

Economic Growth Business Incubator



2014 Annual Report

Celebrating 10 Years of Creating Prosperity

EGBI is a 501(c)(3) non-profit organization

Letter from our Board Chair and Executive Director

Dear friends of EGBI,

We had a terrific year in 2014. It has been both challenging and gratifying to be part of the trajectory we have been on the last four years.

Our programming and quality of services continues to be very strong with our comprehensive English Building Success Program (BSP) and our Spanish Curso Empresarial (Curso). For the third year in a row we delivered over 400 hours of training with almost half of the hours facilitated by our great volunteers.

The most rewarding aspect of our work are the stories of our clients who have, in most cases, limited employment opportunities or struggle with generational poverty with limited access to break the cycle. The clients who are highlighted in this report, are just a few examples of the many success stories that enrich our experience of helping our entrepreneurs. All in all, our clients reported a record economic impact for last year with over \$11 million in revenue and sustainment of 250 full time jobs.

We had the opportunity to showcase our efforts last year being named a finalist for the Philanthropitch contest where we pitched our distance learning offering. EGBI was the smallest non-profit in the finals which provided great exposure and a cash award. We also participated in the Hackathon Changemaker Showcase. As we make the rounds in Austin, we are affirmed that more folks are aware of the great work we do. Our first time participation in Amplify Austin was a success.

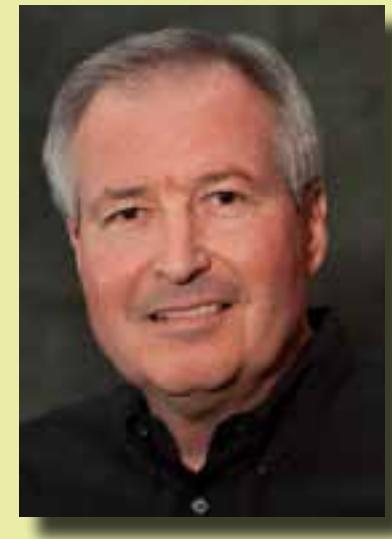
At the end of 2014, we held a focus group with many of our clients and partners to ensure EGBI was meeting their needs. That conversation led to a restructuring of our curriculum into a modular approach which at the time of this reading is already in full swing. Instead of our sole nine and a half week offering of BSP and Curso, our clients now have options. Our programs are now structured into two modules, our new, Marketing, Sales, and Customer Relations module and a Business Financials, Accounting, and Taxes module. The new approach gives our clients more flexibility in covering key topics for their small business. Each module is about four weeks long alternating between English and Spanish with continual checkpoints with our cohorts. So far, the new approach has been very well received.

Finally, we certainly could not accomplish any of this without our great volunteers and supporters. As a result of the success we have enjoyed, the Housing Authority of the City of Austin (HACA) decided to increase their funding commitment in 2015 and 2016 by 20% over the previous commitment. We very much appreciate their anchor support. We were thrilled to be honored by a very sizable grant from the Sooch Foundation, the Comerica Bank / Federal Home Loan Bank Partnership grant, and State Farm's Neighborhood Citizenship grant. All in all, we received over \$100,000 of new investments, almost 50% of our budget, that were not part of the EGBI family as recent as 2010. THANK YOU!

We hope you enjoy our report and will advocate with your network about our work and the value EGBI provides to the community.

Sincerely,

Javier Valdez, Board Chair
Al Lopez, Executive Director





Evolution

GAHCC creates HTIA to bridge technical divide gap
2004

Emerging Enterprises Business Development Center opens
2008

HTIA rebranded to EGBI
EGBI signs long term contract with HACA and becomes more independent
2010

EGBI developed new curriculum: Building Success Program
Recruited volunteers
First recognition event
2011

EGBI launches Curso Empresarial
EGBI begins offering workshops and distance learning
2012

EGBI offers limited QuickBooks Assistance and Salesforce consulting
EGBI is a finalist in Philantropitch and participates in Amplify Austin for the first time
2014

2010-2014:

- EGBI's revenue doubled
- Investment from new funding sources increased by over \$150,000 (over 50% of EGBI's budget)
- Revenue sources > than \$200 increased from 5 to 75
- Revenue sources > than \$1000 increased from 2 to 24
- Businesses supported increased from 16 to 130
- EGBI served 802 individuals
- EGBI clients have obtained over \$600,000 in business loans



Celebrating 10 Years of Creating Prosperity

2014 EGBI Services

424 Hours of Training

202 Hours Delivered by Volunteers

34 Building Success Program Graduates

21 Curso Empresarial Graduates

11 Incubatees

2014 EGBI Clients Impact

\$11.2M+ Annual Revenue

\$179K In Business Loans

\$85K Average Revenue per Business

250 Full Time Jobs

130 Businesses

EGBI Client Highlight

Mynor Alvarado, APSCO

The Alvarado family's story is one of perseverance. They established APSCO in 2013, but their story began in the early 1980's. Originally from Guatemala, Geny and Jonathan Alvarado were young, hard-working individuals who decided to migrate to the United States in search for a better life for their family.

A heartbroken Geny traveled to the United States in search of opportunity, leaving her husband to care for their newborn son, Mynor, who was too young for the treacherous journey. She went back to Guatemala to get her family, unfortunately, they were caught by immigration in Mexico and deported back. Four years later, the entire family successfully made the journey to the United States, marking the beginning of their new life.

The Alvarado family began to establish roots in Austin both figuratively and literally, eventually obtaining their legal residency. They began working in the landscaping and cleaning industry. Being in the land of opportunity, they felt they could accomplish more, so they both eventually began their own small cleaning and landscaping operations. What started as a part-time weekend business grew into a full time business that would support the entire family.

They raised three boys with hard work and dedication. Mynor graduated with honors from St. Edward's University and moved to Dallas to begin his career in the Technology field. The corporate world was very instrumental in his development and understanding of business. However, growing up with two entrepreneurial minded parents, he always had an itch to be an entrepreneur himself.

After 6 years in the corporate world, Mynor decided to join the family business with the goal of implementing more structure, hence lessening the physical workload and stress of his parents. While still living in Dallas, he came across EGBI's Building Success Program, which he completed via distance learning in 2013.

Back in Austin, with the help of EGBI, Mynor merged both of his parent's sole proprietorships and created an LLC. Today, APSCO is a financially healthy company that employs 10 individuals and several sub-contractors.

"Starting your own business is very intimidating and overwhelming. Challenges are inevitable from the initial planning to the ongoing execution of the plan. However, understanding how to plan, improve, and grow is what EGBI and its partners has enabled us to understand. Knowing we're not alone in the process allows our company to persevere through the challenges and continue future planning and growth. We consider EGBI an extension of our company."



ALVA | PROPERTY | SERVICES | COMPANIES

Full property maintenance and installation services

Year business started: **2013**

Number of employees: **10**

Short term goals: **To improve daily work flow operations by focusing on developing better processes and systems and a more attractive working environment.**

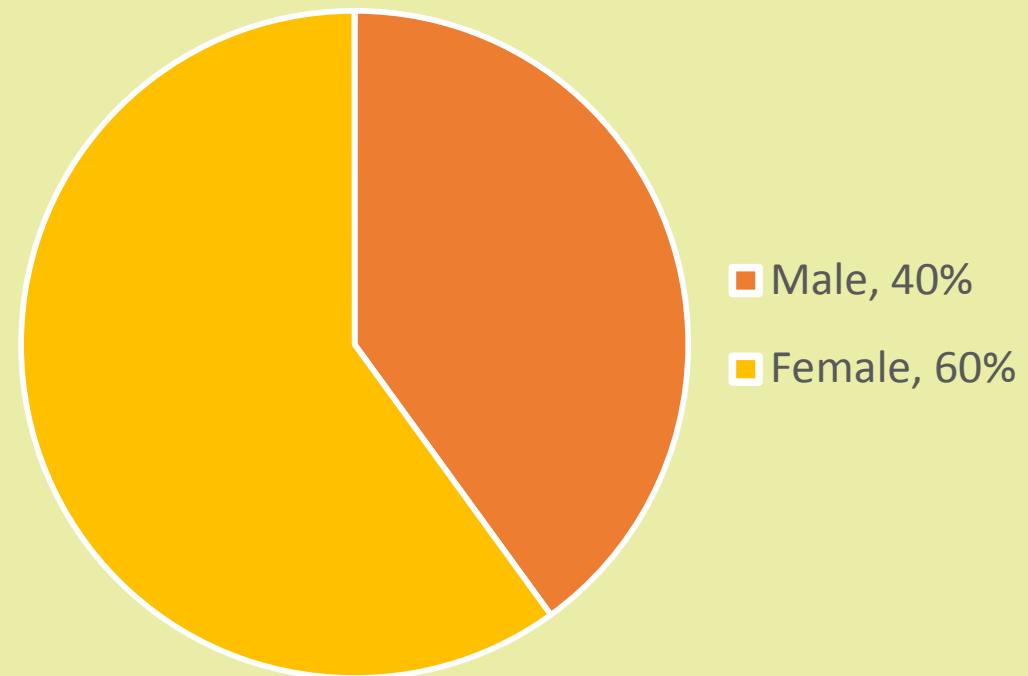
Long term goals: **To become one of the fastest growing minority owned property maintenance service providers in Central Texas, by improving sales and marketing efforts, leveraging technology and improving employee development programs.**

Best thing that came out of EGBI: **Helped to get a clear understanding of the importance of a solid business foundation (financial, legal, operational, and marketing), as well as introduced him to resources in these areas.**

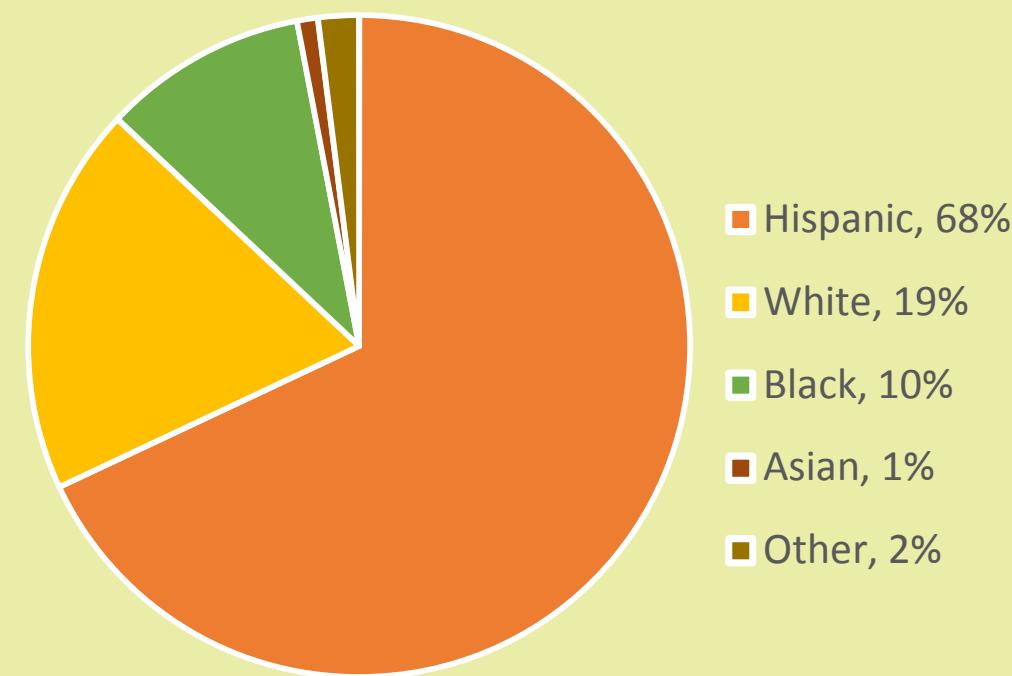


Creating and Growing Family-Owned Businesses

2014 Clients by Gender



2014 Clients by Ethnicity



The Economic Growth Business Incubator is a 501(c)(3) nonprofit organization with a unique approach to entrepreneurial incubation – low cost, all-inclusive training, pre-launch education, post-launch support, bilingual support and office space. We strive to be a one-stop shop for emerging, growth oriented enterprises.

Entrepreneurial Training Programs:

- Building Success Program
- Curso Empresarial
- Monthly Workshops

Additional Business Support:

- Business incubation, affordable flexible leases & co-working space
- Free business consulting and mentoring
- Loan packaging services

EGBI is a catalyst for entrepreneurship in the underserved community of the Greater Austin area. Although the City of Austin is recognized for its entrepreneurial resources, with more than a dozen incubator-like programs providing the crucial support system for new companies, the reality is that most incubators in the area are technology-related and not minority or women focused. This results in a class of underserved minority and women entrepreneurs running family-owned operations, underrepresented in the high-value and growth industry sectors. We are proud to say that EGBI is in the business of creating and growing family-run businesses owned primarily by women and minorities. 70% of EGBI clients are low/moderate income.

EGBI equips entrepreneurs with the educational toolset, resources and network to develop business plans, establish growth strategies, and improve management, business relations and communication skills.

EGBI Client Highlight



Gina Morales, Austin STEM Academy

Gina Morales' story exemplifies the spirit of entrepreneurship, for she comes from a family of entrepreneurs. Originally from El Paso, Texas, Gina watched as her parents grew their industrial electrical contracting company for the past 20 years.

It took a while for Gina to catch the entrepreneurial bug. She began her career as a public school teacher in Austin. For 5 years, Gina's passion for teaching grew and she enjoyed every moment with her students, particularly preschoolers; however, she felt something was missing. Gina decided to turn in her lesson plans for the corporate world. She began working as a Bilingual Proofreader for the international marketing firm GSD&M. It was here where she learned the ins and outs of marketing and was exposed to a great corporate culture. However, something was still missing. She left GSD&M and began her own marketing firm focusing on local small businesses in Austin. As she was just starting her marketing firm, Gina learned she would enter into a new adventure – Motherhood. She put her business on hold to focus full time on her son, Oliver.

As Oliver was entering his toddler years, Gina, like most parents, started thinking about where to send him to preschool. Although there were several options, she felt none were in alignment with her values and vision for Oliver. Gina wanted her son to grow up with a love of Science and Math. Gina knew that Austin was becoming a high-tech headquarters and wanted her son to be able to compete when he was of age. Since no school met her needs, Gina decided to open her own preschool. This provided her with the opportunity to combine several of her passions – teaching, marketing, and having her own business. She knew she had the acumen to develop a curriculum for her students and to market to her future clientele. However, she knew she needed help in learning how to run a business, reading financials, and managing her accounting. Gina was advised to come to EGBI by friend, EGBI alumni and former Board Chair, Thomas Miranda.

"Every session was extremely helpful because it was coming from fellow businesspeople who had already been there and were experts in their areas. They offered pieces of knowledge that were practical, usable and a lot of "aha" moments".

After successfully completing EGBI's Building Success Program in 2013, Gina felt she was ready to open Austin's first STEM preschool. In August 2013, Gina opened Austin STEM Academy, with the philosophy to encourage children to be natural scientists, to observe, question and experiment.

Gina continues to receive assistance from EGBI. Most recently, EGBI connected her with the University of Texas Law Clinic to work on franchising, licensing, and all contracts required for prepackaging curriculum and professional development.

"EGBI gives you the business acumen that you need to take the leap and know that if you fall you'll have a soft place to land or you may just spread wings and fly very high."



Austin STEM Academy

Austin's first STEM pre-school

Year business started: 2013

Number of employees: 7

Short term goals: To purchase current space, continue to increase enrollment, and develop the architectural plans for an elementary school.

Long term goal: To trademark STEM Academy across the country.

Best thing that came out of EGBI: Learned to run her school as a business; to prioritize what needed to happen and focus on meeting her clients' needs.

2014 Partners and Volunteers

Our partnerships enable us to not only provide our clients with our program offerings, but also help them access a robust network of services to meet their needs as their businesses grow.

2014 Partners

Alliance for Economic Inclusion
BCL of Texas
City of Austin Small Business Program
Cornerstone Financial Education
El Mundo Newspaper
Foundation Communities
Grameen America
Greater Austin Asian Chamber of Commerce
Greater Austin Black Chamber of Commerce
Greater Austin Hispanic Chamber of Commerce
Housing Authority of the City of Austin
Las Comadres para las Americas
Legal Assistance for Microenterprise Project
LiftFund
PeopleFund
Que Paso Paisano Texas
Small Business Administration
State Farm Insurance
Telemundo Austin
Texas State Small Business Development Center
Univision Communications



2014 Volunteers

Aaron Whatley, WSI Premier Marketing
Adam Chong, Capital One Bank
Alejandra De la Torre, State Farm Insurance
Alexis Ferguson
Ana Barbara Llorente, Pendas Consulting, LLC
Ana Estrada, Ana Estrada Law
Andrea Beleno, TRLA
Beatriz Gomez-Bennett, State Farm Insurance
Carlos Vasquez, LiftFund
Cindy Villanueva-Allen, Ernie Reyes World Martial Arts
Crystal Wilcox, State Farm Insurance
Darin Siefkes, The Law Office of Darin Siefkes
Earl Grant, EG & Associates
Edna Garcia, CPA
Elijah May, The Experience Firm
Elizabeth Quintanilla, The Marketing Gunslingers
Fernando Labastida, Content Propulsion
Irais Tamayo, Apple
Jennifer Carroll, Drilling Info
Jessica Warren, The Law Office of Jessica M. Warren
Judy Argo, Farmers Insurance
Kelly Conway, Fleming & Conway Insurance Agency, LLC

Kelly Stocker, Yelp
Klara Gonzalez, Austin Record Keepers
Luis Argueta, BBVA Compass
Mari Flores, Texas Criminal Defense Lawyers Association
Mark Johnson, MARKTECT.me
Martha Lowe
Mauro Amador, Liberty Tax Service
Mike Lancaster, Wells Fargo
Monica Pena, MUNDU Media
Natalie Reyes, State Farm Insurance
Ramsey Abarca, Ramsey Abarca Law
Ricardo Guerrero, The Sangue Group, LLC
Robert Tippett, Dell
Ron Nemetz, Healthcare Solutions Team
Ron Westbrook, Wells Fargo
Ryan Melendez, BB&T
Seth Mason, Cornerstone Financial Education
Shirley P. Sheffield, Amplify
Sonia Gonzalez, State Farm Insurance
Tabitha Gonzales, uShip
Tina Kubicek, Ph.D., Tina B. Kubicek & Associates, LLC
Tom Ramsey, Snappy Snacks

2014 Volunteer of the Year

Monica Peña was recognized as our Volunteer of the Year at our 4th Annual Celebrating Success.

Monica is co-founder and Social Media Manager of Escobar Construction, LLC. Passionate about social media as a useful tool for small businesses, she established MUNDU Media to help other businesses grow their online presence. In 2013, Ms. Peña founded the North Austin Influencers™.

Monica is one of the most reliable volunteers at EGBI. She shares her time and talent volunteering as class instructor, and she also represents EGBI and promotes our services at various community events. Monica is also an active volunteer with a number of organizations in Austin.

EGBI Client Highlight

Tripp Hamby, Priority Landscapes

Commercial and Residential Landscaping services

Year business started: **2013**

Number of employees: **7**

Short term goals: **To double the number of employees by the end of the year and reach \$1Million in revenue.**

Long term goal: **To build and grow his company to a point where he will be able to sell the business and start another one.**

Best thing that came out of EGBI: **Confidence. Helped him remove mental blocks by breaking down the information into obtainable pieces and showing him that starting his business was doable.**

A good business owner understands the importance of great customer service. After all, as a small business it could determine whether you get to eat that day. Tripp Hamby understands the importance of customer service, which led him to open his own business.

Tripp worked in the landscaping industry for 8 years, and no matter how great the company was, he always felt they never measured up to his level of customer service. So in 2013, Tripp decided to take matters into his own hands, and open Priority Landscaping, a commercial landscaping company that would embody customer service.

Tripp knew he could bid on a project, delegate and train employees to provide the customer service he wanted, but he lacked some basic business management training. He asked his future bookkeeper and EGBI Alumni Angela Farris for help. She recommended Tripp take EGBI's Building Success Program. After completing the program, Tripp formalized his business. With his new understanding of business management and his dedication to customer service, Tripp's business has BOOMED!!

"EGBI gave me the confidence I needed to start my own business, and that is priceless. EGBI lines everything up for you so you can get your business in the right direction and understand the big picture. They offer additional growing opportunities that business owners should take the time to take advantage of."



4th Annual Celebrating Success

"I came to EGBI in 2014 with the dream of starting my own business. EGBI's Building Success Program was very helpful in developing a clear picture for where my business would begin and define action steps for progress and, eventually growth. The staff at EGBI are extremely helpful and supportive in all areas that any business owner might need assistance with.



EGBI's Celebrating Success, held on November 7th, was another example of EGBI's dedication to their clients. Not only clients were highlighted as vendors, but we were able to network with individuals that we would normally not have access to, including EGBI sponsors, partners, board members, and previous graduates.



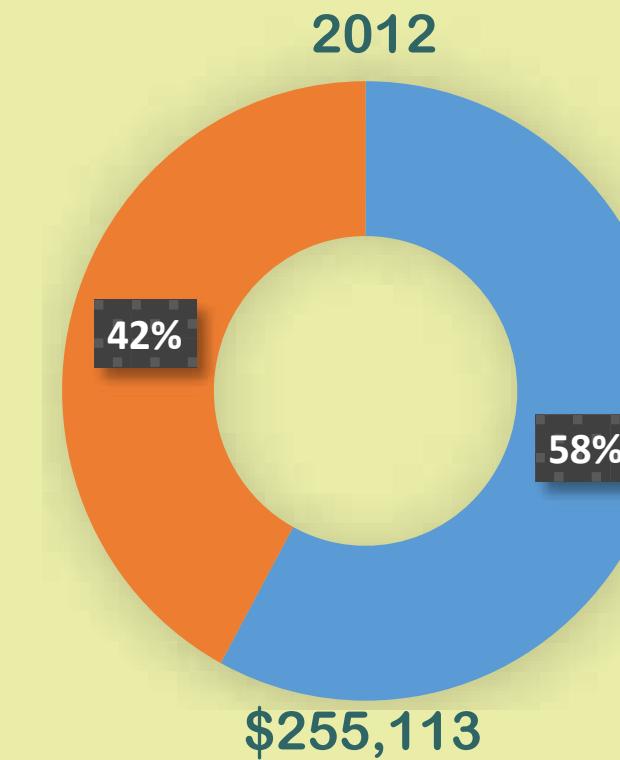
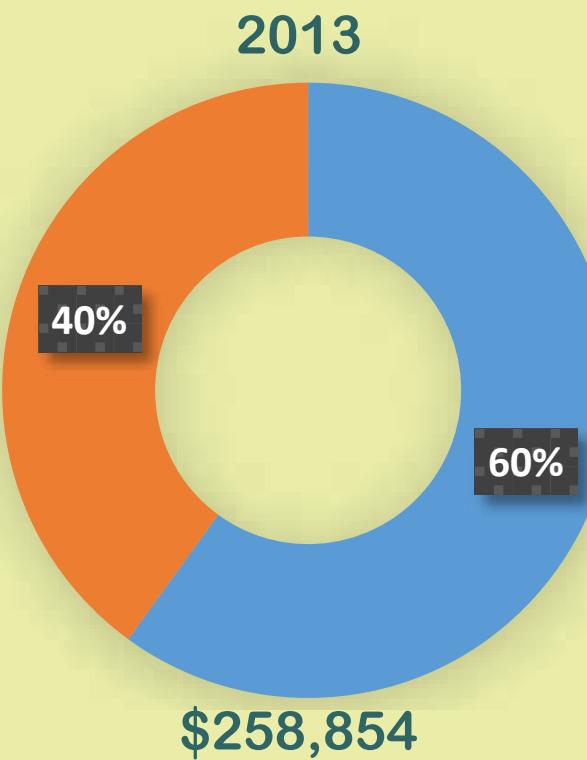
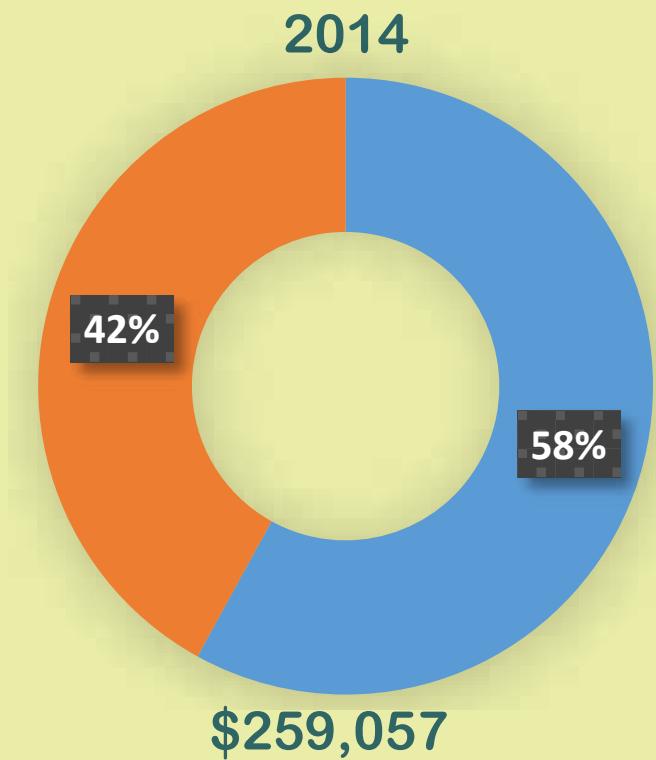
For me, one of the highlights of the evening, was hearing the testimonial from Mynor Alvarado, APSCO Inc, about how EGBI helped his family-owned business. I was truly inspired by his success story and it gave me an assurance that I have made the first step in living my dream, and how fortunate I am to have EGBI as a continued partner. I feel honored at the opportunity to have been a part of the Celebrating Success event."

Aimee Luna, Luna Aspirations
EGBI Graduate, 2014



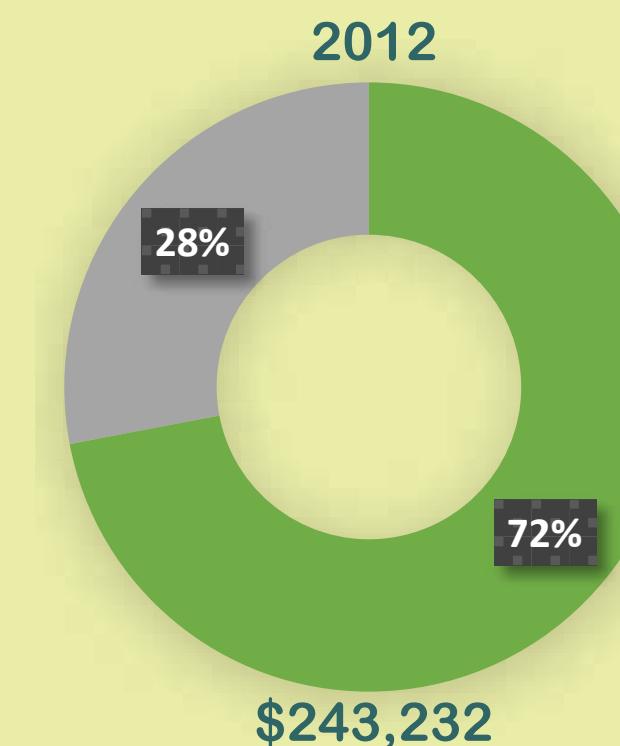
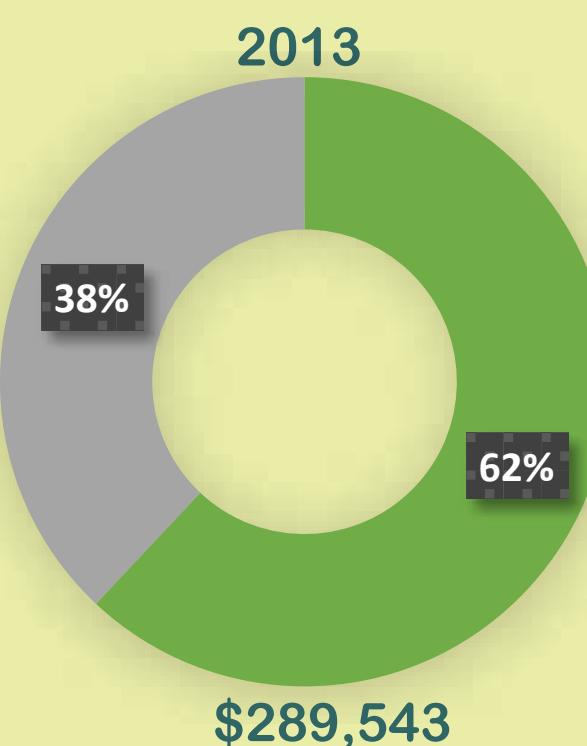
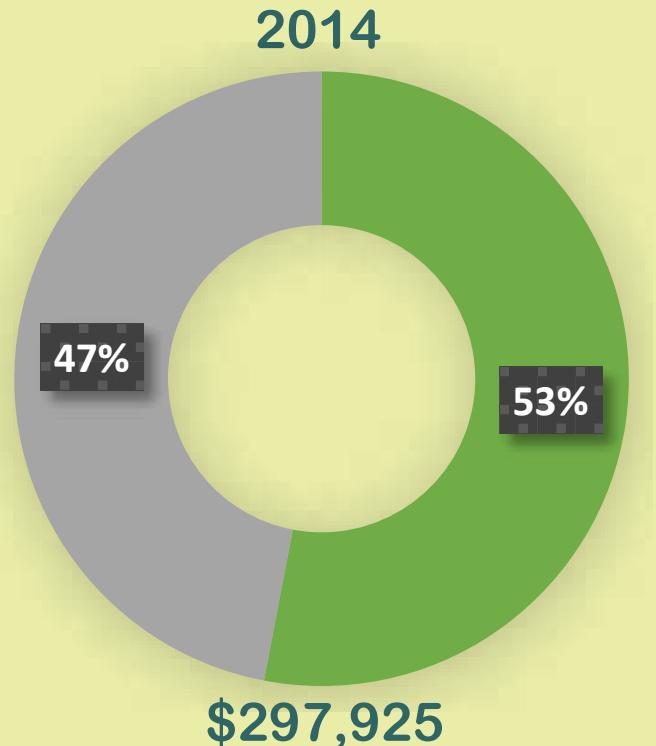
Financial Summary

Operating Expenses



- Education/Program
- General Administrative

Operating Revenue



- Housing Authority of the City of Austin
- New Investors



Premier Investor and Partner

Thanks to our 2014 Investors and Supporters

A.J. Yager
 Aaron Whatley
 Adrian Paredes*
 Ai United Insurance*
 Al Lopez
 Alan Blake
 AmazonSmile
 Ana Estrada*
 Andy Martinez
 Annabelle Arteaga
 Anonymous - 2014 Amplify
 AT&T
 Austin Community College
 Barbara A. Springer
 Barbra Boeta
 BB&T
 Ben White Florist
 Benji Rabhan
 Bill McLellan
 Bob Shirley
 Capital Metro
 Carl Richie
 Carlos Fernandez*
 Carlos Martinez
 Carlos Vasquez
 Chago's Restaurant*
 Chelsea McCullough
 Christina Corona

Cindy Garcia
 Cindy Villanueva-Allen
 City of Austin SBDP
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 Critical Update*
 Daniel Berner
 Dawn Mata Crane
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 Debra Peterson
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 Elizabeth Quintanilla
 Entrepreneurs Foundation
 EP Oncology
 Eric Harslem
 Escobar Construction
 Far West Capital
 Federal Home Loan Bank
 Fernando Labastida
 First Citizens Bank
 Fran Clarke
 Frost Bank
 Gerardo Rodriguez
 Gilbert Martinez
 Gilberto Ocanas
 Gina Morales*

Grace Renbarger
 HACA
 HairCentral*
 HEB
 Herschal Trivedi
 I Live Here I Give Here
 IBM
 Jaime Salinas*
 Javier Valdez
 Jessica Warren
 Joe Albert Aguilera
 Joe Garcia
 Juan Pablo Mondragon
 Juan Villanueva
 Judy Lopez
 Just Give
 Katherine Taylor
 Ken Gates
 Kyla Longe*
 Larkin Tackett
 Laura Culin
 LiftFund
 Lorenzo Tellez
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 Madge Vasquez
 Magdalyn Miller

Mando Rayo
 Manuel Alverdi
 Marissa Marquez
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 Mudassir Shaikh
 Nancy Hug*
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 Nayeli Gallegos
 Nora Comstock, Ph.D.
 Norma Boeta
 Oscar Ramirez
 Paulina Flores-Berner
 PeopleFund
 Perla Cavazos
 Peterson, Scott & Assoc.
 Pilar Sanchez
 Ramsey Abarca
 Raymond Torres
 Rebecca Gardner
 Rebecca Gonzalez
 Rebecca Ross
 Red Carpet Productions*
 Rhonda Douglas*

Rockroom Ventures
 Rodriguez Financial
 Rogelio Venegas*
 Safina Sadruddin*
 Salesforce Foundation
 Sally Blue
 Sandy Dochen
 Scott Collier
 Shirley Sheffield
 Silvia Cortinas*
 Sooch Foundation
 Spencer Costley*
 State Farm Insurance
 Susan Avant
 Taxes, Impuestos y Mas
 Teofilo Tijerina
 Thomas Miranda*
 Thomas Sweet
 Valerie Menard
 Vann Brown*
 Veronica Hinojosa-Segura
 Vicky Lara*
 Viridiana Reich*
 Walmart
 Wells Fargo Bank
 Yasmin Wagner
 Yolanda Davila
 Your Cause
*EGBI Client

EGBI looks forward to continue working with our sponsors, advocates and volunteers in order to assist our clients fulfill their entrepreneurial dreams.





Celebrating 10 Years of Creating Prosperity

A word cloud graphic composed of various business-related terms such as 'disadvantaged', 'business', 'consulting', 'Services', 'training', 'Empresarial', 'BUSINESS', 'Incubator', 'Success', 'WORKSHOPS', 'entrepreneurial', 'Packaging', 'Workshops', 'community', 'emerging', 'ASSISTANCE', and 'CONSULTING'. The words are repeated multiple times in different sizes and colors (yellow, green, blue).

The Leadership Behind EGBI

Executive Board

Chair: Javier Valdez, Oracle

Vice Chair: Mike Lancaster, Wells Fargo

Treasurer: Yolanda Davila, BBVA Compass

Secretary: Dr. Denise Villa, Center for Generational Kinetics

Board of Directors

Michele Dishongh, First Citizens Bank

Ana Estrada, Ana Estrada Law

Ryan Melendez, BB&T

Pilar Sanchez, Housing Authority of the City of Austin

Teo Tijerina, Onko Solutions

Staff

Al Lopez, Executive Director

Barbra Boeta, Program Director

Nayeli Gallegos, Market Analyst

Mission

To enable economic development and job creation in underserved communities by utilizing innovative, high-tech, and bilingual approaches in a business training and incubation setting.

Vision

To offer entrepreneurs world-class business training and incubation resources that bring products and services to market.

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EGBI is a 501(c)(3) non-profit organization.