

# Appendix C: Microenterprise Case Studies

## Accion USA Network

ACCION USA is part of ACCION International, a U.S.-based nonprofit organization operating globally, with the mission of giving people the financial tools they need to work their way out of poverty. ACCION International began its work in economic development in 1961. In the past decade alone, ACCION partners have disbursed billions of dollars in loans to millions of borrowers in Latin America, Asia, and Sub-Saharan Africa.

In 1991, due to ACCION International's success and the clear need for microfinance in the United States, ACCION started a pilot program in Brooklyn, New York, to serve small businesses that lacked access to traditional sources of financing. Based on the success of this program, ACCION's microfinancing network grew to include low-income communities in Chicago, New Mexico, San Diego, and Texas. Including ACCION USA's offices in Atlanta, Boston, and Miami, the U.S. ACCION Network is the largest of its kind in the United States, having disbursed over \$230 million in small business loans to more than 18,500 entrepreneurs.

ACCION USA is a private, nonprofit organization that provides microloans and other financial services to low- and moderate-income entrepreneurs who are unable to access bank credit for their small businesses. With economic opportunity, these entrepreneurs—often minorities and women—can build assets, better provide for their families, and strengthen their communities.

### **Microlending Methodology**

ACCION loans range from \$500 to \$50,000. ACCION USA loan terms are up to 60 months and offer an

competitive interest rate. The supporting documents required for ACCION USA loans are less than those required for bank loans.

ACCION USA tries to make the whole loan process as fast and easy as possible—applying online takes approximately 60 minutes to an hour. Customers can also apply in person at local offices and at the offices of partners.

### **Other Assistance**

ACCION realizes that small businesses need more than money to thrive. Training, advice, expertise, and other small business resources help to ensure success. ACCION provides training that helps clients develop the skills they need to write a business plan, build their credit history, run their business, and much more.

ACCION refers its business owners free of cost to a wide range of small business resources. ACCION offers links to numerous training partners on its Web site ([www.accionusa.org](http://www.accionusa.org)). These resources are located on the Web and in the regions where ACCION has a significant presence (Florida, Georgia, New England).

### **Contact**

For general inquiries about ACCION, contact:

ACCION USA  
115 East 23rd Street, Seventh Floor  
New York, NY 10010  
Phone: (866) 245-0783  
E-mail: [info@accionusa.org](mailto:info@accionusa.org)

## Appalachian Center for Economic Networks (ACEnet)

The Appalachian Center for Economic Networks (ACEnet) is a nonprofit economic development and business support organization located in rural south-eastern Ohio. ACEnet was incorporated in 1985 by a small group of community members committed to building a healthy regional economy in southeastern Ohio through the growth of locally owned businesses, especially those operated by lower income residents. The mission was furthered in 1991 when ACEnet established a small business incubator that offered below-market-rate office space and shared services.

Funded primarily through grants, ACEnet subscribes to the philosophy that similar businesses networking together, can share ideas, reduce operating expenses, produce joint marketing, and increase market exposure. Those are important components of the “sector” approach to business development. ACEnet specializes in delivering entrepreneurial services in the art, food, agriculture, and wood business sectors.

ACEnet serves a wide variety of entrepreneurs in the region with a primary service area that includes the 29 counties forming Appalachian Ohio. Referrals from satisfied clients, nonprofits, and development agencies have helped ACEnet to attract new entrepreneurs throughout the state of Ohio, as well as West Virginia and Kentucky.

### ACEnet's Support

ACEnet has taken a multi-faceted approach in supporting small business development and expansion. Services provided by ACEnet include:

- **Business incubation.** ACEnet provides basic shared and individual services that businesses need to start, expand, and create quality jobs. Office and light manufacturing space is available at below-market rates and often include shared office and specialty equipment and services that businesses would otherwise be unable to afford on their own. ACEnet encourages entrepreneurs to

network with each other, sharing information and generating joint ventures (such as buying supplies together) that enable them to benefit from economies of scale typical of much larger businesses. Business consulting services are also available to tenants at low-to-no cost.

- **Product development.** ACEnet assists entrepreneurs in producing the most appropriate product for the target audience. ACEnet either provides direct guidance in a particular sector, or refers an entrepreneur to the most appropriate source. ACEnet provides workshops and one-on-one technical assistance on regulatory issues surrounding food labeling and food science, pH and shelf-life testing, nutritional analysis, and product labeling.
- **Business planning.** ACEnet provides overall business planning and financial systems training on both new and expanding businesses. ACEnet provides workshops on bookkeeping and accounting software and preparing and analyzing financial systems. ACEnet also connects clients with local resources.
- **Marketing and distribution.** ACEnet provides practical, hands-on training to firms developing marketing strategies. ACEnet connects entrepreneurs to local, regional, and national markets; brokers; and distribution channels. ACEnet's Web site also provides up-to-date market information and access to marketing databases, as well as training.
- **Financial.** ACEnet Ventures Fund is a community development financing fund that was incorporated in January 2000. ACEnet Ventures offers financing assistance to small businesses so that they can expand and create quality jobs for low-income residents in target areas. ACEnet Ventures often partners with conventional lending sources to provide joint financing to small businesses where other lending sources are not willing to provide sole financing for those small business projects.
- **Peer consulting services.** ACEnet helps share the ACEnet model through various techniques, including tours to onsite consulting services.

**Contact**

For general inquiries about ACEnet, contact:

Angie Hawk Maiden  
President and CEO  
ACEnet  
94 Columbus Road  
Athens, OH 45701  
Phone: (740) 592-3854 Ext. 111  
E-mail: [angiec@acenetnetworks.org](mailto:angiec@acenetnetworks.org)  
Web site: [www.acenetnetworks.org](http://www.acenetnetworks.org)

**Women's Opportunities Resource Center (WORC)**

The Women's Opportunities Resource Center (WORC) strives to promote social and economic self-sufficiency primarily for economically disadvantaged women and their families. WORC provides training, individual business assistance, job placement, and access to business and financial resources. WORC empowers its constituents through various self-help strategies including savings mobilization; a self-employment network; and access to its local, national, and international affiliations. Additionally, WORC encourages community awareness and responsiveness concerning issues impacting economic equity and independence.

To guide its mission, WORC abides by the following values and philosophies:

- Help low-income individuals break out of cycles of dependency.
- Be a catalyst for positive, lasting changes in people's lives.
- Empower people with basic life skills.
- Build personal capacity.
- Involve participants in self-assessment and goal setting.
- Encourage peer support.

- Build on experience and success.
- Encourage personal asset accumulation.
- Focus on economic development strategies.
- Emphasize the importance of personal financial management.
- Maintain a leadership role on a national and regional level.

**WORC Support**

WORC offers a variety of resources and services, including self-employment training. This six-week training program meets twice a week. The program covers business plan development, marketing, and management and financing for start-up and existing businesses. The program helps participants evaluate, refine, and develop their microbusiness by preparing a written business plan, including sections on marketing, operations, and financing.

WORC offers five loan products for the low-income borrower: career builder loans of \$500 to \$1,000; direct loans of \$500 to \$2,500; credit lines of up to \$2,500; small business loans of up to \$10,000 (for existing businesses only); and near equity loans of up to \$35,000.

Other services and programs offered by WORC include the family savings account, financial management education classes, new immigrant savings program, and online financial education program.

**Contact**

For general inquiries about WORC, contact:

Lynne Cutler  
President  
WORC  
2010 Chestnut Street  
Philadelphia, PA 19103  
Phone: (215) 564-5500  
E-mail: [info@worc-pa.com](mailto:info@worc-pa.com)  
Web site: [www.worc-pa.com](http://www.worc-pa.com)

