**Colorado Enterprise Fund**

www.coloradoenterprisefund.org

*The Colorado Enterprise Fund (CEF) was founded in 1976 as a non-profit lending source specializing in loans up to $250,000 to support small business. Many small businesses that are not able to receive traditional bank financing can get support through CEF. By offering loans, guidance, training, and resources to small and emerging businesses, CEF is an important conduit to local community vitality and economic development in Colorado. CEF has lent $21 million since 1990; 52% of these loans were to women, 28% to minorities, and 56% to low-income people.*

This case study demonstrates **achieving growth through changing the staffing model.**

**Action:**

The recession and financial crisis of 2008 to 2009 opened many new opportunities for Colorado Enterprise Fund and increased overall loan demand. In order to meet that demand, CEF worked on a strategic plan in 2010 and changed its staff structure to accommodate further growth.

**Process:**

* In 2010, CEF had 11 employees and nearly all of them reported to the Executive Director. This created bottlenecks in decision making and frustrated staff. The Executive Director was left with little or no time to do the leadership tasks the Board felt she should be doing.
* In 2011, CEF hired Consulting for Change, a management consulting firm specializing in CDFIs, to lead it in a strategic planning process. During this process, Consulting for Change presented the “Four Stages of CDFI Growth” and the staff and Board identified that the organization needed to transition from a Stage 1 (startup) to a Stage 3 (institution) staffing model This change would create new business line directors at CEF that report to the Executive Director. Entry and mid-level employees would report to the business line directors instead of to the Executive Director.
* The staff was reorganized into four departments: Lending, Development & Marketing, Business Advisory Services, and Finance & Administration. The heads of these four departments are now the only ones reporting directly to the Executive Director and the organization has grown to fifteen employees and a number of contract employees.

**Outcomes:**

* CEF reports that the new organizational structure is working very well. One result of the new structure is that the organization has more time to create partnerships and seek out new funding. CEF was a successful applicant for Healthy Foods Financing Initiative – Financial Assistance Program in 2012, because they had the time to learn about the market and forge new partnerships with a community health foundation, the city of Denver, the state, banks, foundations and other organizations.
* CEF has launched a Business Advisory Services line of business to help customers maximize profitability and promote their business. This work is mainly done through workshops and one-on-one coaching.

**Organization Profile:**

**Founded:** 1990

**Type of CDFI:** Loan Fund

**Target Market:** Entrepreneurs and small business owners throughout Colorado

**Types of Lending:** Microloans, Business loans

**Asset Size:** $10,885,754 (2011)

**No. of Employees:** 15