

Centennial Marketing Research Inc.



Access Community Capital Fund
Report
2017

Research Topic: “Understanding the Impact of Access Community Capital Fund on Community”

ACCESS Community Capital Fund is grateful for the support of



Table of Contents

Acknowledgement	3
Executive Summary	4
Introduction	5
Methodology	6
Results & Analysis	7
Conclusion	10

Acknowledgement

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Executive Summary

ACCESS Community Capital Fund requested assistance from Centennial Market Research Team to understand the impact of financial support provided to individuals from 2016 to early 2017. The profile of the data provided was 57% females and 43% males, following majorly in the income range of less than \$20,000 to \$39,999 and belonging to varied age group of 40-59 (55%), 30-39 (14%) and 18-29 (32%).

The purpose of the study was to analyse whether the funds borrowed helped individuals succeed in the planned project. Research objectives and methodology were jointly decided and agreed by both the parties. Of the entire unique data of 51 individuals, we received complete responses from 23 individuals. This report is based on the complete responses received.

Centennial Market Research Team collected required information by contacting all the individuals and gathering their feedback through survey forms. The survey highlights that over 78% of respondents have used ACCESS services in the year 2016-2017. The study draws attention to the fact that majority of the respondents (52%), borrowed funds to start a new business while 35% used funds to expand their business and another 9% of respondents utilised the funds for their professional development to get a job. The funds helped 13 individuals to keep their business operational while the rest were able to make some money or acquire a full time job to improve their lifestyle.

Further analysis reveals that respondents were attracted to ACCESS loan facility mostly due to the affordable interest rate and business mentorship / training services offered. Moreover, 96% of respondents are satisfied with the services provided by ACCESS while the 4% of respondents felt somewhat dissatisfied due to mixed communication experienced during the loan process.

The study concludes that ACCESS should provide clarity and expedite on loan processes, offer grants and provide platforms for business owners to network which may help them to find new partners. ACCESS can also offer advertising slots to current businesses for their product promotion. Additional support with regards to sharing regular financial tips and advice through weekly e-newsletter can also be considered by ACCESS for adding value to current services.

Introduction

ACCESS Community Capital Fund is a Canadian Registered Charity, established in 1999, with a motive to help promising entrepreneurs with viable business plans gain access to financing not available through other sources.

In 2016, ACCESS conducted surveys that indicated that clients were interested in smaller loans to test their business ideas or hone their skill sets to find better employment opportunities. This led the organization to create a new product: ACCESS' MiniMicroLoans, which were piloted in January 2016. Initially, small loans of \$500 allowed clients to buy equipment for their business or take a course to get a better job. This amount has since been increased to \$1000.

This year the organization enlisted the help of students from the Marketing Research & Analytics program at Centennial College to conduct research to measure the product's impact.

The purpose of this research is to evaluate the impact that ACCESS has had on the lives and well-being of clients who have taken out a loan or MiniMicroLoans.

Research Objectives:

- Measure customer satisfaction
- Analyze the customer segment and the purpose of utilising ACCESS services
- Evaluate the financial success of individuals who borrowed funds from ACCESS
- Determine the best channel used by clients to reach ACCESS
- Explore ways in which ACCESS services can be improved

Methodology

The duration of this study was one month. In order to achieve the research objectives mentioned, primary research was conducted through surveys. A questionnaire was designed with mutual consent and the survey was created using Google forms because it had the most flexibility in editing and storing the data collected in the cloud.

Furthermore, the survey was accessible by anyone on the team from anywhere on any device as long as there was internet available. This cloud based option made it easier for the team to collect the data, reach clients and discuss progress by ACCESS. A regular update on project progress was emailed to ACCESS on a weekly basis.

Survey distribution was done by the Centennial Team through a large email campaign using Google forms and the client database list from ACCESS Community Capital Fund. Firstly, individuals were contacted through emails to gather feedback and to boost the response rate further, all were directly contacted by phone.

Analysis of the collected data was conducted after data collection of an adequate sample size by using tools like Excel. All the received responses were compared, evaluated and conclusions were drawn on the basis of the insights received.

Results & Analysis

The results of the survey will be analyzed by covering each of the following survey sections: Application process, Background information and Demographic information.

Beginning with the Application process section and looking at the time of loans received, the survey indicated that 78% of respondents received their loans between 2016 (43%) and 2017 (35%). Another 13% received their loan in 2015 while the remaining 9% received theirs between 2010 and 2014. As to what they used their loan for, 52% responded that it was to start a business, 35% said it was to expand their current business, while 9% used their loan to find a better job.

Examining the impact the loan had on their finances, 57% said that their business is still running, 35% have made a small profit in their business after the loan, and 17% made enough money in their business to improve their lives. For another 13%, the loan helped them find full time employment and enough money to improve their lives.

Asking respondents how much money they made from the loan, 87% said that they made either a small amount (43.5%) or a moderate amount (43.5%). Only 13% said they made no money as a result of the loan. Looking at what kind of impact the loan had on respondents' lives, the survey found that the most common benefits have been a gain of self-confidence (50%) and learning new skills (50%). Other positive impacts include: improvement in credit rating (18%), ability to take another loan from the bank (14%), and reducing debt (14%).

When asked how they found out about ACCESS, 50% said through community/social service agency, 18% through an internet search, 14% through a presentation and another 9% through a business organization. In the following question, respondents indicated that the most common alternative sources of financing they contacted were: family and/or friends (50%), bank and/or credit unions (30%), and community loan organizations (30%). Further, respondents were attracted to ACCESS for a number of reasons. The most popular of these is the interest rates at ACCESS (39%), followed by the support services provided (30%), and another 22% said an unsuccessful attempt at a bank loan. An additional 9% were encouraged by a friend/colleague to apply.

With regards to satisfaction with the services provided by ACCESS, 91% indicated satisfaction, whereby they were either satisfied (22%) or very satisfied (69%), while another 4% were somewhat satisfied. The remaining 4% were somewhat dissatisfied. For that latter group, the reasons indicated for their somewhat dissatisfied response involve confusion as to the purpose of their loan, whether it is to help their business or their credit rating. Mixed communication as to the amount they were to receive and not receiving the full amount signed off for on their application were additional reasons for their dissatisfaction.

Looking at the use of supports provided by ACCESS, 39% of respondents have received mentoring/coaching, 22% have attended training workshops, while 13% had received a referral to an external training workshop. The remaining 26% of respondents did not receive any supports. Asked how likely they were to recommend ACCESS, 87% were very likely to recommend, 9% were more likely than not to recommend ACCESS, while 4% were neutral.

In the final question, respondents were asked to list how they would like to see ACCESS improve. Some suggestions among the responses include: more communication on how the full process works, sped up timeline approvals and money available up front, more financial support in the form of grants, a 30-60 day grace period to repay the loan, and a newsletter with financial advice. A common reply was some sort of networking event for clients, either through a network channel or website, or a physical event on anniversaries or holidays so that business owners can get more exposure. Another recommendation was for ACCESS to seek government funding and acquire commercial sites that would be leased to clients, provided the government approve of such a project. A final suggestion on how to improve services, was for project specific funding. Rather than a maximum loan for a full business plan, a short term financing on a project, in the form of a loan or line of credit, to help those with a lack of funds.

Moving on to the next section, this part of the survey captured some background information from respondents. Here, it was found that 41% have a household income in between \$20, 000 - \$39, 999, while 41% have a household income that is less than \$20, 000. Another 14% make \$40, 000 - \$59, 999 a year, and the remaining 4% have a household income in excess of \$60, 000.

When asked about dependents, a majority of respondents (59%) indicated that they have no dependents. A further 18% have one dependent, 9% have two dependents, 5% have three dependents, and another 9% have four or more dependents. The final question of the section inquired into employment constraints experienced by respondents. The only response came from an individual who

felt that over qualification and racism were factors in the difficulties they've experienced looking for a job in Southern Ontario. However, this individual's experience and confidence they developed from working in the GTA better prepared them for finding a job in Brampton.

In the final section of the survey, respondents were asked questions to help separate them among demographic segments. With respect to gender, 57% of respondents indicated they were female while the other 43% indicated they were male. The majority (55%) are between 40 and 59 years old, 32% are 18-29 and the remaining 14% are 30-39.

As for education, over 77% have some post-secondary education, with more than half of respondents (55%) having a college education, 23% have an undergraduate degree at a university, and another 5% have a postgraduate university degree. The highest education achieved for 9% was high school, while 5% said it was elementary school.

Finally, moving on to the respondents' legal status, 36% were born in Canada, while 64% were immigrants who have lived in Canada for five years or more. The most common countries of origin outside of Canada were Jamaica (14%) and the Philippines (9%). The remaining countries of origin with only one instance include: Guyana, Mauritius, Nigeria, Poland, Trinidad & Tobago, Zimbabwe and Venezuela.

Conclusion

ACCESS Community Capital Fund has had a positive impact on its customers. It has helped its customers in many ways, from being able to learn skills and get a job to being able to keep their businesses running and in some cases even expanding them. It has helped the community gain self-confidence, as they were able to improve their credit rating and reduce the debt.

The majority of respondents took the loan to either start/expand a business or improve their skills. The majority of respondents have a household income less than \$40,000. In terms of the demographic representation, more than half of the respondents were of 40-59 years of age; with a College level education, and in some cases an Undergraduate Degree from a University. With regards to the status, 3 out of 5 respondents said they were immigrants, who have been living in Canada for more than 5 years. More than half of the respondents found out about ACCESS through a community/ social agency. Respondents said that they contacted their family/ friends, banks/ credit unions, and community loan organisations before getting the required help from ACCESS. The reason customers chose to go with ACCESS is that they liked the interest rates and also ended up liking the support services provided to them.

Focusing on customer satisfaction levels, most customers were satisfied with the service provided by ACCESS and said that they are highly likely to recommend ACCESS to their acquaintances. A main reason for the high customer satisfaction were extra services like mentoring/ coaching and training workshops provided to the clients.

At the same time, some of the ways the customer experience can be improved by ACCESS is by communicating with their clients about their services and financial advice via e-newsletters, speeding up the entire process. In addition, it was also suggested that ACCESS should disburse the initial loan amount immediately and may process the pending amount at a future date. Another way of improving customer experience is by providing the customers with a networking platform, so that they can get in touch with other businesses, which would help them in making more effective use of the loan from ACCESS.

To conclude, ACCESS has been making a positive impact on society by providing loans and supports to people facing economic barriers. They have done this whilst providing exceptional customer service, creating client advocates, and passing on positive word-of-mouth.