

City of Boston Small Business Plan



CITY OF BOSTON • MASSACHUSETTS
MARTIN J. WALSH, MAYOR

Small Business Plan Overview

- State of Small Business in Boston
- Business support ecosystem
- Key needs/gaps
- Solutions

State of Small Business in Boston

Together, Boston's over
40,000
small businesses generate about
\$15B
in annual revenue and approximately
170,000
jobs.

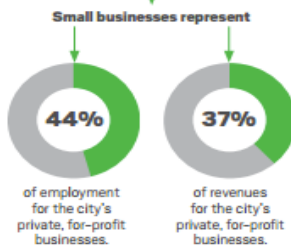
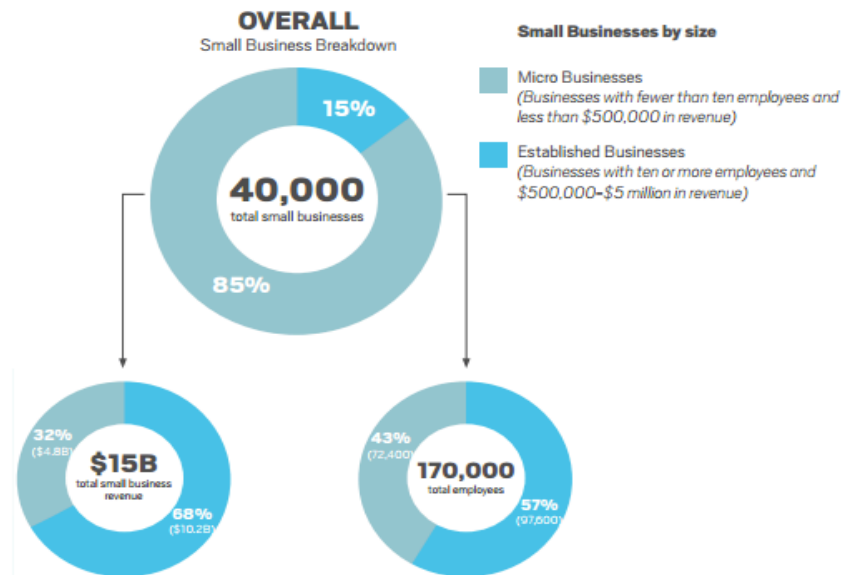


Figure 1: Small Business Breakdown by Size





Small Business in Boston

- **40,000 small biz** (<50 ee's and/or <\$5M revenue)
 - **95% of all biz** in the city
 - **~50%** sole proprietorships
 - **32% MBE** vs. **53% population**
 - **35% WBE** vs. **52% population**



Small Business in Boston

- **34% startup stage** (<3 years; <\$500K revenue)
 - 16% of employees
 - 12% of revenue
- **13% established** (>10 employees or > \$500k)
 - 54% of jobs
 - 64% of revenue



Small Business in Boston

- **~85% micro business** (<\$500K and <10 ee's)
 - most micro biz < \$100K revenue,
 - **~15% have > \$250K revenue or >5 employees**
 - **Service businesses**, both local and professional/creative services, **~75% of micro businesses**; retail and restaurants ~15%



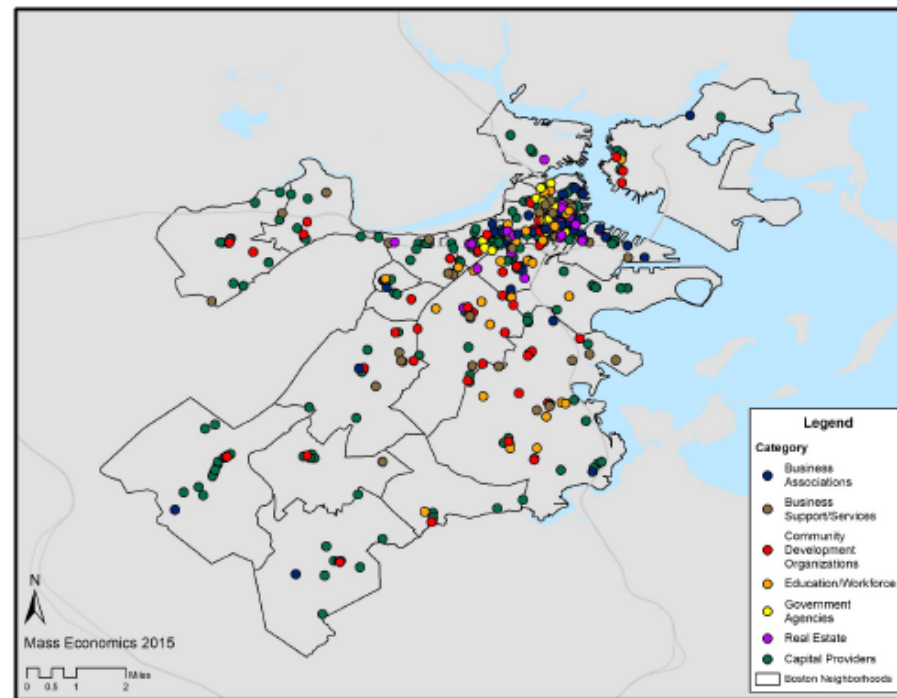
Small Business in Boston

- **55% small businesses are not growing**
 - **>50% 10+ years old**
 - **24% are >20 years old**
 - **Established small businesses outside of Tech** account for the majority of small business jobs and revenue, but **80% are not growing**

Business Support Ecosystem

2 BSOs AND CAPITAL PROVIDERS

- 400+ capital providers
- 250+ BSO's
- 60% <5 ee's
- Small biz could only ID on average 2.5 BSO's



Sources: GuideStar, InfoUSA, FDIC, FFIEC, NCUA, CB Insights, Crunchbase, HedgeFundJobsList, web research (e.g. City and State government websites, Xconomy, etc), emails, and phone calls

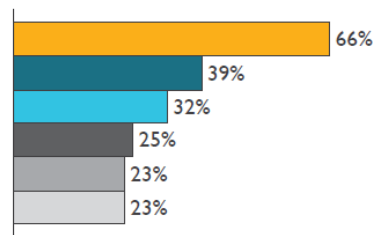
Key Needs







BUSINESS NEEDS REPORTED BY ROUNDTABLE PARTICIPANTS

Roundtable attendees were surveyed to understand the drivers of their business and their most pressing business challenges.

Factors Influencing Business Performance

% of businesses selecting a factor

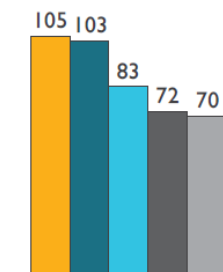







-  Finding (or not finding) new customers
-  Growing business with existing customers (or losing business)
-  Expanding geographically
-  Accessing (or inability to access) new sources of capital
-  Managing cash flow
-  Hiring (or not being able to fill) new and/or key personnel

Most Critical Business Challenges

Top 5 Business Challenges

Weighted SB owner ranking*



-  Marketing: customer acquisition and retention operations
-  General business problems (businesses planning, strategy, etc.)
-  Accessing growth capital
-  Acquiring new talent to grow and maintain your business
-  Accessing working capital and managing cash flow



Key Gaps

1. Supports for minority-, women- and immigrant-owned businesses.
2. Awareness and navigation of small business resources
3. Access to targeted technical assistance and one-to-one business coaching
4. Availability of capital
5. Availability of and access to affordable real estate
6. Existence of industry-specific networks and peer networks
7. Access to critical talent and human capital
8. Access to new customers
9. Navigating City of Boston small business services and resources

Key Initiatives

- Citywide Small Business Solutions
- Solutions to Drive Inclusion and Equity
- Priority Segment Solutions
 - Micro Restaurants & Retail
 - Established Businesses

City Approach

- Integrate City Efforts; Improve Service Quality
- Engage partners
- Enhance Data & Measure Impact

Questions?

