

# Breaking Into New Markets

August 20, 2015



# Welcome to Our Webinar

- Keep Background Noise to a Minimum
  - Mute and Unmute Functions
  - Please Do Not Put Your Phone on Hold
- Interacting With Presenters
  - Raise Hand
  - Chat Function
- Feedback
  - Yes or No
  - Too Fast or Too Slow
  - Laughter and Applause



# 2015 Membership

- Get your applications in!
- Download applications at <http://nativecdfi.net/membership/application/>



# Advocacy & Action



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# Meeting Overview

- Introductions
- Presentations
  - First Ponca Financial
  - Lakota Federal Credit Union
  - Wisconsin Native Loan Fund
- Panel Discussion
- Q&A
- Wrap Up



# INTRODUCTIONS

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NATIVE  
CDFI  
NETWORK

# Our Panelists



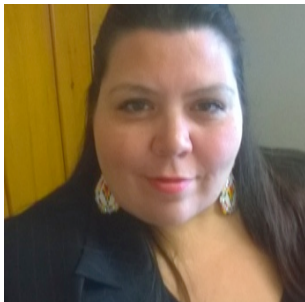
**Pete Upton**

First Ponca Financial



**Tawney Brunsch**

Lakota Federal Credit Union



**Fern Orie**

Wisconsin Native Loan Fund



Expanding Products & Services

# FIRST PONCA FINANCIAL

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# Overview

- Established in 2011
- Certified in 2013
- Mission: To provide affordable credit, capital, technical assistance and programs to Ponca Tribal Members and other Native Americans encouraging them to become strong and self sufficient business owners.



# Products & Services

- Micro & Business Loans
- Group Entrepreneurship Training
- Online Training & Webinars
- One-on-One Coaching
- Technical Assistance
  - Business Coach, Accountant, Legal, Web-Design
  - All Aspects of Business Development
- Consumer Credit Counseling
- IDA Savings Program



# Expansion of Products & Services

## GOAL

- To better serve Ponca Members & Native Americans in areas currently served by First Ponca



# Expansion of Products & Services

## KEY ELEMENTS TO CONSIDER

- Board approval
- Aligns with mission
- Review geographic landscape
- Review mission, history, and vision
- Current and historic status of CDFI
- Strengths, weaknesses, opportunities, and threats (SWOT)
- Action plans (existing business, new market entry)
- Resources required: capitalization, staffing
- Goals, timelines, benchmarks, and outcomes
- Monitoring and evaluation



# Expansion Strategies

1. Develop a strong plan to implement expansion.
2. Utilize key partnerships in the proposed expansion area to provide appropriate training and technical assistance to Native entrepreneurs.
3. Offer credit builder and small business loans to Native entrepreneurs to support the creation of good jobs through small business development.



# Stages of Expansion

- Year 1
  - Market Study
  - Strategic Plan
- Year 2
  - Begin implementation of plan



Forging Uncharted Territory

# LAKOTA FEDERAL CREDIT UNION

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# Overview

- Only federally-insured financial institution on Pine Ridge Reservation
- Charter from National Credit Union Administration (NCUA) in 2012
- Low-Income Designation
- Started with \$600K of capital
- Now: \$4.5M in assets, \$2.4M in consumer loans, 2,300 members





# Products & Services

- Savings Accounts, Certificates of Deposit, Pre-Paid Debit Card
- Convenience Services
- Consumer Loans
- New Product Development
  - Swift Pay Loan
  - Increased Loan Limit
  - Checking Accounts



# Breaking into a New Market

- Identified Need
- Formed Steering Committee (2010)
- 3-Year Process
- Utilized NACA and Additional Funds



# Challenges

- Chartering process (uninformed NCUA)
- Unsecured lending
- Court system
- Work in progress
- Reliance on federal funding
- Not being able to do it all now



# Successes

- 2,300 members
- Provide financial tools to save and build assets
- NCUA support
- Partnership with Lakota Funds
- Relationship-building



Implementing a Statewide Expansion

# WISCONSIN NATIVE LOAN FUND

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NATIVE  
CDFI  
NETWORK

# Overview

- Mission: to increase the financial self sufficiency of Wisconsin Native American communities.
- Created to:
  - provide access to affordable capital for tribal members
  - provide financial education and asset building services
  - increase self sufficiency and improve economic and social conditions for tribal members



# Loan Products

- Home improvement
- Down payment assistance
- Debt consolidation
- Home mortgage
- Emergency consumer



# Services

- Homebuyer education
- Credit coaching
- Financial education
- Income tax preparation assistance





# Statewide Expansion

- Recognized the need to expand geographic footprint for sustainability and growth of the organization
- Analysis of target market and identified demand on a statewide basis (11 reservations)
- Research and market study of access to capital and development services existing on Wisconsin reservations
- Developed an action step plan to expand statewide



# Successes

- Closed loans on 5 of the 11 reservations in Wisconsin
- Provided development services on 6 of the 11 reservations in Wisconsin
- Developed awareness and relationships with several Wisconsin Tribes
- Acquired investments and matching funds from 3 tribes
- Developed and updated all internal policies and procedures to reflect statewide expansion
- Hired a Lending Officer to assist in growing to scale



# Challenges

- Lack of organizational capacity (staffing)
- Slowing the fill of loan pipeline - marketing/advertising carefully
- Sufficient capital - both operational/ lending
- Navigating tribal politics



Diving into the details of “Breaking into New Markets”

# PANEL DISCUSSION

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# Question #1

- How did the idea to “break into new markets” come about?



# Question #2

- Did you find anything surprising from your market research?



# Question #3

- How have you handled “breaking into new markets” with limited resources?



# Question #4

- How has board support or non-support impacted your organization “breaking into new markets”?





# Question #5

- What has been the most rewarding thing about “breaking into new markets”?



# Q & A

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# Wrap Up

- Stay Connected
  - Join us on Facebook,  
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  - Subscribe to the email list,  
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- Next Webinar – October 15, 2015
  - What topics are you most interested in?

