



Case Study:

Enhancing Business Success Through Silver Lining Finance Pilot

October 2023



Overview

This case study highlights the transformative journey of the Association for Enterprise Opportunity (AEO)'s second iteration (Cohort 2) of its Silver Lining Action Plan (SLAP™), a 13-month initiative providing tech solutions to help Black female Small Business Owners build profitable and sustainable businesses. Building upon lessons from Cohort 1, the pilot aimed to foster growth among Black female Small Business Owners seeking access to capital to start or grow their business across our funder's geographic span. The program offered personalized business coaching, strategic planning, and data-driven guidance through its online platform, [SLAPcenter™](#), testing a behavioral lending model as an indicator for business success and loan repayment.

Program Launch and Objectives

The SLAP™ pilot aimed to test Silver Lining's behavioral lending model and its impact on improving access to capital and business growth goals for Black women-owned businesses. Cohort 2 commenced in March 2022 following programmatic learnings and insights from Cohort 1 in 2021.

The initiative sought to enroll 20 Black female Small Business Owners within our funder's reach with a central focus on leveraging the Silver Lining Finance model, providing tailored guidance, coaching, and lending support to amplify business models and bridge the gap to essential capital. This comprehensive approach aimed to foster sustainable growth and improved outcomes for the participating Small Business Owners.

Key Achievements

When comparing the first and second cohorts, the second cohort achieved the following through targeted program modifications:

- Surpassing program enrollment goals; more than 40 small business owners interested with ultimately 22 enrolling despite the program only having 20 spots.
- 32% increase in participation on calls with SLAPexperts (called "mindset calls") and a 15% increase in strategy calls.
- Ongoing engagement in services even after required programming deliverables were met; 47.6% remained actively engaged after six months of program conclusion.
- Increase in receptiveness and perception of the value of coaching, demonstrated by a higher rating of coaches (64% vs. 100%).

Lessons and Recommendations for Trusted Guidance Providers:

Several factors led to the success of this program which offer meaningful and impactful recommendations for other program designers to consider, these include:

- **Cultural representation matters:** In the second pilot, AEO worked with Silver Lining to drastically shift the cultural representation of the staff assigned to this project. Leveraging insights from our “Reimagining Technical Assistance” report, AEO believed that cultural representation would allow Small Business Owners to feel understood, respected, and supported in ways that those without similar lived experiences are unable to do. As a result, AEO recommended that all business experts and support staff associated with this program be representative of the business owners engaged in the program. As the data above indicates, our hypothesis was correct – we noticed an immediate impact on the engagement and interest of Small Business Owners.
- **Onboarding needs to be short and timebound:** Between our pilots, we tested whether Small Business Owners who engaged within a specific timeframe were more likely to remain engaged throughout the program. Silver Lining requires that small businesses complete several onboarding activities to participate in the program. In our first pilot, there was no clear expectation or deadline for the completion of this task, which led to business owners lacking motivation and guidance. AEO recommended that the timeline be explicitly communicated to Small Business Owners and adjusted to fit the benchmark that indicated the likeliness of success, specifically limiting onboarding to 21 days. The result was a highly engaged group who successfully completed all program elements throughout the tenure of the 13-month program.
- **Improved business owner-centric communication:** AEO worked with Silver Lining to reframe its marketing collateral and all business owner communication, leveraging insights from Behavior Change Science, which recommends clear, concise, and value-led communication. In our second pilot, the program messaging was enhanced to feature the value of both capital and trusted guidance so that Small Business Owners could clearly see how their engagement in the program would directly impact their business. The goal was to position the program as a solution to their unique problems rather than a series of program offerings. The result was higher engagement during recruitment and better awareness and utilization of all program offerings.
- **Community-based group discussions create additional value:** In our second cohort, AEO recommended “Money Talk” sessions to delve deeper into the importance of speaking openly and honestly about financial topics, including considerations for accessing capital. Silver Lining leveraged its in-house expertise, including that of the CEO and Founder, **Carissa Reiniger**, to provide more meaningful support to Small Business Owners. We noticed that in contrast to the first pilot, business owners from the second pilot were highly engaged and interested in these sessions, motivated by the community of like-minded and similar-stage businesses, and more committed to their program goals.

Lessons and Recommendations for Capital Providers:

Through these pilots, AEO was also able to identify important lessons and recommendations for consideration by capital providers. While 5 Small Business Owners secured \$96,652 through Silver Lining loans, there are still more lessons to be learned. These include:

- **Beyond access to capital, Small Business Owners also seek trusted guidance:** While capital access remains a leading challenge and barrier for business owners, primarily Black women Small Business Owners, participants in the program found the most value in the trusted guidance provided by Silver Lining. This finding resonates with other work AEO has done in this space, which recurrently flags the importance of capital in conjunction with trusted guidance, primarily so that Small Business Owners can learn when loans make the most sense and prepare for their successful repayment.
- **A credit gap persists:** This program contributed to several other reports in which AEO has found that the credit needs of most small businesses exceed the total amount of loans they receive/qualify for. Greater support for Small Business Owners to seek right-fit capital could raise awareness of the opportunity presented by the program's lending model and increase Small Business Owners' engagement in the program.

Key Recommendations:

For organizations looking to implement a similar program, here are some recommendations for the recruitment of applicants, onboarding of participants and overall program design.

Recruitment and Onboarding:

- Provide program applicants with comprehensive program aspects, outcomes, requirements and partner/organization details upfront.
- Offer applicants 1-1 assistance with the application process.

Program Design:

- Make calls easier to attend and participate in. Includes use of calendaring tools and reminders.
- Recruit more strategists from the U.S.
- Redesign program quarters to match fiscal quarters.
- Be intentional when matching participants with a business coach.

1310 L Street NW
Suite 820
Washington, DC 20005

202.650.5580
info@aeoworks.org

