

The Aksum Project – Deploying Low-Cost Design-thinking Incubators to Facilitate Homegrown Solutions to Community Challenges

United States

Williams College

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Project Website: www.aksumproject.org

Project Background

The original project, which I had designed in late 2019 prior to the pandemic, was to launch two low-cost design-thinking incubators in Tijuana and San Diego in partnership with two different schools. These incubators were initially designed to provide a vehicle for local leaders and students to learn design-thinking and to implement solutions to problems in their respective communities, and eventually seek funding through the Aksum Project's network for project implementation. However, because of the ongoing pandemic and inconsistent vaccination rates in the areas for which I was initially preparing, it was decidedly unsafe to execute onsite incubators and hold workshops through the schools; further, most of the design-thinking & creative collaboration requires focused, in-person sessions in order to be effective, so an exact virtual replacement for the workshop series was effectively untenable (not to mention, access to virtual technology in the initially selected communities was inconsistent). Consequently, I had to pivot the project solution, although I continued to address the stated problem at-hand: creating a vehicle for supporting local recovery and growth in low-income neighborhoods.

Project Narrative

It is well-documented that the ongoing pandemic negatively impacted small businesses in the United States, with businesses in low-income and predominately minority neighborhoods suffering extensively more than small businesses in more affluent neighborhoods. As such, I pivoted my project to investigating, designing, and initiating development of a technology solution to the existential challenges facing small businesses in the US, with a specific focus on small businesses in low-income neighborhoods. Additionally, I tried to stay as true to the original objectives of the project – by creating a virtual “incubator” for which small businesses could register for pro-bono consulting. While it wouldn't be a workshop-style program like I had initially intended it to be, this virtual incubator would be a more personalized way of helping small businesses on management & planning issues.

With this in mind, I reoriented my project objectives along the following lines:

1. Figure out the core issues facing small businesses in the wake of the pandemic in predominately minority-neighborhoods in three different cities (Boston, San Diego, New York) through fieldwork, community discussions and interviews, and conversations with small business owners.
2. Triage these issues and design a technology solution to one or more of the most pressing problems; use these designs as a framework for a sustainable technology product that could virtually help alleviate some of the exigencies induced or revealed by the pandemic.
3. Launch a pro-bono consultancy/virtual incubator to provide virtual consulting services for small businesses by way of advising small businesses on financial accounting, community fundraising, and accessing alternative commercial options for their business. This pro-bono consultancy was the adaptation of the “incubator” I had originally conceived in my initial project proposal, and while it wasn't run out of a physical location or through group sessions, the pedagogy of this consultancy was aligned with the initial workshop lessons designed for the Aksum Project.

Since I decided to run the project virtually, the cities of investigative interest were selected based off of familiarity with the neighborhoods and demographic makeup from having spent extensive time living in each location. The decision to focus on building a technology solution stems from my experience working in this

industry, and the decision to change the in-person incubator into a virtual incubator/consultancy drew from my experiences launching a forty-person, Berkshire-based pro-bono consultancy (Alhambra Consulting Group) while I was an undergraduate at Williams. As such, I was able to draw off of my colleagues in the consulting world to volunteer additional expertise for small businesses seeking our help when needed.

Additionally, I decided to pivot after investigating concurrent pandemic research that demonstrate disparities in small business recovery between minority groups¹ as well as demonstrate the general financial fragility of small businesses in the US.² By focusing on finding ways of supporting small businesses through design-thinking, financial advisory, and access to alternative forms of financing, I would be able to achieve the initial goals of (1) supporting local leaders in empowering their communities and (2) creating a program to train local leaders on innovative ways of solving their business challenges while connecting them to alternative forms of financing.

After spending the first two months of the summer engaged in research and fieldwork in different cities (“eating my own dog food” through employing design-thinking strategies for problem space investigation), I had identified that one of the core issues facing small businesses was their lack of access to non-punitive financing to help weather a downturn in commercial activity. Essentially, many small businesses struggled to stay open because they struggled to maintain payrolls and operating costs when faced with decreased foot-traffic. However, short-term or small business loans tend to be extremely punitive, as they have high interest rates and many small businesses lack the credit or negotiating power to argue these loans down. That being said, over the course of my discussions, I discovered that community fundraising and crowdfunding could be an effective way to bridge the existing financing challenges facing small businesses, and this observation became the technology solution I began developing over the summer. Further, one of my project objectives in my initial proposal was to create a network of philanthropists, donors, and ESG investors who would be interested in supporting local leaders in their projects; since changing “local leaders” to “small business owners” was effectively a semantic change, this new project objective of specifying out and initiating development of a crowdfunding tool specifically for small business owners was a very kismet opportunity that emerged through the project pivot.

The crowdfunding tool itself that I designed has the following structure: small businesses looking to fundraise to cover an existing gap in finances can do so through one of two means. (1) They can raise “grant” crowdfunds, which are effectively donations in a structured period of time. Many small businesses during the pandemic used this approach by appealing to their respective communities for support in times of exigency. (2) They can raise “revenue-sharing crowdfunds,” a form of crowd financing that’s unique to the Aksum Project. This form of fundraising, which I designed through the results of researching systems in Islamic finance (e.g. replacing interest with a form of revenue-share in lending) and innovations in the income-sharing agreement as a form of financing, aims to provide a return to crowdfunds that’s non-punitive for small businesses. Essentially, donors would receive a percentage of the small business’s monthly revenue proportionate to the percentage of their donation in the overall crowdfund for that small business. My hypothesis from this discovery process is that this system would provide a greater incentive for donors to support small businesses, therefore opening up the availability of funds for these businesses, while reducing the punitive downside associated with interest-based lending models.

Project Impact

Both the initial proposal and the current adaptation had the same conceptualization of peace as its guiding principle – by fostering economic empowerment in low-income regions through supporting local leaders

¹ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7461311/>

² <https://www.pnas.org/content/117/30/17656>

rather than imposing outside leadership and foreign interventions on a population, we can promote sustainable peace with solutions that are appropriate to local circumstances. In essence, I believe that, whichever form solutions develop in these neighborhoods, if they are led by local leaders, the likelihood of stability and long-term success of these solutions is improved. Consequently, we can promote local, domestic peace within the United States by providing a way to support existing local leadership. My project—both through the ongoing consultancy/virtual incubator and the ongoing product development of a self-service community financing solution—will hopefully provide a tool that would allow small business owners and local leaders to access non-punitive funding in order to support their livelihoods as well as generate local initiatives to address regional issues.

Conclusion & Ongoing Development

Due to the ongoing pandemic, this project proved to be ultimately more enriching than I expected. Because the ongoing public health and political challenges in the US made it impossible to implement my initial project plan over Summer 2021, I was forced to think creatively and prioritize what's most valuable in a solution to the problem space I had identified. Further, I was ultimately able to identify a more sustainable solution out of my problem space exploration. Through thinking creatively about the project at hand and interviewing small business owners in different cities, I was able to identify a technology product that would be able to address the core pain-point facing many small-businesses and design a crowdfunding tool that could be provide a more sustainable, less punitive form of financing through the Aksum network.

My future plan, consistent with my original proposal's growth plan from late 2019, is that the Aksum Project continue to provide a new, more effective way for financing and supporting leaders in under-resourced communities. Because of this project coupled with the constraints of the current global situation, I was able to identify a sustainable, longer-term solution. Further, as vaccination rates improve and the pandemic wanes, I will be able to deploy the original in-person design-thinking workshops with impacted small businesses in our network. Altogether, I could not be more excited about what's next for Aksum.

Testimonial

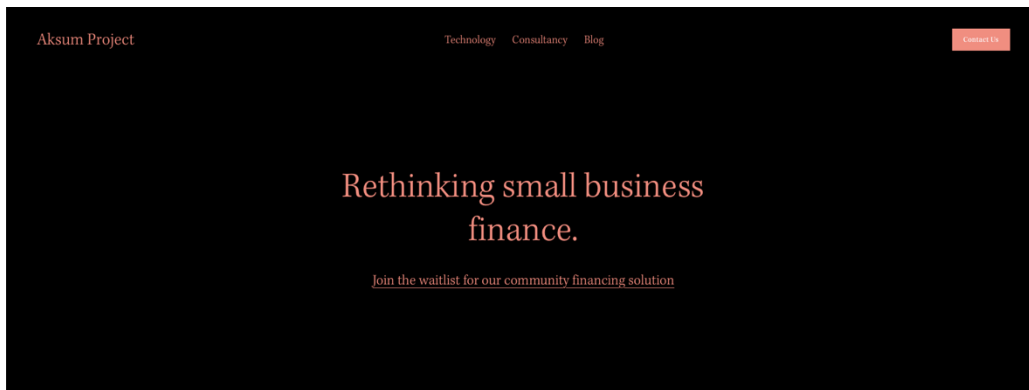
"The pandemic, understandably, disrupted the original project plans substantially, but nonetheless forced me to think creatively and strategically about a problem space which occupies my thought constantly: the challenge of how best to support economic development within the United States. As such, the Davis Project grant provided an incredibly enriching opportunity to work in this problem space, and the added pandemic-related constraints forced me to consider how to create a solution that is resilient to unexpected disasters." -Nikhil Palanki '20, Williams College

Images

Top: Project website with research + information for small business owners

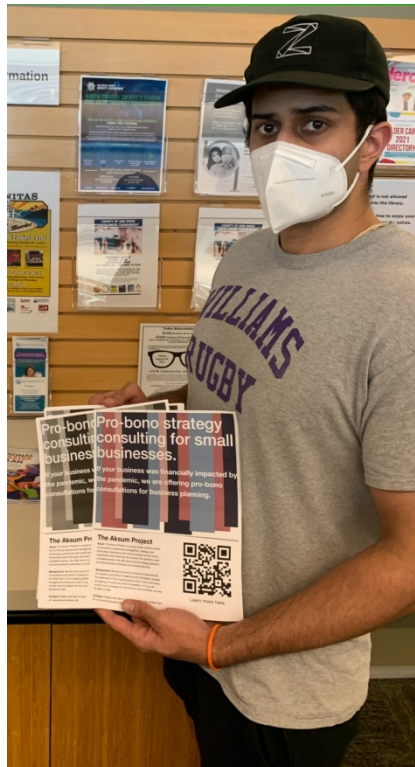
Bottom Left: Setting up marketing for the consultancy at a local community center

Bottom Right: Sample poster marketing our pro-bono services for small businesses



The ongoing Covid-19 pandemic has forced us to rethink how small businesses are financed and supported in the United States.

- At the onset of the pandemic, [researchers](#) found that many small businesses “were financially fragile” — out of a survey sample of 5,800 small businesses with a median monthly expense of \$10,000, most only had 2 weeks of cash on hand.
- As the pandemic continued on, it was clear that small



The Aksum Project

About: The Aksum Project is a social impact initiative aimed at connecting experienced management, strategy, and technology consultants with small business owners whose enterprises were financially disrupted by the pandemic (and correlated events). We offer (all pro-bono) strategy sessions and personalized workshops on business planning.

Background: We are a pro-bono collective of experienced consultants committed to helping small businesses navigate the aftermath of this ongoing global crisis. If your business is struggling to finance its costs of operation, or if you are unsure how to prepare for the future of your business, we may be able to help.

Contact: Please feel free to drop us a note in our contact form at: www.aksumproject.org



Learn more here.