

Berea's Local Investment Fund Strategic Plan

Vision

The primary vision is to create a local investment fund that will encourage and facilitate local investment in enterprises and increase the availability of funds to Berea's local business community. The Finance Group's strategy is to develop a source of capital in Berea, deployed in many ways to support the genesis, expansion or transfer of ownership of local small to medium businesses. This should encourage investors and a sustainable alternate financing market that is not reliant on outside capital as well as creating an "entrepreneurial friendly community". A local investment fund will provide financial support to current and prospective business owners as well create a stronger commitment from residents who have an investment in these businesses to think local first. When paired with business training this addresses two major obstacles for businesses today - financing and training.

Obstacles

Potential obstacles include:

1. Current federal and state regulations that make it difficult for small investors to participate in local funding. The team will need to investigate the any legal issues.
2. The working group needs an indication of legitimacy and support from the local government.
3. Identifying individuals, businesses, and organizations willing to invest would be needed so that a fund or several funds could be established.
4. Further development and understanding of the investment vehicle. Understanding the legal, technical, and logistical considerations in setting up a fund.
5. An analysis of investment models needs to be conducted to better inform the working group, current small business owners, local financial institutions, and community investors.

Action Plan

The working group has identified four investing options but needs to continue to research these options. Part of our plans would be to share these models before a representative focus group of entrepreneurs in difference stages of business and potential investors. That group's feedback would guide the working group to choose two of the four options to develop further and offer as the first two local investment options in Berea. The two options chosen would dictate other steps such as identifying resources needed, specialized skills needed, alliances to be formed, and development of further plans to achieve goals supporting the vision. Some of the logistics of the fund would need to be developed including the structure and local support of financial institutions and small business oriented organizations already in Berea. Finally, an entrepreneurial development

program must be developed to be paralleled with, and be a prerequisite for, eligibility from the local investment fund.

Public Policy

The City can help by doing some of the legal legwork paving the way for the models to be implemented. The City may also provide matching funding to establish funds and/or funds to hire the expertise to develop technology interfaces. Also, the City can help the entire local economy effort by giving each working group legitimacy by recognizing each group as a standing committee that will report regularly to the City Council. The City Council and Mayor should be actively involved in the initial advertising campaign identifying Berea as an “entrepreneurial friendly community” and making everyone aware of local investment opportunities.