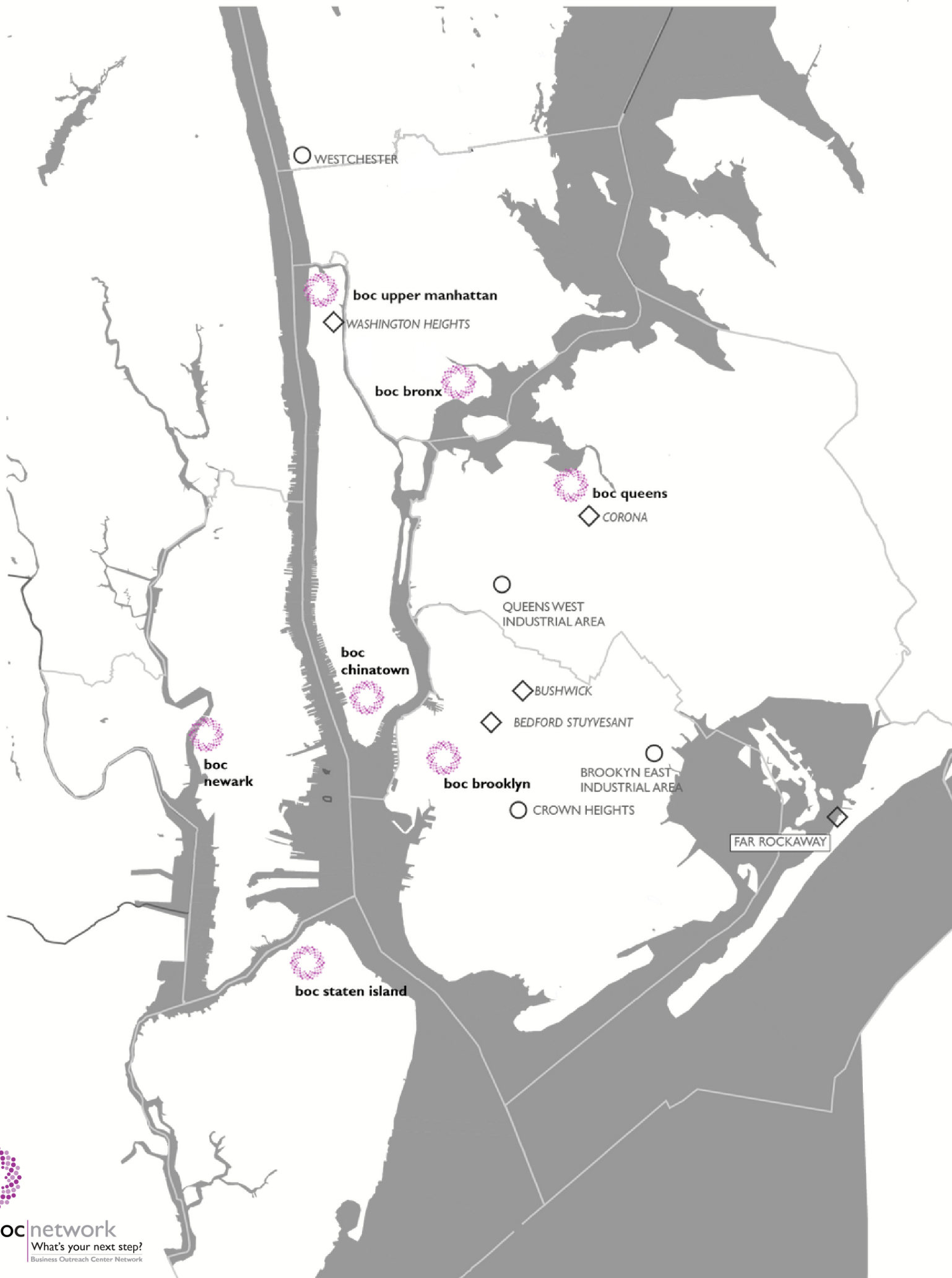




# 2020 ANNUAL REPORT







*A message from our*

# EXECUTIVE DIRECTOR



At the heart of our mission is the belief that people and their communities share a common goal: to achieve economic stability and growth. To support this goal, we work closely—and in partnership—with many diverse business owners and entrepreneurs to grow successful enterprises within their communities. At the Business Outreach Center, we are committed to serving entrepreneurs of color and local small business owners in all five boroughs across the city to create brighter futures for themselves, their families, and their communities.

This year, small businesses were tested in ways no one could have imagined. In February of 2020, news of the deadly COVID-19 virus and its spread began to make headlines. Over the course of five months, cities like New York were impacted with lockdowns, mask mandates, supply chain shortages, and personnel issues. Every business—large and small—was forced to reevaluate. At BOC Network, we are proud to have been there for our communities every step of the way.

At the forefront of policy updates and relief, BOC business counselors worked around the clock to ensure clients were able to receive the relief they needed. From hands-on support with technology tools and safety resources to federal Paycheck Protection Program Loans and Economic Injury Disaster Loans, BOC assisted thousands of New York City and surrounding area businesses with the help they needed.

Alongside responding to the global pandemic, BOC aligned itself with the movement by calling on the country to value Black and Brown lives, both in its messaging and dedicated efforts to support entrepreneurs of color.

In this annual report, we celebrate the success of our businesses like CleanWork Solutions in the Bronx, Verdugos in East New York, and Liebre Café in Brooklyn. By highlighting a few of our client's stories, we aim to further indicate how important the work of BOC Network and BOC Capital is to our community's growth.

*-Nancy Carin*

"The BOC Network stands with our black employees, small businesses, and communities in the fight against racial inequality and its legacy of wealth inequality. Economic disparity goes hand-in-hand with deep-seated racial injustice, leading to generations of harm to Black communities. The fight against social injustice is critical to our work to build inclusive local economies. BOC Network reaffirms its mission to work in partnership with diverse communities to bring an end to systemic racism and advance economic justice and to create a fair and just society for all. We are here to say Black Lives Matter." – A message from the BOC Team

**BOC NETWORK: A model and strategy that works.**

Our proven and cost-effective service model is designed to support entrepreneurs and small businesses at every stage of business development. Our customized coaching approach provides the assessment, feedback, accountability, and support to drive long-term business results. Not only do our clients excel as committed entrepreneurs, they also hire locally and create jobs in underemployed communities. Over the past 23 years, we have helped thousands of minority-, women-, and immigrant-owned businesses across New York City, providing hands-on, multilingual technical assistance, customized small-business training, access to the capital they need, and much more. Annually, we provide one-on-one business assistance to over 1,300 new clients. Over 3,000 entrepreneurs participate in our workshops. And, we help clients access loans and grants that facilitate start-up, growth, and contract opportunities, saving and creating hundreds of businesses and jobs.



**BOC CAPITAL: Providing the funding that creates jobs.**

Our loan program, BOC Capital, has helped BIPOC-owned small businesses grown dramatically over the past two decades. Bridging the need for financing, BOC Capital connects local businesses with opportunity capital to manage contracts and achieve sustainable growth. BOC Capitals' hands-on financial management and expert construction along with industry-specific technical assistance enables high potential businesses to grow.



In an effort to create success and prosperity, both BOC and entrepreneurs work hand in hand to employ underserved individuals and provide micro-loans, support, resources, linkage, services. Through these efforts, BOC promotes and supports entrepreneurs of color, good jobs, local wealth creation, and economic growth. As the COVID-19 pandemic took hold in 2020, BOC Capital pivoted to provide relief and recovery financing through a new Entrepreneurs of Color Relief Fund and the SBA Paycheck Protection Program. In total, BOC has provided over \$42 million in loans since our inception — creating community wealth, empowering individuals, and creating and preserving jobs for disadvantaged minority and immigrant workers.



"BOC adds substantial value to our neighborhoods and communities by supporting business growth and development, job creation, and the overall economic growth and well-being of the neighborhoods it serves. New economic activity from all segments of our community must be nurtured, creating a vibrant community that benefits all."

-Leslie Winter, BOC Network Board Chair





More than 17,000 aspiring and existing small business owners have been individually assisted by our staff and many more have attended our workshops and networking events.

BOC helps to re-circulate capital through neighborhood economies and in so doing, helps to revitalize whole communities.

During the height of one of the worst global catastrophes, BOC served as a local strategic partner and resource for underserved communities—including women, minority and immigrant entrepreneurs. Most often, it is our personalized counseling and proven business model offering broad access to resources, financial assistance and a truly collaborative partnership that is cited as the reason our local businesses has survived and thrived during a global-wide pandemic.

Providing 24/7 one-on-one business support for our clients in these uncertain times, we help with all aspects of both running and sustaining a business; from business assistance and funding to ongoing case management and everyday consultation. We connect our entrepreneurs to the full complement of business assistance services and guide them through the process of starting and developing their enterprises, then follow up with them as they progress and their needs evolve.

As proven during the COVID-19 pandemic, we pride ourselves in being a neighborhood powerhouse and we're there for the long haul. A key driver of business acceleration and connections in addition to the everyday support, training and quality control that is inherent in our business model, BOC serves as an interactive forum for sharing technology and resources across community and cultural lines, enabling local entrepreneurs to familiarize themselves with the latest business practices and grants, to forge links with mainstream services, mentors and markets, and gain access to new business-development opportunities.

### **HELPING SMALL BUSINESSES – AMERICAN STYLE**

Maintaining a business in New York City for immigrant and minority entrepreneurs due to the language barrier. However, trying to keep their businesses afloat in the epicenter of the COVID-19 pandemic has proven to be a much greater struggle. To help local entrepreneurs get a step up on the economic ladder while applying for relief funds and grants, BOC offers topical workshops in multiple languages, including (but not limited to) Spanish, French, and Nepali.

Our staff, along with industry experts, cover the essential elements of business credit, government regulations, insurance and legal issues, accounting and taxes, procurement, Human Resources and technology, as well as planning and marketing. It's part of our continuing effort to help small business owners build their businesses, create jobs and make significant contributions to their local economy and society while maintaining our ongoing effort to seeing them through the unforeseeable future. We encourage our clients to think of us as part of the support for their business – impartial and unbiased advisors whose basic services are free and whose guidance and advice can make all the difference to the success of their enterprise. They know we are committed for the long term and will continue to provide the support and resources to help their business survive and grow through these unprecedented times.

## BOC NETWORK & BOC CAPITAL

### *Creating Wealth in Our Diverse Communities*

The financial health and well-being of our communities depend on the vitality of local small businesses. By helping to close the credit and technical-assistance gap that limits the growth potential and job-creation capacity of minority and immigrant entrepreneurs, we provide the essential missing link to hard-working men and women who operate outside the mainstream and whose businesses are an important source of jobs in disadvantaged communities.

Working with our network of collaborating member organizations, linkage partners, employees and volunteers, BOC helps to connect local entrepreneurs to the full complement of business assistance services, as well as financial, legal, and other important resources to help their businesses thrive and grow. In other words, the BOC Network makes connections that make the system work for local entrepreneurs, communities, regions, service providers, and the economy as a whole.

### *A proven service model for local businesses and community empowerment.*

BOC Network is well known for its service model, supporting entrepreneurs at every stage of business development. More than just a conduit for channeling technical assistance to disadvantaged communities, our highly-replicable business revitalization strategy — based on community outreach, personalized counseling and quality control throughout the entire service/delivery process — has proven to be a model for the nation as a whole.

Speaking the languages of the communities we serve, our individual BOCs extend a guiding hand to local entrepreneurs whose challenges are many and resources few. Embedded in each of the communities we serve, our BOC centers help community-based entrepreneurs become educated and empowered, enabling them to become energized partners in supporting and expanding employment opportunities, and ultimately, promoting the economic development and well-being of their communities.

Clients have accessed over **\$42 million** dollars in small business financing through CDFI BOC Capital Corp.

- 1** Assessing a client's needs.
- 2** Personalized counseling and consulting.
- 3** Connecting clients with the right resources.
- 4** Tracking results to ensure future success.



# BOC CAPITAL

BOC Network is an affiliate of BOC Capital. BOC Capital's mission is to improve the economic prospects of traditionally underserved groups, with a focus on low and moderate-income entrepreneurs and their communities, and thereby creating genuinely brighter futures. At the heart of our mission is the belief that whatever their differences, people and communities share a common goal: to achieve economic stability and growth. Working in partnership with culturally diverse individuals and organizations in support of shared goals for equitable economic development and community-based job creation is the hallmark of BOC.

In addition to traditional business loan opportunities, BOC Capital introduced the Entrepreneurs of Color COVID-19 Relief Fund with philanthropic support.

**350** loans made last year through BOC Capital...

**1,677** clients served this year through micro-enterprise counseling.

**3,040** participants a year in our multi-language workshops.

**\$4,048,519** in Paycheck Protection Program Phase I loans through BOC Capital.

**\$8,329,685** CDFI loans made through BOC Capital.

**\$42+ Million** in micro and small business loans since 2001.

*BOC joins the*

## NATIONAL ASCEND CITIES INITIATIVE

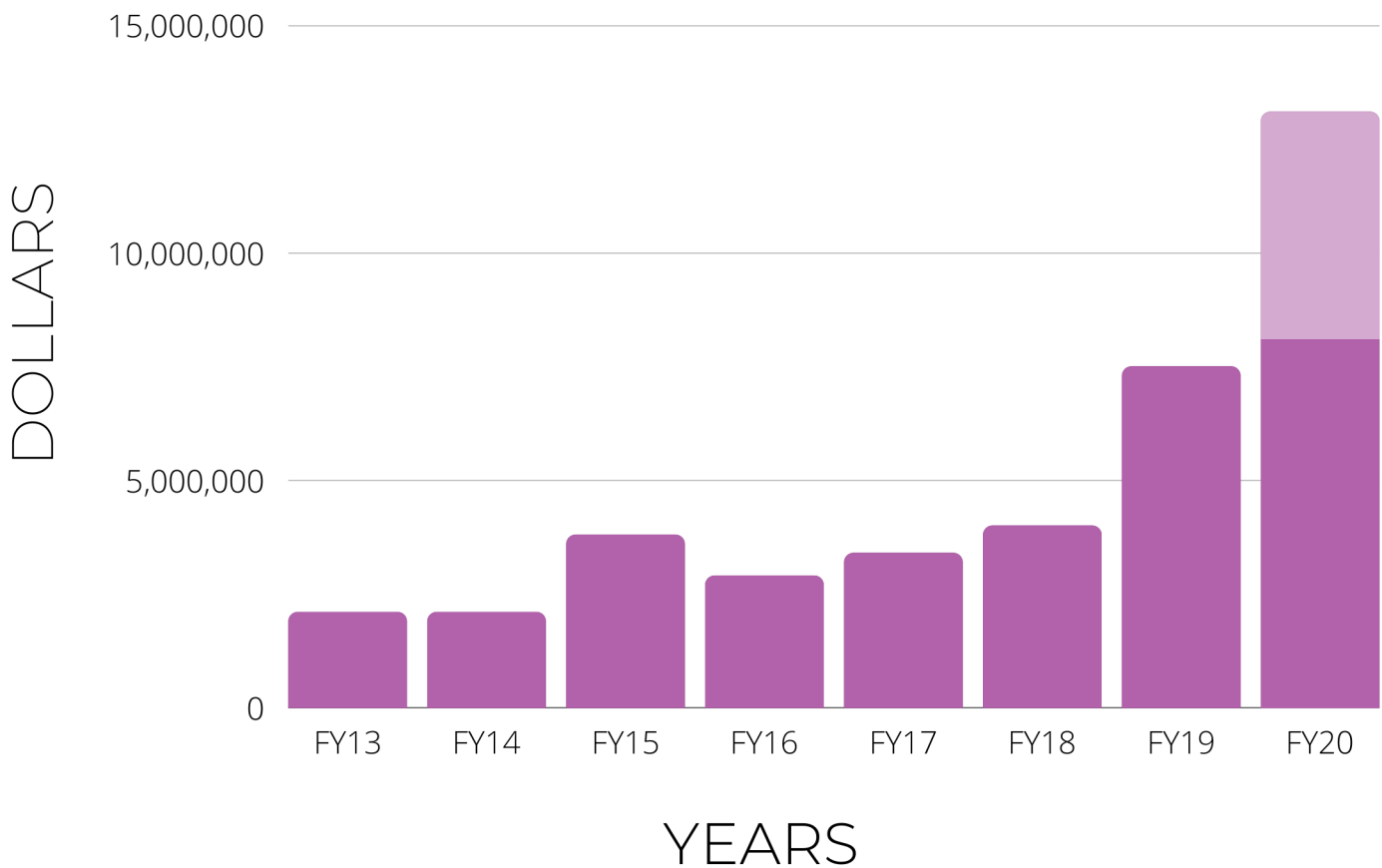
Developed by the University of Washington Foster School of Business Consulting & Business Development Center and powered by JPMorgan Chase's Small Business Forward Initiative, Ascend grows businesses owned by people of color and businesses in inner-city communities by building local networks in major metropolitan areas across the US.

BOC Network became the lead for Ascend NYC to accelerate the growth of Black- and Latinx-owned businesses in the Bronx through a 3-M model (Money, Markets and Management). The Ascend NYC Collaborative consists of Business Outreach Center Network, Bronx Cooperative Development Initiative, CUNY Bronx Community College, and BOC Capital Corp. CDFI.

# BOC CAPITAL SMALL BUSINESS LENDING

More than 93% of BOC Capital's loans are made within its CDFI Target Market.

## BOC Capital Lending Volume

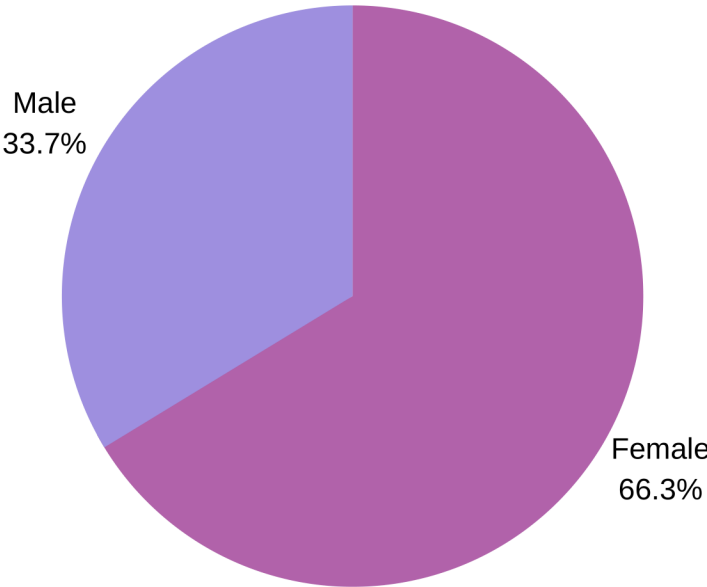




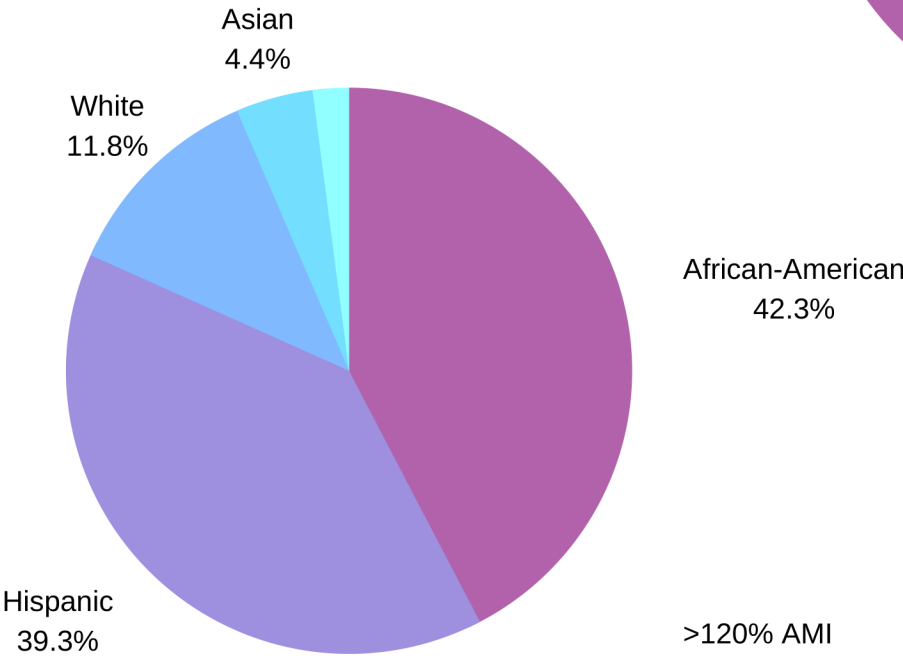
# BOC CAPITAL

BOC Capital is certified as a CDFI providing service to more than 1,000 beneficiaries in the fiscal year 2020.

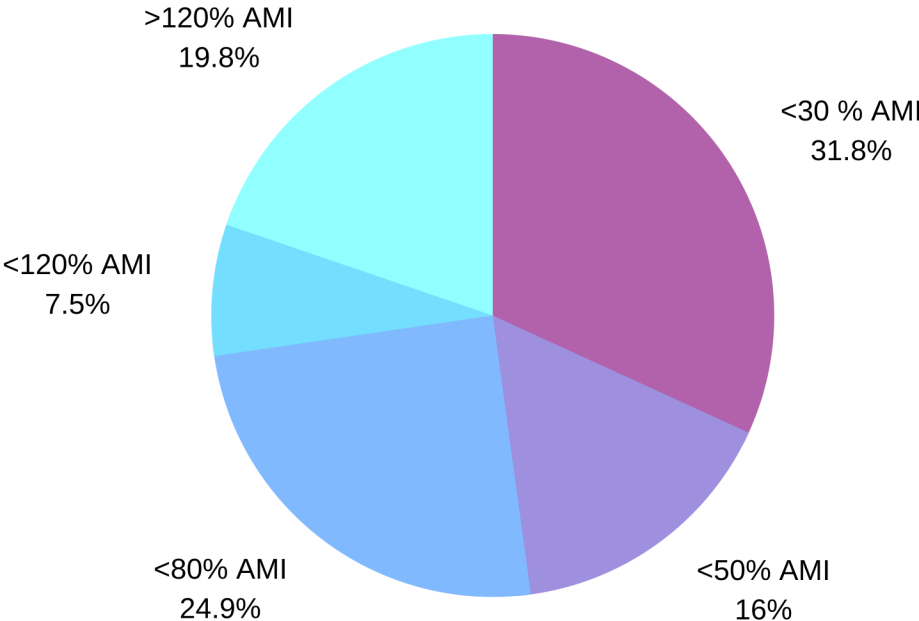
## GENDER



## RACE & ETHNICITY



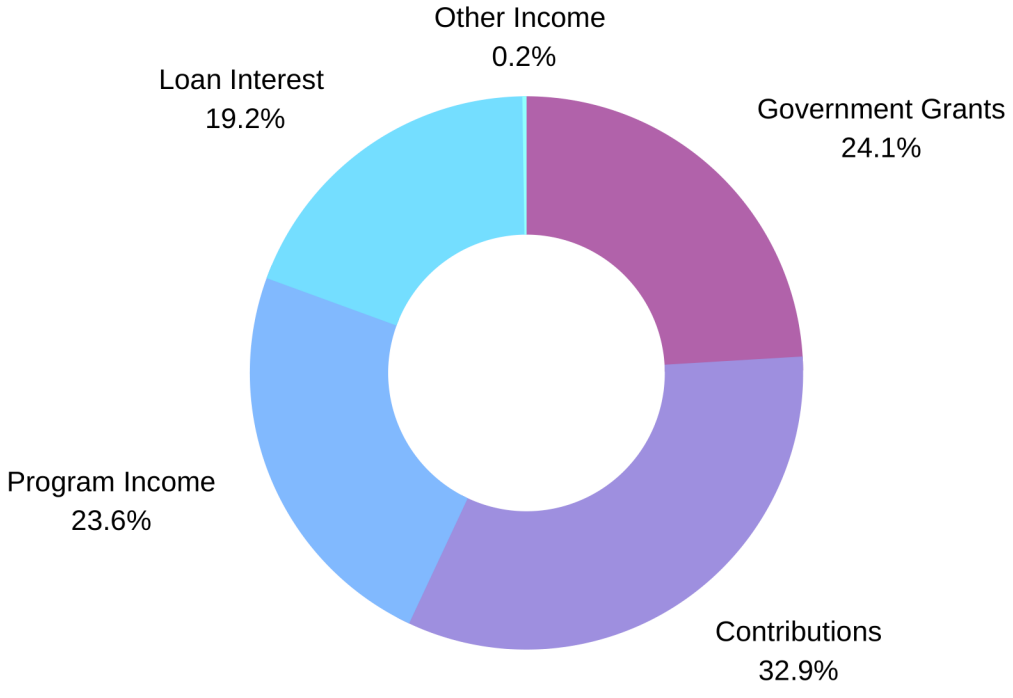
## INCOME



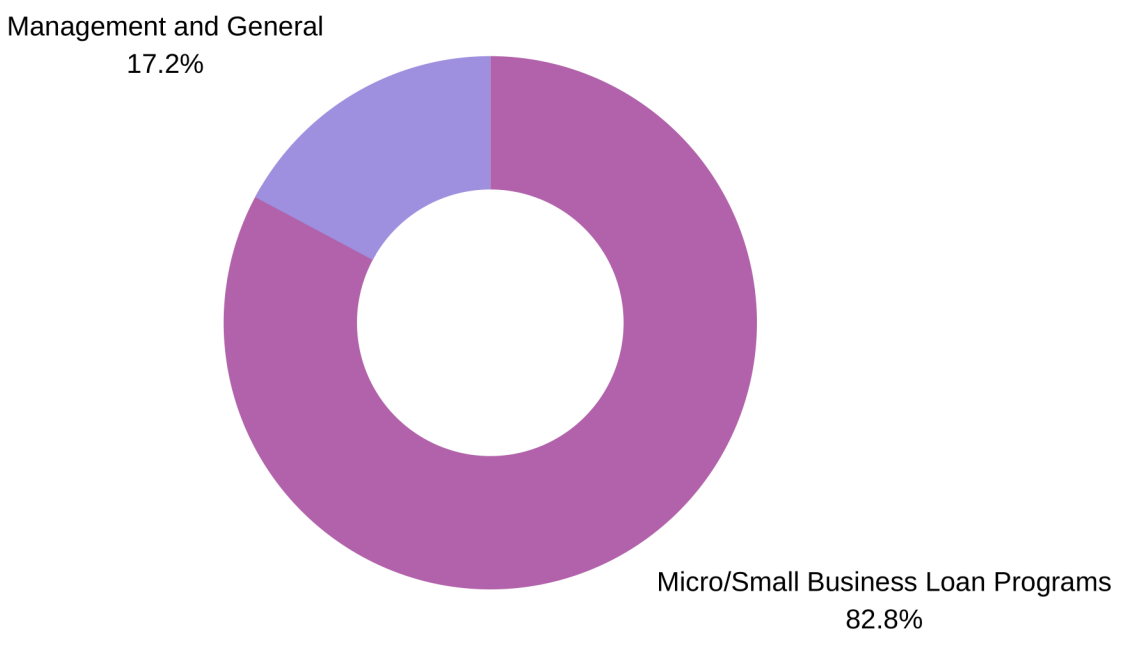
# BOC CAPITAL

## CONSOLIDATED FINANCIAL OVERVIEW

### SOURCES



### USES





# BOC CAPITAL

## REVENUE | EXPENSES | CHANGE IN ASSETS

*Fiscal Year 2019-2020*

| REVENUE                            | BOC NETWORK            | BOC CAPITAL            | BOC DEVELOPMENT      |
|------------------------------------|------------------------|------------------------|----------------------|
| Government Grants (& contracts)    | \$ 2,850,804.00        | \$ 796,559.00          | \$ -                 |
| Contributions                      | \$ 1,082,222.00        | \$ 1,090,500.00        | \$ -                 |
| Program Income                     | \$ 267,426.00          | \$ 781,351.00          | \$ 208,693.00        |
| Interest Income                    | \$ 110.00              | \$ 12,524.00           | \$ 2.00              |
| Loan Interest: Clients             | \$ 13,614.00           | \$ 635,680.00          | \$ -                 |
| In-Kind Services                   | \$ 75,120.00           | \$ -                   | \$ 61,940.00         |
| Other Income                       | \$ -                   | \$ 8,000.00            | \$ 15,604.00         |
| <b>TOTAL REVENUE &amp; SUPPORT</b> | <b>\$ 4,026,794.00</b> | <b>\$ 3,324,614.00</b> | <b>\$ 286,239.00</b> |

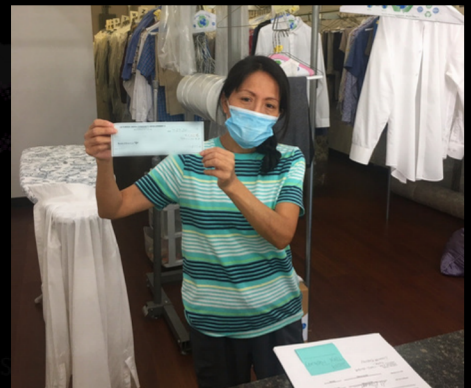
| FUNCTIONAL EXPENSES                | BOC NETWORK            | BOC CAPITAL            | BOC DEVELOPMENT      |
|------------------------------------|------------------------|------------------------|----------------------|
| Industrial Business Services       | \$ 739,630.00          | \$ -                   | \$ -                 |
| Micro/Small Business Development   | \$ 2,349,098.00        | \$ -                   | \$ -                 |
| Micro/Small Business Loan Programs | \$ -                   | \$ 1,329,586.00        | \$ -                 |
| BXL Program                        | \$ -                   | \$ -                   | \$ 330,311.00        |
| Management and General             | \$ 588,881.00          | \$ 276,053.00          | \$ 25,844.00         |
| Fundraising                        | \$ 25,265.00           | \$ -                   | \$ -                 |
| <b>TOTAL FUNCTIONAL EXPENSES</b>   | <b>\$ 3,702,874.00</b> | <b>\$ 1,605,639.00</b> | <b>\$ 356,155.00</b> |

|  | BOC NETWORK            | BOC CAPITAL             | BOC DEVELOPMENT     |
|--|------------------------|-------------------------|---------------------|
| Change in net assets                   | \$ 323,920.00          | \$ 1,718,975.00         | \$ (69,916.00)      |
| <i>Percent change</i>                  | 17.0%                  | 49%                     | 56%                 |
| Total Assets                           | \$ 3,336,420.00        | \$ 20,460,146.00        | \$ 75,667.00        |
| Total Liabilities                      | \$ 1,080,890.00        | \$ 15,243,040.00        | \$ 269,086.00       |
| Total Net Assets                       | \$ 2,255,530.00        | \$ 5,217,106.00         | \$ (193,419.00)     |
| <b>TOTAL LIABILITITES + NET ASSETS</b> | <b>\$ 3,336,420.00</b> | <b>\$ 20,460,146.00</b> | <b>\$ 75,667.00</b> |



## Highlighting

# BOC CLIENTS



Our mission is to improve the economic prospects of traditionally underserved groups with a focus on low- and moderate-income entrepreneurs and their communities, and thereby creating genuinely brighter futures.

In early 2020, the COVID-19 virus began to pose a threat to our community and clients. As the pandemic intensified, so did the disproportionate impact on local small businesses owned by people of color. BOC Network clients were among those most affected, as employee safety took center focus and storefronts were forced to close. At BOC, our prompt response to the ever-changing landscape of policy and relief funding helped Cares Act financing reach neighborhood small businesses, helping employee retention and the viability of many businesses in the long run. BOC designed and delivered specialized financing programs for childcare micro-enterprises and entrepreneurs of color.

Over the course of this year, we helped BOC clients retool their business model, navigate PPP lending, develop digital footprints, gain relief loans and grants, and in some cases, grow their business in new directions. At BOC, our clients become family and their survival and continued success inspires us all. Take a look at a few of our BOC entrepreneurs.



# *Verdugos General Contractors Corp.*

## MARCO VERDUGO

Founded in 1998 by 100% owner Marco Verdugo, an Ecuadorian immigrant with over 30 years of experience in the construction industry as a supervisor and foreman, Verdugos General Contractors Corp. is a bonded, full-service general contractor based in East New York. The company currently supports 7 full-time employees and 11 part-time staff, including engineers, office personnel, and construction professionals. Additionally, Mr. Verdugo has supported multiple family members in getting engineering master degrees who are now helping grow the business.

As a business focused on New York City public works projects, Verdugos GC Corp. recently won a prime contract for \$7.7M to rebuild Abraham Lincoln Playground with New York City Department of Parks & Recreation. Although this contract represented a great opportunity for the company to continue growing, the capital requirements required to mobilize on the contract were substantial. A contractor might pay nearly \$1M out of pocket for a project before receiving any payments on a contract of this size!

Marco and his team reached out to the BOC industrial program which helped the company access the Contract Financing Loan Fund through BOC Capital. As a result, Verdugos GC Corp. was able to access a low cost (3%) credit line for \$500,000 to mobilize and meet payroll requirements for operating on this contract. Without this credit line the business may have not been able to take on this project. Verdugos GC Corp. is now successfully performing on the job and payments have begun to come in which has allowed the company to hire more people and continue to bid on additional jobs.



Verdugos GC was able to access a BOC Capital opportunity loan for \$500,000 as a prime contractor for NYC Parks.

[www.verdugosg.com](http://www.verdugosg.com)





## CleanWork Solutions

# DIANE MOORE

Diane Moore, owner of CleanWork Solutions, is a lifelong Bronx resident who founded CleanWork Solutions to become her own boss. CleanWork Solutions is a certified MWBE that provides environmentally friendly commercial cleaning and janitorial services while paying livable wages to individuals facing employment barriers across New York City.

Diane came to BOC Network in October 2017 as a cohort member of the Good Jobs and Community Wealth Building Initiative, a partnership between BOC Network, BronxXchange and the Mayor's Office of Workforce Development. The initiative provided innovative management training through the BOC Business Peer Exchange.

As a participant in the Good Jobs Initiative, Diane focused on improving her HR management. She wanted to cultivate employee buy-in and minimize employee turnover. Diane re-evaluated her current team and began delegating solo work to staffers who performed poorly on team projects. There was noticeable improvement in employee engagement and organization turnover decreased.

CleanWork Solutions has experienced 400% revenue growth (2017-2019). Between March 2019 and July 2019, Cleanwork Solutions has expanded from 4 to 23 employees with wages ranging from \$15 to \$39 per hour. Employees receive additional on-the-job training allowing them the potential to move into supervisory roles within the company.

Now, hiring practices focus on socially-driven workforce development and career training programs located in low-income neighborhoods... CleanWork Solutions Inc. regularly hires formerly incarcerated individuals through partnerships with community-based organizations such as 'Exodus Transitional Community' in Harlem, an organization committed to combating recidivism rates.

In 2019, Diane founded a second business, a janitorial supply distribution company called The Klean Depot. Through the initiative, CleanWork Solutions was able to secure a \$40,000 sanitization contract with the Wildlife Conservation Society, sanitizing the bathrooms of the NY Aquarium. This is an ongoing 7-day-a-week contract that lasts until December 2020 with a potential to extend depending on the current climate. Diane Moore will be renting her equipment to her cleaning company CleanWork Solutions to perform the work at the Aquarium.

Diane approached BOC Capital in June 2020 to access \$10,000 in financing to purchase sanitizing machines to perform deep sanitization work. BOC Capital was able to provide the requested financing at \$10,000 through the Entrepreneurs of Color Loan Fund, resulting in a 12-month term loan at a 3% interest rate. Furthermore, this loan was enrolled in the SBA debt relief program, providing coverage for the first 6 months of the loan term.



BOC Capital was able to provide the requested financing at \$10,000 through the Entrepreneurs of Color Relief Fund.

[www.cleanworksolutions.com](http://www.cleanworksolutions.com)

## Liebre Café

# PATRICIA & HERMANN MEJIA

Patricia Mejia and his brother Hermann Mejia, owners of "Liebre Café," purchased their business in the fall of 2019 with the help of BOC Network.

Patricia and Hermann found BOC through the SBA website and called to schedule an appointment to seek business counseling on April 1st of 2019. During the intake session, they expressed their interest in starting a coffee shop. BOC Counselor Gerardo Rodriguez worked with them to understand business structures and their advantages, the challenges of the retail sector in New York City, financing options, the necessity to create a partnership agreement, the possibility of buying a business, and the urgency of looking for viable commercial spaces in their area of interest.

Just a few weeks after the intake session, Patricia and Hermann found an opportunity to buy an existing coffee shop. Gerardo helped the Mejia siblings evaluate their partnership opportunities and determine what financing options they had available. One of the main problems when buying a small business is obtaining the existing business' information. Without that information, the ability to determine the viability of the acquisition was slim. Gerardo guided Patricia and Hermann in conversations with the seller and ultimately found the records needed to move forward. After various processes with the lease, financing, drafting the legal documents for the closing. Patricia and Hermann opened "Liebre Café" on November 1st, 2019.

Patricia and Hermann have received more than 60 hours of technical assistance in topics like regulations, business plans, partnership agreements, business registration, market research, and loan packaging. Since we met Patricia and Hermann, they had demonstrated their commitment and their focus to succeed in their business.

"It's incredible how I came to BOC with a business idea, and now I have an operating business. Every entrepreneur should seek advice to expand their horizons and how to identify a viable business. I'm truly thankful for the advice, guidance, and all the help along the process". Patricia Mejia

Once COVID-19 halted the operations of small businesses, Gerardo reached out to Patricia on March 18th, 2020, and she expressed her nervousness about the unknown regarding COVID-19. She said, "I'm just starting and I do not feel confident enough to run my business in these conditions". At that point, Liebre Café remained open but they reduced the work schedule, laid off 2 part-time employees, removed the chairs and tables to avoid clients staying at the coffee shop, and they talked with the landlord who was willing to do a short-term rent payment arrangement. Gerardo informed Patricia about the SBA and SBS loan assistance programs and government loan products available.

Gerardo guided the Mejias on how to define the fund amount needed to maintain administrative expenses through COVID-19 and guided them on how to apply for the SBA EIDL. Once BOC Capital had the PPP readily available, Gerardo assisted her to package the two rounds of PPP for a total of \$15,968.57!



"Every entrepreneur should seek advice to expand their horizons and learn how to identify a viable business. I'm truly thankful for the advice, guidance, and all the help along the process."  
-Patricia Mejia

[www.liebrecafe.com](http://www.liebrecafe.com)

PAR ROCKAWAY



*From all of us at BOC...*

# THANK YOU

## **BOC NETWORK BOARD OF DIRECTORS**

D. Leslie Winter, Board Co-Chair  
 Gregory J. Liberty, CPA Board Co-Chair, Treasurer  
 Walter Sweet, Secretary, Rockefeller Philanthropy Advisors  
 Daniel Liu, Customers Bank  
 Eileen V. Thornton, Key Bank  
 Michael Mueller  
 Nkonye Okoh  
 Nicole Roco  
 Kunal Verma  
 Nancy Carin, Executive Director of Business Outreach  
 Center Network/BOC Capital Corp.



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Steven Gomez, Executive Director, Greater Newark  
 Enterprises Corporation

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 Bellevue/NYC Program for Survivors of Torture  
 Bronx Cooperative Development Initiative  
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 Consortium for Worker Education  
 CUNY Bronx Community College  
 CUNY Professional Development Institute  
 EWWIDCO  
 International Rescue Committee  
 Lift Fund Consortium  
 Mayor's Office of Minority and Women-Owned Businesses  
 Pratt Center  
 Ridgewood LDC  
 SBIDC  
 SolarOne  
 Start Small Think Big

## **BOC PARTNERS**

Women's Enterprise Development Center  
 Maspeth Industrial Business Association  
 Hofstra University Business School

## **BOC CAPITAL CORP LOAN COMMITTEE:**

David Acevedo, Key Bank  
 Brian Blake, Morgan Stanley

## **SPECIAL THANKS TO**

Greg Liberty

## **BOC MEMBERS**

*Chinatown, Manhattan*  
 BOC/CMP  
*Newark, NJ*  
 BOC/Greater Newark Enterprises Corporation  
*Staten Island*  
 BOC/West Brighton Community Local Development Corp.

## **BOC LOCATIONS**

*South Bronx, NY*  
 Bronx BOC/ BXL Business Incubator  
*Corona, Queens*  
 Queens BOC/ Business Outreach Center  
*Manhattan, NY*  
 Minority Business Development Agency (MBDA) Business  
 Center  
*Fort Greene, Brooklyn*  
 North Brooklyn BOC/ Business Outreach Center

*From all of us at BOC...*  
**THANK YOU**



**GOVERNMENT**

- NYC Mayor's Office
- NYC Council
- NYC Economic Development Corporation
- NYS Assembly
- NYC Small Business Services
- U.S. Small Business Administration
- Empire State Development
- U.S. Department of Commerce, Minority Business Development Agency
- U.S. HHS, Office of Refugee Resettlement
- U.S. HHS, Office of Community Services
- U.S. Department of Commerce, CDFI Fund

**BANKS/FOUNDATIONS**

- Union Bank
- Capital One
- JPMorgan Chase
- Hofstra University
- Bridgehampton National Bank
- Valley National Bank
- Bank of the West
- Santander Bank
- Wells Fargo
- HSBC Bank
- Bank of America
- Customers Bank
- Bank United
- Ponce de Leon
- Citi

**OTHER**

- Hofstra University





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