

THE CLEVELAND CHAIN REACTION
To Create Business Growth and Neighborhood Investment

CALL FOR INTERESTED BUSINESSES THAT SEEK GROWTH AND INVESTMENT

The Cleveland Chain Reaction Project is being produced to create jobs, investment and prosperity in Cleveland's neighborhoods while providing education and information for entrepreneurs and aspiring business owners to benefit our community.

The Cleveland Chain Reaction follows in the footsteps of the CNBC/LeBron James "Cleveland Hustles," a reality television series aired on CNBC in 2016 (www.cnbc.com/cleveland-hustles) and our successful 2017 Slavic Village Chain Reaction inaugural program. **While inspired by Cleveland Hustles, The Cleveland Chain Reaction is an independent and unrelated effort** with some of the same Clevelanders involved to support the continued opportunity that Cleveland Hustles sparked.

THE CLEVELAND CHAIN REACTION project is being produced by Cleveland Neighborhood Progress (CNP), the Council of Smaller Enterprises (COSE), GlazenUrban and JumpStart and is being featured on air by Cleveland's local news station, FOX 8.

This project will bring \$500K - \$1 million of direct investment from private investors to an emerging Cleveland neighborhood by locating five new businesses in that neighborhood that can create jobs and prosperity.

The neighborhood has not yet been determined, but it will be selected from among the following four semi-finalist neighborhoods: (1) Old Brooklyn; (2) North Shore Collinwood – East 185th Street; (3) MidTown; and (4) Shaker Square/Larchmere.

What could you achieve if \$100K was available to you from a savvy investor who will contribute even more than money to your business?

To take advantage of this opportunity, the first step is to **provide us an overview of your business for review by our investors by 3:00 p.m. on Wednesday, May 30, 2018.**

From among the applicants, we expect to select approximately twenty businesses to participate in The Cleveland Chain Reaction Business Showcase Event with our investors and community leaders. Two showcase events will be held and are tentatively scheduled for **Monday July 30th from 9 a.m. – 1 p.m. and Tuesday, July 31st from 9 a.m. – 1 p.m.** at a location to be determined in either Old Brooklyn or downtown Cleveland. Ten businesses will be scheduled to present each day. These dates are subject to change based on the final availability of our investors. To be eligible for selection, you need to make yourself or a representative available to present your business at the showcase event. Each selected business will be provided up to 20 minutes to pitch their business and answer questions from our investors. Eight to ten businesses will be chosen by our investors as finalists for The Chain Reaction. From those, up to five businesses will be selected for investment and acceleration by our team.

We are serious about this opportunity--**are you?**

If you are ready, here's how to apply:

1. **Determine if your business is a “fit” for The Cleveland Chain Reaction.** Businesses of any type (retail, service, manufacturing, etc.) will be considered for this project and will have the following characteristics:
 - a. A track record of some level of operations with customers and revenue that demonstrate a viable business.
 - b. A pathway and a desire for significant growth.
 - c. A willingness to bring on investment capital and a mentor to expand the business.
 - d. The ability to produce business financials for review.
 - e. A desire to locate business operations in the selected Cleveland neighborhood.
 - f. An ownership team that is coachable.

2. **Provide an Executive Summary of your business opportunity (4 pages maximum).** Executive Summary should be in a .pdf format and we suggest that it include:
 - Business Description
 - Product or service description
 - Current business operation narrative and financials
 - Target market and size of the market
 - Business model -- how does your venture make money?
 - Differentiating characteristics - what makes you and your business better than others of its type?
 - Experience of owners and key managers
 - How your business can make an impact on jobs, investment and prosperity in a Cleveland Neighborhood including the number of jobs that you believe you can create in the first one, two and three years following investment.
 - An explanation of how you would utilize an investment of more than \$100K in your business.
 - If you believe there is additional critical information or appendices that help tell your story, you may submit them for review. However, a well-crafted executive summary that tells your story and illustrates the business opportunity will be sufficient for review. Remember, in many cases, less is more!

3. **Optional: Film a short 2-minute video pitch.** If you choose to provide a video pitch, it should complement your executive summary and show our selection team why your business is more worthy than others for investment and support. You can do this on any smart phone or webcam—the quality of the video production itself will not be judged—it’s the content that counts. You will need to upload it and provide a YouTube link to your video for our judges.

4. **Submit everything by 3:00 p.m. on Wednesday, May 30, 2018.** Please submit your executive summary in a .pdf format and provide a link to the video (if you choose to provide it) to CLEChainReaction@JumpStartInc.org.

5. **Twenty applicants will be selected for the Showcase event and notified on or about Friday, June 15, 2018.** The selection team will review submissions and select twenty businesses to participate in our showcase events on **Monday, July 30 and Tuesday July 31, 2018**. If chosen, you must participate in the showcase to be considered as a finalist.

It is possible that some participants may be contacted for an opportunity to share their

business with the Fox 8 Kicking it with Kenny audience. Those opportunities do not mean that the company has been selected for the showcase or as a finalist. As a part of our goals, we want to provide exposure for small businesses and the selection of some businesses for these segments may be based on the nature of the business or perceived interest to the Fox 8 audience. Fox 8 is not a part of the business selection process.

6. In order to qualify for the showcase, selected companies must participate in a six-week Chain Reaction “boot camp” provided by JumpStart. The goal of this boot camp is to refine your pitch and solidify your “going in” investment offer to our investors. Our goal is to help you achieve clarity on business valuation, specific needs from the investors and the right mix of investment and equity for your situation. While your “going in” offer is not binding and will be subject to modification and discussion with the investors that have an interest in your business, it is important that all companies have an established and realistic investment offer and pitch presentation to participate. Participation in the boot camp and satisfactory completion of your pitch and “going in” offer is required to be featured in the Showcase. The dates and times of boot camp sessions will be determined. We expect six sessions at no more than two hours each. We will work to accommodate individual needs in this process to the extent possible.
7. **The twenty Showcase participants will present to our investors during the Showcase event.**

You must participate in our Showcase to be considered for selection as a finalist for Chain Reaction. All Showcase participants will be given a total of 20 minutes to present their business opportunity and answer questions from our investors. In addition to our investors, other small business resource organizations and community development corporations and stakeholders may also be present in the audience.

The decisions about participation as a finalist in The Chain Reaction are in the sole discretion of the investors based on criteria of their own design with the support of the Chain Reaction producers. Participation in this process acknowledges that those decisions are in their sole discretion, final and non-appealable.

All Showcase participants will be notified of their selection status no later than **Friday, August 17, 2018.**

8. **Finalists will be scheduled for live segments on Fox 8’s morning news show with Kenny Crumpton as a part of the production of Chain Reaction.** As a finalist, you will engage in a challenge designed at the discretion of each investor to demonstrate your entrepreneurial capabilities and the potential of the business opportunity. These challenges will have a specific timeframe, goals and requirements for performance. To advance as a finalist, you must be willing to appear on Fox 8 with Kenny and agree to be promoted as a part of the project.

Each investor will determine in their sole discretion which finalists they select for investment and advance to the build-out of their business. The nature and terms of the investment will be negotiated between the business and the investor and a binding agreement is expected to be executed between those parties subject to the specific terms and conditions agreed to by the parties. Chain Reaction is facilitating the identification of opportunity between investors and businesses, but is not responsible for

the terms of the investment, the performance of the businesses that receive investment or the conduct of the investors.

9. **Build out of the business opportunity will occur with the investor following selection and investment with promotion of the companies and the status of their progress to be featured as a part of a special thirty minute Chain Reaction feature on Fox 8 to air in the December 2018 time period.** The progress of the build out will be the subject of television news and entertainment features and updates to be aired on Fox 8 during the build out period. This program is designed as a teaching tool for other entrepreneurs and there will be periodic opportunities for participants to provide advice and ideas to others as well as to use the experiences of the build out as “live case studies” for other business owners.

10. **The final five businesses will have their openings/current status featured as a part of the program on Fox 8, in December 2018, and will receive visibility and exposure in the process that is designed to profile their experiences and their business. Grand opening and build out activities are an expense of the business and its investors and are at the discretion of each business.**

For additional information or questions, please contact pitch@clevelandchainreaction.org.