



“Success Circles” Are Changing the Game for Women of Color Entrepreneurs

The Institute for Entrepreneurial Leadership Pilots an Innovative Approach to Addressing the Access to Capital Challenges faced by Women of Color Entrepreneurs

Newark, NJ, August 12, 2019 — “Despite starting businesses at a rate three times the average, Women of Color get less capital, have lower revenue and experience less financial success — by a wide margin — than anyone else. It’s time to change business as usual,” says Jill Johnson, co-founder of the Newark-based Institute for Entrepreneurial Leadership (IFEL) and the visionary behind its new Women Of Color Connecting initiative (WOCCON).

“Access to capital is a legacy challenge with roots deep in our American history,” says Johnson. “While there have been innovative capital solutions in recent years, capital constraint remains a defining problem for the majority of Women of Color entrepreneurs. It’s time we take a new approach.”

The WOCCON initiative focuses on harnessing the power of social capital and relationships through its “Success Circle” approach. A Success Circle is a group of volunteers who commit to marshalling their collective expertise and social capital to provide support to Women of Color entrepreneurs who are selected through a competitive process.

Relationships like these produce results. In 2018, SCORE, a national network of business mentors, conducted a study of thousands of women-owned businesses that had worked with SCORE mentors. “The more mentoring a business receives,” said Betsy Dougert, Director of Communications and Public Relations at SCORE, “the greater the likelihood that a business can shake off struggles and focus on improvements and expansion.”

Johnson believes the WOCCON Success Circle model goes a step further. For example, while SCORE’s mentoring usually involves a single expert, a Success Circle is a group of five to seven experts and one to two interns. “With that kind of network, imagine the possibilities,” Johnson muses.

Another noteworthy difference is that Success Circle members are mentors and more. “Their purpose is to go beyond just discussing what needs to happen,” Johnson says. “Success Circle members actually work with the entrepreneur to implement the steps needed to build capacity and remove the obstacles that are creating barriers to success. Through its combined efforts, this network, or circle, helps the entrepreneur get on a trajectory for success. That’s why we call it a Success Circle.”

WOCCON is unique and fills an important gap by addressing the capacity constraints experienced by high-potential Women of Color who have the ambition and the ability to climb.

“For example, if the entrepreneur doesn’t have financial projections, one member might work with her to build the model,” Johnson says, “while another member might be helping to select and set up a Customer Relationship Management (CRM) system, while another is making introductions to prospective clients. These are all things that seem basic, but often create barriers to growth, scale, and raising capital. A Success Circle is a group that really helps the entrepreneur to implement. It adds capacity that the entrepreneur could not otherwise afford given limited financial resources.”

Another quality that sets the WOCCON model apart is its focus on Women of Color entrepreneurs who have demonstrated significant traction and have the potential to deliver financial benefit to the founder. While many business development programs focus on start-ups, in order to qualify for WOCCON, you must be in business for at least five years with revenues exceeding \$100,000 (or otherwise have evidence of traction and growth potential).

People start businesses every day—starting up is not the tough part. “The tough part,” Johnson says, “is staying in business. Tougher still is earning a living from your business, and the toughest part of all is using your business to build legacy wealth for your family.”

This legacy wealth element targets the historic issue underlying the capital access problem for Women of Color. WOCCON is about more than just individual business success. The goal is to help more Women of Color entrepreneurs get on what Johnson calls “the grow-scale-exit trajectory.”

“Helping more Women of Color build financially successful businesses, opens more lanes for financial participation and inclusion. The more money you have, the more opportunities you get to build wealth. Looking at the big picture,” Johnson says, “WOCCON is our approach to addressing the wealth gap.”

About IFEL

The [Institute for Entrepreneurial Leadership \(IFEL\)](#), founded in 2002, is an independent, not-for-profit organization that supports economic development through entrepreneurship. We are experts in creating and implementing small business programming in support of larger economic development objectives. Our mission is to help high potential entrepreneurs from underserved communities gain access to the knowledge, networks and capital necessary to succeed in business. In 2018, IFEL launched the Women of Color Connecting initiative to bridge the relationship divide between Women of Color entrepreneurs and those in positions to open doors to access.

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