

**Money Smart for Small Business**  
**Town Hall Quarterly Meeting**  
**January 21, 2016, 2-3PM EST via LiveMeeting and Conference Call**

**Moderator: Lessie Evans, FDIC Community Affairs Section Chief**

[The voice/video recording of this session was defective; therefore a transcript is being provided s a reference. Please download the corresponding Power Point [Presentation](#) to complement this transcript]

Lessie Evans: Good morning! I'm pleased to welcome you to the Money Smart for Small Business Alliance Members first Town Hall Meeting for 2016. My name is Lessie Evans. I'm based in Washington DC and I manage the Community Affairs staff throughout the country.

We are thrilled to have you join us today. My colleague, Paola Diaz and I will be presenting an update to you today on the Money Smart for Small Business Program.

We're going to do introductions, followed by updates on Money Smart for Small Business, an overview of the existing modules and the new modules. We'll talk about the alliance members and the opportunities we're looking to expand and topics for our next town hall meeting.

You may be familiar with our colleagues Luke Reynolds and James Yagley from the FDIC Outreach and Program Development section. Going forward both groups will be interacting with you in support of the Money Smart for Small Business Program. Paola Diaz and I from the Community Affairs Section will be taking the lead from now on.

We have a full agenda and we really want to take time for questions. Paola will talk about the process to ask questions. I want to acknowledge and tell

you how exciting it is to have our partnership with the US Small Business Administration. They are a close partner with us on the Money Smart for Small Business Program. SBA works with FDIC in multiple ways towards helping entrepreneurs' access capital.

We know that entrepreneurs need training, technical assistance, and education and SBA does a terrific job. I want to acknowledge Jack Bienko and Nathaniel Bishop with use today.

Lessie Evans: I also want to acknowledge the Money Smart Alliance organizations on the line. We have a great group with us today, Alliance members including faith based and community based organizations; we have staff from our Community Affairs office's from around the country on the line. You will continue to hear my voice as we proceed through this presentation but now joining me to the Webinar is Paola Diaz.

Paola Diaz: Thank you Lessie and hello everyone. I'm happy to have been assigned the responsibility to coordinate the Money Smart for Small Business Alliance and organize our town hall meeting.

I have worked in small business development for over 15 years in the U.S. and internationally and I used to be an SBA Women's Business Center Director. I know we might have a few in the line.

I run a loan fund. I was a certified business loan trainer and I have developed small business training curriculums. I've also been a consultant to hundreds of small business owners through my career and I hope to be able to help all of you to connect and share best practices.

All of you should have a bar that begins with an orange icon on the left-hand side; and it has a menu that says “attendees, rules and video and Q&A”.

Please click on the Q&A in order to submit a question. We will be monitoring the questions as they come in. So, with that said, I turn it back in again to Lessie.

Jack Bienko: Hey this is Jack from the SBA. I just wanted to thank you again for hosting the town hall today. And extend SBA’s congratulation on all of these improvements to the Money Smart series. We’re very proud allies of FDIC and the MSSB alliance members.

We’re getting great feedback from our direct partners and new organizations that we’re talking to, especially as we feature Money Smart through our introductions to SBA and entrepreneurial communities. So we continue to promote it. We love and we’re sharing all the feedback we get at the town halls and other dialogues. We’re happy to help alliance partners whether you’re within our immediate network, or you have a relationship with SBA or you’d like to explore one.

Lessie Evans: Terrific, thank you Jack. We appreciate your partnership. So, moving on, the purpose of the town hall meetings...

Paola Diaz: We’re experiencing technical difficulties; but since you have the PowerPoint presentation, please go on **Slide 5: Purpose of the Town Hall Meeting**.

Lessie Evans: Currently we have 100 plus contacts in our Money Smart for Small Business Alliance list representing 56 organizations. We plan to have three other town hall meetings this year. The scheduled dates are: April 21, June 21 and October 20.

We've looked at previous town hall meetings and are looking at opportunities to improve aspects and components of it. We hope that you are pleased with the changes that you see now going forward. I am going to turn it over to Paola.

Paola Diaz: Thank you. I want to highlight what is new about the town hall meetings in 2016. The first thing is that quarterly calls will continue. As a matter of fact if you notice in the invitation to this town hall we prescheduled the upcoming meetings and I hope you marked your calendars. We are using a media platform that allows us to showcase presentations and record that with video. These videos will be made available to assist upcoming MSSB members as a reference. As you might know; previously, town halls were by phone only.

Registered participants for this town hall meeting answered registration questions about topics that they wanted to hear in these calls; they were also asked to select modules that they were interested in discussing. Today's agenda has been adjusted and it is responsive to that feedback. This is an example of how we're trying to make these more interactive.

We will also be more actively engaging more MSSB members to participate in town halls. It is our goal to have more than one MSSB member featured in each of the upcoming calls.

We will be focusing on encouraging and identifying best practices. Obviously this is the main purpose of the MSSB alliance, as Lessie shared earlier. An anonymous online survey evaluation will also be sent to town hall participants after each of the meetings. That is an opportunity for you to tell us what do you want to hear or what can we do to better serve.

Please go to **slide** entitled **MSSB Future Development**. Going forward, I will refer to the slides that we are covering since we are having technical difficulties; so go to **Slide 8**.

We've gone through so many developments of Money Smart for Small Business. In 2015 alone we've conducted extensive outreach as announced in the previous town hall. FDIC jointly with SBA conducted extensive outreach and presented and exhibited in five national conferences. We participated at the Association of the Small Business Development Centers annual conference, Association of Women Business Centers. We also participated in the annual conference for the Association of Enterprise Opportunity, the annual conference of the National Association of Hispanic Real Estate Professionals, and the annual conference of the National Association of Latino Community Asset Builders. Close to 500 contacts were made. And as we follow up with them, we anticipate that the number of alliance members will grow.

As you all know, we have added three new modules. We will look closely into these shortly; but those are: Is owning a business a good fit for you?, Planning for healthy business, and managing cash flow. Along with the invitation to this town hall you might have received a [link to the FDIC's Advisory Committee on Economic Inclusion \(comeIN\) meeting for October 30, 2015](#) where a small business panel was presented. We had representatives from SBA speaking and also from FDIC.

We had Esther Wee from Cathay Bank and Terry from the Chinatown Service Center in Los Angeles, CA. They are successful MSSB partners and members. A video about their presentation is available and accessible in our website. It's worthwhile for those that want to hear how this type of relationship can work. You will go to the one hour and 37 minutes of that presentation.

Hopefully all of you on the call knew that the modules are now available for download easily via the [FDIC catalog](#). You just go to the provided website or can Google key words “FDIC catalog” and will easily find the link to the modules. It takes about a minute to download each of the modules. And all of the modules in English and in Spanish are available.

Now please go to **Slide Number 9**. The Phase 2 mainly refers to additional expansions that we will continue to work on in 2016. And that includes a Money Smart for Small Business, train the trainer module.

So, similar to the Money Smart for Small Business curriculum, this program will have three components: an instructor guide, a PowerPoint and a participant guide. As a matter of fact, we already conducted the first pilot with the first draft of this module; and we are making improvements to it now, planning to finalize it soon in 2016.

In the meantime, hopefully you are familiar with the “**Guide to Presenting Money Smart for Small Business**” which can be used and it is available for download in English and Spanish at the FDIC catalog. This guide was available previously in the Money Smart for Small Business CD. So, I hope you were familiar with that. This is an 18-page document that provides tips on “how to present,” for those that are not experts in training but may be subject matter experts. And it also includes an overview of the 13 modules.

**About outreach:** the SBA and the FDIC continue to work together to promote all of the Money Smart for Small Business developments as they become available. We continue to participate in national outreach; and our offices work regionally on an ongoing basis. SBA and FDIC counterparts work very closely in promoting small business development.

Please go to **Slide Number 11** entitled “**Recap of Money Smart for Small Business Highlights.**” As you all know, the modules can be taught in order or independently.

Also, please remember that we do not require a certification process.

An important note and expectation to clarify is that the first Spanish edition of the **Money Smart for Small Business** curriculum consists of the same as in English. So, it has the participant slide, the guides, and the instruction guide completely and literally translated into **Spanish**. Any of these materials in Spanish have been acculturated, they are just literally translated.

And we’re keenly interested in hearing from MSSB members that are adopting the Money Smart for Small Business curriculum in Spanish. Please let us know if you are planning to adopt it.

**Slide Number 12** the **13 modules**; it’s just a reminder of how the group of the 13 modules now look like. And I want to note that the previously developed modules were designed to be taught in 60 minutes but the new modules are designed for 90 minutes.

I’m going to proceed to **Slide Number 13**. This is a reminder of who is the **Money Smart for Small Business program target audience**. I believe all of you know that Money Smart for Small Business has been typically marketed to aspiring and startup entrepreneurs however we know that Money Smart for Small Business is found to be very useful to entrepreneurs in the development and matures stages.

Businesses these days may be typically segmented into three categories: the startup, the development, and the mature businesses. The startup phase is not tied to a number of years in business but to the dynamics of the company;

whether it is stable or facing too many uncertainties. And you may agree that the startup tech companies have changed the definition of a startup. Several of the modules may be useful to all of the three stages of businesses.

Money Smart for Small Business does not really make a differentiation between business stages or lines of businesses. But we recently developed the three modules that represent different industries that include food and service industries.

One of the examples portrays a woman who wants to start a cell phone and small appliance repair business for instance. We're going to jump into it in just a minute.

Money smart for Small Business can be characterized as a generic product and we believe that is a strength. Hopefully it helps you to modify it as needed.

Let's now go to **Slide Number 14**. The **curriculum components** are once again the instructor guide, the participant guide, the PowerPoint slide and the "Guide to Presenting Money Smart for Small Business".

As you all know, some Money Smart products have been developed in collaboration with other government agencies and Money Smart for Small Business we've developed it jointly with the SBA.

The curriculum is ready to go, out of the box but all of the components can be customized. And what we mean by that is that all of the components are text accessible, meaning in Word or PowerPoint version. And you can insert your logos; change, or rearrange the material however you think works for you and your populations.

Money Smart for Small Business is free of copyright but when significant changes are made you might want to consult with one of us.

The instructor guide is intended to aid inexperienced trainers who are knowledgeable in the subject being taught; but they might not be very skilled in training.

We recently piloted the three new modules. And we had a case where one of the presenters had not spent too much time viewing the instructor guide and just showed up to the training, used the instructor guide for the first time; and he did a good job. So, that's an example of how somebody who's very knowledgeable of the subject; if he's an experienced trainer, he should be able to do something like that. I don't encourage it, but that's how good the instructor guide is.

Now we're going to jump into the new modules. Please go to **Slide Number 16**. The first module we're going to look into is, "**Is Owning a Business a Good Fit for You?**"

The learning objectives are in your slides. I'm not going to read them for you; but what I can tell you about "good fit" is that it's maybe a good fit for business owners that are in the early stages of their decision making. Existing owners can also benefit from self-assessments and the participant guides. We recommend offering this class as the first in a program as it may help set the stage for later modules or classes.

Please go to **Slide Number 17: Planning for a Healthy Business**. Here we see an example of services business, there's a woman with a cell phone in the picture. This is a snapshot of the PowerPoint of the "Planning" module, and it introduces Marlina's case study. Marlina is worried she's uncertain if her

employer at her chain hair salon will be able to stay in business. She's a seasoned stylist. She has the skills. She has developed relationships with loyal customers. Her dream is to open a day spa and she wants to provide exceptional service. She needs to understand what it really means to own a business and to make the decision that's right for her.

So, as participants are asked to advise her hypothetically they might discover if going into business is a good fit for them. This is a change from previous modules where we did not have examples of characters like this.

We're now discussing "**Planning for a Healthy Business**" on **Slide 19**. Once again, this planning module may be best for business owners at the early stages of their decision making. We recommend using this module, as the second in a program as it covers different forms of planning from simple to complex. So, it actually covers four stages. Step one is "the back of the napkin plan", step two is "the resource plan", step three is "the business plan and sources of financial support" and, step four is "the action plan and the smart goals".

It is important to clarify that participants are not expected to be ready to develop a business plan after attending this class but they should be knowledgeable about resources that they can use to develop a business plan on their own or assisted by the organizations or organization hosting the training. And that is the value of partnering whenever you are offering MSSB. Remember, MSSB is not seen as a final destination but it's seen as a route to get there.

Let's go to **Slide Number 20**, which comes from the **Participant Workbook**. The planning example portrays a technology service business; the name of the character is Sophia. She wants to start a business to repair cell phones and

small appliances. And she needs to know much money she needs to start her business and how is she going to finance those costs.

Analyzing issues faced by real life entrepreneurs should make the modules more relatable and memorable. We have received very good feedback from these three modules thus far.

If you go to **Slide Number 21**, you can see a snapshot of the instructor guide book. The class worksheets and the case studies add up instruction time to the newly developed MSSB modules.

We're viewing the agenda for the planning module right now to illustrate the difference with previous modules. The agenda was actually not available in some of the previous same modules but hopefully is a good aid especially for instructors. In the previous modules, the suggested time for each of the sessions was provided in the instructor guide but it was provided as notes in the left-hand side of the guide, next to the section titles of each of the sections. As you can see these agendas are designed for a 90 minute instruction.

Let's look at the cash flow, **Slide 23** featuring the cash flow diagram. This module features "The wired cup", an existing business owner that's facing cash flow issues. A key aspect is that this module is using an operating business as an example. This operating business illustrates the concept of cash flow and how to leverage on the business owners' own assets and ability to borrow. This case portrays typical situations like a business owner not paying himself, needing to reduce costs in order to stay up float, and needing to negotiate with suppliers to make better use of cash flow. Cash flow statements are actually provided and analyzed; so that the participants are able to spot errors and problems that could be fixed. An illustration of the complex cash

flow process is made simple and easier via a diagram that we worked very hard on developing, which was inspired on a book about cash flow.

**Slide 26** features the **Learning Objectives of the Credit Reporting Module**.

A number of participants to these calls requested that we discuss specific modules; so we are trying to be responsive to that and we're going to go over a few previously developed modules.

I'm so glad that there was interest on some of the modules that might really be a differentiation advantage of the Money Smart for Small Business program. There might not be many other curriculums that cover business credit reporting.

“Credit” may be best for all stages of business development especially to those that have concerns about credit scores; or those who want to apply for loans. There's plenty of content provided by counseling organizations about personal credit score but these modules may be one of the few resources related to business credit.

In combination with the Money Smart for Adults, the “Credit” Module might serve as a strong basis for individuals who need education about credit; especially new immigrants. If some of you in the call decide to provide the Money Smart for Small Business in Spanish, this may be a consideration.

Some organizations use this module alone to complement other business development services or make it a part of a one day session where the credit and banking modules are taught in partnership with banks for instance. I've seen a number of those events by credit counseling organizations. So, usually these types of events are marketed to aspiring and existing entrepreneurs who are assisted to pull their personal and business credit reports and discuss it

with a counselor, create a plan of action to address problems with their credit report on-site; meaning, during the event; and then follow-up and/or have a plan or have a counseling session to follow-up. A lot of organizations decide to provide the credit module, it sells really well because there's always people interested in credit.

**Slide 27** highlighting **The Learning Objectives of the Time Management Module**. Time management may be good for all stages of business development because the nature of the small business; as we all know, they are shortly staffed. So, time management is critical to the success of those small businesses.

Time management may work really well when combined with organization types because it fosters thinking about how to fulfill the needs of the business, who is involved, what other human resources are needed and maybe it's a good opportunity to help entrepreneurs to think about resources that they need.

The next module that was requested was "**Risk Management**" on **Slide 28**. This module is good for all stages of business; especially those who want to learn about minimizing internal and external risks on their businesses. Probably appropriate for someone who wants to borrow or needs to borrow.

This module could be considered like an in-depth version of a SWOT analysis, and it might work well if combined with the Insurance module; obviously because the insurance module will complement everything that's covered in the risk management. This is like the solution to all those identified risks.

I wanted to pose a few **ideas about how to combine new modules with previous modules** so please go to **Slide Number 31**. And in there you can see a sample of MSSB program. Sample one is once a week for eight weeks. As you can see, “Good fit” is can be appropriately combined with other Money Smart for Small Business modules. This format, once a week for eight weeks, may be a very common approach used by SBA technical assistance partners. I know having been in a SBA business center; where SBA technical assistance partners are focused very much on assisting the clients on developing a business plan. And as a matter fact, some of them help their clients to develop a “bankable business plan”. A benefit of this eight-week approach is that you can plan and advertise the entire program ahead of time. It’s easier to recruit and orient experts; you might have different experts teaching in different modules. The downside of this approach is that you are locked into a plan when a class participant might want you to be more flexible.

We know that there’s not such a thing like a formula to have a specific type of profile of small business owners in a Money Smart for Small Business class. We think that having a mixture is seen as an advantage; however, people who have certain characteristics may benefit more from a program like this.

**Slide Number 32** portrays another example where you might have a **four-part program**. This option allows you to custom design a program based on focus group feedback and from questions that participants ask. This is something that we haven’t seen as much; but maybe it is an idea to consider. This type of program may be challenging to manage in terms of advertising as you might not know what to advertise exactly; since you don’t know what modules you are going to teach. If you have a cadre of consultants, and volunteers or staff in your organization, then it may be relatively easy to be responsive to the needs of the participants and you might be able to easily identify the resources to teach the next class. Maybe you can divide it up in

four weeks that way you have a week to prepare to be responsive to the needs of the participants.

Woman: I have a question. Could you please clarify that the new modules are 90 minutes long? What about going 13 weeks one night a week is that not recommended for a specific reason?

Paola Diaz: Oh, not at all. The program is flexible. It is just that the contents of the first ten modules were developed to be taught in one hour of instruction whereas the three new modules were developed including a few more features like the examples of the businesses and more worksheets. And that's why they take 90 minutes to teach. But, because the materials are made available to you in a way that you can edit them; you can insert or rearrange content in any way you want. And as I said, as a former SBA Women's Business Center Director a lot of other women business centers commonly offer an eight-week program or ten-week program. Some might provide, one weekend of a program where you might cover several modules, at least three modules on one Saturday; and other three modules on the next day. Remaining modules may be covered next week. Does that answer your question?

Woman 6: Yes, thank you.

Woman 7: At the end of each module there is an evaluation. Do you all want those back or are those just for us?

Paola Diaz: We actually we don't require anything from Alliance members. The only thing that we want is to be informed that you're using Money Smart for alliance for a small business class. We are eagerly looking for success stories because the more we learn about your success and challenges; the better.

What doesn't work might make it easier for other organizations that are considering adopting Money Smart for Small Business.

The evaluations are a template for you to use. Hopefully the organizations that decide to adopt Money Smart for Small Business are concerned about the impact they're going to make; they might also want to measure their own effort because it does take an effort to assemble a team of individuals that are going to market and teach the courses.

Woman 7: My second question is: In using the cash flow module, the participants were asking for an online version of the cash flow template that's in the workbook. I provided something off the Internet. Can you provide some of those templates on your site so I can pass them along to participants?

Paola Diaz: How did you have the cash flow module? All modules can be downloaded from the FDIC website.

Woman 7: Yes, I got it from the FDIC website. But I'm saying the actual cash flow template itself, the blank document; so it could be used...

Paola Diaz: We didn't create those types of templates but that is great feedback. We were just talking about that yesterday about making the best of an effort to maintain all of our curriculums up to date and we realize that is a big task. We hope to continue to update our materials just like we have updated Money Smart for Small Business by extending it from ten to 13 modules, from English only to now in Spanish; so little by little, we're making improvements. I made a note that a cash flow Excel template may be useful. Thank you.

Jack Bienko: This is Jack from the Small Business Administration. For folks that are looking for **readily made free templates**, if your organization doesn't have

them, we highly recommend **SCORE.org**. SCORE was formerly known as a Service Corps of Retired Executives. They have a number of interactive templates typically in Excel format that folks can download; even the SBA, as we upgraded some of our digital solutions, we pulled some of those examples.

There are a large number of templates out there on the Internet. We've run across some that aren't as valid; but I'm a big fan of the SCORE templates that are available.

For digital age folks that want to start constructing business plans, the **sba.gov** has a **great interactive business planner**. But we're going to work with the FDIC team too, based on feedback, on things we can either collaborate; or build as we continue to roll out Money Smart resources based on questions or suggestions that we get in these town halls.

Woman 7: Thank you.

Paola Diaz: That was an excellent plug in. As a matter of fact, SCORE also has different templates for different types of businesses. We can jump into discussing a few **details about the Money Smart for Small Business New Alliance**.

Lessie Evans: We won't spend a lot of time on these remaining slides. Additional questions are the most important part of these town hall meetings, which are really to answer your questions.

The Money Smart Alliance is a joint effort between FDIC and others to promote and enhance the implementation of financial education using Money Smart. Again our partnership with SBA has been terrific on Money Smart for Small Business. To be a member of the Money Smart Alliance an organization needs to do a range of activities individually; but not limited to:

teaching, hosting classes, facilitating programs, funding local efforts, and evaluating Money Smart efforts.

The list of alliance members is posted on our website. And there's a separate list of Money Smart for Small Business alliance members as well.

Paola Diaz: Thank you. The FDIC Money Smart page has been updated to reflect the updates we talked about today. It also includes a link for you to join the alliance. We have an onboarding system that will be improved later on in the year. I want to plug in an opportunity, especially for the MSSB members that know or suspect that your contact information may be outdated in the website. You are encouraged to click into that link that says [join the Money Smart Alliance](#) and submit your information. It only takes you a couple of minutes to complete. Because this system is now available, the paper version of the alliance membership that existed before has been discontinued and will not be reinstated. We are attempting to make it easier for new alliance members to join.

I want to quickly provide you a few pointers of two topics that were requested by today's participants to discuss in future town hall meetings. One was marketing and the other one was partnerships; so we've talked about partnerships already; but go to **Slide Number 38** to discuss **marketing**. We suggest that you think about partnerships to make marketing easier for you.

**Slide Number 39** gives a few pointers about how a **partnership** can be successful like utilizing subject matter experts. You don't necessarily have to think of a partnership as a formal relationship between one organization with another organization. It can also be informal, and it might involve volunteers especially with a nonprofit. And the bankers might volunteer their time to

teach some of the classes. These are very common ways of partnerships between nonprofit organizations and banks.

**Slides Number 39 and 40** give you a few pointers about what I just said. And I want to run to the last **Slide Number 42**, entitled **Questions/Discussions**.

I want to pose these questions to you as we are getting close to finishing this town hall. I encourage you to use every opportunity that we're providing you. Feel free to contact us with questions that weren't covered today. You can help us do our job better if you can tell us how we can best encourage the use of Money Smart for Small Business.

- What can we do to encourage more bank and nonprofit collaborations to benefit small businesses?
- How can we best reach entrepreneurs with limited banking experience?
- How can we best measure success?

And while we don't require that you send us any formal reporting, we do want to know about your success.

There are a lot of questions from new Money Smart for Alliance Members, they want to know how others have done it before. We want to create a reference for them by keeping records of these great conversations in the town halls. Please call us to let us know your story. We may be able to feature it in our Money Smart news or even our consumer news that we also use as outlets to communicate with the public.

Lessie Evans: We just really want to thank you for participating today. We apologize for the technical difficulties. We will definitely work on them before the next town hall meeting. Hopefully it will go much better than today from a technical

perspective. We encourage you to give us any feedback. And upon the conclusion of this Webinar you will get a survey that Paola can tell you about.

Paola Diaz: Yes. You will receive a link to an anonymous survey that we ask you to please complete. This presentation has been recorded for future reference. Thank you everyone.

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