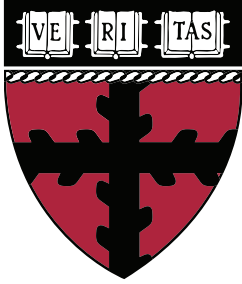
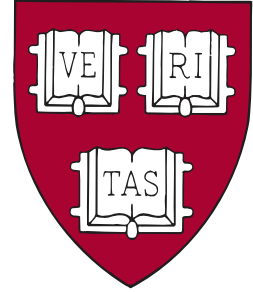


Technology and Entrepreneurship



Center at Harvard



SME Growth and Resilience: Cities' Perspective

by **Dr. David S. Ricketts and Michael Guerin**

Working Paper | July, 2021

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While multinational companies garner much media attention, it is often the small and medium enterprises (SMEs) that determine the economic prosperity of a city, state, or country. It is estimated that 90%⁽¹⁾ of enterprises worldwide are considered SMEs, accounting for over 70% of employment globally. These staggering figures truly demonstrate the importance of such companies. However, while their impact is very clear, they often face significant challenges such as lack of access to capital, revenue, and opportunity.

Cities face many challenges when it comes to implementing programs that support small businesses and their workers. The COVID-19 pandemic exacerbated the issues that were already plaguing various cities. They must understand what the needs for small businesses are and how to serve them best while ensuring that traditionally underserved communities and small businesses have access to resources

and funding. Specific ongoing measures are required to keep those businesses afloat during the pandemic, but once the crisis ends, economic recovery will not be possible without those businesses. Long-term support will be required once COVID-19 passes because it will take some time for business levels to return to normal.

During the period between April - June 2021, we researched over 30 cities to understand their role in SME support and find examples of initiatives that have proven successful in SME growth. Clear trends emerged from the research, such as the reactive nature of many programs and the use of signposting the state and external programs. As expected, there was a clear focus on the digitization efforts to give SMEs an online presence. 67% of small businesses now accept online payments, with 47% having adopted this since COVID-19 was declared a global pandemic in March 2020.⁽²⁾



Challenges Faced by City Leaders

Shared challenges noted by city leaders and industry partners included:

- Understanding what the needs for small businesses are and how to serve them best
- Ensuring that typically underserved communities and small businesses have access to resources and funding
- Creating job opportunities for those who lost their job during the COVID-19 pandemic
- How to create a stable economy that could thrive post-pandemic
- Capturing the data needed to determine if small businesses are receiving what they need to survive
- Determining which businesses need loans and which ones need grants
- Evaluating ways to help residents get access to services and transportation
- How to provide training opportunities to unemployed residents who needed to grow their skill sets

City Approaches

During our research, we saw some similar approaches taken by cities to support SME growth and resilience. The most common form of support is grants or loans, with 67% of cities citing this as their favored and most effective response. This was closely followed by a focus on digitization and central information portals so citizens could access all relevant information in one location.

Beyond the obvious similarities, we saw some very unique approaches from cities. For example, London, UK, had a strong focus on innovation within SMEs and created new programs to support innovative responses to the pandemic.

There was almost a 50/50 split in cities that played an active versus passive role in support initiatives. A more passive 'signposting' approach was adopted by many cities by creating central online hubs where information on third-party programs could be found. This was certainly a more simplistic and less resource-intensive approach and perhaps all that could be achieved by some. For Orangeville, CA, London, ON, Canada, and Belfast, Northern Ireland, this was the primary focus area. Although it was a simpler approach, the centralized hub for assistance and advice came as a welcome addition to many who had not utilized local government SME support before.

Other cities took a much more active role by creating entirely new funding streams and support opportunities. Typically, these programs were tailored to the needs of the citi-

zens in that city, based on data that supported the decision-making process. There were three main factors in examining the approach each city took:

Mandate: We surveyed cities from the EU and multiple states in the US. The mandate across this diverse collection of cities varied with some controlling education, healthcare, and policing while this fell to state or national responsibility in other cities. This meant some cities were bound by the programs determined outside of their control.

City Size: Often closely related to resource availability, the larger cities tend to have more advanced programs. In smaller cities, the head of economic development may also lead the innovation and data programs, meaning the capacity to develop new initiatives is limited. In larger cities, there can be a dedicated team of people.

Demographics and Data: Understanding the demographics of a city is vital when supporting SMEs. This affords the city the opportunity to create tailored programs for the needs of its citizens. Both New York City and Los Angeles have a clear understanding of the percentage of black-owned and women-owned businesses and created custom programs to support these communities.

To put this into perspective, Los Angeles and London, UK, were able to launch entirely new, targeted initiatives such as the LA COVID Relief fund and the London Back to Business Fund, which aimed to address the specific pain points for SMEs in these cities.

Inequity Over Inequality

A consistent message throughout the research focused on inequity and not inequality; this was the most pressing issue for many cities.

“Inequity and inequality: these terms are sometimes confused but are not interchangeable, inequity refers to unfair, avoidable differences arising from poor governance, corruption, or cultural exclusion, while inequality simply refers to the uneven distribution of resources as a result of genetic or other factors.”⁽³⁾

This demonstrates a shift in mindset for cities which may be a result of data-driven decision making. Cities now have much more useful and easily analyzed data on the demographics of their citizens. So, it is more realistic and fair to develop programs to target the under-represented.

90% of businesses in the United States have fewer than five employees. 30% of jobs in the

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United States come from that 90%.⁽⁴⁾ While there is an abundance of stats such as these, the more granular data about Black and minority-owned businesses are still lacking. Jeanne Holm, Deputy Mayor of Los Angeles, highlighted that they needed to understand the makeup of their SMEs. In the absence of required data, they established a partnership with the LA Times as part of their volunteer 'LA Data Angels' program. They scraped data from Google and other sources to create the first-ever directory of black-owned businesses in LA. She said this helps them to think more equitably about the way they procure and purchase. It has been particularly helpful as they can now understand if the newly developed programs have an effect on specific minority businesses.

Key Drivers for SME Growth

As cities now play more of an active role in economic development, they need to understand what drives an increase in SME activity. Of course, this varies from city to city, but common themes are emerging.

The whole chain - New York City found that logistics companies, especially delivery companies, are vital. Those that route resources around the city in a timely and effective manner have a bigger impact on SME growth than the restaurant they are delivering to.

Industry-specific - Cities may have a 'specialized' industry focus, such as Los Angeles and the movie industry. This type of ecosystem attracts talent to a specific location without the city playing an active role. An area of activity focused on one industry can lead to increased competition and growth in new ventures as people gain experience from industry experts and start their own ventures.

SME vs. Startup - It is also important to differentiate between a lifestyle small business, such as a family-owned grocery or hardware shop, and an ambitious, high-growth startup, such as is found in the technology sector. Their funding and support requirements are very different throughout their journey. A city must tailor its response to cater to both.

Key Takeaways from Interviews with City Leaders

- Small businesses come in different shapes and sizes, therefore, each business needs to be treated individually to ensure they receive adequate funding and resources.
- Understanding the needs of small businesses and their workers has helped city officials tailor their programs.
- It's not the lack of drive that stops people from running a small business, it's the lack of access to capital, revenue, and opportunity.
- City organizations learned they needed to strategize early and have a well-developed plan for financial programs. Ensuring the information is widespread is crucial to reaching those who are most in need.
- The ways businesses operated had to pivot during the pandemic. Businesses need to continually adapt to the new digital age, as these changes are longstanding and won't go away.
- Collaboration between public, private, and philanthropic partners is vital to supporting small businesses and workers.
- Funds from financial programs need to be distributed equitably among small businesses.
- Workers needed to be empowered to build a strong community to overcome the pandemic. Job opportunities created by city organizations allowed them to grow their skillsets while making money.

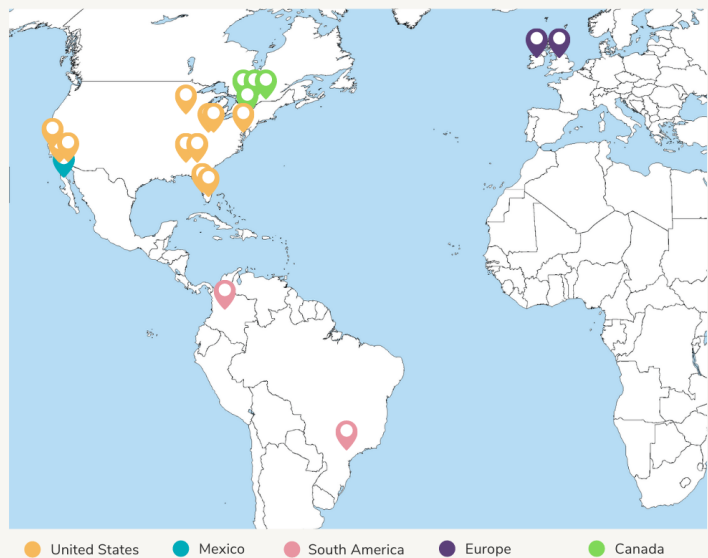
PARTICIPATING RESEARCH CITIES

The survey focused on North America, however invited cities from South America and Europe to participate for a global perspective.

As part of our research, we surveyed over 30 cities and asked them the following questions:

- What are the top programs or initiatives that you activated during COVID for the economic development of small and medium-sized businesses?
- What data sets/sources did you use to inform and/or track these?
- How did you determine (or how do you plan to determine) the efficacy of these programs?
- What are the key indicators you rely on to understand the health of small and

CITIES' SUPPORT FOR SME GROWTH AND RESILIENCE PARTICIPATING CITIES



Programs and Initiatives Activated for SMEs

Our research found significant common ground between the responses from cities. There was a clear focus on financial support, education and training, and physical interventions in the city. 67% of all initiatives were made up of grants and loans in terms of financial support, with a breakdown of 56% grants and 44% loans.

Interestingly, Los Angeles opted to shift from loans to grants of \$5k - \$25k as there was not enough uptake for the loans, and some felt it did not go far enough. There was also a split between those cities that focused on capital solutions and those that focused on revenue solutions for SMEs. Two out of three businesses surveyed by the City of Carlsbad, CA, said access to finance and capital was the most important and impactful program for them.

38% of cities offered support for SMEs to become digital. For example, this might mean supporting a local restaurant by creating a click-and-collect website or a small furniture store to add their products to an e-commerce site. While this was not cited as one of the main initiatives, it is clear from the analysis that support for digitization goes hand in hand with funding.

The City of Rochester, NY, had two complementary grant programs⁽⁵⁾. One focused on businesses creating an online presence to sell goods online (ORDER Grant) and the other to cover everyday operating expenses, the Business Emergency Retention Grant. The city would

normally see up to 55 applications for grants in one year; however, they had over one thousand applications in ten months between 2020-21.

Similarly, Rochester introduced a 'Senior Meals' program initially funding 20 restaurants with \$13,500. After a very successful launch, the program eventually invested over \$1million in local restaurants, serving 43,000 meals to over 4100 people.

“Our seniors love this program, and it provides much-needed revenue to city restaurants that are struggling to stay open during the pandemic. Programs like this help us create more jobs, safer and more vibrant neighborhoods and better educational opportunities.”
- Lovely A. Warren, Mayor of Rochester, NY⁽⁶⁾

Many cities focused on physical interventions in the streetscape. Regardless of the mandate of the city authorities, they almost always have control of the roads and sidewalks. We saw an influx of new outdoor dining spaces, extended sidewalks, and pedestrianized streets. Throughout the pandemic, the advice of health officials was to socialize outside as the risk of spreading the infection is greatly reduced.

Major cities such as Dublin, Ireland, and New York pedestrianized many significant streets to allow local businesses to continue trading. This was communicated as a temporary installation, but it is likely to be extended in many areas due to the success.



Initiative text responses from survey.

IN FOCUS:

NYC SME Financial Support Programs⁽⁷⁾

The small business recovery plan for New York is broken down into four sections:

- Support business innovation and connect businesses with new ways to increase their revenue
- Equip entrepreneurs with the tools and resources to adapt their business models and lower their operating costs
- Foster close collaboration with businesses and cut the red tape to reopening, all while keeping New Yorkers safe
- Support a diversity of entrepreneurs launching and leading the businesses of the future

There's an opportunity for small businesses to build something better, different, and more equitable. One of the ways they support diverse entrepreneurs is with their public-private partnerships.

Public-private partnerships yield five important benefits:

- Insights
- Focus
- Risk-sharing
- Brand power
- Stability

Evaluating insights from sector and industry partners helps the City of New York align its services to industry demand and see the success of the people they serve. In addition, by engaging corporate and private partners, they're able to understand what the economy really looks like.

Some of the direct support programs for small businesses in New York included:

- Interest Rate Reduction Grant
 - Reduces the interest owed by small businesses on existing loans
- Storefront Loan Fund
 - Offers financial assistance to street-level businesses with pro bono legal guidance in rent debt reduction and commercial lease negotiation
 - This initiative was vital in areas that had multiple stores closed
- \$100 Million NYC Small Business Loan and Grant Programs
 - The average loan size was around \$50,000
 - Half of the funds in the grant program were devoted to small businesses in arts, entertainment, recreation, food services, and accommodation
 - The other half of the funds were focused on small businesses in low to moderate-income communities

Data-Driven Decision Making

Whether it's informing decisions on what types of initiatives should be introduced or determining the success of a new initiative, clearly data has a huge role. The significant difference we saw in our research was the divide between cities collecting their own data versus the use of state/national data.

71% of cities surveyed collected data directly related to their initiatives

City-generated data appears to be much more targeted and useful data. For example, many cities directly survey receipts of grants/loans before, during, and after receiving the funds. This meant they had a clear picture of the parameters they were working within and could much more effectively measure the impact of any new programs.

In contrast with this, the remaining 29% of cities relied on state or national data such as census data and state business federation data. Of course, all data is useful; however, some cities relied on high-level figures such as number of businesses opening and closing and the unemployment rate. As there are many other factors in these datasets, it is hard to determine the impact of the programs. However, in London, UK, there were clear links from data collected to the development and delivery of new programs and initiatives.

Los Angeles has three programs to support its data-driven decision-making. Firstly, they work with the federal government to find the distribution of loans by ZIP code to understand which neighborhoods are availing of federal grants and which require more support. In addition, LA has a team of financial advisors available to assist Angelenos through the application process. The second program is the 'LA Data Angels,' an ongoing program that brings people who work in data science to volunteer for an eight-week stay. They work for approximately 10 hours a week for specific projects of interest to both the city and volunteers. The third one is the LA Data Science Federation, which is a combination of 18 local universities that bring

in professors and students to work on specific, less urgent issues.

Is Data the Answer to Determine Efficacy?

Data was commonly used throughout the pandemic to determine how businesses, workers, and communities struggled due to the COVID-19 pandemic. However, data was also used to show how the programs initiated by different cities and partners boosted businesses and helped workers.

Los Angeles said that a baseline of data is needed to see if the programs are helping cities reach their goals of aiding small businesses. However, they noted that there's a big trend in gathering data and that it can't solve all of our problems. So, while quantitative data is very important to them, they have enlisted the help of Zen City to measure sentiment as often the perception of support is as important as the support itself.

New York City had a slightly different view of the importance of data. They noted that organizations need to stop looking at only the transactional outcomes. They needed to look at the number of immigrants who access the financial programs and Black businesses in operation. It was felt data needs to stop being looked at as a monolithic machine and view it as being targeted with the various programs being served.

While both large and small cities used state or national data sets to determine the efficacy of their programs, many focused on targeted surveys. 71% of cities cited that targeted survey responses were used effectively. Even though small cities had fewer resources, they cited their flexibility as key as it allowed them to use targeted data to adapt programs in an agile manner based on the data collected.

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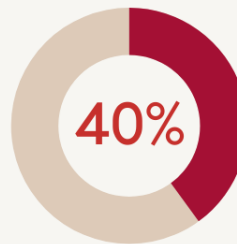
Just 15% of respondents took a more optimistic approach to indicators. They measured the new businesses created and the level of adoption of new technology such as e-commerce sites and click-and-collect. The pandemic has caused untold hardship for some, but as with all crises, some seek opportunities in difficult times, which is just as important to measure.

The overwhelming issue felt by more than 90% of cities was the lagging indicators. This is the title given to data such as Sales Tax revenue and business closures which could take more than 12-months to come to fruition. Ironically, LA's own generosity complicated this even further by extending the deadline to file tax returns to assist businesses, leaving them with less data than normal.

KEY INDICATORS TO UNDERSTAND THE HEALTH OF SMES

Measuring SMEs' ongoing activity is vital to react to the changing and challenging environment many find themselves in due to the COVID pandemic. We asked the cities to give us their key indicators in order of preference. While there were some innovative approaches, the three key indicators were as follows:

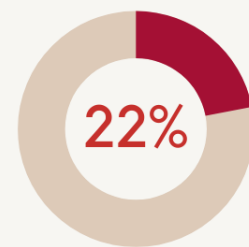
BUSINESS CLOSURES/SURVIVALS



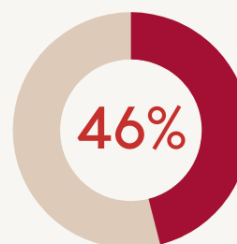
40% of the respondents listed this as their number one indicator, while over 85% had it in their top three.

EMPLOYMENT/UNEMPLOYMENT RATES

22% of respondents listed this as their primary indicator, with over 55% including it as their top three.



SALES TAX REVENUE



Although only chosen by less than 10% as a primary indicator, sales tax revenue was listed by 46% of respondents as important.

IN FOCUS:

Birmingham, Alabama ⁽⁸⁾

In 2019 almost 50% of families in Birmingham lived in poverty. Since then, unemployment has hit all-time highs, and it is concentrated among lower-wage workers. 72% of Birmingham residents have less than \$1,000 in savings. To address this, Birmingham implemented three successful programs to support SMEs during 2020.

They were:

- Bham Strong
- Bham Strong Loan Fund
- Rebound Bham

Bham Strong

BhamStrong is a public-private partnership formed to bring people, projects, and resources together to strengthen Birmingham's COVID-19 response, particularly concerning economic impact. BhamStrong's two-part economic stimulus package works to protect small businesses, workers, and residents through robust civic partnerships and public support.

- Fortifying Small Businesses-bridging small businesses to emergency capital
- Service Corps: connecting out of work residents to paid volunteering opportunities that meet core community needs

The Birmingham team have seen the following impact:

- 325+ individuals have been placed into paid work opportunities.
- 67% of Corps members placed into paid positions are people of color, and 63% are Black. On average,

members have experienced a 50% decrease in income as a result of COVID-19.

- 2,853 small businesses have been assisted through a call center providing CARES federal assistance advice and small business technical assistance programs.
- BhamStrong projects have served residents across the city, and having received Service Corps applications from 70 neighborhoods.

Bham Strong Loan Fund

The fund's purpose was to immediately support small businesses affected by COVID-19 who are awaiting state or federal relief funding or a more stable business environment. Approved loans supported business model reconfiguration in response to COVID-19, limited payroll or staff size reductions, and helped maintain business operations.

There were four loan sizes: \$25,000, \$20,000, \$15,000, or \$10,000 per business. The loan repayment period was zero-interest for 180 days. The Loan repayment structure:

- \$25,000: 3% interest after 180 days
- \$20,000: 3.5% interest after 180 days
- \$15,000: 4.0% interest after 180 days
- \$10,000: 5.0% interest after 180 days

Thus far, a total of \$2,105,000 in loans have been awarded.

Rebound Bham

Rebound Bham was a collective of ecosystem partners who held a series of virtual workshops, social media events, coaching sessions, and resources to help small business owners rebound from the pandemic. Over 400 people registered for the programming. 57% reported 2020 sales of less than \$5,000 with 15% less than \$25,000. The average had one full or part-time employee, and almost 57% are employed full-time in addition to their business.

The three Birmingham programs have been a resounding success. In the first six months of 2021, they have seen:

- 19.5% registered with the AL Secretary of State
- 21.74% obtained a City of Bham Business License
- 30.43% opened a business checking account
- 21.74% obtained a business line of credit or loan
- 47.83% launched a website
- 17.39% hired a new employee

BLACK ENTREPRENEURSHIP INITIATIVE - NYC

The Black Entrepreneurship Initiative (BE NYC) launched two years ago and is one of the city's key programs. 22% of New Yorkers identify as Black, and 3.5% of small to medium enterprises are Black-owned, increasing from the 2% it was previously.⁽⁸⁾ In addition, New York City is one of the first cities in the country to use public funds to target black entrepreneurs.



Black Entrepreneurs



White Entrepreneurs

INTEREST



Black individuals are 50% more likely to **take steps** towards starting a business.

LAUNCH



Black entrepreneurs are half as likely to **launch** a business.

SURVIVAL



Black entrepreneurs are half as likely to **survive** in business after 5 years.

GROWTH



Black-owned firms **employ** 40X fewer people than white-owned firms.

To put this in context, NYC found that families with a self-employed head of household have 2X the average income as a head of household that works for someone else. They also have almost 6X the average net worth as a head of household that works for another employer.

Reynolds, Carter, Dartner, and Greene. "The Prevalence of Nascent Entrepreneurs in the United States." Small Business Economics, 2004. Lofstrom, Magnus and Timothy Bates. 2013. "African Americans' Pursuit of Self-Employment." Institute for the Study of Labor (IZA).

Diversity and Minority Initiatives

A key theme that emerged during the research was the support for the marginalized in society. It was clear to most cities that minorities needed the most help and specific initiatives to ensure all needs were met.

Black Entrepreneurship Initiative - NYC

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50% of Black individuals are more likely to start a business, which is twice as likely as their white counterparts. However, their business is only half as likely to survive after five years. The inequity lies in the fact that they're less likely to have the opportunity to launch a business and survive. There's also a problem with access to resources necessary to starting and operating a successful small business. BE NYC created a public-private partnership in early 2021 with Mastercard. The goal of the "Digital Doors" program is to close the digital divide for Black entrepreneurs.

To put this in context, NYC found that families with a self-employed head of household have two times the average income as a head of household that works for someone else. They also have almost six times the average net worth as a head of household that works for another employer.

The Importance of Diverse Data

Although some cities did not create minority-focused initiatives, it was still vitally important to understand the city's breakdown. For example, in Lynchburg, VA, 336 businesses received funding from the Business Recovery Program, and 38 businesses received support through the Winterization Program. Thus, \$3,215,640 went directly to helping businesses in the City of Lynchburg suffering from the effects of the COVID-19 pandemic. In addition, 76% of those were small businesses of 10 full-time-equivalent employees or less, and 64% of recipients were women, veterans, and/or minority-owned.

Similarly, in Birmingham, AL, of the \$2 million awarded in their Bham Strong Loan Fund, they needed to understand the breakdown of recipients. The outcome was \$1,040,000 loans awarded to minority business owners, 75% loans awarded to black businesses, \$765,000

loans awarded to women business owners. \$210,000 loans awarded to veteran business owners.⁽⁹⁾

Los Angeles is leading the way in mapping the distribution of federal grants. This geographical analysis has provided them with visual insights into neighborhoods, minority, and immigrant areas which are not availing of federal grants. From this, they have done further research, which often shows the biggest barrier is English not being the native language to most. There is also less trust in the government in some of these areas. In the last 12 months, LA has taken \$150million from its police budget and put this into racial justice programs showing real leadership in the fight against inequality and inequity.

Innovation and Unique Initiatives

Many of the larger cities in the US and Europe build on their state or federal initiatives and create new, innovative, city-led programs. Often the increased resources allow the larger cities to create something different. Below are three examples of trailblazing cities

Los Angeles - Angeleno Card

The Mayor's Fund for Los Angeles launched the Angeleno Campaign to provide direct cash assistance to Angelenos most in need and suffering from the impacts of COVID-19. Angeleno card recipients received prepaid debit cards to cover the cost of basic needs, i.e., medical aid and assistance, food, clothing, and rent payments. Los Angeles City households were eligible for the program if their total annual income was below the federal poverty level (pre-COVID). Further, deeper economic hardship had been experienced due to job or income loss. Immigration status and previous receipt of public benefits were not barriers to program eligibility. While the Angeleno card was not targeted to undocumented immigrants, it was expected they would be among the beneficiaries alongside recently incarcerated individuals, the unbanked, and individuals with self- or seasonal employment. In total, \$36,761,979 was distributed to support over 100,000 Angelenos.⁽¹¹⁾

New York City - Open Streets

As a rapid response to the indoor challenges of COVID-19, Mayor de Blasio in NYC launched what would become NYC Open Streets. This was to encourage the use of street space initially as pedestrianized zones and eventually as space for restaurants to utilize the streets to encourage outdoor dining while indoors were still banned. Many restaurants in NYC said this was a lifeline for them at a truly difficult time.

Most open streets run from 8 am to 8 pm, with some enjoying extended evening hours for dining. What acted as an emergency response is now being extended throughout 2021 due to the success of the programs. As a result, restaurants in the areas have recorded sales up to 25% better than expected yearly. This is one of many examples of a shift towards more liveable pedestrianized streets which focus on enjoying the space and less on cars.

London, UK - Three Innovative Initiatives

The Mayor's Office in London and the Greater London Authority, which leads the strategic coordination of 32 London Boroughs, created three new, data-driven initiatives to support SMEs. The latter two listed below have been continued beyond COVID due to the success and impact they are making on SMEs.

Pay It Forward London and Back to Business Fund

A crowdfunding platform that enables SMEs to raise funds to stay afloat and recover from the impacts of COVID-19, with £5,000 in match funding available. This was informed by data collected through business surveys to establish key challenges facing businesses and ascertain demand for the intervention. Progress was tracked through amounts of funding raised through the platform by businesses, the number of businesses signing up, and the number of Londoners donating.

Mayor's Resilience Fund

Ten open innovation challenges inviting innovators and tech startups to co-design new products and services to tackle key recovery challenges in partnership with the city, local authorities, and charities. The intervention was informed by research that has shown that investing in innovation during periods of crisis is beneficial to businesses in the longer term, and innovators typically maintain stronger post-crisis profitability and demonstrate greater resilience.

Designing London's Recovery

An open call inviting innovators, including SMEs, to respond to an innovation brief that calls for ideas to support London's Recovery, directly supporting the Missions of the London Recovery Programme. The intervention was informed by research that shows using a design-led approach to developing solutions to complex, systemic challenges leads to solutions that better meet user needs, enabling tangible

progress towards London's Recovery missions, and the process results in innovation that is more likely to be adopted and scaled.

Social and Political Context

On March 11, 2020, the World Health Organization declared COVID-19 a global health pandemic, and we quickly responded to the reality of a new world. Two months later, on May 25, 2020, George Floyd was murdered by a police officer in Minneapolis, Minnesota. What followed was one of the largest movements the United States had ever witnessed. The Black Lives Matter protests took place in cities across the US, with an estimated 15-26 million people taking to the streets.⁽¹²⁾

In many cases, the protests were peaceful; others led to clashes with police and significant damage to buildings and businesses in our cities. At a time when many businesses were already struggling, this was another challenge to contend with. Cities were required to navigate this sensitive topic in a manner that was compassionate to the pain felt by the protestors and the business owners.

The police were often the target of anger in many protests, and in turn, cities also felt the brunt. However, we saw very different management of the events in cities, and many managed to keep the protest peaceful by showing leadership and supporting the narrative.

Many communities around the globe are still in the middle of the COVID-19 pandemic. However, as other cities and regions move beyond that stage, community leaders are looking ahead to revitalize and grow their economy. Both of these significant events had a major impact on how cities were able to support SMEs during 2020, and as such many of the programs we could see in our research were reactive to these conditions.

Conclusions

The efficacy of the approaches taken by city organizations varied from city to city. Understanding the parameters and mandate of the city organization helps us to understand their approach to SME support. However, one thing is clear; cities can make a significant impact on SME growth and resilience. This is because they are uniquely positioned to provide appropriate levels of support while developing bespoke programs which suit their demographic.

Access to finance is a very impactful method for supporting SMEs. This can come in the form of direct financial support from the city or an easy-to-navigate portal, creat-

ing a central hub for existing supports. For example, grant funding was necessary reactive support in times of crisis during the global pandemic, however as we emerge, a shift back to targeted loan funds is likely to occur given their success pre-pandemic.

By targeted funds, we mean specific programs which target minority or underrepresented groups to tackle inequity in society. For trail-blazing cities, inequity is the focus now and into the future. To tackle this, some cities are breaking down barriers through advice and support. Their main focus is to address literacy challenges, including the English language's digital, financial, and general literacy. By providing mentorship and support for those who do not normally interact with government funding, the city significantly increases the likelihood of participation and success in funding applications.

In addition to financial support, it is also necessary to support education for the digitization of SME products and services. This might mean supporting building a new e-commerce website or adding curbside pick-up functionality for a restaurant. The COVID pandemic accelerated these efforts, but as technology evolves, it is clear the SMEs will need local government support to stay connected and competitive.

It is clear that some city leaders could benefit greatly from a more coordinated approach through an active knowledge share in which successful programs could be highlighted in a timely manner so other cities can benefit from the mistakes of the few. This was highlighted by Jeanne Holm of LA, who found knowledge shared amongst city leaders on a regular basis means they can learn from their peers and implement programs more quickly and with more success. City leaders were allowed to share information, including which datasets they used to inform decisions. Often one city demonstrates the art of the possible to others, leading to an increase in data-driven decision making.

Finally, many cities do not have the resources to develop new programs independently. A more consolidated approach or one of city-to-city leverage is needed. The challenge is that large cities with resources develop programs that don't match or fit with small or mid-sized cities. The small and mid-size cities don't have the resources to develop new SME-specific programs. There is a significant opportunity in creating platforms that address small and mid-size cities that can be easily shared and implemented between them.

Methodology

Our research included interviews, surveys, and independent research on over 30 cities in North America and Europe. The interviews were conducted with Los Angeles, CA, Carlsbad, CA, NYC, NY, Cary, NC, and Birmingham, AL. The online survey was with 26 cities across the world. The numerical data provided in the report is based on our analysis and grouping of open text answers. We have used our judgement and analysis of programs to group the answers accordingly to derive quantitative analysis. The data set may be requested by contacting the authors.

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