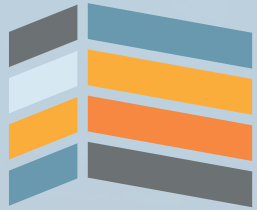


INTRODUCING



**XCHANGE**  
CHICAGO

*Onshore IT delivery center in Chicago's  
South and West Sides neighborhoods*

A PARTNERSHIP OF



# The Xchange Team consists of 3 founding partners that are **well positioned for success**

**Overview: Managed IT services firm that leverages its strong team presence to advance our clients to deliver a secure enterprise**



**Overview: Non-profit focused on education, youth/young adult development and career pathways. Convener of strategic partnerships supporting innovative community-based solutions.**



**Overview: Non-profit focused on transforming Chicago into a tier one technology and innovation hub driving inclusive economic growth**





# Chicago CIOs are wrestling with questions that span Performance & Purpose

01

How do we **respond faster** to changes in the environment?

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Offshoring is leading to higher coordination costs, impacting both savings and delivery time

Traditional talent pools are competitive and limited, with high average turnover rates of **36%**<sup>1</sup>

AI integration, automation, and augmentation are top-of-mind issues for leadership

02

What can we do to **contribute to Chicago**?

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How do we get closer to the customers we serve?

How do we make a more scalable and enduring impact in our communities?

How do we draw from more of the city when building our workforce?

Xchange Chicago is an onshore IT delivery center that seeks to address performance and purpose questions from Chicago CIOs



# The trend of offshoring and historical disinvestment has led to **fewer career opportunities** in Chicago

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01

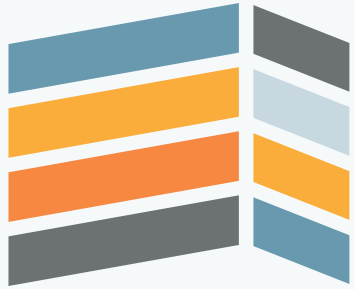
The trend of offshoring has had profound implications for the blue-collar American worker over the last forty years. This trend now has major implications for white-collar workers.

IT spend in the U.S. continues to be offshored, with IT departments dedicating **over 13%** of its financial resources to offshored roles.<sup>1</sup>

02

In Chicago, offshoring combined with historic disinvestment has resulted in very few pathways into family-sustaining roles for residents on the South and West Sides, driving inequities in health, education, and safety. In Greater Grand Crossing, the unemployment rate is **17%** vs. **8%** for metro Chicago.<sup>2</sup>

# The Solution



**XCHANGE**  
CHICAGO

Delivering IT services on Chicago's South and West Sides to drive a **more inclusive tech economy**

- 
- 01** Training exceptional, diverse tech talent at scale
  - 02** Building capacity and commercial growth for local MBE suppliers
  - 03** Creating new business anchors located in the heart of the South and West sides of Chicago
-

# The Opportunity

**\$16.5 Billion<sup>1</sup>**

is spent annually by Chicago Companies on 3rd Party IT Services that are delivered overseas or outside the region.

Redirecting

**2% of this annual spend**

to suppliers who deliver this work in Chicago could result:

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**2,750+**  
annual jobs

**\$935 Million**  
in annual local economic impact

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# Xchange's differentiated value proposition sits at the intersection of **Performance and Purpose**



## PERFORMANCE

**Service & Price:** meets or exceeds SLAs at competitive rates

**Proximity:** delivers services closer to your business and customers

**No New Spend:** leverages *existing* commercial IT spend instead of net new HR spend to develop future tech talent at scale

**Talent Acquisition:** reduces hiring costs by enabling you to hire high performers who service your account

**Retention:** 94% of apprentices are retained after two years compared to 86% of the tech workforce<sup>1</sup>



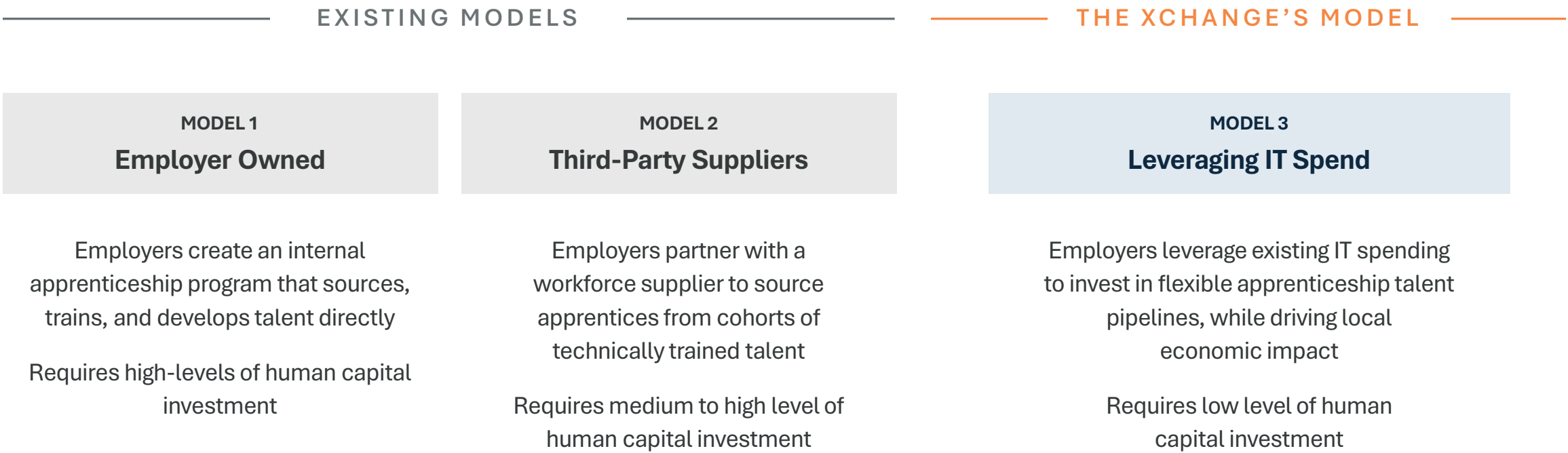
## PURPOSE

**Community:** catalyzes economic activity on south & west sides

**Opportunity:** creates new opportunities for family-sustaining wages in high growth industries

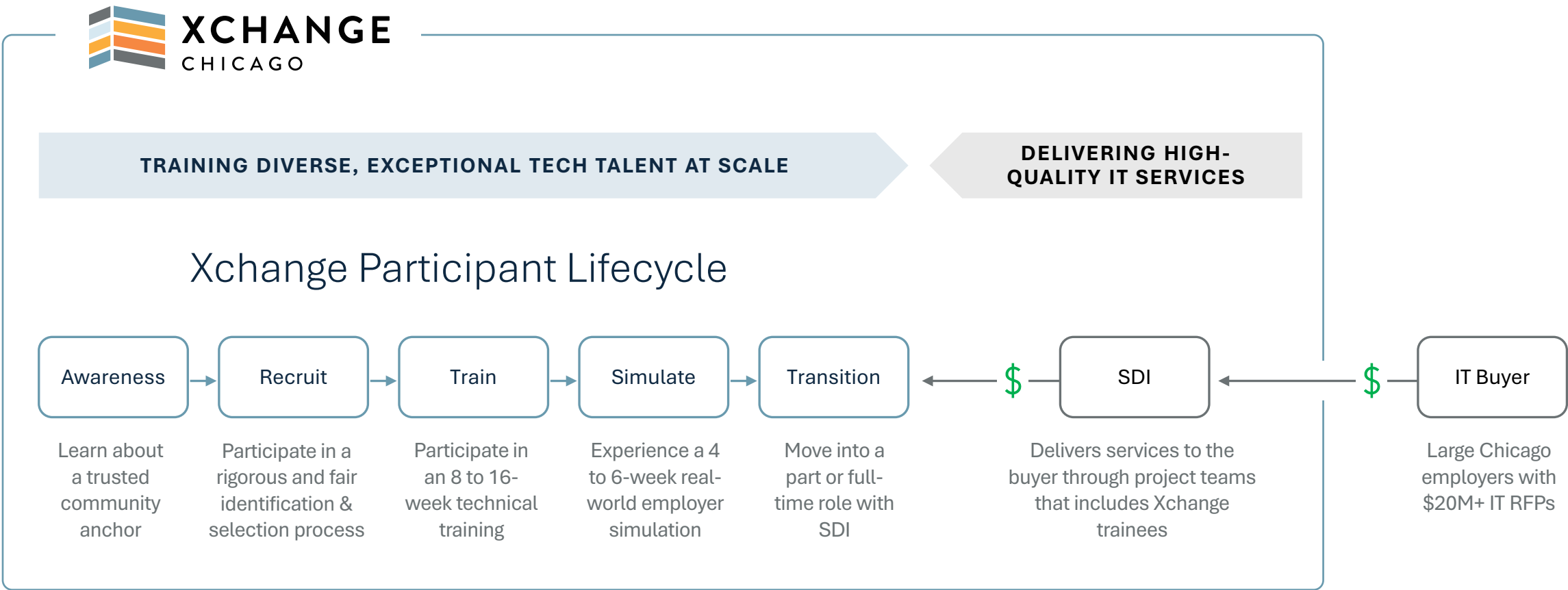
**Management & Mentorship:** new opportunities for existing and emerging managers to develop management capabilities and engage in the community

# The Xchange provides a new model for tech apprenticeships, leveraging existing IT spend to develop tech talent pipelines





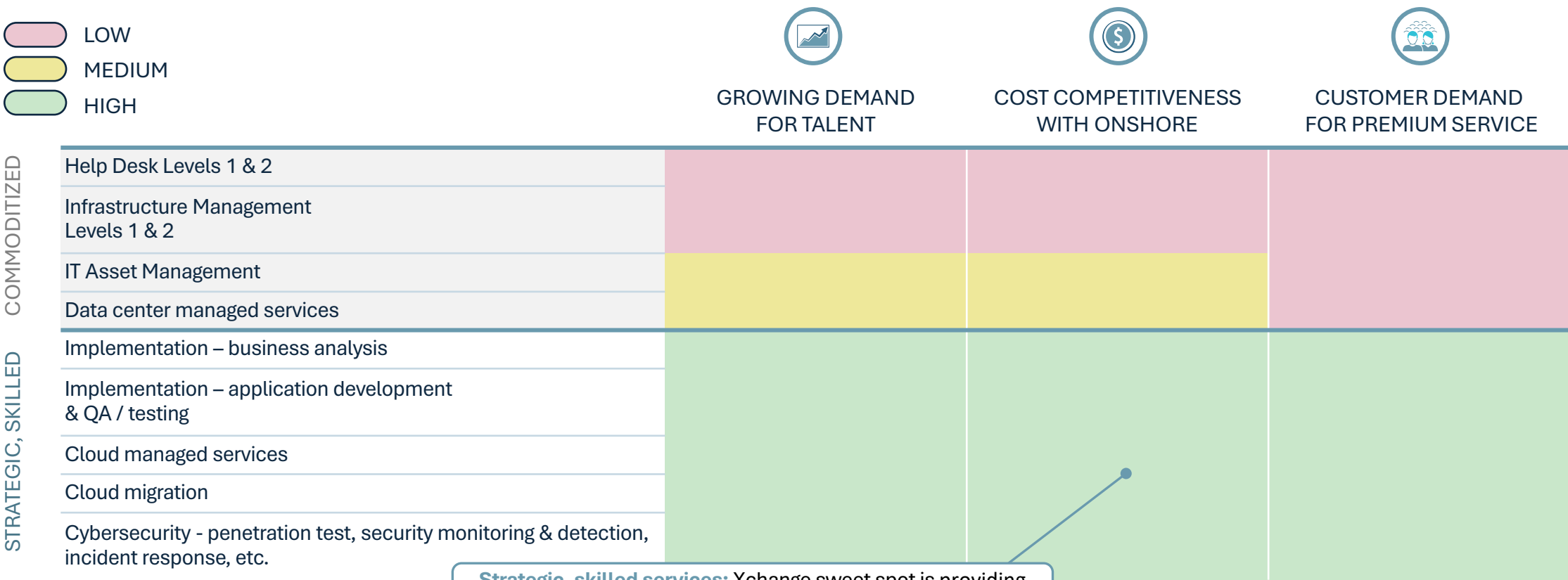
Xchange leverages **\$16.5B in existing IT spend** from Chicago employers to build the skilled tech workforce Chicago needs



# Xchange delivers IT services that are mission **critical and resilient** against automation<sup>1</sup>

KEY:

- LOW
- MEDIUM
- HIGH



**Strategic, skilled services:** Xchange sweet spot is providing solutions in service areas that are **key priorities for Chicago CIOs**, where customers are looking to develop internal talent and spend onshore

# SDI offers a comprehensive suite of IT services to meet Xchange's client needs



## Multi / Hybrid Cloud Infrastructure Managed Services

- Incident management and IT service requests
- Infrastructure deployment/upgrades
- Call Center/Service Desk
- Cloud modernization/optimization

*Xchange clients: Oak Street Health IT service desk; WEC network engineering*



## Application Managed Services and Modernization

- Enterprise Applications (e.g.: ERP, CIS, CRM, EAM)
- Implementation, upgrades and enhancements
- Application support
- App dev/full stack development

*Xchange clients: WEC Maximo Implementation; Northern Trust Omnium support*



## Work and Asset Management

- ITSM (ServiceNow)
- Large-scale device deployments/refresh
- Lifecycle asset management services
- Business process redesign

*Xchange clients: Northern Trust Technical Infrastructure PMO*

The addressable market in Chicago is \$16.5B; we are focused on a \$3.4B segment where **demand is strong** and we can win<sup>1</sup>

Service	Est. Chicago Market Size	Est. % of Chicago Market	Growth Rate (5 Year CAGR)	2023 Illinois Job Postings
Implementation <small>(BA, App Dev, QA)</small>	\$2.9B	17.5%	7%	15,000
Cloud Managed Services	\$0.2B	1.0%	6%	500
Cloud Migration	\$0.1B	0.5%	23%	
Cybersecurity <small>(threat, compliance, phishing, vulnerability scans)</small>	\$0.2B	1.5%	10%	1,500
<b>Target Services</b>	<b>\$3.4B</b>	<b>20.5%</b>		
Other	\$13.1B	79.5%		
Total	\$16.5B	100%		

Capturing 2% of the Chicago market for these target services (\$60M) would yield 500 apprentices and **\$170M of local economic impact annually**

## Xchange Apprentices are staffed to support a client's IT needs through **project-based work**

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Apprentices are staffed to a project team with SDI. They are managed by the SDI's dedicated project manager & team.

The clients can convert apprentice(s) into full-time staff at the end of the engagement, or apprentices are staffed to another contract at SDI.

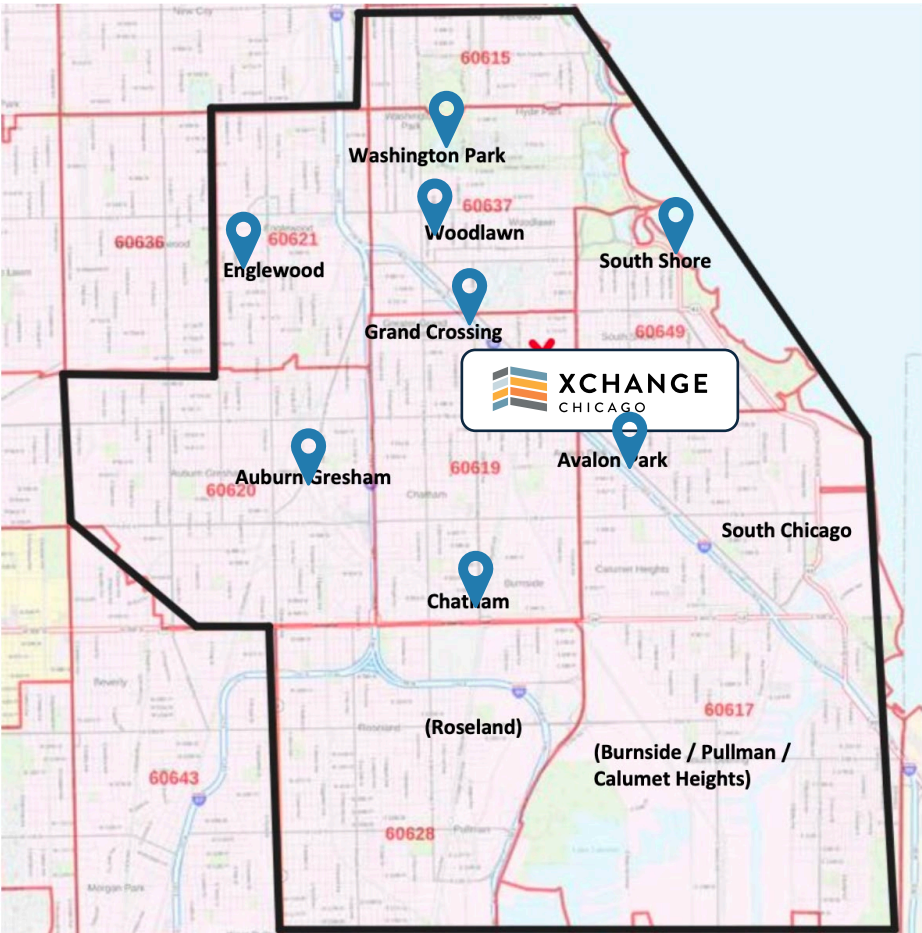
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Apprentices receive continuous wrap-around support services from the Xchange

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Xchange is located in Greater Grand Crossing on the Comer Innovation Campus, currently recruiting from **8 communities**



Community	2022 Total Population <sup>1</sup>	2022 Population: 16 Years and Older <sup>1</sup>
Greater Grand Crossing	29,000	23,000
South Shore	56,000	44,000
Auburn Gresham	47,000	37,000
Chatham	31,000	27,000
Woodlawn	24,000	20,000
Englewood	21,000	17,000
Washington Park	12,000	9,000
Avalon Park	10,000	8,000
Initial Target Population for Recruitment	230,000	185,000

# Xchange has made significant progress to date, servicing **large, commercial clients** with 50+ apprentices

## CURRENT CLIENTS

Our anchor accounts range in industry and approaches to technology services.



## SCOPE OF WORK

Local talent has been trained and placed at these clients, working on a variety of tech projects.

- **AI Enablement:** M365 AI Co-Pilot L1 Support
- **EAM Support:** Supporting upgrade of an enterprise asset management system
- **Desktop/App Support:** Supporting clients with technical issues with internal software including data migration and data accuracy
- **Azure Dev Ops:** Supporting clients on delivery of technical projects and technical project management
- **Network Support:** Working with clinic sites and employees to resolve technical issues (hardware, software, and network)
- **IT Logistics:** Managing user device deployment, repair and end-of-life processing

## IMPACT

50+ apprentices are currently working in first year of operation

Leading to \$3.25M in salaries with full benefits

Building opening in Q4 2025, to create more economic activity in the community.

SDI Presence and United Way signed leases for ~20,000sq ft and move 200+ jobs into the community.

# Xchange Chicago provides a new model for tech apprenticeships, with key benefits for clients, apprentices and the community

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## Client Benefits

**Tailored Talent Development:** Employers can cultivate a skilled workforce by training apprentices in specific roles and technologies, reducing reliance on external hiring.

**Increased Productivity:** Apprentices contribute to the workplace while learning, which boosts efficiency and aligns their skills with organizational needs.

**Enhanced Brand Reputation:** Supporting apprenticeships demonstrates a commitment to community development and corporate responsibility, improving public perception.

## Apprentice Benefits

**Practical Experience:** Apprentices gain hands-on skills in real-world environments, bridging the gap between theoretical knowledge and practical application.

**Career Advancement:** Apprenticeships often lead to full-time roles, offering a clear pathway to career growth without the burden of student debt.

**Mentorship Opportunities:** Apprentices work closely with experienced professionals, gaining valuable insights and guidance.

## Community Benefits

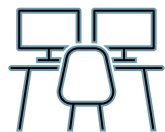
**Economic Growth:** Apprenticeships create a skilled workforce, driving local economic development and reducing unemployment.

**Social Mobility:** They provide opportunities for underrepresented groups to enter high-demand industries, fostering inclusivity.

**Stronger Networks:** Partnerships between businesses, schools, and community organizations strengthen local ecosystems.

# Participation in the Xchange program through our client partners has created **positive financial and economic outcomes for the apprentices**

## OUR 50+ APPRENTICES



**55**

# Trained

**53**

# Placed

**42%**

Northern Trust

**16%**

City of Chicago

**16%**

Wisconsin Energy Corp

**12%**

Aon

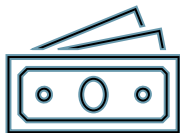
**10%**

CVS Health

**4%**

MRO Corp

## FINANCIAL IMPACT



**\$15K-30K/YR**

Pre-Xchange Job

**\$50K/YR**

Xchange Apprentice

**\$68K-72K/YR**

Xchange Alumni

**200%+**

Compensation Increase

**12**

# FT Client Conversions

## KEY ECONOMIC INDICATORS



**\$20M**

Public, Private, Philanthropic  
Investment in Xchange Facility

**\$3.25M**

Total Apprentice Salary/Benefits

**3**

Homes purchased via Habitat for  
Humanity Partnership

**2**

Vehicles Purchased

# Xchange has received **positive feedback** to date from apprentices, managers, and client partners

“This is absolutely life changing... the best thing that's ever happened because having that professional development and growth in that short amount of time is an invaluable experience. Amazing program & shout out to SDI for taking a shot on a bunch of random people that they had never met before.”

XCHANGE APPRENTICE

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“This apprenticeship program is one of very few that supports learners from the beginning of their journey into a new and exciting field and career through to placement and full-time employment at no cost to the apprentice.”

XCHANGE APPRENTICE

“Was able to jump in and help out a couple team members on various tasks; the team received praise from the client on one of the items that she helped to build out (testing script for UAT).”

SDI MANAGER

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We’re excited to partner with Xchange Chicago to meet our IT needs while offering good-paying tech jobs to people who live on the city’s South Side.”

PEOPLES GAS VICE PRESIDENT





# XCHANGE CHICAGO

A PARTNERSHIP OF

P33

SDI  
SD PRESENCE LLC

COMER  
EDUCATION CAMPUS

[www.xchangechicago.org](http://www.xchangechicago.org)

# The Xchange Team consists of 3 founding partners that are **well positioned for success**



A trusted community anchor since 2006, serving 2,000+ youth and young adults annually with education, enrichment, career pathways, and support services.

Partners closely with the community to recruit, train, and provide wrap-around supportive services for apprentices

The Xchange's 28,000 sq ft facility is located adjacent to the Comer Education Campus



A certified Minority-Owned Business Enterprise (MBE) with 400+ employees, over \$50 Million in annual revenue, and 25+ years of delivering mission-critical systems and technology services.

Excels at recruiting a diverse workforce and expanding MBE/WBE business partnerships

2024 Recipient of NMSDC Supplier of the Year Award – Class IV



A convener of Chicago's tech ecosystem, focused on transforming Chicago into a tier one tech and innovation hub, driving inclusive economic growth.

Advances inclusive talent solutions, and has extensive experience in tech apprenticeships through leading the EDA's Good Jobs Challenge. Works closely with large F500 Chicago employers, fast-growing startups, academic institutions, non-profit trainers, and government to shape the tech talent agenda for Chicago.

# Join us in driving a more inclusive tech economy in Chicago

## Employers

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1. Consider Xchange and our IT MSP partners as you select vendors for future projects or staff augmentation roles. Can we scope out a project with your team?
2. Consider building Xchange into your RFP process so that your vendors are incentivized to work with Xchange to win your business.

## Philanthropy

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1. Capital to complete the final section of the Xchange terminal that will host training and operations.
2. Working capital to manage the day-to-day operations of Xchange including the first 1-2 full-time leadership hires of Xchange.



# Xchange's services are **delivered locally**, in community on Comer's Education Campus





**XCHANGE**  
CHICAGO

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## Appendix



# Xchange's model is designed to diligently address **potential barriers to scale**

## **"Can Xchange meet my service level?"**

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Xchange partners with minority-owned MBEs that have a track record of excellent service delivery. Xchange is also open to partnering with larger global SIs who are committed to partnering with minority-owned MBEs to deliver services.

## **"Who is the Xchange's buyer?"**

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The CIO and their direct reports are the primary buyers. However, engaging the CHRO, CFO, and procurement early in the process is imperative.

## **"Are the apprentices familiar with the corporate working environment?"**

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Xchange is investing in wrap-around training support to ensure apprentices are prepared to enter the corporate environment. These include mentoring and simulations of the work environment, similar to traditional analyst training for new hires.

## **"Do the apprentices have the right skills?"**

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Xchange has engaged 15+ C-suite teams across Chicago, along with a council of CIOs/CTOs to help shape the type of skills needed among trainees.

## **"How sustainable is the model?"**

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A key distinction in the Xchange's model compared to most workforce development models is that it is designed to be sustainable and avoid an overdependence on philanthropy. The IT dollars are the primary driving force for earned revenue, supplemented by some philanthropic dollars during the initial years.