

Sunday Sitdown: Deidra MacLeod-Richardson, SMOC loan fund manager



Deidra MacLeod-Richardson, loan fund manager for SMOC Financial Services in Worcester.
T&G Staff/Christine Peterson

By Ken Cleveland, Correspondent

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WORCESTER - Since Deidra MacLeod-Richardson graduated from college, she has worked with small businesses.

She had worked with a microloan program at Dorchester Bay Economic Development Corp. when an opportunity opened up last year with the South Middlesex Opportunity Council.

"I jumped at the opportunity," Ms. MacLeod-Richardson said.

Now she is focused on getting help to small businesses in Worcester, offering small loans and other assistance to businesses seeking to grow, or helping those chasing the dream of their own business turn it into reality.

The new SMOC Financial Services was initially funded by \$1 million from six local banks. Created to issue microloans to groups of people who might not normally qualify for traditional bank loans, it is located in the MLK Opportunity Center, 237 Chandler St.

Why was a microloan program developed in Worcester?

"No one was serving MetroWest. I'm excited to bring the program to an underserved area. The MLK Center and other business assistance has been offered for many years, but this will offer small loans to those who cannot get them through traditional lending. The first loans will hopefully be given out in April; loans can be up to five years, and most are for \$15,000 to \$20,000 and are repaid over four to five years."

What type of people and businesses do you work with?

"People come in with all sorts of great ideas. I meet with people building upon their experiences, wanting to start businesses such as restaurants, for their neighborhood, or develop arts-based businesses, even making sock monkeys. It is stuff they find fulfilling, such as coffee shops. There are many different, interesting people following their dream and improving their neighborhood."

What is a microloan program?

"SMOC is addressing the lack of capital for small businesses that can't access funds. We had some very generous backing partners who funded the program. People can be refused from the banking partners but the banks can then refer them to someone who can work with them."

How does it differ from bank loans?

"Banks need to meet their standards and regulations such as collateral. If a person doesn't own their own home, which can meet that need, they are often out of luck. We're here to provide an alternative to putting everything on a credit card. You make a payment every month and be done with us in a couple of years; they know what the start and end commitment is."

Who is a microloan program designed to help?

"People seeking to go out on their own, build on their skills or grow their own business. Often, people have a job during the day, so they can keep health insurance and help with stability, especially for seasonal businesses. It is usually a resident of the area and someone starting a business close to home. They are

usually well vested in their community. They come from all sorts of backgrounds and with many different ideas. Many small businesses tend to be good corporate citizens; they're committed to the local area."

What other services does the program provide?

"Filling gaps with information to help a business. We offer advice and assistance. In addition, if we know a workshop is coming up, we can encourage our businesses so they know about it."

What counseling is offered?

"We will meet with borrowers on a regular basis, in their business and in our office away from customers, to see how things are going. We're kind of a generalist. We see how things are going, and we can help direct them to resources such as marketing strategies, using social media, if we think they can use help with those skills. We offer workshops or connect people to workshops offered by others."

You mention many resources - what types do people find in Worcester?

"There are a number of great organizations helping out businesses. They include Interrise, with a "streetwise MBA"; Small Business Development Center at Clark University; SCORE, offered through the Small Business Agency; and there are library workshops where people can get more resources and access to databases. We are trying to partner with the organizations out here as well. We know a number of people who can support them."

The program was initially funded by banks, but how will the program continue in the future?

"Money comes back from repaid loans. People repay their loans and an interest payment goes to our investors, but we revolve the funds to the next business. The principal goes right back into the pot, so we can make more loans to businesses in the area."

Can you give examples of how microloans have helped create or expand small businesses?

"In Boston, there are a number of artists; creative, conscientious people who enjoyed working with their products such as jewelry and glasswork. Often, they've been selling a little, such as at craft fairs or online retailers. We helped them look at what costs they have, help them invest in inventory. We worked with someone who was able to get a loan to launch a jewelry making company. Another woman

started a sock monkey company; she had a good eye for great designs. Her business plan included targeting the grandmothers, not the mothers, as her customers. She got into the shops where she could sell more.

One gentleman from Somalia had a small shop in Boston. He had many people lounging at his shop, and used that to open a coffee shop as well. He got customers who wouldn't have come to the shop before. He took advantage of an opportunity, including a location near schools and a subway station."

Do you see it growing in the city?

"SMOC plans to hire a full-time staff person for Worcester. That will bring SMOC financial services to three people serving Worcester and Framingham. Plus we have a volunteer who helps people with planning for their future, looking at expenses and goals. We are looking to grow and trying to get SBA funding as well. The SBA microloan program is a great resource; we would like to see it active in Worcester."

How does one apply?

"Contact me at the SMOC office, 237 Chandler St., Worcester, (844) 766-2737 or dmacleod@smoc.org."