



# 2020 Global Entrepreneurship Outcome Report



# Introduction

Small and diverse businesses are engines of their economies and support both job growth and global innovation. Globally, small and medium-sized enterprises (SMEs) represent 47% of formal, permanent, full-time employment and more than 70% of the creation of net job growth in low- and middle-income countries.<sup>1</sup> In the U.S., small businesses create 66% of net new jobs annually.<sup>2</sup> FedEx is committed to giving entrepreneurs everywhere the tools they need to succeed.

Women- and minority-owned businesses face disproportionate challenges to accessing the tools, networks, training and capital needed to transform an idea into a successful enterprise. In the U.S., women own 36% of small businesses, but earn only 11% of small-business revenues.<sup>3</sup> Minorities own 29% of small businesses but earn only 10% of revenues.<sup>4</sup> We want to change this by connecting entrepreneurs – especially women and minorities – to the resources they need to stay in business, create new jobs, support their families and contribute to thriving communities.

Founder and CEO Fred Smith first thought up the concept of FedEx as part of a college term paper, which earned him the skepticism of an economics professor who said the idea wasn't feasible. Maybe that's why our company believes in the people who are willing to dream, take risks, persevere and change the world for the better.

<sup>1</sup> Source: "Small vs. Young Firms across the World Contribution to Employment, Job Creation, and Growth." World Bank Group, 2011  
<sup>2, 3, 4</sup> Source: U.S. Small Business Administration, Office of Advocacy

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Small Business is a Pathway to Opportunity	Expanding Entrepreneurship: From Local To Global	Inspiring Young Entrepreneurs	Beyond Philanthropy: Creating Shared Value	Supporting Small Business In Our Hometown of Memphis, Tennessee
Our Approach				

**Cover photos:** A few of the hundreds of business owners and students benefiting from FedEx-sponsored Global Entrepreneurship programs (clockwise from left): Ray Rico, Owner of Ray Rico Freelance, Memphis, TN (member, Memphis Minority Business Council); Khulan Davaadorj, Founder of LHamour, Ulaanbaatar, Mongolia (Vital Voices GROW Fellow); Student entrepreneurs displaying their products at a recent Junior Achievement-Africa Company of the Year Competition in Accra, Ghana; Carolyn Michael-Banks, Owner of A Tour of Possibilities LLC., Memphis, TN (Inner City Capital Connections participant)

# Small Business Is a Pathway to Opportunity



## \$20 Billion

If all small businesses with fewer than 5 employees earned an additional \$5,000 in revenue, it would generate more than \$20B for the economy. If each of these businesses hired one person, the U.S. could return to full employment.



## 2.5x Higher

The median net worth of business owners is almost 2.5x higher than non-business owners. For a black woman, the difference is more than 10x. For a Latino man, the difference is 5x.



## Yet

Firms owned by women, people of color and, particularly, women of color are less likely than their peers to have employees and tend to have lower average revenues.

Source: Association of Economic Opportunity: The Power of One in Three

## Our Approach

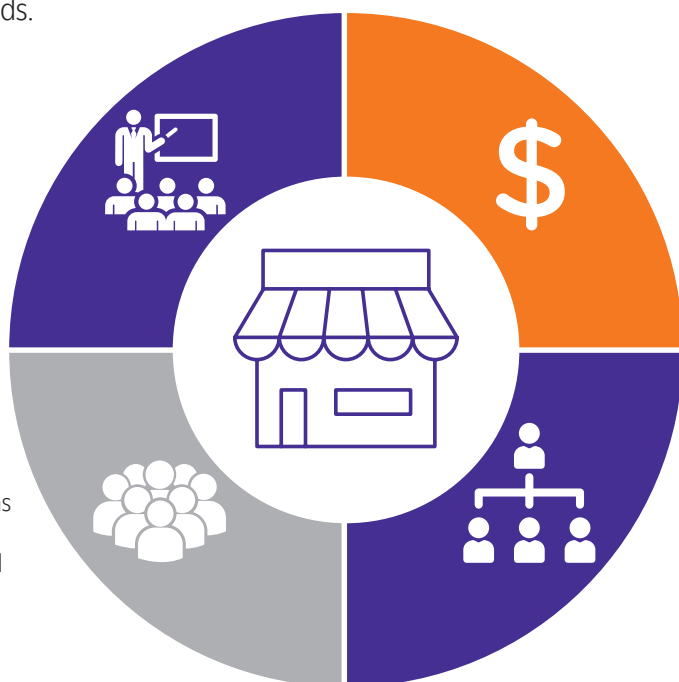
Small business owners face a complex set of challenges, so we invest in several different program types that can be customized to meet their needs.

### Training

We fund skills training to help women and minority-owned small business owners take their businesses to the next level.

### Mentoring

We support mentoring programs to help entrepreneurs connect with experts who have skills and business know-how to share.



### Access to Capital

We back programs that help small business owners access fair and affordable capital to grow and sustain their businesses.

### Networking

We help small business owners connect with each other through networks that provide support and business development.



Sometimes the best ideas are born from the desire to improve a simple part of daily life. That's how entrepreneur Jessica Do Tully came to create Palmpress, a personal, portable craft coffee press. "I just wanted to have a better cup of coffee," explains Jessica.

A member of the inaugural cohort of WIN Lab Miami, Jessica credits Babson for giving her much-needed support as she laid the foundation for Palmpress. "It normalizes the work to share similar challenges with other women going through the same thing. I found so much motivation watching what the more established business owners were doing."

Since WIN Lab, Palmpress has become a bestseller on the Food52 online platform, and is number one in the coffee and tea category. Additionally, Jessica moved the business from her home to a "real" office in Miami, hired her first employee, and was recently featured on the Rachael Ray TV show.

"Five years from now – I see us having a product line reflecting what coffee drinkers want. I'm also expecting to improve operational efficiencies, and operate a really well-developed, solid production, inventory and fulfillment system."



*Palmpress Founder, Jessica Do Tully.*

## Expanding Entrepreneurship: From Local to Global



*The 2018-2019 WIN Lab Cohort*

### **Babson WIN Lab**

The Babson College Women Innovating Now (WIN) Lab® is a five-month venture accelerator designed by women entrepreneurs, for women entrepreneurs, empowering female founders to disrupt, experiment and build big businesses on their own terms.

FedEx is proud to have helped the highly successful WIN Lab model expand to Miami and work with over 50 women entrepreneurs. Through award-winning programming and an expansive network, the WIN Lab increases the self-efficacy of female founders and emboldens them to open doors, close deals, and build companies that create social and economic impact on a local and global scale.

This year, FedEx participated in WIN Lab's annual Venture Showcase, a business expo and rocket pitch event created to highlight emerging women CEOs and their startups across Miami. The event gave twenty startups the opportunity to showcase their companies to the public and present a one-minute elevator pitch to a live audience.



## Accion

Accion is a global nonprofit committed to creating a financially inclusive world. As part of its work to reach the three billion people who are left out of – or poorly served by – the financial sector, Accion supports and empowers entrepreneurs through client education initiatives.

In 2018, FedEx support of Accion in the U.S. helped 3,153 business owners access \$40 million in loans to both start and grow local businesses. This included access for 1,387 women (44%) and 1,986 people of color (63%). These entrepreneurs create an average of three jobs each, with about 60% being in low- and moderate-income communities. Accion also reached more than 15,000 small business owners with direct coaching and business support, both individually and via workshops and seminars.

Internationally, Accion and FedEx launched an initiative in South America to digitize Accion's award-winning classroom business education program, making the program less expensive to deliver, more flexible and more accessible. This interactive digital platform, Ovante, offers a new approach by influencing microentrepreneurs to use financial services to their benefit the moment they need them. As a type of financial coach for business growth, Ovante empowers participants to improve their businesses in real time.



*Sandra Taborda shows Accion VP and Program Manager Liza Guzmán how OVANTE helps her maximize scale and profit for her catering business.*



*Accion client Sylvia Castaneda, owner of Sylvia's Little Treasures, San Diego, CA.*

Sandra Taborda, owner of a small business in Manizales, Colombia, is one of the participants in Ovante. Ten years ago, after the birth of her son, and with six members of her extended family living under one roof, she began selling her homemade empanadas. Before she knew it, her door-to-door brand San-tehago ("Sandra makes it for you") came to life. While it can be challenging for entrepreneurs to think beyond their current business needs, with Ovante, Sandra has learned to anticipate future profit and opportunities when decision-making. Now, she has devised a budget plan and is able to analyze her pricing strategy with more foresight.

## Meet VV Fellow Sasibai Kimis

Sasibai Kimis founded Earth Heir, a premier Malaysian heritage craftsmanship brand that creates fashion and lifestyle pieces to celebrate thoughtful design, artistry, ethical partnerships and conscious consumption. Earth Heir works with over 100 artisans from indigenous tribes, women's cooperatives and women refugee groups. Along with a range of fashion items, home accessories and custom-made gifts, Earth Heir provides advisory services to artist groups on product design, production and pricing.

Through the Vital Voices Grow Fellowship, Sasibai hopes to learn how to focus her business's growth, expand into new areas and build communities around a cause. She has lived and worked in the U.S., UK, Ghana and Southeast Asia and has a diverse network to share with other fellows in the program.



*Vital Voices GROW fellow Sasibai Kimis.*

## Vital Voices

In June of 2019, the Vital Voices GROW Fellowship program held a week-long in-person training session in Amsterdam, Netherlands. Forty-two women entrepreneurs from 32 countries gathered to participate in workshops, panel discussions and training sessions designed to help them improve and potentially grow their business.

One of the week's highlights was a special presentation by Helena Jansson, CFO FedEx International. She discussed Change Management and provided tips on best practices for keeping stakeholders engaged and on board with business changes that are necessary for improvement.



*Helena Jansson (fourth from left) with Vital Voices GROW Fellows*

The VV GROW Fellowship invests in women business owners to grow their business and increase their leadership impact, in order to create jobs and spur inclusive economic growth. Two years after the fellowship:



**81% OF FELLOWS USED AT LEAST ONE CONNECTION TO GROW THEIR BUSINESS\***



**FELLOWS GREW SALES ON AVERAGE BY 22%\***



**62% OF FELLOWS INCREASED EMPLOYEES\***



**100% OF FELLOWS MADE CHANGES TO THEIR BUSINESS TO IMPROVE PRODUCTIVITY\***

\*Among 2018 fellows

*Graphics by Vital Voices*



# Inspiring Young Entrepreneurs



*The 2019 FedEx Access Award-winning team from JA of Northern California "Hydrope" pose with FedEx team members and JA-USA President/CEO Jack Kosakowski.*

## Junior Achievement

FedEx has collaborated with Junior Achievement for more than 30 years to empower future generations of global entrepreneurs. Through programs such as the Access Awards/JA Company of the Year Program and International Trade Challenge, students gain first hand-experience managing international trade and creating real-life enterprises in which they design, produce and market a product for the global marketplace. Every year, FedEx invests more than \$1 million in these programs, reaching approximately 475,000 students globally.

## Women's Business Enterprise National Council

The Women's Business Enterprise National Council (WBENC) is the largest certifier of women-owned businesses in the U.S. and leading advocate for women business owners and entrepreneurs. FedEx is a long-time sponsor of the organization's national conference.

This year, during the WBENC Student Entrepreneur Program (SEP), FedEx worked directly to mentor student entrepreneurs in perfecting their 90-second business pitch. One of the entrepreneurs FedEx coached, SoulMuch, which makes vegan and gluten-free cookies from upcycled food waste, won \$4000 and took home fourth-place honors.



*2019 WBENC Student Entrepreneur Program (SEP) Cohort.*

## Black Enterprise Entrepreneurs Summit

FedEx supports FWD, formerly known as the Black Enterprise Entrepreneurs Summit, one of the nation's largest gatherings of African American business owners in the U.S.



# Beyond Philanthropy: Creating Shared Value

We believe companies make the greatest impact when they support causes that benefit from their unique expertise. At FedEx, serving small businesses not only drives our bottom line, but it gives us purpose. We are passionate about delivering value to small businesses beyond charitable contributions. Here are just a few ways our business supports entrepreneurs around the world.

## Small Business Grant Contest

The FedEx Small Business Grant Contest awards 12 grants each year to U.S. entrepreneurs who think big, including a \$50,000 grand prize and up to \$7,500 in FedEx Office print and business services. This year's winner is Lux Blox, a next-level construction toy with blocks that curve, bend and move. The founders, Mike and Heather Acerra, are bringing this product to STEM and STEAM educational programs to help promote engineering and design principles.



*Co-Founders Mike and Heather Acerra.*

## Know and Grow

FedEx Know and Grow is an online resource center that offers U.S. small business customers intelligence on how to grow their international business through export education events. In collaboration with ExportTech, Export University, and other state and federal agencies and small business organizations, we help customers explore export markets and understand related regulatory and compliance requirements. In FY18, we reached 4,200 program participants. Since 2009, over 95,000 customers have benefited from this program.

## Small-Business Solutions

The FedEx Small Business Center provides free tools, resources and expertise for businesses across every stage. From marketing and sales to logistics and budgeting, we want to help small businesses grow and thrive.



## Supplier Diversity

For more than two decades, FedEx has proactively sourced products and services from small, minority- and women-owned businesses across our supply chain. In FY18 we procured \$9.6 billion in goods and services from diverse suppliers.

We regularly collaborate with national and regional diversity organizations to promote the growth of small and diverse businesses and to increase opportunities for FedEx to work with these enterprises. In FY18 we were proud to work with some of the country's top organizations.



Mid-South Minority Business Council Continuum (MMBCC) President and CEO Jozelle Booker in front of the FedEx booth at the 2019 MMBCC Economic Development Forum.

## SCORE

In 2019, FedEx joined forces with SCORE, a nonprofit organization and resource partner of the U.S. Small Business Administration, offering the nation's largest network of volunteer expert business mentors. This new alliance will feature FedEx-sponsored webinars, virtual conferences, opportunities for employees to become SCORE mentors, and a FedEx-sponsored Startup Roadmap.

# Supporting Small Business in Our Hometown of Memphis, Tennessee

## The 800 Initiative

Of the 69,000 privately owned firms in Memphis, 62% are owned by minorities. These firms, however, account for less than five percent of the \$36.5 billion revenue generated annually.

To address this disparity, FedEx, alongside the City of Memphis, Epicenter, Start Co, Christian Brothers University (CBU) and other corporations, supports The 800 Initiative. The 800 Initiative is an unprecedented, intensive program to increase equity across the Memphis business community.

FedEx donated \$1 million to the initiative, which aims to empower the roughly 800 African American-owned businesses in Memphis that are in between startup and full-scale phases to grow their annual revenue by \$50 million by 2023.

A few of the businesses participating in The 800 Initiative.



Emmanuel Tuombe, of ABES Engineering



Brigitte Green, of Top Cat Masonry



JT Malasri, of Malasri Engineering with Executive Assistant CaSandra Hughes-Wilson

*“Contributing to The 800 Initiative is one of many ways FedEx is helping promote economic development in Memphis. Supporting the communities where our team members live and work is a priority for FedEx. It’s especially important here in our global headquarters of Memphis. Studies show that a successful minority business community generates significant economic benefits, not just for the minority community, but for the entire city. Helping to double the revenues of the firms that will be part of The 800 Initiative is one of the best investments FedEx can make.”*

– Richard Smith, Regional President of the U.S. and Executive Vice President of Global Support, FedEx Express/  
Board Chair, Greater Memphis Chamber of Commerce



## ICCC

Inner City Capital Connections (ICCC) is a 40-hour tuition-free program designed by the Initiative for a Competitive Inner City (ICIC) to help small businesses in economically-distressed areas build capacity for sustainable growth. The program (often referred to as a “mini-MBA on steroids”) provides marketing, finance and sales education, one-on-one coaching, and access to capital and capital providers.

Since 2017, FedEx has provided funding for ICCC programs across the country, helping more than 2,400 small businesses – 200 of those in Memphis – access much-needed capital, create good-paying jobs, and support their local communities.



### **A Cut Above Lawn Service Corp**

A Cut Above Lawn Service Corp. provides lawn care and landscaping primarily to commercial and government entities. After participating in the ICCC program, A Cut Above Lawn Service has created additional services, gained new commercial clients and secured almost 10 new contracts. They've decided to participate in the program again to continue advancing their business and learn about the various capital options available to help them grow.



### **Jamerson Strategic Consulting**

Jamerson Strategic Consulting (JSC) provides management, planning and training strategies that help business owners reach their diversity goals and enhance their employee development programs. While participating in the ICCC course, the business was paired with a general business coach who helped JSC form a 3-year strategic growth plan, grow their client portfolio and update their financial statements. They are currently in the process of obtaining additional certifications to gain access to a wider network of potential clients and continue their expansion efforts.

## **Logistics Innovation Accelerator**

The Entrepreneurship-Powered Innovation Center (EPIcenter) helps entrepreneurs conceive, launch and scale businesses in the Memphis region. FedEx supports the EPIcenter Logistics Innovation Accelerator, a 15-week program that helps startups bring innovative logistics products and technologies to market.

## **Propel Accelerator**

Through a partnership between Start Co. and the City of Memphis, the Propel Accelerator aims to help minority companies grow their business models, establish better value chains and position themselves for growth. FedEx support is helping recruit quality applicants and link them to other community resources such as ICCC.

## **Mid-South Minority Business Council**

FedEx supports the Mid-South Minority Business Council Continuum, an economic accelerator for Stage II Minority- and Women-owned Business Enterprises serving the Memphis MSA, which includes eight counties in West Tennessee, Eastern Arkansas and Northern Mississippi.

## **“We Mean Business”**

FedEx supports this annual City of Memphis procurement conference, aimed at highlighting opportunities for small, minority and women-owned business enterprises to do business with the city, and to bring transparency to the bid process.

## **Black Business Association of Memphis**

FedEx supports the annual Black Business Association of Memphis' BENNY (Black Entrepreneurship and Networking Need You) Awards luncheon, which recognizes outstanding minority-owned businesses.

## **Mid-South Latino Chamber of Commerce**

FedEx is also a supporter of the Mid-South Latino Chamber of Commerce, which helps foster Hispanic economic development and advocate, promote and facilitate the success of Hispanic businesses in the Mid-South community.

