

# Phase Three: Developing Partnerships and Business Plans

The first two phases require the most work because of all the initial time and effort needed to build support among anchor institutions and additional community stakeholders. At this point a variety of steps have already been taken towards adapting the Evergreen-Model. Someone has conducted an initial set of interviews with local anchor institutions and community stakeholders as well as any follow-up interviews as needed. Someone has hosted one or more community wealth building roundtables to develop a greater degree of local coordination and direction. Additionally, someone has drafted both an introductory report on the potential of community wealth building in that city as well as a more detailed report following the roundtable(s).

*Phase Three: Business Plan Development* is where the community moves into more concretely outlining the work plan, what partnerships should be formed, and developing a business plan for those businesses or other community wealth building mechanisms deemed viable.

## Detailed Project Work Plan Development

The first step in Phase Three is to take the previous reports and create a work plan that will end up with the launching of the first enterprise. By this point, a host of anchor institutions and community stakeholders have been engaged, many with tasks to be completed for the project in general. The previous reports were primarily focused on educating anchor institutions and community stakeholders about community wealth building and the Evergreen-Model. Now it's time to create a detailed project work plan that will move an effort primarily around education, to one focused on action and creating the business(es) and/or other community wealth building mechanisms.

## Developing Partnerships

The only way an Evergreen adaptation project will be successful is to have the right organizational partnerships. Part of this should be included in the work plan, but the work plan is more of an overview document that provides all the general next steps. Phase Three requires a thorough development of the partnerships required to make the Evergreen adaptation a success that

should be outlined in the work plan, so all participating organizations have a clear understanding of the overall process and how they fit into it. The workplan itself should roughly follow the categories outlined in the previous phases, as the interviews and roundtables should have focused on building support within the different necessary areas required to make the overall project a success. These categories are:

- Project Champion
- Anchor Institution Backing
- Catalyzing a Greener Economy
- Business Expertise
- Community Loan Fund Incubator
- Workforce Development Capacity
- Political Support
- Labor Support
- Support from Banks and the Business Community

The initial interviews and roundtables were structured to develop the types of necessary partnerships as well as initial work plans around each of the areas. For example, the reason it's important to interview organizations with the capacity to conduct workforce training programs or community development financial institutions is because their areas of focus will be required in Phase Three. When it's time to develop a cohesive strategy around launching businesses, for example, it's much easier to build them successfully if there is an organization who has the capacity to train the workforce, or worker-owners in the case of cooperative businesses, was brought on board with the project at the beginning and has had the opportunity to participate in the development process as well as become more familiar with the other organizations, including local anchor institutions. The same is true with community development financial institutions, who could be tapped to incubate a loan fund in order to capitalize the businesses or other strategies.

Phase One and Two should be used to determine which partnerships are going to be necessary, so relevant organizations can be brought on board with the development of the project as soon as possible. Perhaps too few anchor institutions have come on board with the project and the project coordinators need to reach out to

them. There might be individuals or organizations with specific knowledge related to opportunities in the green economy, members of local government who might be supportive and whose expertise could assist in getting local, state, and federal money, or even labor unions who might have experience in a particular field with possible investable assets. The roles for each of these types of individuals and organizations, and there are plenty more, need to be determined through the first two phases because by the time the project reaches the third phase, reaching out to and educating additional stakeholders will significantly slow down the overall project.

Creating community wealth building strategies like cooperative businesses take a considerable amount of work because it takes a community to build community wealth. The success of community wealth building hinges a great deal upon local anchor institution purchasing power, which requires a lengthy and detailed process of determine which strategies will be effective. But the anchors can make it successful without others. Each of the types of organizations referenced in and engaged during the first two phases fill a specific need within the overall project. Each of those necessary partnerships need to be clearly identified and future work outlined in order to move from consensus building to actually implementing the community wealth building strategies themselves.

### Business Plan Development

Business plan development is a central part of the third phase. Though developing partnerships with necessary stakeholders is no doubt vital, without a solid business plan, a community wealth building project cannot move beyond educating anchor institutions and additional stakeholders. No matter how detailed a work plan for partnership development, the business plan portion of the project has to be prioritized. After the business opportunities were outlined in Phase Two, conducting a comprehensive feasibility study and detailed business plan(s) for each strategy is essential.

The initial two phases are meant to assist the local anchors and additional organizations in determining a set of businesses or other community wealth building strategies. Once a set of businesses or strategies have been identified, it's necessary to determine exactly how they would relate to local anchors, specifically if the good and/or services offered by the businesses will be purchased by the anchors like local hospitals and Evergreen Cooperative Laundry. This would obviously change if another mechanism were used like a community

land trust, but the need to determine how feasible the strategy is by understanding how local anchors will support it remains vital.

For Evergreen, the coordinating organizations like the Cleveland Foundation and additional anchors reached an agreement of the first set of businesses to launch through the Community Wealth Building Roundtables and further interviews. Once they got to that point, the coordinating organizations enlisted the services of the Ohio Employee Ownership Center (OEOC) to work with them to craft an outline of the feasibility of each business as well as a complete business model and plan. Even though local anchors might commit their own purchasing power to support one or more of these businesses, this doesn't in the least negate the necessity of developing a comprehensive business model and plan. Indeed, it is possible that businesses that are believed to be attractive, fail to "pencil out" – in fact, of the first four businesses ideas generated by Evergreen, two were rejected through this process.

It is also important to ensure that the created businesses can serve a broader market beyond the anchor institutions. For instance, Evergreen Cooperative Laundry, was only determined to be viable after the business market in a 50-mile radius had been mapped out and after it was determined that a range of nursing homes and hotels, as well as hospitals, could serve as potential customers. The true benefit of community wealth building is the ability of the approach to attract capital that can finance employee-owned businesses in disinvested neighborhoods – creating both jobs and business owners in low-income communities. Anchor institution support provides an established set of large clients, which goes a long way to ensuring that the businesses are "bankable." The purchasing power of local anchors also helps sustain overall demand for the goods and/or services the businesses will provide. Nonetheless, the business planning process is critical to ensuring that anchor support can effectively leverage a broader market that will sustain developed businesses over the long haul.