

EXECUTIVE OVERVIEW

Next Level Northwest: A Regional Business Acceleration Public-Private Partnership

Situation

Illinois is losing its competitive edge:

- Neighboring states gain jobs while IL has negative growth. The State and County tax burdens are onerous, creating negative population growth (-1.7%) and contributing to the exodus.
- IL ranks last in the Midwest for job recovery
- At 3.3%, outbound population migration is three times the regional average

Municipalities cannot depend on the State of Illinois or Cook County to lead economic development efforts.

- The State has not made the paradigm shift to adopt and embrace business growth.
- Government needs to shift from incentive-based business recruitment ***to nurturing grass-roots growth, supporting entrepreneurs, and investing in infrastructure and innovation.***

Municipalities must be ***proactive, collaborative, and innovative*** to secure and grow the regional business base as well the prosperity of each community. ***The missing ingredient is the coordination of resources for the acceleration of business growth.***

Opportunity

Next Level Northwest (NLNW) will be an **independent not-for-profit (501c3) public/private business acceleration partnership** that serves multiple communities.

- NLNW will be a powerful tool in the local economic development tool box;
- Communities that embrace NLNW will be able to tell business leaders “I can help you grow your business.”
- NLNW will provide a coordinated, integrated approach to help business leaders build and grow their companies.

Mission, Scope, and Strategic Goals

Mission: ***Accelerate business growth and sustain the economic prosperity of participating municipalities and the region as a whole by taking Stage 2 businesses to the next level of performance.***

Scope:

- NLNW will operate in the eight founding communities: ***Arlington Heights, Buffalo Grove, Elk Grove Village, Hanover Park, Hoffman Estates, Mount Prospect, Rolling Meadows, and Schaumburg.***
- NLNW’s service area spans northern Cook and DuPage counties and southern Lake County, serving a potential business base of over 20,000 companies that impact nearly 400,000 residents.

Strategic Goals:

- Accelerate business growth;
- Create value added jobs
- **Distinguish the region as a world-class business community** that attracts more businesses, customers, and suppliers.

Public-Private Partnership

Local governments will provide seed funding for the partnership, and business partners will sustain through sponsorships, donations in kind, and private contributions.

Municipal Investment is initial \$5,000 seed funding to support incorporation along with a \$15,000 per year commitment for three years (\$50,000 total for each community). ***Private industry contributions and fundraising*** are targeted to raise \$500K to \$1M annually for regional business growth.

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The Benefits of Next Level Northwest

- **Easy access to critical, available resources and capabilities that support greater innovation, effectiveness, and operational efficiencies;**
- **Connect and foster relationships among all stakeholders** within the region and beyond;
- **A unique community of practitioners, coaches, and peer mentors** through which all participants apply critical thinking, gain new knowledge, and cultivate innovations that drive higher economic returns; and
- **A cohesive, comprehensive approach to ongoing business and leadership development** unparalleled within the State of Illinois and not available in any existing venue.

Innovative, Dynamic, Relevant, and Timely

What Business Leaders Need. Leaders of small to mid-size businesses need three critical elements to grow their companies: ***Support, Wisdom, and Ongoing Development.***

They also need a system that integrates and provides these services in a relevant, timely manner to optimize the one resource business leaders can never replace: TIME.

NLNW helps leaders:

- **Solve systemic issues and overcome barriers to growth (Phase 1: Accelerator Engagement) and**
- **Increasing flexibility in adapting to change and driving innovation (Phase 2: Ongoing Development).**

	What Exists	What They Deliver	Challenges	How NLNW Delivers Greater Value
Support	Small Business Development Centers	Business Plan Development Advisory Services	<ul style="list-style-type: none">• Future of SBDCs threatened by loss of State funding	<ul style="list-style-type: none">• Build on SBDC preparatory work• Phase 1 (Active Engagement) includes <i>formal application</i> and <i>competitive selection processes</i>; Candidate companies <i>obtain up to \$7500 grant</i> for <i>immediate Coaching help</i>
Wisdom	SCORE	Advise on variety of issues	<ul style="list-style-type: none">• Not located evenly throughout region• User selected topics• No formal assessment	<ul style="list-style-type: none">• Phase 2 (Ongoing Development) begins with Formal mentorship agreement after completing Action Plan with assigned coach and reporting results to Panel• Leaders commit to excellence and engage with organizational leadership programs to set right culture
Ongoing Development	Chambers of Commerce; Business Leader Groups	Programs and events directed to member needs	<ul style="list-style-type: none">• User selected and driven selections• Focus/emphasis on organization's members• Wide variance in program topics	<i>Leaders continue Phase 2 by:</i> <ul style="list-style-type: none">• Engaging Best Practices• Engaging Discussion Partners• Education programs consistent with needs assessment• Community-based Affinity Groups to support peer-to-peer learning and mentorship• Network across Region

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Outcomes and Success Measures

Sustainable Competitive Edge and Business Growth are attainable outcomes through the following metrics and targets to which clients and community partners are held accountable:

Stakeholder	Metric	Target	Reported
Individual	Increased Revenues	Increase annual revenues 10-20%	Quarterly
Businesses	Innovations	Changes in products and processes yield at least 200% ROI	Quarterly
	Increased Head Count	Increase jobs 15-25%	Quarterly
Partner	# Businesses Helped	At least 20 companies in each community get NLNW aid	Quarterly
Communities		over first three years	
	# of New Businesses	Attract at least 10 new businesses to each community because of innovation support system	Quarterly

Potential Economic Impact

The number of pitch nights within each community will be determined by the level of support from private industry leaders through corporate sponsorships, donations in kind, and private contributions through fundraising. Many mutual gains can be achieved through collaborative designs such as those delineated within NLNW's detailed Value Chain. In gross numbers:

	# of Pitch Nights per year	# Pitches Scheduled <u>Each Session</u>	# of Potential Pitches per year	# of Companies Selected
By Community	4-5	3 - 4	12-20	8-14
		Approximately three prospects for each applicant	Approx. 67% conversion of Applicants to Candidates	90% Conversion rate from Candidates to Clients; \$2500 investment in each Candidate for Discovery; \$5000 balance for Executing Action Plan
By Region (8 communities)	32-40	3-4 Sessions per month	96-120 pitches across region	80- 110 companies across the region
		No pitches in July or December because of business vacation and holiday schedules	Partner investment of \$1500 per Client company in each community	Minimum of \$600,00 to \$840,00 required per year to support this number of companies; Balance of \$480,000 to \$720,000 to be raised from private industry

Business Accelerators: A Proven Proposition within Northeastern Illinois

The Fox Valley Entrepreneurship Center (FVEC) established in 2010, has helped about 70 companies improve performance through its accelerator. FVEC conducts pitch nights five times a year through which two to three companies are selected each time for coaching help. FVEC's geographic coverage spans the Fox Valley and extends north-south from Elgin to Aurora and east-west from Naperville to DeKalb. FVEC is funded through several grants, private donations, and annual, targeted fundraising events.

NLNW differs from FVEC in several ways: (a) NLNW's unique regional collaborative partnership, (b) the breadth and number of targeted businesses within each community and throughout the region, (c) the geographic area served by NLNW, and (d) the depth and breadth of the Phase 2 program for ongoing development of leaders and their businesses.