



## Capacity, Contracts and Capital Collaborative

The Capacity, Contracts and Capital Collaborative (C<sup>3</sup>) seeks to more deeply understand the **Boston anchor institution local procurement system** in order to achieve the mutually beneficial goal of expanding the number and size of contracts awarded to local WMBEs. It is based on the supposition that the members of the system, working together, can re-align the system in order to achieve this goal. A current list of participating organizations is included at the end of this document.

### C<sup>3</sup> Timeline:

1. Convened in mid-October a small working group that is a microcosm of the system as a whole to **map the existing Boston anchor institution local procurement system**. This system mapping session was hosted by the Social Impact Lab at Northeastern University, led by Professor Rebecca Riccio, whose students use systems thinking and philanthropy to pinpoint and address community needs in Boston. This session was facilitated by our systems dynamics specialist, who brought an initial systems map developed through earlier in-depth interviews with small business owners, procurement professionals, lenders, and capacity builders.

To set the focus of our holistic view, we asked a **focusing question** and answered it with a **hypothesis**. One idea for a focusing question was, “Why, despite our best efforts, have we been unable to increase the volume of mutually beneficial contracts between anchors and MWBEs in Boston?” In the afternoon, the working group collaborated to further develop the map of Boston’s anchor procurement system.

2. In October, interviews have continued and the systems map continues to be refined.
3. Work with a larger cross-section of the members of the system (small business owners, capacity-builders, anchor institution procurement professionals, prime contractors, unions, and small business lenders) to **further refine the system map and to analyze it for gaps, blockages, opportunities, and structural changes**. The Federal Reserve Bank of Boston will host this Systems Lab on November 15, 2017.
4. Share the outputs from the November with city and state government officials, as part of developing an **implementation strategy, further research questions, and identifying commitments** needed to achieve re-alignment. (End of January.)
5. Finalize and distribute the initial research report and toolkit. (By end of Q1 2017.)

### What is Systems Mapping?

To change a system one must first understand the system. A system is comprised of ‘a group of interacting, interrelated, and interdependent components that form a complex and unified whole’. Once a system as a whole is understood, one can shift the functions or structure of a system with purposeful interventions that may include changes in operations, routines, relationships, resources, policies and values.

As part of this mapping process, Interise will share its proprietary national research, funded by Surdna Foundation in 2012, of a systems analysis of the demand side in local anchor procurement. Interise was recently awarded a three-year grant from the Prudential Foundation to implement the Newark Anchor Institution Strategy. Partners from this initiative as well as other anchor institutions in the national network of Interise partners will be resources for our work.

In mapping Boston’s local anchor procurement system, we will learn together how best to re-align it to increase the number, types and size of local and WMBEs successfully contracting with local anchor institutions. We’ll identify what changes need to be made and where for anchor institutions to achieve their supplier diversity goals and commitments.

**Why now and why this approach?**

1. Our economy is a volatile one; another recession is already being predicted by a growing number of leading economists and financial experts—some by as early as 2017 or 2018. Now is the time to ensure that as many small businesses in Boston’s lower-income communities have the capacity and resources to navigate the next downturn in the economy.
2. The City of Boston Small Business Plan includes an initiative to “launch an Anchor Council to increase large institutions local spending” and to “anchor institutions’ procurement goals to their community benefits commitments under the BRA’s Institutional Master Plan (IMP) as well as the City’s PILOT program”. C<sup>3</sup> is a timely way to inform and influence this initiative.
3. There is a growing expectation from students, local communities, and local and state governments that anchor institutions will leverage their procurement budgets for local economic development.
4. A systems map will help us all to better understand how the existing components of the system can work together more effectively, and where, and if consultants have a role to play.

In brief, C<sup>3</sup> is a timely and cost-effective way to prepare for changes in the local economic climate and Boston City policies.

**Collaborative Working Group (as of 7/7/2016)**

Capacity Building	Contracts	Capital
Interise Minority Business Development Institute (bonding) Greater New England Minority Supplier Development Council Small Business Administration	Harvard University Medical School Northeastern University Tufts University Boston College Northeastern University Emerson University Boston University Massachusetts Gaming Commission	Massachusetts Community and Banking Council Federal Reserve Bank of Boston Massachusetts Growth Capital Corporation Accion East