

MICROENTERPRISE CONCEPT FOR HOUR EXCHANGE PORTLAND

CHALLENGE:

For many years now Hour Exchange Portland has actively explored a wide menu of ideas for creating a revenue generating enterprise that would make a strong financial contribution to the agency's operating budget. HEP members, board members and outside consultants and business people have participated in forums with the multi-tiered goals of designing and implementing an arm of the Exchange.

- a) represent the values and mission of the organization
- b) incorporate member skills paid by either cash and or time dollars
- c) garner ongoing, positive publicity for HEP and,
- d) be available for replication to other local times banks which will further the sustainability of the national movement.

After a series of conversations with experts in the field of fundraising, small business development and most importantly, time banking, HEP has refocused its thinking and determined that no one enterprise reflects the ingredients listed above. There is no *single* representative product or service that defines our organization.

There is, however, a plethora of existing and/or promising enterprises within the membership and a stated need for assistance to support the development of those ideas. An opportunity exists to cultivate those ideas while building both social capital and local economic development.

HISTORY OF PTB'S ROLE IN SUPPORTING MICRO-ENTERPRISES:

HEP has served the community by creating a network of people who help each other. Although not always recognized as an incubator for micro-enterprises, HEP has certainly assisted small entrepreneurs to grow their business ventures by plugging them into the social network. Examples from businesses such as the East-West Jade Trade Rehab, Simply Scandinavian and a number of massage therapists, artists, bakers other culinary artists are well documented.

Given our history of promoting local small businesses, the next level of development recently announced itself. Creation of a PTB "service center", as its own enterprise became the next logical step in our agency's evolution.

Hour Exchange Portland connects people to each other. The culture of HEP members is creative. It reflects a strong commitment to local investments (Buy Local) and New England good neighborliness. It has a ten year history with loyal supporters and is currently experiencing a rebirth, including passage into avenues of mainstream social service and businesses that were previously disinterested. Members understand that HEP requires revenue for its operation and after 10 years of faithful participation, they are stepping up to the challenge of fundraising.

The timing for deepening our member and community relationships is now.

OVERVIEW OF MAINE MICRO-ENTERPRISES & RELATIONSHIP TO PTB

There are 130,000 documented micro-enterprises in Maine today and thousands more believed to be operating but not documented. The definition of a micro-enterprise is five employees or less with a cash investment averaging \$35,000. (Small businesses are six or more employees.) Many Maine entrepreneurs operate as serial entrepreneurs. They are proficient at startup, then sell the first business and start and sell new ones. The biggest barrier to establishing a business is confidence; once that is resolved, a business plan can be created and cash resources identified. There are many sources of assistance for business development in Maine including SCORE, CEI and Women, Work & Community, but although well advertised and respected, the formality of those organizations does not attract everyone who is eligible. In fact, a recent survey showed that more Maine women than men are entrepreneurs and they did not feel comfortable approaching SCORE to discuss business development ideas because that organization is predominantly staffed by retired male businessmen.

We have met with:

Women, Work & Community

University of Maine Microenterprise

Small Business Center

HEP's membership is reflective of the Maine landscape. Many members have skills applied to services or product sales as part of the underground Maine economy. They sell their wares at fairs & festivals, trade with neighbors and friends and may limit their informal business in consideration of other life priorities such as family time, or out of concern for establishing an official business that would require documenting taxable income. They are predominantly female and they are actively seeking new venues for cash currency that fit within their time constraints and lifestyle choices.

EXAMPLES OF EXISTING TIME BANK MICRO-ENTERPRISES

Examples of pilot micro-enterprises launched in 2006 include the Sunriseguide, the Art Gallery and the Saco Coffee House. In each case HEP played an active role, although the roles varied.

With the Sunriseguide, the concept was encouraged by HEP and a cash investment was made in the product. Sales revenue from books sold by HEP members are applied to repaying the agency for that initial investment. Members love the coupon book because it is "green", offers cash savings and supports a fellow member's business.

The **Hour Exchange Portland Training Center** has been reorganized with the development of Immersion Training for new or expanding Time Banks. With new curricula, a contract for Americorp*VISTA workers and our customized time banking software, we are able to offer a very affordable package of materials that support the establishment and/or planned growth of Time Banks. The national office of TimeBanksUSA does not offer Immersion Training or customized workshops such as marketing, grantwriting or business liaison partnerships. This has opened a niche for us, and since we are one of the oldest and most established Time Banks in the US, we have the credibility as well as endorsement from sister organizations and the national office.

The **PTB Art Gallery** showcases member art in various forms. Artists have a venue at the PTB office to present their artwork, receive publicity through e-blasts and the City Art Walk guide, and they also connect to a greater community of artists. Commission from sales is payment to PTB and participants are pleased they are supporting the PTB operating budget. This enterprise is staffed by PTB and members. Revenue has increased each month commencing at from \$85 and most currently \$400 in

commission. This is directly related to a steady growth in participation through active marketing and word of mouth by participants.

The Art Gallery spawned a second group of artists who formed the **HEP Artists Guild**. They donate images for greeting cards. Through volume purchasing, the production costs are lowered and members can purchase and sell their work to the public, while donating a portion of cards to PTB for cash sales. HEP has enjoyed two business sponsorships for the cards thereby resulting in 100% profit for sales. We anticipate this line will grow in 2008 and with solid planning, yield a financial result in the fall/holiday season.

PLANS FOR EXPANDING THE MICRO-ENTERPRISE INITIATIVE

HEP will formalize its role as a service center for the cultivation of micro-enterprises by members. Members will receive an advertisement for this initiative, be scheduled for appointments with a coordinator and then be referred to appropriate resources in the membership or elsewhere in the state. Staff or trained members will serve in roles customized to those members. They may be advocates, offer technical or professional skills, serve to test market products, or perform other services as needed. Revenue and/or in-kind to HEP will be realized in several forms including:

- Commission on sales if HEP markets those products in person, on the web, or through other channels to be developed (all)
- Receipt of product for direct sales with all proceeds to benefit HEP (hats, scarves)
- In-kind products that HEP will use for its own for publicity (greeting cards, posters)

Three larger enterprises are in development stages.

- **Garden project**
- **Time & Talents software** has been created. It has been beta tested by HEP and is in high demand by new and existing time banks throughout the US. Since HEP operates a Training Center, and is a member of the national organization so the marketing will be a natural component.
- **Hands of Time jewelry.** These are lovely jewelry items that incorporate old watch parts (time) with subtle inclusion of peace symbols. The pins are all unique, made of metal in various shapes and sizes. They have marketing value for both men and women; traditional jewelry pins for women, and smaller size tie clips or coat tacks similar to flag pins for men. The opportunity for members to earn time dollars working in a production assembly will keep costs low and the integrity of the mission intact. Distribution will be national, through the Time Banks movement and by virtual store (online) sales to the general public.
- **Greeting cards.** The Portland Artists Guild is growing in membership and interest. Cards have been requested from Mercy Hospital (a member organization) and there is interest among our non-profit and business members (Key Bank; Turner Barker Insurance Company). We will create a portfolio of cards to market this spring for the holiday season.

This initiative will grow with member participation. HEP may receive small cash contributions from individual micro-enterprisers (\$500-\$1000 year) but larger revenue will be realized through participant volume, not from any one enterprise. Once the word is out about this venture, we anticipate more members will consider participating, which is true to form for our Neighbor to Neighbor model. It will be an organic process, monitored and revised through practical application.

