



ICA

Fund good jobs.



AGENDA

for

ACTION

2013

About ICA

ICA creates good jobs for people with high barriers to employment by providing small business owners with expert consulting, education & investment to grow their businesses.

Current ICA Portfolio

PORTFOLIO COMPANIES:

Advanced Home Energy
Back to the Roots
CORE Foods
Ed Support Services
Juniper Ridge
Luminalt
El Porteño
Prather Ranch Meat Company
Premier Organics
Saint Benoît Creamery

PARTNER COMPANIES:

Blue Bottle Coffee
Excellent Packaging & Supply
Give Something Back
Numi Tea
Revolution Foods
Xantrion

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A Letter from ICA Leadership

2012 was another exciting year for ICA. Our model evolved, expanded, and adapted in order to remain relevant to the needs of local small businesses. Meanwhile our vision—to create an economy that works for all—remains steadfast. We have also learned many lessons.

First, we realized that creating jobs for jobs sake is not enough. That is why we have implemented quality standards and moved our work towards the creation of “good” jobs that meet the basic needs of all people. For us, good jobs mean that employers pay well, build employee wealth, offer medical coverage and create career ladder opportunities for their workers. You will see this evolution exemplified in Katie Booser’s story about her climb through the ranks, building a career at Blue Bottle Coffee Company. This and other stories in this Impact Report demonstrate our vision of the kinds of jobs we must create. People with good jobs are the catalyst for increased economic activity, thriving neighborhoods, improved health, and better education.

Second, we know that neighborhoods and communities are vastly changing, so creating jobs in the “inner city” is no longer enough. What we hold true now, more than ever, is that we must look at the socioeconomic status of the employees accessing the jobs created by ICA companies. That is, who is benefitting from the job creation among ICA companies. We have answered this question by beginning to partner with high-performing workforce development agencies to ensure that we are creating ladders of opportunity for the people with the highest barriers to employment: people who were formerly incarcerated, are veterans, are aged-out foster youth, learning English as a second language or have low educational attainment levels. In the end, our goal is to create a symbiotic relationship between the businesses we serve, its employees and their surrounding community. For us, this is a better way of doing business and a better way to tackle the unemployment challenge and other social challenges of our time.

Three years after the officially declared end of the recession, the jobs crisis continues. According to the U.S. Bureau of Labor Statistics, there are 11,742,000 working age Americans who are officially unemployed and 89,967,000 working age Americans who are “not in the labor force.” If

that wasn’t bad enough, the percentage of working-age adults in the labor force fell to 63.3 percent last month. It’s the lowest such figure since May 1979.

We simply cannot continue down this path.

Third, we are learning that we cannot arrive to large-scale, systemic change on our own. Today, we know that ICA’s model is working...in the Bay Area. To that end, taking the advice of my 3-year-old son, “Sharing is Caring,” we have centered our efforts to scale our model on our ability to share it with others. More and more entrepreneurs and small businesses locally, regionally and nationally are buying into the ICA model. We are paving an alternate path and taking a new angle on small business growth and good job creation. Economic cooperation is the way forward, and we are building it from the bottom up. We invite you to share this model in other communities.


Finally, we are extremely excited about enhancing the ICA mission and accelerating our path towards an equitable society, by leveraging our new small business capital investment partner, Fund Good Jobs. Together, ICA and Fund Good Jobs will expand a rich diversity of entrepreneurship, and maximizing the growth returns of good jobs.

We still need to do more. There are nearly 200,000 small businesses currently operating in the San Francisco Bay Area. Imagine the impact we would have if we helped each one create one good job this year. It can be done, but we will need you to take action with us.

We want to thank our Board of Directors, Advisors, professional services providers, funders, partners and, most importantly, the small businesses for helping move our mission forward. Thank you for your support—we look forward to building on our relationships.



Jose Corona
Chief Executive Officer



Jack Russi
Chairman of the Board of Directors

A Letter from Fund Good Jobs

It is with great humility and honor that we announce to you the launch of Fund Good Jobs, an innovative new approach to small business capital investments. We fund good jobs by building strong businesses that then invest in people with the greatest need and create the conditions for everyone to build wealth in our community. Through ICA, we have earned the credibility of small business through our ability to help them grow. Along the way, we learned that lack of access to the right kind of capital was, and continues to be, the biggest barrier to their growth.

In addressing the capital gaps, Fund Good Jobs will lead a new way of leveraging capital to support business growth, and more importantly, maximize job creation. Our unique approach to investing is built on delivering a tailored form of blended capital in the range of \$100k to \$2m that includes equity, senior debt, subordinated debt, and convertible debt with creative structures and collaboration with capital providers throughout the Bay Area. Alongside each investment, we will partner with ICA to provide hands-on support that minimizes overhead and directly impacts the bottom line.

Building on ICA's innovative impact tracking indicators for small business growth and good jobs creation, we seek to not only create a brand of good jobs but ensure good jobs results. Good job creation is central to our value proposition and we will hold ourselves accountable to this metric in all that we do.

I am taking on the roles of President and Managing Director of Fund Good Jobs with the utmost gratitude and a great sense of responsibility. Like all of us at ICA, I was attracted to the heart and soul of ICA entrepreneurs, our advisors, and an ecosystem committed to good job creation. We bet on people and take care of each other for a higher goal—that's our mission and that's why I'm here.

It's been seven years since I was first introduced to ICA. I connected immediately with the people behind the work, and most importantly, ICA's leader, Jose Corona, whose belief in mission buy-in and true commitment convinced me to go "All In". In the end, ICA is our greatest partner at Fund Good Jobs and we are both clear that one entity cannot be successful without the other. We are embarking on this path together.

As we move forward, we want to recognize that we could not have gotten here without the help of many expert advisors. There are too many to mention in this letter, but please be assured that you will hear more about them in the months to come.

As a community, we must transparently address what indicators truly build wealth and what's needed to maximize good job creation. To this end, creating good jobs is not as simple as creating economic activity. We must all broaden our perspectives and continue to focus on doing what's best for the businesses—we must be willing to be different. For us, that means boldly leading the mission of creating good jobs.

Today, we already have more need for capital in the ICA portfolio than we can deploy. So our objectives for 2013 are very clear: (1) secure additional philanthropic funds to maximize good job creation, (2) smartly and swiftly deploy capital to high growth small businesses throughout the Bay Area, and (3) build a philanthropic brand around Good Jobs. To make this happen we need your support now, more than ever. Please join our cause and Fund Good Jobs today.

With the utmost sincerity,



Sean Daniel Murphy
President and Managing Director,
Fund Good Jobs, Inc.



Jim Harris
Chairman of the Board of Directors

3 Key Tools to Lead, Stabilize and Grow an Early-Stage Business

Gaining access to growth resources is hard when there are always a hundred things to do, and finding time to work on the business rather than in the business can feel challenging.

Through listening to entrepreneurs, we know that accessing growth capital is always a high need. But in our experience, strengthening the ability to run a business holistically, identifying blind spots, and operational insight are just as important to help make the key decisions that have the most impact on the business.

We think there's a more effective way to provide these resources, by focusing on practical, action oriented tools that entrepreneurs can use right away to better manage their business. Here are 3 great tools to help entrepreneurs lead, stabilize and grow their early-stage business:

The 8 Factors Framework

Whether you are starting a business or trying to grow a business, The 8 Factors Business Framework is the most powerful business management tool available for today's entrepreneurs and small business owners. The 8 Factors distills the best content from business books, MBA theory, and personal experience into a practical and powerfully simple business framework to help people running or starting a business.

Get all the business knowledge you want, without making the huge time and money commitment you don't. The strategic advice that ICA provides to our Portfolio Companies is even built on the8factors.com framework. Every spring, in partnership with the Mills College Lorry I. Lokey Graduate School of Business, ICA hosts our annual Business Growth Strategy Series, featuring the 8 Factors, and we encourage you to contact us if you're interested in attending next year's series.

Path 2 Cash

"We know that entrepreneurs need more capital, but they could also use support to review the financials documents they are preparing to access capital, identify where on the path they are, and get actionable feedback to help them accelerate their success to secure funding.

Banks and other capital providers speak a specific language, and we teach entrepreneurs how to communicate it. Learn more and apply: <http://www.innercityadvisors.org/path>

Path 2 Branding

Increasing the sales of a business hinges upon a compelling value proposition, delivering on the promises you make and carefully managing customer expectations. Many companies want to improve the way they express their brand without spending cash they may not have.

ICA has designed a practical process to assess how a company's brand is currently being experienced, as well as simple, actionable ways to amplify that experience for an entrepreneur's key customers. Learn more and apply: <http://www.innercityadvisors.org/path>

6 Key Features of an Effective Job Creation Model

The ICA portfolio serves high impact entrepreneurs with the greatest job creation potential. But we don't believe in growth for growth's sake. Our goal is to create equitable growth, meaning that as we scale the size of a small business, it creates good jobs for people with higher barriers to employment. ICA's proven model digs deeper to uncover barriers to scaling businesses in a sustainable and responsible way.

In 2012, ICA brought on three new portfolio companies, ranging from healthy and artisanal food products to solar-panel installers, all united in their ambition to impact economic disparities through good job creation. We select, manage and invest in these kind of high-impact entrepreneurs to accelerate small business growth and create good jobs, and here are 6 key features that make this model work effectively:

Consulting – Management and strategic advice

We know from experience that entrepreneurs spend so much time working IN their businesses, they lack time to work ON their businesses. ICA's quality services discipline is designed to provide the support and discipline necessary to think strategically and tactically with a long-term view. ICA's consulting staff members are skilled with entrepreneurial business management expertise, and we supplement our in-house services with high-caliber, volunteer Advisors who share their industry-specific insight to help ICA companies grow.

Capital – Tailored, blended investment products

To address the capital gaps, ICA's partner investment vehicle, Fund Good Jobs, Inc., leads a unique approach to investing, built on delivering a tailored form of blended capital in the range of \$100K to \$2M. Financial products include equity, senior debt, subordinated debt, and convertible debt with creative structures and collaboration with capital providers throughout the Bay Area. Alongside each investment, ICA provides hands-on support that minimizes overhead and directly impacts the bottom line.

Connections – Access to our network

Social capital is critical to the growth of any business and ICA's ecosystem is our greatest asset. It brings like-minded entrepreneurs, advisors, investors, corporate partners and small businesses together to deliver high quality services and valuable resources for all members of our network.

Professional services – Accounting, legal, marketing

Through our business network, ICA is able to provide a variety of resources to Portfolio Companies and other small business owners that add great value to businesses. Professional Service Providers (PSP) offer pro-bono or substantially reduced rate value-add services to ICA Portfolio Companies when the need is beyond the scope of what ICA Staff and Portfolio Advisors can provide.

Workforce – Employing the hard-to-employ

Whereas before we used the “inner city” geography as an indicator to identify who to create good jobs for, we've learned that we must look instead at peoples' socioeconomic status. So we've begun to partner with high-performing workforce development agencies to ensure that we are creating life ladders of opportunity for the people with the highest barriers to employment: people who were formerly incarcerated, veterans, aged-out foster youth, learning English as a second language or have low educational attainment levels. This is a better way of serving the people most in need.

Culture – Service delivery with “the right touch”

“The ICA way” of delivering quality services starts with 3 C's: competence, compassion, commitment. We take a “hands-on” approach by building tailor-made work plans that meet the entrepreneur where they are. We're a mission-first team of people, driven by a healthy obsession for delivering results. We believe that urgency wins championships and love to leave it all on the field for entrepreneurs.

Ultimately, impact matters most to us because our mission is not complete until we make one economy work for everybody.

Good Jobs. Great ROI.

People with good jobs are the catalyst for increased economic activity, safer neighborhoods, improved health, and better education. We create good jobs to build the capabilities of those with the greatest need and create the conditions for everyone to thrive. When people earn higher wages, they have the capability to invest in their own neighborhoods. ICA's model is working effectively on this front, and these numbers tell a powerful story for how to build strong communities.

Good Job Creation

Key Metric 1: Total Good Jobs Created

2,602

Total good jobs created and retained

Good jobs provide good pay, benefits and life ladders of opportunity. We believe that economies work best when everyone can participate and prosper, because people with good jobs are the catalyst to transform neighborhoods.

Benefits

83%

of ICA portfolio companies offer Health and Dental insurance.

100%

of ICA partner companies offer Health and Dental.

Other benefits offered include: English language classes, commuter checks, 401(k), gym membership, life insurance, and paid volunteer time.

Life Ladders

59%

of ICA companies are owned by women.

48%

of ICA companies are owned by people of color.

73%

of ICA portfolio companies hired workers with barriers to employment.

Cost of a Job

\$320=1

It costs ICA \$320 to create and retain one good job.

Good Pay

\$47,994 \$18

The average salary paid by ICA portfolio companies.

Average hourly wage in the ICA portfolio.

Wealth Creation

Key Metric 2: Total Wealth Created in 2012

\$93,415,611

We're doing our part to increase livable wages that move people from subsistence, to bigger savings accounts to building long-term assets.

ICA Company Revenue

\$4,811,073

Average ICA
portfolio
company revenue

\$489,571

Average ICA
education
company revenue

ICA Donor Return

Total Pro Bono Advising and Consulting:

\$3,016,900

ICA Funder Return

\$1 → \$87

Every \$1 of usable cash donations yields \$87 in local wages

Revenue Under Management

Key Metric 3: Total Revenue Under Management

\$57,732,876

Increased revenue makes job creation possible. ICA's services help entrepreneurs cut costs, improve margins and increase their cash on hand.

All impact data collected via Mission Profit™ Impact Tracking.

The ICA Team



FROM LEFT TO RIGHT:

Sean Murphy
President &
Managing Director,
Fund Good Jobs, Inc.

Jose Corona
CEO

Ingrid Jacobson
Education Manager

Nina Robinson
Portfolio Manager

Chris Mueller
Communications Manager

Kot Hordynski
Operations Manager

BOARD OF DIRECTORS

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Secretary/Treasurer
Director, Oakland
International Airport

Audrey Goins Brichi
Immediate Past Chair
Manager, Strategy,
Planning & Coordination
Midstream Procurement,
Chevron

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Shareholder
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Gateway Bank,
FSB

Miguel Galarza
President & CEO,
Yerba Buena Engineering
& Construction, Inc.

Dennis Green
Vice Chairman
of the Board
Principal, Green & Assoc.

Jim Harris
CEO, Olukai, Inc.

Wilbur Hobbs
Chief Credit Officer,
Community Bank
of the Bay

Darien Louie
Director of Public/Private
Partnerships, East Bay
Community Foundation

Willie Natt
Regional Sales Manager,
Wells Fargo

Donald C. Reinke
Partner, Reed Smith LLP

Jack F. Russi
Chairman of the Board
National Managing
Partner, Deloitte &
Touche, LLP

R. Zachary Wasserman
Partner, Wendel, Rosen,
Black & Dean LLP

PORTFOLIO ADVISORS

Charlie Allen
Cushman &
Wakefield

Noah Alper
Noah's Bagels

Helen Bulwik
New Market
Solutions

Michael Bush
The 8 Factors

Judy Chen

Joe Diliberto
Sandler Sales
Institute

Jay Fife

Jennifer Freitas
Clif Bar

Anne French
French Consulting

William Gaultier
e-storm
international

Greg Ginsburg
The Clorox
Company

Lisa Griffin
Green & Associates

Mike Hannigan
Give Something
Back Inc.

Rob Hurlbut
Attune Foods

Steven Knight
Cost Plus
World Market

David KoPilsbury
Winthrop
Shaw Pittman

**Nils-Michael
Langenberg**
Whole Health
Marketing

Tom Low
East Meets West
Foundation

**Cindy
Mascheroni**
Vistage International

**Theresa Matacia
Bonocore**
Technology
Partners

Bob McGee
Straus Family
Creamery

Peter Michaels
Vistage
International

**Chinwe
Onyeagoro**
Fundwell

James P. King
J.P. King &
Associates

Esther Park
Commons Stock

Andrew Sather
Professional
Aptitude Council

Eric Schiller
PCG Advisors

David Shenson
Just Desserts Inc.

Todd Sotkiewicz
Hartle Media

Yan Tomimoto
Huntley, Mullaney,
Spargo & Sullivan,
LLC

John Toth
American
Reprographics

Frank Tsai
FLG Partners

**Gary
Weatherford**
InHouse

Keith Williams-
Goldman
KWG Consulting

Al Youn
LifeFactory

Howard Zangwill
Rina Accountancy
Corporation

FUNDERS

Chevron

**Union Bank
Foundation**

Wells Fargo

Bank of America

**Better Business
Bureau**

**Burr Pilger &
Mayer LLP**

**Clif Bar
Foundation**

Comerica Bank
**Community Bank
of The Bay**
Deloitte LLP

**East Bay
Community
Foundation**

**Fitzgerald
Abbott &
Beardsley LLP**
Gateway Bank
**Give Something
Back**

**Green &
Associates
International**

**Jonas Family
Fund**

**Kaiser
Permanente**
**Kapor Center for
Social Innovation**

**Living Cities
Foundation**

**Morrison
Foerster
Foundation**

**New Resource
Bank**

**Nia Community
Fund**

**Oakland
Rotary Club**

Oakland Unite
**One PacificCoast
Bank**

**Pacific Gas
and Electric
Company**

Port of Oakland

ReedSmith LLP
**Sensiba San
Filipo LLP**

**Southwest
Airlines**

**Surdna
Foundation**

**The Swig
Company**

The8Factors.com

TomKat
Charitable Trust

US Bank

Visa

Xantrion

**Y&H Soda
Foundation**

**Yerba Buena
Engineering and
Construction**



Fund good jobs.

Growing successful small businesses,
creating good local jobs.

283 4th St., Ste. 101 Oakland, CA 94607

PHONE: (510) 271-0142

FAX: (510) 271-0168

EMAIL: info@innercityadvisors.org