



California Resources and Training (CARAT) 2009 Final Report to the California Emerging Technology Fund

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Name of Project: California Small Business Broadband Initiative
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I. Financial Summary

- Total Project Budget Spent: \$ 388,318
- CETF Grant Amount: \$ 243,375
- Percentage of Match Funds Raised against Goal: 100%
- Cost Per Unit of Outcomes: (Total Outcomes/Total Budget) \$ 95

II. Project Description, Goals and Objectives, and Outcomes

Project Description

The California Emerging Technology Fund (CETF) assumed a statewide leadership role to minimize the Digital Divide by accelerating the deployment of broadband and other advanced communication services to underserved communities. CETF identified the small business industry as a community that benefits greatly from broadband access. However, there are many small businesses that either fail to employ or under-employ broadband in their businesses. CETF aims to reach these unserved and underserved small businesses to learn about their broadband use, educate them about the benefits of broadband, and increase their broadband usage.

CETF initiated this outreach program with the formation of an advisory group consisting of statewide organizations that serve the small business community. CETF empowered the advisory group, called the California Small Business Broadband Initiative, to achieve the goals outlined above. This report governs the management and completion of the first phase of the California Small Business Broadband Initiative's activities that were geared towards learning about broadband use by unserved and underserved small businesses, as well as educating low- and moderate-income small business owners about the benefits of broadband and increasing their usage.

Goals and Objectives Summary

75% of the goals and objectives have been completed. As discussed in the Accomplishments and Lessons Learned sections below, we did not quite reach our goal of collecting completed surveys from 50% of the businesses surveyed (we collected completed surveys from over 25% of the businesses surveyed) and the Roundtable attendance averaged 23 participants per session, not 30. These and additional details per outcome are discussed below.

Project Outcomes Summary

Outcome Description	Actual	Goal	Percent Completed
Draft a final survey in English and Spanish.	2	2	100%
Achieve 50% response rate of completed surveys.	3,600	7,200	50%
Final Report on survey distributed to partners and CETF.	1	1	100%
Roundtables held with small business owners.	*22	15	146%

Draft Investment Proposal for Phase II.	1	1	100%
Increase number of industry partners working on the Collaborative.	1	-	-

*22 roundtables reflect 506 business participates, hence the total number of business survey responses (3600) and roundtable participation was 4,106. This number is used as the total outcome for cost per unit calculation.

III. Accomplishments and Challenges

Summary of Accomplishments and Impacts of Project

Assessment of Outcomes Achieved in Comparison to Grant Agreement

The small business broadband initiative was a successful collaborative demonstration project involving statewide partners that remained active and engaged throughout the process. The partners were flexible and innovative in making the necessary changes for a successful project. The reach and scope of the project to outreach to 13,000 small business and received a final inventory response from 3,600 was quite a task using any measure. The impact of the project was broad in scope-touching small businesses and small business organizations throughout California. The results from the survey outlined in the final report will be used to build an ongoing technological educational structure for small business throughout California. CARAT thinks there has not been a survey/assessment of ethnic small businesses of this magnitude conducted within California.

- The California Small Business Broadband Initiative had 3 outcomes and achieved 100% of one of the outcomes and 146% of one of the outcomes. The California Small Business Broadband Initiative reached 50% of the third outcome.
- In assessing the deliverables and outcomes achieved, CARAT found that the agreement was in line with the outcomes of the project. CARAT met the qualitative/administrative deliverables as identified in the contract. However, it did not meet the completed survey outcome.

Delineation of Deliverables and Outcomes Not Achieved and Explanation

CARAT did not reach the goal of 7,200 surveys with a response rate of 50%. The Roundtables averaged 23 attendees per session. Additionally, it did not collect signed MOUs from each of the chambers and organizations who participated in the survey collection. Two factors played a role in not meeting the 7,200 survey threshold:

- Validity of e-mail databases. Initial estimates of the size of collaborative partner e-mail databases were not accurate. CARAT began the survey distribution process with less than half of the e-mails from what was previously projected.
- Shift from electronic to hardcopy surveys. The original proposal assumed surveys would be administered almost exclusively electronically. Changing conditions forced the collaborative team to switch our strategy and collect a significant number of hardcopy surveys. Hardcopy survey collection is more time and resource intensive than electronic survey collection.

The Roundtables also required a shift in strategy. There was difficulty attracting the requisite number of attendees at standalone Roundtable sessions. Rather than having standalone Roundtables (as we initially did), we combined the Roundtables with existing, relevant events to increase attendance. Rather than having every one of the chambers sign MOUs, CARAT felt it was more effective to have MOUs with key chambers throughout the state.

Discussion of Other Positive Results from Project

CARAT learned that connecting existing and potential businesses to technology and teaching them how to utilize various technological resources is the most effective and strategic approach to creating lasting economic and community change. By empowering businesses to take command of all the technology available to them, business owners will be able to run more efficient businesses, generate more revenue, and eventually create more jobs.

The collaborative partners have received various phone calls from small businesses that have heard about the project and want to learn more about training opportunities. Many of the chambers who served as the host chamber for the Roundtables have members who are enthusiastic to learn more about broadband technology and are looking forward to attending additional Roundtables and future training sessions. As a result of the technology roundtables and the survey findings, the collaborative partners have added some introductory technology sessions in their general offerings to their memberships.

A large number of the businesses in attendance at the Roundtables were motivated to set up websites to increase business traffic, and almost everyone in attendance agreed that hearing testimonials about how the Internet impacted businesses like theirs was very helpful. CARAT was encouraged to have more programs like this in place and it's very apparent that there is a need in all communities in California for broadband technology education.

Lastly, the collaborative partners were actively involved in increasing the visibility of CETF across the state. Collaborative partners attended events in various cities of California to increase survey numbers, collect e-mail addresses, increase our affiliate partners, and promote the Project. The California Hispanic Chambers of Commerce alone attended the following events on behalf of the Project and the collaborative partners: Northern Region Supplier Diversity Council Minority Business Opportunity Expo (July '08), United States Hispanic Chamber of Commerce Annual Convention (September '08), Orange County President's Council Christmas Mixer (December '08), Multi-Cultural Holiday Mixer in Oakland (December '08), and the San Joaquin Multi-Ethnic Mixer (December '08), among others.

Overview of Major Challenges to Achieving Planned Results

- Overestimating the size of the email base.
- Over-reliance on electronic surveys.
- The selection of appropriate personnel within partner organizations.
- Survey incentive structure.
- Hosting standalone Roundtables.

Developing an email database of qualified business owners was a challenge. Utilizing established e-mail lists was not sufficient to meet stated goals. A number of the established email addresses in the existing databases did not fit the criteria to be surveyed, and there was a significant subset of invalid email addresses. Although businesses understand or realize the power of websites and have access to them, there was difficulty in getting the businesses intrigued enough to attend the Roundtables or workshops. Most felt that they were knowledgeable enough to navigate on their own or they would rely heavily on consultants to assist them on topics they did not understand.

Discuss Efforts to Address Challenges and Resolve Problems

The existing databases used for this project, though quite sufficient for the purposes of a statewide chamber, fell short for a project with more specific requirements. The databases consisted of entries outside of the scope of the project; private corporations, government contacts, and businesses outside of California. To resolve these issues, CARAT shifted the focus to increasing incentives to the local chambers and affiliate organizations to reach the targeted businesses.

In the beginning CARAT focused heavily on collecting survey results via the Internet/e-mail. However, CARAT did not take into consideration that it was only reaching businesses that had access to a computer and the Internet. While most chamber members may have access to the Internet, they aren't necessarily an accurate representation of the business community as a whole. This issue is most prevalent in the Hispanic community. Consequently, it stepped up efforts to get a representative sample by disseminating hardcopy surveys and increasing the reach of the survey by including other affiliate organizations.

Another challenge was getting the small business owners to complete the surveys. Although incentives were available through a raffle program, most felt that the survey was too lengthy and was not worth the hassle. Those that attended the Roundtables and tried to complete the survey had little knowledge of the information that was asked.

Selecting appropriate personnel within partner organizations proved to be challenging as well. The initial team consisted of several outside consultants tasked by the collaborative partners to lead the effort. These consultants proved to be ineffective. To remedy this situation, CARAT restructured the underperforming collaborative partner core team to include more staff members and expanded the number of participating organizations.

The collaborative partner that brought in its staff members experienced a substantial change in the work effort applied to the project, which resulted in a positive project outcome. These staff members collected over 1,700 completed surveys and hosted 9 Roundtables alone. As for the other underperforming collaborative partner, CARAT, the project coordinator, reached out to its extensive network of small business agencies, which tripled the production of the previous consultant and the affiliated Chamber collaborative partner.

Some collaborative partners also found that adding more value to the incentives and offering more frequent give-a-ways attracted more attendance at the Roundtables and generated more participation in the surveys.

IV. Lessons and Recommendations

Summary of Lessons Learned

Lesson #1: There are many small business chamber members that lack the skills and knowledge of the Internet and online applications that can help them grow their business. Most of the participating business owners felt that the cost to implement technology would be too great for their budget. As professionals working with small businesses daily, the collaborative partners tend to believe that most small businesses have the knowledge of broadband sources and can utilize technology to grow their businesses. CARAT learned that the member businesses needed more trainings and workshops.

Lesson #2: The project needed to ensure that key chamber staff is assigned to the projects and initiatives. Planning and initial implementation was hindered by several staffing missteps. With the appropriate team in place, implementation moved along at a rapid pace and short term goals/milestones were met and exceeded. There must be buy-in from the leadership of the collaborative partnering organization.

Lesson #3: Condense the survey questions to a minimum. Many participants were reluctant to fill out the entire six page survey.

Lesson #4: Rather than concentrating on a large number of surveys, it would be much more efficient to define and develop a sampling reflective of the targeted business communities. It's important to have a balanced sampling of surveys from throughout the state based on the following criteria: business location, gender, revenue, and service provider.

Recommendations

Recommendations for Expanding the Project in Region or Scaling Up Statewide

Recommendation #1: Strengthen local businesses by teaching the business owner basic computer, Internet and broadband skills by creating and implementing a basic computer/Internet curriculum for businesses.

Recommendation #2: Enhance productivity by helping business owners integrate the Internet through use of software based business tools and other technology into their day-to-day activities by providing training, one-on-one consulting, and customized technical support.

Recommendation #3: Improve the economic outlook and increase the median income of the small businesses by investing time and resources into local businesses through training and technical support that lends itself to adoption of technological applications that drive operational efficiencies.

Recommendations to CETF Regarding Grants Management

Recommendation #1: Minimize the changes in information requested for reporting. This was a work in progress for CETF as well as for CARAT and the collaborative partners.

Recommendation #2: Changes in budgets were not reflected in actual contract changes for all collaborative partners – each contract was negotiated separately which poses some problems in the final reporting.

V. Grant Agreement Requirements

Purchased Equipment

The project purchased a total of \$3,180 in computers and related equipment to offer free Digital Literacy courses in the Computer Lab and Technology Center. (where and will they continue to be used for this purpose?)

CETF of Grant Funds

All of the CETF grants funds were expended.