneur reported an increase in number of employees 6 months or longer after working with NYPACE

*Stats come from NYPACE Strategic Review in 2014

HOW DO ENTREPRENEURS FIND US?

- 65% from Partner Organizations
- 35% Project Enterprise
- 30% NYC Business Solutions Centers
- 25% QEDC = Queens Economic Development Corporation
- 3% Harlem Economic Development Corporation
- 2% BEDC = Brooklyn Economic Development Corporation
- 5% OTHER

WHAT ARE THE INDUSTRIES OF OUR ENTREPRENEURS?

- 31% Merchants (Retail, fashion)
- 19% Education (Childcare, training, tutoring)
- 15% Health Services (Athletics, etc.)
- 14% Personal Services (Beauty, barber, animal, etc.)
- 14% Food & Hospitality
- 9% Construction/Manufacturing
- 4% Real Estate and Housing
- 1% Sports (Agent, etc.)
- 2% Government

NYPACE TEAMS HELPED WITH *since 2012

- 14 marketing plans/strategies
- 14 business analysis/expansion reports
- 13 budgets/financial reporting systems
- 10 social media campaigns/expansions
- 8 business plans created/edited
- 7 website/web presence suggestion reports
- 5 market segmentation and customer analysis reports
- 4 fundraising strategy reports
- 4 competitor strategy reports

*Stats come from NYPACE Strategic Review in 2014
GETTING DOWN TO BUSINESS
A SELECTION OF CASE STUDIES

NYPACE has executed multiple projects with entrepreneurs and collected information to show the positive effect the program had on their small businesses. Each entrepreneur is assigned an advisory team, based on expertise and interest, to match their individual needs. The team’s mission is to provide valuable advice and solutions to the entrepreneur’s most pressing business challenges.

The following are five project case studies that highlight NYPACE’s impact.

CROM MARTIAL ARTS TRAINING

Year Completed: 2013

DESCRIPTION
CROM MT is a full-service Muay Thai kickboxing facility in Rockaway Beach, Queens, featuring expert instruction from martial arts champion Chris Romulo and his wife Sarah Romulo.

GOALS
- Determine which new locations were financially feasible
- Develop a budget based on the new gym space (including new membership pricing tiers)
- Develop a marketing plan for pre-opening

Due to the entrepreneur’s need for financial advice, this project was staffed with four team members from the field of private equity. The deliverables that were produced during this project included edits and analysis of CROM’s proposed budget to create a more feasible budget both before and after the opening of the business, recommendations to modifying membership pricing and a pre-opening marketing action plan.

RESULTS
With the help of the NYPACE team and the deliverables that were provided, the entrepreneurs were able to take valuable steps towards the success of their business, including selecting and negotiating a lease for a new gym, developing a pre and post business opening budget, altering pricing recommendations that were appropriate for the new venue for the gym, and developing a marketing action plan for pre-opening.

The NYPACE team was amazing! There were a couple of team members who had a background in Martial Arts that were extremely helpful, everyone was so supportive of what we went through with [hurricane] Sandy and what our goals were in rebuilding.

– Sarah Romulo, Co-Owner
**PARENT TRAINING NETWORK**

*Years Completed: 2009 – 2014*

**DESCRIPTION**
Parent Training Network is a Bronx-based provider of parenting workshops for community organizations and individuals.

**GOALS - 2009 project:**
- Develop business plan
- Create and implement marketing strategy
- Increase visibility in the parent training industry

**RESULTS**
The 2009 team of advisors produced three deliverables for Cynthia, including an in-depth business plan and marketing strategy, a financial projection model tailored to Cynthia’s business, additional marketing materials and a marketing target list. The outcome of the 2009 project was very favorable as Cynthia increased her client base by 191% from 2009 to 2010, was named a finalist for Project Enterprise’s Entrepreneur of the Year Award, and obtained a Minority & Women Business Certification.

**GOALS - 2014 project:**
- Create a unified brand
- Modernize online presence
- Implement accounting system
- Identify means of labor support

**RESULTS**
The outcome of the 2014 project allowed Cynthia to find labor support to assist with several elements of PTN’s modernization. With the help of the team, Cynthia created a new slogan and logo for the company, and expanded class locations. The team made recommendations for website updates and Cynthia is implementing the suggested accounting software.

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**MOETLEH DESIGNS**

*Year Completed: 2014*

**DESCRIPTION**
Winnie is a self-taught artist who sells accessories, such as women’s handbags, leather metro card holders and leather journals through her business Moetleh Designs, which was established in 1992. Each product is one-of-a-kind and is made from recycled leather.

**GOALS**
- Further develop Moetleh Designs website to allow online purchases
- Improve and refine display table for use at nationwide craft shows
- Increase presence on social media
- Organize and track financial information

**RESULTS**
As a result of their efforts, the NYPACE advisory team was able to:
- Create a new logo for use on the Moetleh Designs website and for print on bags
- Increase Winnie’s social media skills
- Present knowledge necessary to further develop online presence, and provide Winnie with a software tool to regularly track revenues and costs
- Additionally, at project’s end, Winnie was working with a web developer in the NYPACE network to create a shopping cart feature for her website that will allow customers the ability to purchase items online for pre-opening.

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**I came to NYPACE to get sound business advice and ideas. And that is exactly what I received.**

– Winnie Burch, Owner, Moetleh Designs

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**YEAR COMPLETED**

- 2009
- 2014

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**MOETLEH DESIGNS**

*Owner, Moetleh Designs*
HARLEM LADY REAL ESTATE

Year Completed: 2013

DESCRIPTION
Harlem Lady Real Estate is a real estate brokerage operating in Harlem, NY.

GOALS
- Secure a store-front space in Harlem for a growing real estate business
- Design a proposal presentation for Lupe’s top choice retail space, which includes her ability to help rent the rest of the building’s space.

With these goals in mind, the team set out to assist the entrepreneur to research and secure a store-front space in Harlem and help to create and edit a proposal for a Lupe’s first choice location.

RESULTS
The team was able to positively impact the entrepreneur by helping Lupe create and submit a proposal for her top choice retail space in Harlem. The proposal was accepted and Lupe signed a lease beginning in July 2013. Having this new location allowed Lupe to hire three agents.

LOVE JOY SWEET TREATS

Year Completed: 2014

DESCRIPTION
Love Joy Sweet Treats is a gourmet baking company based in Brooklyn that produces organic, vegan, sugar-free, sugar-based, and gluten-free goods.

GOALS
- Increase the proportion of sales from catering
- Expand more aggressively into target market
- Increase brand awareness
- Improve the working capital position of the business

RESULTS
Showing flexibility, the entrepreneur and NYPACE team decided to modify the goals as the project progressed as the entrepreneur had limited capital to attain long-term goals that were initially set. The focus of the project was shifted towards putting the entrepreneur in the best position to move forward with a professional business plan. Additionally, the team provided the entrepreneur with a spreadsheet to accurately track revenue and costs. Joy will continue to utilize the support of the NYPACE organization as she works towards her long-term goals.

“I would recommend NYPACE to other small business owners to let them know that there is a program out there that provides mentoring from business professionals to help take your business to the next level. NYPACE helped me make an educated decision in finding office space and that decision allowed me to hire three agents that are working under my brokerage.”

– Lupe Moreno
Owner, Harlem Lady Real Estate

“I needed NYPACE’s help with a business plan and marketing strategy. Since working with NYPACE, I am more confident in making decisions for my business. I enjoy the relationship I’ve built with NYPACE and my advisory-team. And I feel blessed that I am now working on my second project with NYPACE.”

– Joy Hibbert
Love Joy Sweet Treats
It has been an authentic and fulfilling experience working alongside my professional peers to help our entrepreneur’s dream become a distinct reality. It’s even more rewarding to know I was making a direct and immediate impact in my own backyard and strengthening the community that we live in.

NYPACE has been a great avenue for me to contribute to the community using my entrepreneurial skills. My first NYPACE project was with Renee Beckford, owner and founder of Village Daycare. Renee was looking for help with the decision process of opening a new daycare site. The NYPACE team was able to leverage Village Daycare’s historical financial data and local real estate prices to develop a business model, empowering Renee to forecast profitability of potential sites given various enrollment scenarios.

Overall, I’ve had a great experience with NYPACE. The organization has provided the opportunity to make a true impact on the businesses of local entrepreneurs from a strategic analytical project like Village Daycare to a ‘roll your sleeves up’ project like PTN.

NYPACE has helped me grow personally as much as (I hope) we have helped our entrepreneur to grow her business. Through NYPACE’s team oriented approach, I have had the opportunity to work with similar-minded professionals in different industries (I am in finance, they primarily in consulting) and really use our different backgrounds to produce an end-product that we really feel will help Angelic, our client. Through the Acalan project, I was able to apply the quantitative skills I have developed at work for an organization that will really benefit from our analysis. I hope to be involved in another NYPACE project to help other NY area entrepreneurs better understand their market, opportunities for growth and ultimately drive success.

Working with local entrepreneurs has been extremely inspiring, particularly learning about their backgrounds and goals and observing the effort that goes into getting an organization off the ground. The most rewarding part has been assisting the entrepreneurs in formulating an approach and seeing our proposed work plans put into place. Over the course of a project, the advisor team begins to really care about the entrepreneur’s organization and develops a vested interest in the organization’s success.
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