



LISC Financing Programs for Diverse and Emerging Suppliers

April 2024

LISC

About LISC

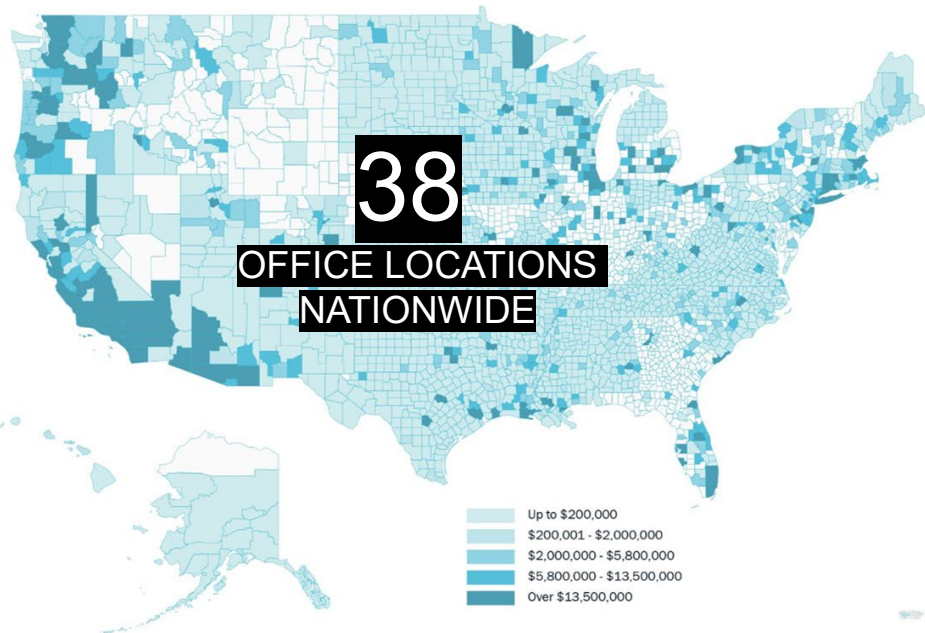
Since 1979, LISC has been creating an impact as a nonprofit CDFI



Community Development Financial Institutions (CDFIs) provide credit and financial services to underserved markets and populations

\$29.7 Billion Invested

\$82 Billion Leveraged



AA -
S&P Rated

S&P Global
Ratings

S&P analyzes environmental, social and governance risks relative to LISC's financial strength, management and legislative mandate. LISC was first rated in 2016.

Certified by the
US Treasury's CDFI
Fund



LISC was part of the first cohort of CDFIs to become certified after the CDFI Fund was formed in 1994.

\$2.8+ Billion

Invested across program areas in 2022 in grants, loans and equity

81.5 Million Sq. Ft.

of community, retail and commercial space including:

- Early childhood centers
- Schools
- Fields/recreational spaces
- Healthcare centers

Growth Capital for Diverse and Emerging Suppliers

Sponsored by JPMorgan Chase & Co

JPMC invested \$15MM to support diverse small business growth through capital access and technical assistance. JPMC is also raising matching grant dollars from other donor companies to grow the initiative, with over \$1.5MM additional dollars committed. The initiative integrates two components:

Growth Capital

\$13MM growth capital pool to benefit ~150 diverse suppliers to grow their business and meet corporate supplier guidelines and secure new contracts, with an expected term of 2-5 years

Technical Assistance

LISC will pair capital solutions with tailored technical assistance to ensure that small businesses are well positioned to secure and fulfill procurement contracts and meet JPMC's values and high-quality standards

Program Design

Who is eligible for this initiative?

Priority will be given to businesses with:

- Annual revenues of at least \$1MM - reasonably expected to reach \$5MM in the near future
- Small Business (by SBA standards)
- 3 years or more in business
- Barriers to pending procurement opportunities

Eligible Uses

- Technology cyber/network remediation
- Operational control enhancements (i.e., disaster recovery/business continuity)
- Increases to insurance & bonding coverage (cyber, surety/performance, etc.)
- Costs related to securing new procurement contracts such as legal costs, marketing, and CRM development
- Business growth and expansion plans
- LISC Strategic Investments



Resources on Offer

- Growth Capital ranging from \$25,000 - \$250,000
 - And up to \$500k in special cases
- Interest free, patient, flexible financing
- 2-5 year investment terms

*We have recently loosened target business criteria. If the use case fits the program, the business profile can be flexible.

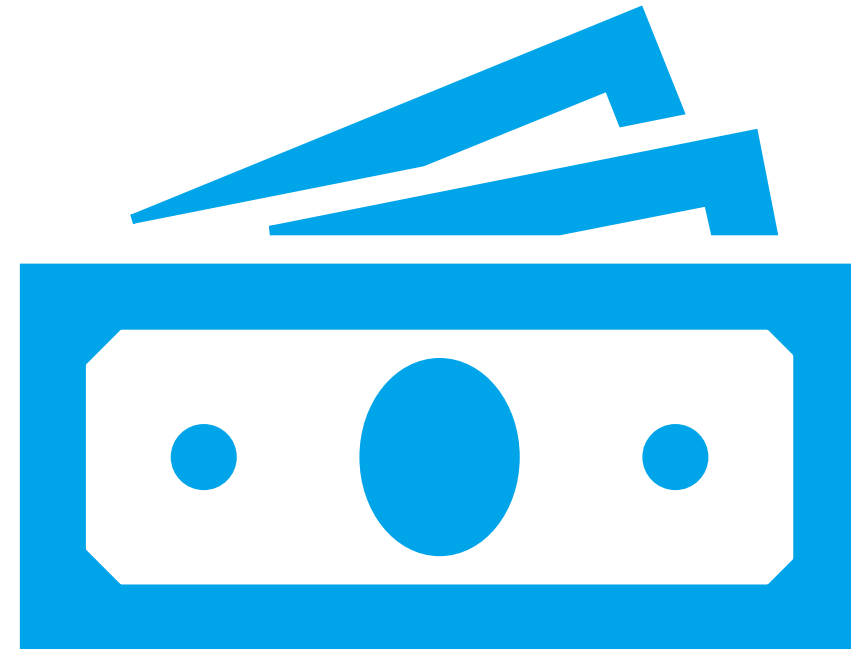
Underwriting Deep Dive

Growth Capital vs Loan Underwriting

- Focus on the future
- Equity-like interest in business owners and their propensity to succeed
- No credit pull – only background check
- Uncollateralized

Growth Capital Product Flexibility

- Underwrite to a fixed repayment timeline, but flexibility to amend
- Ability to forgive all or part in situations where revenue doesn't grow/projects don't move forward
- Main way to be in "default" is to stop communicating with LISC



Abbott-LISC Initiative to Support Diverse Businesses in Health

Abbott & LISC Initiative

Expanding
opportunities for
diverse businesses
in health

JUNE 2022



Open to small diverse, minority, women, veterans, disabled-owned, LGBTQ, and other historically underrepresented groups nationwide.

Criteria:

- Based in the U.S., with an annual revenue of \$250,000 or more;
- In operation for more than two years, with an ability to deploy capital toward business improvement and growth; and
- Part of the healthcare industry, with a focus on manufacturing.

How can a diverse small business apply for this initiative?



Diverse small businesses may visit <https://www.lisc.org/abbott> to learn more about the initiative and to complete a self-assessment form, which is the first step in the process.

Visit www.lisc.org/abbott

Initiative Overview

Abbott invested \$25MM to support diverse small business growth through capital access and technical assistance and integrates three components:

LISC Small Business Loans

\$12.5MM in loan capital (and an additional \$3.5MM in a pooled loan loss reserve in grants), which LISC will match, to support diverse small businesses in aligned industries

Growth Capital

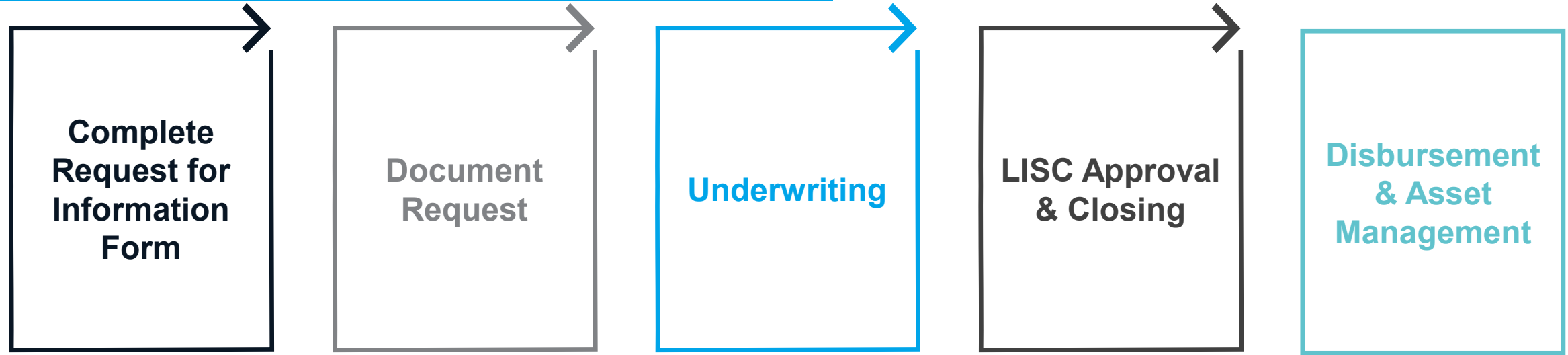
\$5MM LISC recoverable grant pool to support 25-30 diverse suppliers to grow their business and meet corporate supplier guidelines and secure new contracts, with an expected term of 3-7 years

Technical Assistance

LISC will pair capital solutions with tailored technical assistance to ensure that small businesses are well positioned to secure and fulfill Abbott contracts and meet Abbott's values and high-quality standards



What's the Process?



1

[The form will collect basic information about the business](#)

2

We'll get to know the business and if they are a programmatic fit, we'll request financial documents for review.

3

Through our analysis, we'll determine if our investment seems viable and will provide the appropriate investment terms.

4

If approved, we will provide a letter agreement for final signature.

5

We will facilitate disbursement and will continue to be in touch quarterly to see how our investees are doing!

Intake Form Links:

- [Growth Capital for Diverse and Emerging Suppliers \(Sponsored by JPMC\)](#)
- [Abbott-LISC Initiative to Support Diverse Businesses in Health](#)

US Translation Company: Case Study



Sector: Translation and Interpretation Services

Founded: 1995

Geography: Salt Lake City, UT

Employees: 11

Services: Translation, interpretation, captioning, and e-Learning localization

Recognition: Utah's Best of State for Language Services ('09 – '13, '16); Mountain West Capital Network's Top 100 Fastest Growing Companies in Utah ('10 – '11, '13)



**Founder:
David Utrilla**

Investment: \$178,000

Uses: ISO 270001 certification, SOC compliance, CRM upgrades

This investment will allow US Translation Company to:

- Meet compliance requirements set forth in contracts with Maximus-New York and Toyota, which represent \$900,000 in annual recurring revenue over the next 3 years.
- Purchase and integrate a new CRM tool to accommodate an increase in business development activity, improve its current customer experience, and create targeted marketing strategies.

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