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Dr. Mike Beitler
Senior Lecturer & Director of
MBA Capstone Projects

Sam Funchess and Lisa Hazlett dream about revitalizing a historic but now empty steel plant, turning it into a bustling and vibrant destination space in east Greensboro.

They envision the cavernous factory – next door to the Nussbaum Center for Entrepreneurship – as a potential home to renewed urban manufacturing and later a farmer’s market, artisan entrepreneur space, community kitchen, restaurants and maybe even a brewery.

But first they need investors who believe in The Steelhouse and its potential. They turned to a Capstone Project at the Bryan School of Business and Economics, through which a team of UNC Greensboro MBA students would act as real-world consultants to help them tell the story. As part of the project, the team analyzed the economic impact of the Nussbaum Center and the potential future impact of The Steelhouse. Their effort not only helped the Nussbaum Center develop information for investors and granting agencies, it also helped the students learn to gather and analyze key business data and present the findings to a client group.

Keeping It Local

As Greensboro’s nonprofit small-business incubator, the Nussbaum Center has been helping local businesses thrive by offering entrepreneurs reasonably priced office space, shared support facilities and business and technical assistance since 1987. Today, the Center’s businesses bring in an estimated \$23 million in annual revenue. Since its founding, its businesses have also paid out \$110 million in staff wages, much of which is reinvested locally.

“At this point in our journey, we needed data on the economic impact that the Nussbaum Center has had on people in Greensboro and Guilford County – put together in a way that people could easily understand – so we could cite that when seeking new funding,” said Hazlett, president of the Nussbaum Center. “When you are going after grant dollars, officials want to know the return on their investment.”

Several of those officials, including Guilford County Commissioners Carly Cooke and Pat Tillman, attended the students’ Capstone presentation in May. Nussbaum Center staff and board members also heard the report on the impact of the Center, which is home to 62 businesses that employ an estimated 170 associates.

While national statistics indicate a mere 35% of small businesses survive after 10 years, the Nussbaum Center’s business survival rate far outpaces that at 61%, according to the MBA students. In addition, more than 74% of Nussbaum businesses are minority- or women-owned, nearly double the county and state average. Once developed, The Steelhouse would add an estimated 600 new jobs and pay out \$42 million in additional annual payroll. Together, the Nussbaum Center and The Steelhouse are expected to hit annual revenues in excess of \$80 million, the students found. As student Robert Furter said, “If you build it, the businesses will come.”

Statement of Work

These numbers mean that the state could recoup a potential \$25 million grant investment, thanks to the increased tax revenue, in less than 8 years, students shared. This would also be capital that is reinvested largely into the local economy.

Hazlett and Funchess, who is CEO of the Nussbaum Center, said the presentation provided them with vital new ways to look at the information. While they had an idea of the number of jobs the Steelhouse would create, they did not have estimates on annual payroll and revenue, which would be helpful in seeking the \$36–40 million they need to develop the project.

Students crafted their presentation to appeal to both listeners’ heads and hearts, said Capstone team member Jonathan Cron. To help shape the information, they analyzed raw data taken from a survey of Nussbaum businesses, looking at job creation, revenues, and payroll and tax information. They also conducted site visits, scoured databases and industry reports, analyzed competitors in the marketplace, and interviewed entrepreneurs who got their start at the Nussbaum Center.

One of the students’ key tasks was to develop a “statement of work” to clearly define project deliverables and outcomes. “There was so much data,” said Dr. Mike Beitler, Director of MBA Capstone Projects and Senior Lecturer at the Bryan School. “Students needed to be very clear on what they were promising to deliver.” All this experience will benefit them as they further their careers, he added.

UNCG MBA students Nathan Perry and Matthew Smoker said they found it fulfilling to analyze and provide the information in a way that was appealing to current and potential investors. ■

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