



Venture Criteria & Feasibility Analysis

Sustainable Growth - Optimizing Business Operations

June 9, 2024



Your Optimizing Business Operations Cohort



STREET COMPANY



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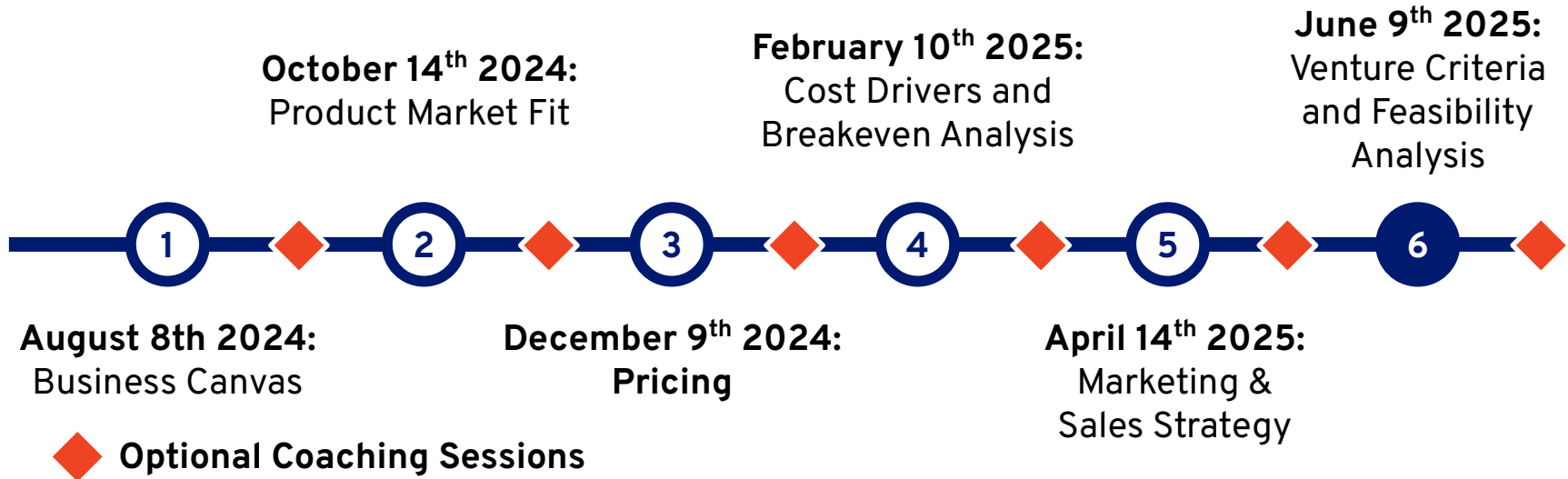
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MERISTEM



Sustainable Growth: Optimizing Business Operations Timeline



Register for the CA RISE Summit in SF by June 30!



- The CA RISE Summit is Sept 22-23 in San Francisco
- Please register up to two folks for the Summit by June 30
- Registration: https://redf.qualtrics.com/jfe/form/SV_0kuDLaz7yyVz1hs
- ⁴Hotel Block Booking: You will be sent the link after you register through the survey



Last Chance for Responsive Technical Assistance!

A couple quick reminders:

- 1) If you are currently working with a consultant, this work must be completed by September 30, 2025
- 2) If you haven't started working with a consultant, this is the last call. All work must be started by June 30, 2025
- 3) Reach out to your relationship manager, Jamie or Will, ASAP

New Optional Workshop Series Posted to REDF

California HR Upskilling Series

- Four Pre-Recorded Sessions:
 - Worktime, Rest Breaks and Meal
 - Pay Practices and Protocols
 - Policy Creation, Implementation, and Enforcement
 - Auditing for Compliance
- Coaching session: **Tuesday, July 8th from 11am-12:00pm PST**
- We recommend watching the virtual sessions prior to the coaching session.
- <https://redfworkshop.org/government-programs-hub/ca-rise/optional-workshop-california-human-resource-upskilling-series/>
- Please reach out to alee@redf.org if you don't have the meeting invite and he will get you added.

Financial Resources Toolkit

- Multiple Tools Available:
 - Resourcing Financial Management in ESEs: People, Process, and Technology Orientation to Financial Controls
 - Reading Financial Statements
 - Financial Health Metrics and Indicators for Your ESE
 - Guidance on Building & Improving Financial Processes and Procedures
 - Understanding and Implementing Double Bottom Line (DBL) Accounting
 - Budgeting, Variance Analysis, Forecasting
 - Managing Cash Flow and Liquidity
 - Capital Types for ESEs
- Coaching session: **To be scheduled for July or August**
- <https://redfworkshop.org/government-programs-hub/ca-rise/>



Interested in a Subscription to Honest Jobs?

Reentry Navigator is a reentry support tool designed specifically for workforce professionals serving justice-impacted individuals.

Powered by Honest Jobs, this tool helps returning citizens find fair-chance employers up to 7 times faster, while providing reentry professionals detailed insights into their clients' job search activities.

Reentry Navigator does this by showing you, and your client, how many people with convictions have been hired with each employer, and how likely your client is to be hired based on their unique conviction, before they apply. With access to a robust network of over 300,000 background-friendly job opportunities from more than 1,500 vetted fair-chance employers, Reentry Navigator enhances transparency, instills hope and confidence, and reduces rejection, leading to improved placement, retention, and earnings.

If you would like access to this tool for 6 months, please email korovecz@redf.org

Do you want an Impact Report for your ESE?



CA RISE ESE SNAPSHOT

Rise Up Industries

Breaking Cycles of Incarceration & Gang Involvement using a CNC Manufacturing Apprenticeship

In 2023, REDF and CalOSBA initiated the California Regional Initiative for Social Enterprise (CA RISE) to advance economic mobility and inclusion for individuals facing employment barriers. CA RISE delivers funding and technical assistance to Employment Social Enterprises (ESEs) statewide, fostering connections with public sector partners, training providers, and private sector employers to expand opportunities for underserved populations. This document provides a snapshot of a participating ESE.

QUICK STATS

Founded: 2013
Location: San Diego, CA
Industry Sector: Manufacturing
Leadership: Veteran-founded
CA RISE Grant Size: \$150,000
Participant Employees (2023): 20

riseupindustries.org

"You can have a huge impact by giving gainful employment to a man or woman that came from prison, that came from gangs, that came from drugs. You can have a huge impact by giving them that opportunity."
-Mike Lucero, Program Graduate

redf.org/ca-rise



WHY THIS MATTERS



-  **Reduces Recidivism.** RUI maintains a 5% recidivism rate among its graduates compared to the CA average of 42% recidivism within 3 years of release.
-  **Increases Employment.** 100% of RUI apprentices are hired upon graduation. RUI just secured a \$2.2M U.S. Navy contract, creating more career paths for graduates into the Maritime Industrial Base as they help repair submarines.
-  **Strengthens Families and Communities** by helping graduates become productive members of society who contribute to their families' well-being and the overall economy.
-  **Breaks the Cycle of Gang Involvement.** RUI programs address the root causes of gang involvement, helping to break the cycle of violence and crime that often spans generations.
-  **Supports the Regional Demand for CNC Machine Operators.** RUI provides training to fill the shortage in CNC Operators. To date, over 60 manufacturers nationwide have hired RUI graduates.

PARTICIPANT STORY

Meet the Participant: Ernie G.

Ernie was released from prison in 2017 after being incarcerated for nearly three decades, including 18 years in solitary confinement. Beyond the typical challenges of reentry, Ernie lacked many technical skills necessary to function in modern society. He shared, "I didn't know how to use computers. I didn't know what a debit card was. I didn't know what Google was."

He enrolled in Rise Up Industries' 18-month Reentry Program that used a holistic approach to reentry to teach him much more than CNC machining training. The technical training he received prepared him to thrive at work, but the compassion from staff members helped him stay in the program and address his widespread needs. Ernie shared, "What Rise Up did was allow us to get help, have mentors, have people that would sit down and talk to us and not give us negative feedback, but give us positive feedback." Counseling caseworkers helped him secure a social security number—something he hadn't had for decades—and offered opportunities to work through other challenges in therapy groups.

Ernie successfully graduated from Rise Up Industries with a CNC machining certificate and the soft skills to succeed. Rise Up Industries had an immediate and substantial impact on Ernie's economic well-being. He secured a job in the aerospace industry using his CNC machining skills and quickly advanced within the company, earning four raises in less than two years.

A few years later, Rise Up Industries invited him back, this time as a Production Manager. Today, Ernie is fulfilled in the job that lets him help others who are reentering. His advice for others who are in the midst of their own transformation is simple but profound:

"Invest in yourself. You're going to learn here and what you're going to leave here with is more than just a trade."



We have a graphic designer who can create an impact report like this for any ESE that wants one, as part of your CA RISE participation.

Put your ESE name in the chat now if you'd like us to make one for you by the end of the year.



Community Agreements

- Stay engaged - please keep your camera on if you can
- Listen to understand
- Take space, make space
- Nobody knows everything, but together we know a lot
- Challenge assumptions
- Expect and accept non-closure
- Center participant workers
- Embrace diversity in all of its forms
- Create a safer space for sharing / refrain from attribution



Session Overview

Today we will:

- Explore Venture Criteria, engage with a Venture Criteria Tool, and walk away with three Venture Criteria for your organization
- Explore how Feasibility Analysis support growth
- Examine how Operational and Organizational Analysis is part of a robust Feasibility Analysis through a Tool

Today's session is shifting focus from **optimizing current businesses** and **into opening a new business line, or offering a new product or service, or opening a new location**. These tools can also be useful for evaluating your current businesses.



Check-in Reflection

Share a three-line story about a new initiative you've tried in your organization:

1. What was the initiative?
2. What happened?
3. How did you feel about the process?

Please put your thoughts in the chat. And then, share connections with some of the other comments in the chat.



**You have an exciting idea or ideas for
growing your business – what do you do?**



What Are Venture Criteria?

Venture Criteria are a set of predefined conditions that outline the requirements that must be met for an Employment Social Enterprise (ESE) venture to be successful.

These criteria aren't just arbitrary rules; **they're specific requirements, built by your organization, that help you make smart, informed choices about your business.**

Venture criteria and Feasibility Analysis work together to help you fully realize effective and sustainable growth.



A quick example before we get into the benefits of venture criteria:

Java Joe's is thinking about starting a catering business where they drop off coffee and pastries to local offices based on order put in by 5pm the prior day.

Their focus population is justice impacted individuals who have returned to their community within the last year. Individuals employed by Java Joe's tend to take the bus or walk and have set times they are available to work and benefit from the stable schedule Java Joe's offers. Java Joes helps folks gain customer service skills or pastry skills through their two program tracks.

What are some considerations Java Joe's would want to think through and use to vet not just this idea but for other growth ideas as well?



By having Venture Criteria clearly defined you can:

- **Make "data-driven decisions"** This means you'll base your choices on facts and evidence, rather than just guesswork or assumptions.
- **Increase your chances of achieving your goals**
Whether your goal is to generate revenue and create jobs, or provide specific services meeting your venture criteria keeps you on the right track.
- **Stay true to your mission** ESEs have a social mission alongside their business goals. Venture criteria help ensure that your business activities always align with what you set out to achieve for the double bottom line.



Benefits of Designing Venture Criteria?

- **Ensure agreement between stakeholders**
 - This means gaining agreement from staff with different roles, the board, participant workers, and other key stakeholders.
- **Evaluate your growth opportunities and guide decision-making process**
 - Maintain strategic clarity and optimize your resources in the process
- **Guide business planning and operations**
 - Clear criteria help inform and align operational decisions

Using the Venture Criteria Tool

This tool is broken down into three categories:

- **Social Criteria**
 - Including: mission alignment, wraparound services and more
- **Financial Criteria**
 - Including: scaling and growth costs and more
- **Operational Criteria**
 - Including: location, assets and more

Each row also includes a dropdown to help identify its importance:

- **Nice to have**
- **Important**
- **Dealbreaker**

Putting it Into Practice

Solo activity: Take some time to explore the Venture Criteria Tool Example in the tool.

- What do you notice about the way the ESE put together its criteria?
- What questions do you have?
- Highlight the venture criteria you think are most important to your organization!

Group activity: In breakout rooms, discuss the tool and questions you have. Keep track of the questions and insights so that your group can share them with everyone. Discuss at least one venture criteria you have integrated or would like to integrate into expansion decisions.

3 minutes of individual time + 10 minutes of group discussion



Whole Group Sharing

What're some of the questions and insights that came up in your group?

Please put your thoughts in the chat. We will use your questions to design the coaching session.



Stretch Break

Use 2 minutes to move around and take care of yourself.



What is a Feasibility Analysis?

A **feasibility study** normally includes these elements: **market analysis, operation and organizational analysis, and financial projections.** We are going to focus on the operational and organizational analysis today.



What is Operational and Organizational Analysis?

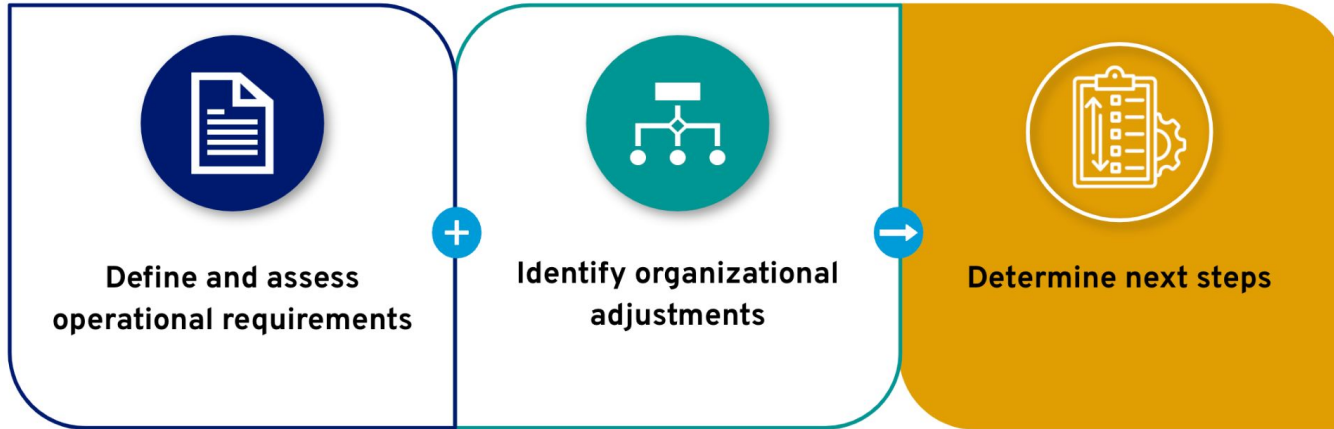
Operational and organizational analysis is the process of assessing both **what an employment social enterprise needs** to implement a growth initiative and **how it must adapt internally** to support that growth.



Why do an Operational and Organizational Analysis?

- Ensures that you have the right people, skills, systems in place for launch and scale.
- Helps you to identify gaps in your capacity where you may have to build new functions or adjust existing ones for the new business line.
- Reveals what you can actually do and the timing in which you can do it.
- Allows you to scale strategically and effectively sequence how you scale/expand.

How do I Conduct an Operational and Organizational Analysis?



How do I Define and Assess Operational Requirements?

Resources	Assess the needs for additional financial resources and human resources, social capital, and other tangible/intangible resources to support growth initiative.
Processes	Identify new processes or potential changes or improvements to existing processes that are necessary to accommodate the new initiative.
Infrastructure	Assess whether the current infrastructure (e.g. the physical or organizational structures and facilities, IT systems, distribution channels) can handle the increased workload or demand. Determine new infrastructure needs.
Logistics and Supply Chain	Analyze the logistical requirements such as shipping, procurement relationships, inventory management, transportation, and distribution networks of goods, services, and/or information to support growth initiative.
Technology	Evaluate if new technology or software is required to support the growth initiative, and how well it integrates with existing systems.
Legal and Regulatory	Research the laws, policies, and standards governing new initiative to ensure compliance. This includes tax regulations, environmental regulations, labor laws, and industry-specific guidelines.

How do I Define and Assess Organizational Requirements?

Structure	Determining whether the organization needs to adjust its structure to accommodate the expansion. For example, adding new departments, teams, or roles.
Leadership and Management	Assessing whether new leadership is required for scaling and how existing management will adapt to the expansion.
Program Model	Evaluating the need for hiring, training, or redeploying employees to meet the demands of the expansion. This also includes assessing the skill sets required for new roles.
Culture	Analyzing how well the organization can handle change. Effective change management strategies are necessary to keep the workforce engaged and reduce resistance during the transition.

Putting it Into Practice

Solo activity: Take some time to explore the **Operational and Organizational Analysis Tool**.

- What rows stick out to you as crucial for your ESE when growing?
- What questions do you have about the tool?
- Fill in at least one operational and one organizational requirement for either a real growth opportunity you have or Java Joes. The goal is to get comfortable with the tool, not to decide a definitive growth plan.

Group activity: In breakout rooms, discuss the tool and questions you have as well as the two rows you filled out. Keep track of the questions and insights so that your group can share with everyone.

3 minutes of individual time + 12 minutes of group discussion



Whole Group Sharing

What're some of the questions and insights that came up in your group?

Please put your thoughts in the chat. We will use your questions to design the coaching session.



Who Makes Decisions in this Process?

- It's important to understand your org's framework.
 - DARE is one framework created by McKinsey & Company that focuses on four roles:
 - **Deciders** “We make the decisions”
 - **Advisors** “We have a voice in the discussion”
 - **Recommenders** “We explore and identify the options”
 - **Execution stakeholders** “We carry out the decisions”
- However you choose to organize your decision-making (RACI and DARCI are common), you should have **clear agreements about roles, responsibilities and evaluation for internal and external stakeholders.**

What's Next?

- Keep thinking about **growth opportunities** and how to **evaluate them**
- Join us for a **coaching session on Venture Criteria & Feasibility Analysis on July 14th @ 11am-12:30pm.**
- **Questions?** Contact your Relationship Manager!
 - **Will Portnof** - wportnof@redf.org
 - **Jamie Stark** - jstark@redf.org



Feedback Survey

Please take a few minutes to fill out our Survey on this session.

<https://bit.ly/SGTOptimizeAll>

This feedback helps us improve your experience and plan adjustments to make moving forward.

