ENTREPRENEURIAL ECOSYSTEMS

e² University

Metrics, Stories, & Sustainability Guide

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About This Guide

This **Metrics, Stories, and Sustainability Guide** illustrates how your community can gather metrics and stories to build a compelling initiative impact narrative for your stakeholders and community. This is especially important for rural communities where impacts may be small but accumulate over time for broad community improvement.

e2 University includes several additional guides to help you in your journey toward entrepreneur-led economic development:

- **Introduction to e2 University**
- **Organizing for Action**
- **Assessments to Strategy**
- **Working with Entrepreneurs**
- **Metrics, Stories and Sustainability**

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Part 1 – Introduction

Business expansion ribbon cutting are fun and generate positive news coverage within a community. Stories about entrepreneurs highlighted on radio or television can capture the magic of entrepreneurial innovation and energy. The process of systematically capturing impacts and documenting how our entrepreneurial ecosystems contribute to their success is hard, disciplined, and essential work. Too often we are so focused on working with entrepreneurs and building our entrepreneurial ecosystems we underfund or do not support the metrics and story capture work. Without consistent and robust metrics and story capture, we often lack the evidence necessary to ensure our stakeholders and community continue to invest in our work. Strong metrics and story capture systems not only can make the case to continue support but illustrate the opportunity with further investment our entrepreneurship work can do more and contribute to greater community economic development impacts.

Demonstrating Impact

Economic development in the United States has long suffered from first corruption (e.g., corruption associated with large capital construction projects like early railroads for example) and then a smoke and mirrors (e.g., claiming impact when development efforts are not primarily responsible for the outcome) reputation. Entrepreneur-led development should aspire to a higher standard. Central to a creditable level of accountability, it is essential we embrace both sound metrics including indicators of progress and impacts and stories illustrating how our development efforts are materially contributing to these impacts. Finally, longer-term sustainability of e2 initiatives is greatly enhanced with sound metrics.

Why Metrics Are Important

Resources always seem tight when we are doing e2 work. Our instinct is to focus more time and energy on working with entrepreneurs and building out our ecosystem. This makes sense given our desire to help our community's entrepreneurs thrive. But we must also realize that what is obvious to those of us doing this work is not obvious, let alone creditable, to our stakeholders and our larger community. Two outcomes are common:

- New investment, job hires, decisions to reach out to new markets, and other likely entrepreneurial outcomes and impacts can simple be missed by stakeholders and the community. One attribute of business attraction is the clarity that a new business has come to town and a certain number of jobs have been created. With entrepreneurial development, thousands of small wins occur over time and it is much harder to recognize impact is happening. **We need a metrics system to collect all of these outcomes to illustrate the true scale of impact.**

- The second outcome relates to where does the credit rest for impacts. We are never sure whether our development efforts materially contribute to an entrepreneur's decision to expand or start. Too often the connection between an entrepreneur's success and our development support is not clear. **It is for this reason we need to commit to testimonial and story capture where the entrepreneur connects the dots and state how our development efforts made a significant contribution enabling their success.**

Entrepreneurs Own Their Success

It is critically important to always remember that entrepreneurs ultimately own both their successes and failures. Our role within our entrepreneurial ecosystems is to support entrepreneurs and contribute to

their success. There is this myth in American culture that successful entrepreneurs somehow achieve their success only by their efforts. Based on thousands of interviews with entrepreneurs we and others have conducted over the past four decades, rarely is this case. In every entrepreneur's journey there are key times when family, friends, mentors, and resource providers provide foundational support contributing to entrepreneur's success. Our story capture formula first focuses on the success and journey of the entrepreneur and then the back story of how our ecosystem contributed to their success through the entrepreneur's own testimonial words.

The following is a short list of the reasons why a robust and ongoing commitment to metrics and story capture is so important:

- Illustrate the Potential for Change
- Document Concrete Outcomes
- Provides Accountability within the System
- Enable the Potential for Calculating Return on Investment
- Enhance Deeper Commitments, Investment, and Sustainability

The Value Case for Entrepreneurship

When it comes to investing in economic development, our communities have many choices including not to invest, invest in traditional development like business attraction, and entrepreneurial development. Regardless of the range of choices a community can make, we must make the case for entrepreneurship to four key constituencies within our communities:

Our Entrepreneurs - Stakeholders including Funders - Resource Providers - The Community at Large

Over time, more and more of our community's entrepreneurial talent must come to believe that our entrepreneurial development efforts are valuable to them. Because we are growing an entrepreneurial ecosystem, it is providing assistance and resources that enable our eTalent to do more. Support for our e2 work is enabled by community stakeholders – including funders – that make our work possible. These stakeholders (e.g., banks, major employers, local government, etc.) must have solid evidence that their investments into entrepreneur-led development are worthwhile. A third group for whom we must demonstrate value is resource providers ranging from a local attorney contributing some time to startup entrepreneurs to area providers like small business development centers. Helping resource providers capture their impacts enables these critical partners to make the case for their value to their stakeholders and funders. Finally, we must demonstrate to our larger community that entrepreneur-led development is making a real difference in our community's development and prosperity.

Capture of metrics and stories can illustrate the **potential for change**. Let's illustrate with a story about entrepreneurs who vision they can provide better and competitive telephone services compared to incumbent providers. Their story of success inspires both other entrepreneurs and communities with what is possible. Successful stories about entrepreneurs and how our communities help them succeed are powerful motivators. Sound metrics about new investment, jobs saved, or markets reached provide **concrete outcomes** demonstrating impact. When these metrics are summarized, we have the potential to document the cumulative impact of our efforts. **Accountability** is so important. When we as a community entrust support and funding to a development initiative, we need evidence that this support is resulting in desired outcomes like job creation and economic growth. Finally, our metric and story

capture efforts done well can enhance and deepen **commitments**, **investment,** and initiative **sustainability**.

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From Road Map to Documenting Impact

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A sound metric and story capture system can provide not only a way to document economic development impact and our contributions to that impact but also provide a road map early on for where we hope to go with our entrepreneurial development game plan and work. Road maps are important in that they provide us options for getting to a desired destination. We may have a preferred route, but as we engage in working with our entrepreneurs and building our community's ecosystem to support them, we may make intentional changes in our routing (e.g., strategy) based on our learning. Waiting until the end to consider documenting our impact undercuts dramatically the value of having a metrics and story capture system in place early in our process.

Next, let's revisit where this guide and its resources fit within the e2 University resources. We begin with **Community Readiness for Entrepreneurship,** then **Organizing for Action,** followed by **Assessments to Strategy,** then **Working with Entrepreneurs,** and finally **Metrics, Stories and Sustainability** (this guide).

Where This Resource Fits

While this guide comes last in the sequence of resources, its contents should be considered very early in your entrepreneurship journey. Exploring your commitments to metrics, stories, and sustainability during the organizing phase and into the strategy development phase is foundational.

From the early days of assessing community readiness for entrepreneurship, we are evaluating our potential stakeholders and how to gain their commitments, on behalf of the larger community, to support our eWork. Setting clear impact goals (e.g., number of entrepreneurs to be engaged and assisted, early indicators of impact, etc.) is important within the emerging compact between your community and your work. So we encourage you to consider this content from the earliest stages of work so that you have a strong metrics and story capture system in place that you can grow and evolve as your move through the e2 process over time. At every stage in the e2 process including assessments, strategy development, and working with entrepreneurs, you will refine your metrics and story capture work and system. We will work to identify where certain metrics and story capture elements should be actively considered as you move through the e2 development process.

Now let's address the all-important connection between metrics, story capture, and sustainability.

Metrics and Stories Connection with Sustainability

Economic development, including entrepreneur-led development, is a 24 hours per day, 7 days per week, and 365 days per year commitment. This work simply never ends. Our world's economy and society are dynamic and everchanging, requiring our continuous engagement in this work. Our communities must continue to innovate, compete, and work to ensure socioeconomic relevance within this environment. Entrepreneurs – social, civic, and business – are foundational to sustained community prosperity.

Lessons Learned from the Nebraska Unicameral

Earlier in my career, I spent a short decade staffing the Nebraska Unicameral's special committees on energy (e.g., Oil Embargo times) and economic development. Nebraska is unique among the 50 states in that my home state has a single legislative body (no house or senate chambers) that is nonpartisan. This form of legislature creates expansive access by Nebraska citizens to the legislative process and their elected state senators. My experience found that the most effective and compelling method for making a case for new state policy or legislation was the use of powerful data and testimonials. The data helped us make the case for the importance of the issue and the potential magnitude for change enabled by new legislation. However, no matter how compelling the data, we found that passionate and honest testimonials by citizens about the problems we were addressing and how the proposed legislation could provide solutions was foundational. It was the combination of both data and testimonials that proved to be most impactful in generating legislator support. We believe the same is true with community stakeholders, their organizations and the larger community when making the case for deep and ongoing support for entrepreneur-led economic development.

The sustainability of our e2 initiatives is paramount given the reality of the global development environment. A few years of outstanding effort is not sufficient to ensure our community's longer-term success. Sustainability is more than continuing our work at a certain level. True sustainability includes the ability of our community to increase our support for our e2 efforts over time as we demonstrate impact and potential for more impact. Without robust, honest, and ongoing metrics and story capture, we lack the documented evidence necessary for enabling sustainability. Our communities will experience good and bad times, and during challenging times when resources are tight, hard choices are necessary. It is during these periods that entrepreneurship can continue as a community priority as other community investments are cut.

We have one more topic to address before we undertake deeper dives into the **what** and **how** of metrics, story capture and sustainability – establishing a baseline.

Establishing a Baseline

Given the history of "smoke and mirrors" (e.g., highly uncertain cause and effect) with economic development and the challenge of true "return on investment" (e.g., highly quantified and reliable data given the causal nature of development efforts and associated impacts), establishing a baseline for benchmarking progress and demonstrating causal relationships with development efforts becomes potentially the most robust and honest way to demonstrate the value of economic development investments by your community.

The Causal Relationship. In economic development, and particularly entrepreneur-focused development, our intent is to stimulate and support entrepreneurs in creating new and growing existing ventures resulting in desired community economic impacts (e.g., new investments, job creation, tax base expansion, higher personal income, greater community wealth, etc.). But if we are candid, our best case to make is that we have been a partner with an entrepreneur who has achieved these outcomes and contributed to our community's development. We can never be totally confident that our interventions and help were critical to the actions taken by the entrepreneur. What we can do through our metrics work are three things:

Document Entrepreneur Actions and Outcomes. By tracking our entrepreneurial clients and the new actions they are taking (e.g., decision to invest in workers and equipment as part of an expansion) and the outcomes they are creating (e.g., new work for contractors and hiring of new employees), we can demonstrate in strong data terms that economic development is occurring.

How We Contributed to their Progress. While we cannot take credit for the entrepreneur's actions and outcomes, we can illustrate through testimonials and stories how our entrepreneurship work was critically important. Remember we are "junior" partners with our entrepreneurs. When entrepreneurs articulate in their own voice how we helped and that our help was foundational to their progress, we have connected dots between our community's investments into the community's entrepreneurial ecosystem and program, economic development, and progress.

Collective Impact. Finally, we face the challenge of making the case that our entrepreneurship work is materially changing our community and its economy for the better. With traditional development, when a new industry moves to town and hires 250 workers, it is easier to communicate that economic development has occurred. With entrepreneur-focused development, our success comes in multiple and smaller outcomes. By employing collective impact using our portfolio of entrepreneurial clients, we can quantify the number of entrepreneurs we have worked with and the collective value of their new investment, jobs created or saved, economic activity, and sales and property tax receipts. Collective impact is foundational to demonstrating to our partners, stakeholders, and community that this approach to economic development can generate transformative desired change.

In America we like "keeping score." Maybe one reason we are crazy about sports and politics is that we can keep score and measure progress and change on a multitude of things. If you are a serious baseball fan (i.e., America's historic sports past time), you understand just how many indicators are tracked as part of our "keeping score" culture. Connecting with the cultural trait, we need a baseline for comparison purposes. The baseline allows us to see how things have changed over time. Now comparative analysis of the progress we are making has real challenges. For example, NetWork Kansas has contributed directly to hundreds of millions of dollars in new business development over the past decade. These metrics are compelling. However, during this same period Kansas was adversely impacted by the Great Recession, challenges in production agriculture, and now the Pandemic Recession. Making the case that NetWork Kansas, its partners, and entrepreneurs have changed the Kansas economy for the better is hard to make given these massive external factors without a baseline.

Development Opportunity and Market Profiles

Two resources we have developed and employ in our e2 work are Development Opportunity and Market Profiles. Employing the latest available public and private data, these two profiles enable a community to establish a baseline for future progress and impact analysis. The [Development Opportunity Profile - Knox County, NE Profile](#) provides a basic point-in-time socioeconomic capture of your community, its economy, and entrepreneurial sector. The relatively newer Market Profile provides a point-in-time socioeconomic profile of consumer activity employing very current and granular Esri data. Both of these profiles can be starting points for baseline development for your community.

Nevertheless, with a solid baseline of where your community is starting – new initiative or moving to the next stage in growing your entrepreneurial community – you can better benchmark your progress and demonstrate that you are realizing cumulative impact.

Part 2 – Metrics

The case for metrics, stories, and sustainability is clear – in order to support our entrepreneurs, we must be able to document and demonstrate the value they receive in their growth journey. In this section, we will focus on the quantitative data known broadly as **metrics**.

Terms and Concepts

Before we get too deep into metrics, it might be useful to share some key terms and other resources. Ultimately your community must define the tools and words that you will employ with metrics, stories, and sustainability.

Metrics

The term "metrics" can be confusing as it can include both quantitative (e.g., new investment, jobs created, additional sales taxes, etc.) and qualitative (e.g., testimonials, stories and case studies connecting the dots between entrepreneurial success (often quantitative measures) and how our ecosystem contributed to that success (often qualitative measures). In this guide, we are using the term "metrics" to refer to largely quantitative indicators or measures.

> **TIP:** We have included two background pieces on metrics and measurement.
>
> - The first is from our friends at **Yellow Wood Associates,** You Get What You Measure®: A Process to Determine and Measure Progress in Community Development.
>
> - The second piece is from the **Federal Reserve Bank of Minneapolis,** Measuring the Impact of Community Development: A Conversation with Paul Mattessich of Wilder Research.

Key Terms Defined. Since there are many different terms used when we talk about measuring success, it is important to find the terms that work for you and use them consistently so that your measurement system becomes an effective tool. Here are some common terms you may want to consider as you construct your community's approach to measuring progress and success.

- **Metrics.** System of indicators you select to show progress toward stated goals and outcomes; *may also be called Performance Metrics.*

- **Qualitative Indicators.** Qualitative metrics are generally not reflected in numbers but in changes in behavior or experiences; these metrics are captured through stories and testimonials.

- **Quantitative Indicators.** Quantitative metrics are reflected in numbers or statistics; *may also be called Statistical Indicators.*

- **Outcome.** An outcome is a desired end result of an activity or intervention; it is what you hope to change through your work (for example, increasing business startups by 10 percent over five years).

- **Outcomes Roadmap.** An outcomes roadmap generally uses the Hierarchy of Community Impacts process and indicators to provide a more comprehensive view of your proposed change and how you will accomplish that change.

- **Dashboard.** A simplified set of indicators used regularly to guide and measure your program's work; *may also be called a Scorecard.*

- **Baseline.** The value of indicators at the beginning of your work; your starting point.

- **Benchmarks.** Mile markers (formulated using indicators) on the outcome roadmap that reflect anticipated progress associated with desired outcomes.

- **Stakeholders.** Individuals and organizations in your community critical to supporting your entrepreneurship initiative.

- **Funders.** Those stakeholders that provide financial support for your work.

Strategic and sustainable economic development takes time. Managing the expectations of your stakeholders and community is critical in keeping their support for the long haul. One way to manage expectations is to work with your stakeholders to define success over time as a key component of your metrics system. We explore possible metrics for your community's e2 Initiative that can be used as outcomes, goals, desired impacts, progress benchmarks, and ways to demonstrate that your community's investment of time and resources in your eCommunity is paying off.

The Five Purposes of Metrics within the e2 System

There is an old saying that "we become what we measure." There are five rationales or purposes for metrics within our e2 development framework:

1. Set Goals and Objectives
2. Track Progress
3. Ensure Momentum
4. Provide for Continuous Improvement
5. Ensure Stakeholder and Community Support

Set Goals and Objectives. By establishing your community's e2 baseline you have a snapshot of where your community is at that point in time with respect to entrepreneurial development and ecosystem building. With your baseline as a reference point and upon completion of critical assessments, your community will build an e2 strategy. Within this strategy, your eTeam along with your stakeholders and community will create a vision, setting goals and objectives to be accomplished say within a year (Levels 1-3 within the Hierarchy of Community Impacts, which is discussed later in this guide), three to five years (Levels 3 & 4), and within a decade (Levels 3-5). To operationalize your e2 strategy goals and objectives you will need metrics or indicators you can quantify and easily measure over time.

Track Progress. Once you have established indicators associated with your e2 strategy goals and objectives your community can begin to track progress. Early on, particularly with startup e2 initiatives, your eTeam should track progress every three to four months employing our e2 Push approach (more on Pushes later in this guide). Assuming good pacing and progress by years two and three you are tracking progress every six months. In time, tracking progress should be annual activity.

Ensuring Momentum. Ensuring initiative progress is foundational. Any development can only realize transformative desired change if it is sustained over time. Periodically gathering your team, partners,

stakeholders, and even your community together to take stock of your progress can be energizing and ensure momentum is sustained. While we are engaged in our journey, we are focused narrowly on the work at hand (including frustrations, setbacks, and even failures). Periodically, stepping back and evaluating your overall progress is powerful. It helps put challenges into perspective as all engaged realize you are making meaningful progress ensuring continued commitment and engagement.

Provide for Continuous Improvement. Having well-defined metrics to both guide where you are going and measure progress realized can help your eTeam and stakeholders be more intentional regarding discovery of new opportunities, emergence of unexpected challenges or roadblocks, and intentional changes in both strategy and approach. This process is called continuous improvement. There will always be curves in your road – both good and bad – and it is empowering to understand both challenges and opportunities and your ability to make smart and strategic changes.

The Entrepreneurial Way

Successful entrepreneurs learn how to balance the need for change in strategy and approach and not overreact. While implementing strategies and tactics, smart entrepreneurs understand they have to give their efforts time to demonstrate desired impacts. However, they also understand that if something is not right or working, change – and sometimes fundamental change – is necessarily. There is an art and science to balancing this tension between staying the course and making changes. The same is true for your community's entrepreneurship work. Overtime, with trial and error, your eTeam will become more successful in managing this all-important balance as you fine tune your strategies and tactics.

Ensure Stakeholder and Community Support. Our final purpose or rationale for sound metrics relates to sustainability tied to stakeholder and community support. When your stakeholders and community make commitments to support your e2 strategy and work, a social compact or agreement is established. With clear metrics, you will have the basis for demonstrating how your work at any given point in time is performing. As long as you are "proving up" and realizing reasonable progress against your stated goals and objectives (quantitatively measured by indicators), you have sound basis for fulfilling this compact. Additionally, realizing there will be challenges, your metrics will also help you explain to your stakeholders and community where you have made adjustments given emerging opportunities and challenges. This process keeps faith with stakeholders and your community ensuring greater ongoing support.

The Importance of Using a Portfolio and Entrepreneur Tracking System

In our **Working with Entrepreneurs Guide,** we spend considerable attention on the use of **portfolios** and **client tracking**. The primary purpose of these two inter-related tactics is to ensure high-quality engagement with your entrepreneurs. There is another purpose for using both portfolios and client tracking systems that supports metrics, stories, and sustainability. By having a well-executed and robust system for tracking your work with entrepreneurs, their progress, how you are helping them network to resources, and cumulative or portfolio impacts, you have the information and documentation necessary for making the case to your stakeholders, resource partners, and community that your eWork is making a real difference in your community's economic development. We encourage you to revisit the content on use of a portfolio and entrepreneur tracking system in **Working with Entrepreneurs** to explore how these tractics can support your metrics, stories and sustainability strategy and work. In the Working with Entrepreneurs Guide, we also summarize the "what," "why," and "how" of entrepreneur client portfolios.

What Do we Mean by Entrepreneur Portfolios? Portfolios are widely used in our economy and society. Possibly the best example with most people are familiar with are retirement fund portfolios. Financial advisors strongly recommend the use of a diversified portfolio of investments based on one's stage of life relative to retirement, risk tolerance, and desire for return on investment. With a diversified portfolio, risk is inherently managed and overall reliable performance enhanced. In our e2 framework, we are talking about a portfolio of entrepreneurial clients rooted in your communtiy's eTalent and targeting.

For a mid-size rural city of 10,000 residents, you may be working with 100 to 150 entrepreneurs at any time. Within this portfolio, you will have targeted efforts based on your eGoals, possibly dedicating 50% of your effots toward growth-oriented entrepreneurs, 20% toward transitions, 20% focused on existing businesses, and 10% on new startups. Within this portfolio you will realize both success and failure. There are fewer growth-oriented entrepreneurs, but those that progress will create greater impacts. Working with existing and transitions will generate lesser impacts but strengthen your venture community. Focusing time and energy on aspiring entrepreneurs and startups will create little or no major impacts but will expand your venture base over time. What counts is how your overall portfolio performs over time, just as a diversified mutual fund retirement portfolio will consistently generat 6-8% returns averaged over time.

Different Entrepreneurial Talent Generate Different Impacts

Remember, when you are assisting different entrepreneurial talent at different stages of development (e.g., from aspiring to start up to transition to growth), you will realize different economic development outcomes and impacts. For example, targeting and supporting aspiring and start up entrepreneurial talent will not initially create significant bottom-line economic development impacts like new investment, job creation, and tax base expansion. But focusing on this segment of your development opportunity will increase your entrepreneurial pool contributing to a fuller entrepreneurial pipeline over time. Conversely, supporting growth-oriented entrepreneurs, while typically smaller in number, have far greater potential for generating economic development impacts. As part of your messaging to your stakeholders, resource partners, and community, continuing to educate on the unique role of each segment of your entrepreneurial talent continuum can ensure ongoing support. Figure 1 provides e2 entrepreneurial talent matrix.

Figure 1 – Continuum of Community Entrepreneurial Talent

Type	Description	Development Opportunity	Talent Pool Size
Limited Potential	Not in the workforce or choose to be employees	Limited opportunity to transform into entrepreneurs; long-term approach	Large
Potential	Could become entrepreneurs with right motivation and support	Long-term approach; high cost relative to expected impact	Large/Moderate
Youth	Interested in learning new career opportunities and paths	Long-term approach; likely to create culture change rather than new enterprises	Moderate
Aspiring	Have motivation but need to reduce risk through support services	High cost relative to expected moderate development impact; long-term approach	Large
Necessity	Can't find good work and must make a living	Huge potential and a necessity for most places; increasing survival/thriving rates are important goals	Growing due to lack of wage and salary jobs
Start-ups	In process of starting a business but may not have all the skills	High cost relative to expected impact; moderate opportunity; long-term approach	Moderate
Business Owners	Currently in business but may not have motivation or capacity to create a more competitive venture model	Moderate cost relative to expected moderate return; medium-term development approach	Large
Survival	Struggling to achieve success in business and may not have time/ability to see new opportunities	Moderate cost relative to expected moderate return; medium-term approach	Large
Lifestyle	Successful in their business and they are not seeking to change or grow	Moderate cost relative to expected moderate return; medium-term approach	Moderate
Restarts	Have started and failed, but are trying	Moderate cost relative to expected moderate return; medium-term approach	Small

Type	Description	Development Opportunity	Talent Pool Size
	again with more experience		
Entrepreneurs	Actively engaged in running/growing a successful enterprise, looking for new opportunities	Low cost relative to expected high return; opportunity for more immediate impact	Moderate/small
Growth-oriented	Have a drive to grow and are reaching out to new markets and approaches	Low cost relative to expected high return; opportunity for more immediate impact	Moderate
Serial	Create and grow a new enterprise, then move on to another opportunity	Low cost relative to expected high return; immediate impact but some challenges	Very small
Entrepreneurial Growth Companies	Experience consistent with high growth; "gazelles"	Limited opportunity and capacity to help	Rare

Why is the Use of a Portfolio Approach So Important. Unfortunately, there is a tendency in entrepreneur-focused development to pay more attention to failures when compared to cumulative successes. Your community will work with entrepreneurs who come up short and even fail. Hopefully, your entrepreneurial ecosystem can hedge against signficant and catestropic failure. By tracking and measuring your success based on your ePortfolio's performance, you can communicate to your stakeholders, resource partners, and community how your cumulative efforts are generating results. With a portfolio, you can represent the combined impacts of all your entrepreneurial clients and how their success with your support are creating genuine economic development impacts.

How Your eStrategy Can Employ a Portfolio System. Not every entrepreneurial ecosystem formally tracks its clients. Some have relatively organic and informal systems – like my file cabinets with folders on potential projects. These informal approaches work well for solo operators, but if you are working with a team, or have stakeholders or a larger number of clients, a tracking system and approach can prove invaluable. We answer the "why commit" question by exploring the following five rationales for employing a portfolio tracking system or what is generally referred to as a "client management relations" system or CRM.

1. **Entrepreneurs Do It!** Lots of entrepreneurs have organic and informal ways of tracking their clients; some entrepreneurs do not track their clients at all. However, based on our field experience and research, successful entrepreneurs – and particularly growth entrepreneurs – commit to robust and smart tracking of existing and potentially new clients. This is one of many critically important systems that entrepreneurs use to be more efficient, effective, and successful in their ventures. To better serve entrepreneurs, we suggest the model entrepreneurial practice of tracking your clients.

2. **Being Smart and Strategic.** One reason why smarter, more successful entrepreneurs (as well as entrepreneurial ecosystems) use a **client tracking system** (CTS) or **customer relations management** system (CRM) is to be more strategic. Appropriate and real-time information on your clients – what they need and how they are growing – allows you to deploy resources efficiently and effectively, generating greater impact with the same level of input.

3. **Growing Repeat Customers.** With a sound CTS, you can capture and evaluate patterns and trends. This information can help you identify entrepreneurs who you have supported over time. These **repeat clients** often evolve from startups to growth-oriented to growth and even to breakout status. This progression is important since these repeat clients, with your assistance, create greater economic development outcomes.

4. **Documenting Assistance, Learning and Outcomes.** There is a connection between sustaining stakeholder support, reporting impact, and a well-used CTS. When you consistently use your CTS, you have the opportunity to harvest both specific and portfolio-wide information such as the number and type of clients, the level and pattern of assistance provided, challenges encountered, and economic development impacts achieved. A good CTS allows you to more systematically, accurately, and easily capture this information for reporting, communication, and marketing purposes – eliminating the fire drills and scrambling often done prior to a stakeholder meeting.

5. **Quality Control.** Perhaps the most important reason for a CTS is to ensure quality control. When you are working with a handful of clients, it is easy to keep critical information related to commitments, deadlines, and future meetings in an informal system. But when a program aspires to larger scale and impact, this informal approach is bound to come up short and result in quality control problems – meetings missed, commitments not fulfilled, and failure to focus on the larger strategic portfolio and its evolution. An appropriate CTS allows you to achieve quality control and be more strategic in the use of your time and energy.

The five rationales for employing a CTS we have just shared are focused on supporting your Working with Entrepreneurs game plan. But there is a sixth rationale for embracing the use of a sound and regularly exercised CTS – empowering both your performance metrics and story capture related to initiative sustainability. Using such a system will provide you a regular, up-to-date, and comprehensive set of metrics and story leads. When it is time to report to your stakeholders or have that town hall meeting where you will be reporting on your progress, your CTS can be quickly and systematically harvested to generate reports, messaging, and infographics illustrating the performance of your portfolio, how it is generating real economic development impacts, and testimonials and stories of how your community's entrepreneurial ecosystem contributed to this success.

> **TIP:** In this guide, we include access to the **Entrepreneurial Talent Section** of our **Assessments to Strategy Guide** to help you understand your eTalent and consider your best targets. Your tracking system should allow you to classify your entrepreneurial clients based on their stage of development.

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Special eTalent Targeting

As part of your community's entrepreneurship strategy, you may have other goals relative to special entrepreneurial cohorts. National data would suggest embracing your community's entrepreneurial talent creates the greatest potential for impact. Your community may have special goals that will need to be incorporated into your targeting and tracking system. Here are a few illustrations of these special targets:

Women. Your community may want to increase the rate and success of entrepreneurial women. You may have a large number of startup and cottage entrepreneurial ventures led by women. Your goal may be to support them so that you can increase the number of growth-oriented and eventually breakout women-owned ventures.

Immigrants. Your community may have a growing immigrant population. Even if they were attracted to your community because of employment opportunities, immigrants are often very entrepreneurial. Traditional career pathways may be limited, but these immigrant entrepreneurs can achieve success and status in the community through business ownership. Supporting immigrant-related business formation may be a goal.

Minorities. Your community may have a large and historic minority population. If traditional employment options have disappeared – for example, the loss of manufacturing jobs – you need to consider new economic opportunities for these dislocated workers. Entrepreneurship may be one option and could become a special target for your development system.

Youth. Many communities consider youth entrepreneurship an important objective, both to build the skills of young people today and to create career opportunities for young people who want to return to your community. You may decide to prioritize youth entrepreneurship, and your tracking system should address this special target population.

Main Street, Tourism, etc. Special targets can also include community development priorities like revitalizing the business sector in your main street district or growing a more year-round tourism industry where we focus on the likely entrepreneurs in or wanting to be in these spaces.

The list can go on and on reflecting the diversity of our communities and the multiple development goals we aspire to with our entrepreneurship game plan.

Hierarchy of Community Impacts

For nearly a quarter century, we have employed the **Hierarchy of Community Impacts** framework initially developed by Milan Wall with the Heartland Center for Leadership Development. Based on our field experience we believe this framework is optimal for use with e2 initiatives and particularly relevant to metrics, stories, and sustainability. In Part 1 of this guide, we introduced the Hierarchy of Communities Impacts. In this section of our guide, we will go deeper with the hierarchy and share sample metrics that can be incorporated into your roadmap for action and metrics, story capture, and sustainability strategies.

At e2, we have been using the hierarchy framework since its early development, modifying it for use with entrepreneurial development initiatives and systems. The beauty of the hierarchy is that it allows us to project and track both process and impact indicators as described in Figure 2.

Figure 2 – Process and Impact Indicators Defined and Illustrated

Process Indicators	Impact Indicators
Process indicators focus on the critically important means to desired outcomes. Examples of process indicators include: • eTeam Organized • Entrepreneurial Talent Mapped & Targeted • Entrepreneur Outreach and Visitation Conducted • Area Resource Network Organized • A Gap Financing Resource Created Process indicators measure progress on building a system of support. A community often makes much progress on system building before any actual business development or economic development outcomes are achieved.	Impact indicators focus on actual business development and related economic development outcomes. Examples of impact indicators include: • Number of Entrepreneurial Clients Served • Key Entrepreneurial Decisions Influenced • Financing Secured & New Investment • Jobs Created or Saved • Expanding Local Tax Base These are the outcomes your community really cares about, but they are not often realized in the short term. You must see real progress measured through your process indicators before you can hope to see outcomes measured through your impact indicators.

Process and impact metrics are foundational in successful community economic development work. By and large communities hate process as it takes time and does not get to what they care most about or impacts. But sound process is the means to our desired end or economic development impacts. If we can effectively and efficiently connect process progress with enabling impact, communities are more likely to stay the course with their eInitiative.

Wall's **Hierarchy** provides for five levels of process and impact indicators. Each level serves a different purpose in building toward impactful community economic development and builds upon prior levels.

Level 1 - Strategic Activities. Examples of activities associated with the entrepreneurial community's roadmap are the development an eTeam, development of an area resource team, identification of "go to" resources, completion of the three strategy assessments, and the development of a starter strategy.

Level 2 - Outputs – This is what the initiative is producing. For example, how many partners are engaged? How many funders are providing resources? Have you created tools or a web portal to support your work? Are the coach and team more confident in executing the game plan? Are you using the assessment information to make decisions and refine your strategy?

Level 3 - Commitments – Early indicators of support are translating into real commitments from partners. These commitments help advance work on your specific strategy toward desired outcomes. For example:

- A local development group agrees to be the initiative's host organization.
- Another group offers one-third time of a staff person to serve as coordinator.
- A third group agrees to provide funding for a year for a part-time entrepreneur coach.
- A "go to" resource agrees to work with up to 15 entrepreneurs.
- Members of the eTeam agree to conduct entrepreneur visits.

Expressed Commitments – What have your initiative partners said they are willing to do?
Acted Upon Commitments – What are your initiative partners actually doing?

Level 4 - Outcomes – What kinds of desired changes are occurring? Early outcomes might include sustained entrepreneur visitation, engagement of entrepreneurial clients, development of an initiative ePortfolio, positive resource referrals being made, and assistance being provided. Within six to 18 months, outcomes should include business decisions influenced, new investment, financing being secured, some jobs saved or created, and new markets being explored. Ultimately, outcomes should include key economic development impacts including changes in personal income, employment, investment, and tax base.

Level 5 - Indicators of Systemic Change – This level indicates what type of long-term changes have been affected. Level 5 indicators relate to movement towards greater prosperity including improving demographics, increased average earnings, reduced spending leakages, improved household wealth status, and increased economic diversification and resilience.

The following table suggests possible indicators associated with an entrepreneurship-focused development strategy organized by Wall's five levels of impact.

Figure 3 – e2's Hierarchy of Community Impacts Indicators

Level 1 **Strategic Activities**	Organization of an eTeam Stakeholder Mapping Early eTeam Orientation and Training Engagement in the Strategic Assessment Process Identification of Possible Entrepreneurial Talent Mapping of eResources
Level 2 **Outputs**	Completion of the Assessment Process Strategy Developed with Early Implementation Creation of an Area Resource Team Development of an External Resource Network Outreach to Entrepreneurs – Early eClients Early Referral and Assistance Activity
Level 3 **Commitments**	Host Organization Commitment Funding and Support Commitments Initiative Coordinator Commitment Entrepreneurial Coach Secured Active and Sustained eOutreach and Assistance Resource Provider Commitments Sharpen and Deepen
	Remember Expressed versus Acted Upon Commitments
Level 4 **Outcomes**	Entrepreneurial Clients in a Targeted Portfolio Regular and Robust Assistance with Entrepreneurs

	Business Development Impacts
	Decisions – Investment – Financing – Jobs – Etc.
	Economic Development Impacts
	More Businesses – Stronger Businesses – Jobs – Personal Income – Taxes
Level 5 Indicators of Desired Transformative Change	Prosperity Indicators
	Reduced Unemployment & Underemployment
	Reduced Poverty Rates
	Increased Household Incomes
	Increased Household Wealth
	Increased Economic Diversity and Resilience

At the end of the day, most communities want to be at Level 5 in the e2 hierarchy, realizing clear indicators of desired transformative change. As noted in the Figure 3, these include economic goals like a stronger economy, a high-value economy, greater economic competitiveness, expanding local tax bases, greater opportunities for both employees and entrepreneurs. Transformation may even be deeper prosperity goals like higher incomes across community segments, greater overall personal income, increased household and community wealth and greater socioeconomic diversity and resiliency. Just like a good life lived, reaching these Level 5 transformative goals is a long journey. While it is possible to see indicators of change within five to 10 years of consistent work, true transformative change is generational, often requiring 25 to 50 years.

Moving through Levels 1 through 4 (Outcomes) creates the foundation or the opportunity to begin generating Level 5 impacts. By using the hierarchy, both process (e.g., means to our impact end) and impact goals provides a community with a roadmap for moving forward, then a way to measure progress along the e2 journey, and finally document change including near-term to those indicators of transformative change.

Operationalization of Metrics within e2's Roadmap

In our earlier guides, we provided visualizations of e2's roadmap including community readiness for action, organizing, energizing your community, conducting opportunity assessments, mobilizing resources to support your e2 work, strategy development, working with entrepreneurs from identification and targeting to networking to assistance and finally the focus of this guide or metrics, stories and sustainability. The following Figure 4 provides a roadmap framed within possible progress over time.

Figure 4 – A Possible e2 Roadmap Progression

Start Up **First 3 to 6 Month**	Commitment Early Organizing Assessment and Strategy Development Startup Implementation Plan Funding and Support Commitments
Early Implementation **3 to 12 Months**	Entrepreneur Outreach and Visitation Area, Go-To and External Resource Networks Engaged Early Screening, Referral, and Assistance Activity Assistance Being Provided with Indicators of Early Impacts Stakeholders and Funders Renew and Even Expand Support
Within 3 Years	Robust Outreach to Clients with Assistance Being Consistently Provided Growing Resource Network that is Functioning Well Growing Business Development Impacts Indicators of Early Economic Development Impacts Renewing and Growing Stakeholder and Funder Commitments
Within a Decade	Sustained High Performing Initiative Thriving through Leadership and Staffing Changes Substantial Business Development Impacts Growing Indicators of Economic Development Impacts Deeply Committed and Broadly-Based Stakeholder & Funders Group
Within a Generation	**Transformation Change Based on the Community's Vision and Goals** **A Real Feeling of Hope** **An Entrepreneurial Community and Culture has Evolved** **A Model Community Recognized for its Success**

Using Your System. Once you have your metrics system in place and are using it consistently, you should decide how this information will be used with your stakeholders and community. On some established schedule, you should report to your team about progress relative to your baseline. You should also periodically review your outcomes roadmap to see where you are relative to your established progress benchmarks – and where you should be. Every meeting with your team and stakeholders should reference your scorecard or dashboard. And, at least annually – if not semi-annually or quarterly – you should report progress to your community using your metrics. A great example of the effective use of metrics is Atwood, Kansas.

Figure 5 – Rawlins County, Kansas Metrics System

Atwood and Rawlins County, Kansas
An Emerging Entrepreneurial Community

If Atwood can succeed in the 21st Century, every community in America has the potential to be successful. Atwood's capacity for success was eroding rapidly by the time of the Great Depression. Atwood was founded as a service center for farmers and ranchers in northwestern Kansas – the heart of the semi-arid short grass prairie region of the Great Plains. By the Great Depression, farm and ranch mechanization and consolidation were well underway leading to fewer farms and less labor required on the farm. Improved road infrastructure made it easier for people to travel outside of small-town America for shopping, health care and jobs. All these trends combined to challenge Atwood's core reason for existence, not unlike other towns across the Great Plains.

Yet, Atwood is thriving by small town standards in the Great Plains. On its path to becoming a more successful entrepreneurial community, Atwood, with a county population under 5,000, needed to marshal all its resources to support development. That meant tracking and measuring what mattered most to its diverse stakeholders – what we call **stakeholder metric**s.

Sample Stakeholder Metrics	
Funding Stakeholder	**Outcome Indicator**
Municipalities	Increased sales tax receipts
County Government	Increased commercial tax base
School District	More students
Health Care System	More insured patients
Major Employers	Larger and better trained workforce
Main Street/Chamber of Commerce	More sales
Economic Development Corporation	Increased basic economic activity
Utilities	More customers and increased energy sold

Note. *It has been a number of years since e2 worked directly with Rawlins County. Circumstances have likely changed. But at the time this approach to performance metrics and targeted stakeholders was highly effective.*

Like Atwood and Rawlins County, Kansas, you and your community must decide what metrics you will employ. Do not overengineer your metrics systems. Remember, whatever metrics you are employing you will need to actively gather them, share them, and sustain your system. A key consideration is to ensure that the metrics you use speak compellingly to your stakeholders, particularly those stakeholders funding your initiative and your community. That is what Atwood and Rawlins County did, identifying just one indicator important to each of their stakeholder group. Now let's explore the use of **e2 scorecards** within our e2 framework and metrics system.

Scorecards. Kansas has one of America's strongest rural entrepreneurship development systems. Traditionally, Kansas has had one of the higher performing Small Business Development Center (SBDC) systems in the country. NetWork Kansas goes a step further, creating both a "top down" statewide support network using the strategy from SourceLink and a "bottoms up" community engagement strategy they call E-Communities Partnerships. Part of our collaborative work in Kansas was the development of a metrics system associated with their Entrepreneurial Communities program.

In the spring of 2012, we evolved a standard set of scorecards for the **Kansas Entrepreneurial Communities Initiative** (KECI). KECI was a collaboration of NetWork Kansas, the Kansas Small Business

Development Centers, [Advancing Rural Prosperity, Inc.](#), USDA Rural Development in Kansas, the [Advanced Manufacturing Institute](#) at Kansas State University, and e2 (then the Center for Rural Entrepreneurship). Figure 6 provides a sample scorecard for Year 1 of an emerging e2 initiative.

Figure 6 – Year 1 e2 Sample Scorecard

There should be mini-360 reviews, celebration, and next push action planning every four months or so based on the unique community e2 roadmap.

Progress Benchmark	Progress Date	Notes
Readiness & Commitment		
Organizing Group		
Stakeholder Mapping		
Stakeholder Preferences		
Champions		
e2 Roadmap		
1st Push Action Planning		
Organizing for Action		
e2 Coach Assigned		
Community Coordinator		
eTeam		
eTeam Co-Chairs		
eOutreach Working Group		
eOutreach Co-Chairs		
eResources Working Group		
eResource Co-Chairs		
Community Rollout Meeting?		
Energy Areas Explored/Identified		
Documenter		
Video Conferencing Sites		
Metrics & Story Strategy		
Sustainability Game Plan		
Assessment to Strategy		
Development Opportunity Profile		
Energy Areas Targeted		
eTalent Mapping		
eTalent Targeting		
eResource Mapping		
Next Stage Strategy Developed		
Working with Entrepreneurs		
eVisitation Teams		
eVisit Targeting		
eVisitation Team Training		
eSurvey		

Visitation		
Survey Protocol		
Follow Up Protocol		
Target Next Round of Visits		
Networking to Assistance		
Employment of Client Tracking		
Use of a Portfolio Approach		
eResource Network Development – Entrepreneurial Ecosystem Building		
Early eResource Network		
Assistance Protocol		
eResource Network Training		
Working Team Communications		
Assistance Follow Up		Generated by the 1st Visits
Client Portfolio		
Client Tracking		
Ecosystem Issues		
Metrics, Stories and Sustainability		
Impact Capture		
Early Testimonials		
Annual Progress Report		
Annual Stakeholders Gathering		
Community Communication		
Commitment to Continue and Grow in Year 2 and Beyond **Working with Entrepreneurs – Networking Assistance – Generating Impact**		

Use of Ripple Effect Mapping

We recommend that your community, as part of your e2 initiative, consider employing **Ripple Effect Mapping**. Ripple Effect Mapping is an amazing community engagement process that can first help with capturing both intentional and unintentional impacts of your initiative. It can also provide a form of community celebration as those engaged in the mapping discover how much progress and the positive impacts of your work. Finally, Ripple Effect Mapping can be used to set the stage for planning Year 2 goals and activities. Throughout the United States, there are Ripple Effect Mapping coaches. Land-grant university extension services are often a free or low-cost resource that can help your community employ this powerful and energizing tool. For more information on Ripple Effect Mapping, check out this book.

The Year 1 e2 scorecard aligns with Levels 1 into Level 4 within the Hierarchy of Community Impacts:

- Level 1 – Key Actions Undertaken (e.g., Readiness & Organizing for Action)
- Level 2 – Outputs (e.g., Assessments, Strategy & early Working with Entrepreneurs)
- Level 3 – Key Commitments (e.g., mobilizing resources to create and implement e2 game plan)
- Level 4 – Outcomes (e.g., early assistance to entrepreneurs, metrics, and stories)

Figure 7 provides a sample e2 scorecard for Years 2 and beyond.

Figure 7 – Year 2 and Beyond Sample e2 Score Scorecard

Progress Benchmark	Progress Date	Notes
Process Benchmarks		
Functioning Outreach		
Networking to Assistance		
Ecosystem Development		
Functioning Portfolio		
Systematic Capture of Metrics		
Systematic Capture of Stories		
Communication to Community		
Stakeholder Development		
Sustainability & Growth Strategy		
Outcome Impact Benchmarks		
Number of Es in Portfolio		
Number of Assistance Provided		
New Investment		
Jobs Created		
Jobs Saved		
New Ventures		
Venture Expansion		
Ventures Reaching External Markets		
Venture Transitions		
Venture Repositioning*		
Local Tax Base Expansion		
Increase in Overall Economic Activity**		

*By **venture repositioning**, we are talking about those ventures that are stressed an at risk of severe contraction or failure. With repositioning the venture becomes more stable and less like to decline or fail.

**Measuring overall changes in economic activity is challenging for at least two reasons. First, there are not good secondary data available (unless the community is willing to spend money on expensive private resources like IMPLAN, Woods and Poole, etc.). Second, there are numerous other factors that can dilute or wash out the overall impacts of your e2 work, such as a recession. But we would recommend beginning to use the secondary indicators contained in our Development Opportunity Profiles to track overall changes in your economy and demography. You may want to consider using this indicator as part of your Level 5 tracking related to indicators of desired transformative change.

We commend that you keep the scorecard to one or two pages, lending to a front and back document. We recommend that you present the scorecard in "landscape" format to allow more space for process benchmark information and notes.

Routinized Use of the Scorecards

Scorecards are intended to be used regularly within your eTeam, stakeholder group, and community. That requires that your scorecards be kept current for each upcoming meeting and shared. Current scorecards can be also be used to onboard new stakeholders, resources partners, and engaged community members. A quick review of the scorecard with dates and progress notes can quickly allow a new team member to get an idea of the journey you have been on, the progress you have made, and what is coming next.

Our final stop in this section of the guide is to share how NetWork Kansas generates, supports, and employs metrics in their entrepreneurial initiative across the Sunflower State.

How NetWork Kansas Employs Metrics

NetWork Kansas is a unique entrepreneurial ecosystem model for several reasons. First, it is statewide and receives State of Kansas funding. Because of this support it has been able to create partnerships with communities throughout Kansas that can inform how your community can become an entrepreneurial community. Second, as part of the NetWork Kansas model and support from the state, it also provides gap financing for ventures. Not every community, region, or state has access to this kind of resource. Nevertheless, we are sharing NetWork Kansas as a highly effective model in the use of metrics.

Five potential insights from NetWork related to metrics, stories, and sustainability:

1. Venture Deal Flow
2. Resource Networking
3. Board Certified Programs
4. Story Capture and Sharing
5. Initiative Sustainability

Deal Flow Metrics. NetWork Kansas is possibly America's most intentional, longest running, and robust entrepreneurial ecosystem in the United States. NetWork Kansas tracks all of the deal flow and assistance provided through a comprehensive yet manageable metrics system and report. Over the years, NetWork Kansas has supplemented these metrics with stories of entrepreneurs and how Kansas' entrepreneurial ecosystem has contributed to their success. Since inception, the various NetWork Kansas strategies have supported generated the following cumulative impacts as of April 2020:

✓ Over a 1,000 Businesses Assisted
✓ Over a 1,000 Deals Completed
✓ Nearly $500 Million in Total Deal Value Generated
✓ Nearly 3,000 Full-Time Jobs Created or Saved
✓ Over Another 600 Part-Time Jobs Created or Saved.

As part of Network Kansas' metrics, all of this deal flow or economic development includes information as follows:

✓ Business Composition (e.g., pre-venture, startups, expansions, successions, purchases, etc.)
✓ Entity Type (e.g., Sole Proprietorship, Partnership, LLC, S-Corp, C-Corp, etc.)
✓ Industry (e.g., manufacturing, retail, service, etc.)
✓ Ownership by Gender
✓ Deal Flow by Size of Community

One of the missions of NetWork Kansas is to realize economic development impacts throughout Kansas pushing its efforts (i.e., through its Entrepreneurial Communities Program) to serve even the most rural and smallest communities. All impacts are tracked based on the following community size breakouts:

✓ Under 1,000 Residents

- ✓ 1,000 to 5,000
- ✓ 5,000 to 10,000
- ✓ 10,000 to 25,000
- ✓ 25,000 to 50,000 (50,000 residents if often the threshold for metropolitan communities)
- ✓ Greater than 50,000
- ✓ Urban Distressed Communities (e.g., Wichita, Kansas City, etc.)

Failures are also tracked and reported. Program or technical assistance are also tracked and reported. For additional information on NetWork Kansas and its metrics, check out their web site at www.networkkansas.com.

NetWork Kansas and SourceLink

SourceLink was first created with support from the Ewing Marion Kauffman Foundation and pilot tested in the Kansas City metro region. KC SourceLink is the oldest running SourceLink platform and since SourceLink has greatly enhanced its capabilities over the intervening decades. SourceLink is employed throughout the United States today. An early application of SourceLink occurred in Kansas through the NetWork Kansas initiative. The client tracking system within SourceLink contributes to NetWork Kansas' metrics system.

Resource Networking. NetWork Kansas' SourceLink system, which contains nearly 600 resources, is a transparent and robust resource networking system. There are four aspects to how Kansas facilities resource networking:

1. **SourceLink**. First and foremost, Kansas SourceLink provides a web-based resource networking option that can allow an entrepreneur, resource provider, or community leader to identify relevant resources at any time. Kansas SourceLink has enabled a comprehensive and transparent listing of all relevant public entrepreneurial development resources within a searchable system.

2. **Referral Center**. A design feature within SourceLink is to have a human-staffed call or referral center. At NetWork Kansas, there are three staff dedicated its referral center whom resource users can call, email, or text to secure staff assistance in finding the right resource, at the time and cost.

3. **Entrepreneurial Communities**. Throughout Kansas, there are entrepreneurial communities working in partnership with NetWork Kansas. Each eCommunity has a lead staffer who is often engaged in business development in the community. Local economic developers are major users of the resource network.

4. **Resource Partners**. Finally, because the Kansas resource network's transparent nature resource partners within the system can also help entrepreneurs find the right resource. An entrepreneur may reach out to an area Small Business Development Center searching for a specialized resource that the SBDC consulting using the Kansas resource network helps them find that unique resource.

Board-Certified Programs. Based on learning from communities and entrepreneurs across Kansas, NetWork Kansas is continually looking for resources it can make available to entrepreneurs and their communities. The following is a sampling of [NetWork Kansas Board-Certified Programs](#):

- Youth Entrepreneurship Challenge (venture plan competition)
- The Kansas Ice House
- Maker Space Boot Camp
- Growing Rural Businesses
- Destination BootCamp
- Economic Gardening

The ability to learn from entrepreneurs and communities with respect to their needs can allow an entrepreneurial ecosystem to learn and improve filling gaps or exploiting opportunities.

Story Capture and Sharing. NetWork Kansas, particularly through its social media strategy, is constantly capturing and sharing stories, testimonials, and other examples of how Kansas's entrepreneurial ecosystem is making the difference for individual entrepreneurs and their communities.

Initiative Sustainability. NetWork Kansas, created in 2004 and launched in 2005, began as an entrepreneurial startup during challenging times. In 2001, there were both the 9-11 terrorist event and the dot-com economic recession. The following economy recovery was weak. But in the early years of NetWork Kansas, there was strong stakeholder support. The Entrepreneurial Communities program was launched 2007 just as the Great Recession was adversely impacting both the Kansas economy and state government finances. By 2011, there were a new administration in the Governor's office and a new vision for Kansas focused on the idea that eliminating taxes would generate a rapidly growing economy. This experiment resulted in significant state funding shortfalls resulting in dramatic cuts. During these very challenging years, despite major cuts and elimination of other community economic development programs in Kansas, NetWork Kansas was able to weather this storm. Central to NetWork Kansas' sustainability during some of the most challenging times are three factors:

1. Rooted Community Partners
2. Strong Performance Metrics and Stories
3. Strong and Trusting Relationships with State and Local Leaders

Let's explore each of these three factors next as they provide a formula or roadmap for sustainability for any community, regional, or statewide eInitiative.

Rooted Community Partners. The creation of over 500 resource partners and over 60 community/area eCommunity partners provided NetWork Kansas with strong local and respected voices supportive of NetWork Kansas. There is such power in strong support from local leader within areas like state funding. These voices connected the dots between the demonstrated metrics of actual business development and economic development impacts with how NetWork Kansas contributed to those impacts. No smoke and mirrors, just local leaders honestly sharing their testimonials.

Strong Performance Metrics and Stories. From the very beginning NetWork Kansas collected, organized, and effectively shared actual deal flow and economic development outcomes and

impacts. NetWork Kansas aggregated investment, job creation, and other indicators that creates an impressive picture of impact at scale. This approach is important as individual impacts of new investment here and some jobs created there have minimal stakeholder impact. But when combined using a portfolio approach, hundreds of millions of dollars of investment and thousands of jobs creates a very different and more impactful picture and case.

NetWork Kansas has increasingly begun to employ story capture through its website and social media posts. Its staff are particularly good at and committed to using social media to highlight impactful stories and testimonials. This real time story capture is powerful and can be aggregated later for use with key stakeholder events like legislative hearings, meetings with the Governor or the Department of Commerce, and other stakeholder groups. Check out NetWork Kansas's website and sign up for social media to track how effectively NetWork Kansas is using stories to supplement metrics.

Strong and Trusting Relationships with State and Local Leaders. Finally, and possibly most importantly, NetWork Kansas has taken the time at developing broad, strong, and trusting relationships locally, with resource providers and key stakeholder groups like banks, the state government, and others. With leadership all the way the way down through the NetWork Kansas organization, there is a value and culture that relations are paramount. Having strong relationships before they are needed is so important. Our May 2020 story on the HIRE initiative in response to the COVID-19 shutdown illustrates what can happen when there is a strong web of trusting relationships.

Combined we believe these three factors have ensured not only NetWork Kansas' survival during some of the most challenging times in Kansas history but its continued growth.

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Another Model –Economic Gardening

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Economic Gardening was founded in Littleton, Colorado, years ago. The name is rooted in the analogy of "hunting" with traditional economic development focused on attraction. Economic Gardening is focused on entrepreneurs within a community helping them grow versus pursuing attraction. At the time, Littleton was a thriving "professionals" suburb in the southern part of the Denver metropolitan area rooted in defense, energy, and aeronautics corporations. When these industries crashed and Littleton struggled with economic recession, Littleton city employee Chris Gibbons proposed the economic gardening strategy. Focusing on helping growth and growth-oriented entrepreneurs with high-end market intelligence resources, Economic Gardening is now an international entrepreneurship initiative and resource. One of NetWork Kansas' Board-Certified Programs is Economic Gardening.

Part 3 – Stories

While data-driven metrics can provide a compelling impact story, that story is further enhanced with entrepreneur stories and testimonials. In this section, we explore the importance of stories and testimonials and how they can be used to supplement your community's metrics.

Why Are Stories So Important?

In spite of the case we made earlier in this Guide about the importance of metrics, numbers alone are insufficient to document the impact of your entrepreneurship efforts. Stories speak to our emotional

side and our need for human interest. Remember that entrepreneurship development is essentially a human development strategy. Many of your stakeholders may be moved more by the stories of real lives changed through your work than they are by the number of business startups. Focusing on both metrics *and* stories provides a more compelling way to document how your work is making a real difference in the future of your community.

Early in my career, as staff in the Nebraska Legislature, I witnessed the power of combining rationale research and passionate testimony in making the case for legislation. The numbers speak to the heads while the testimony speaks to the hearts of key decision makers. Often, it is the story of someone impacted – positively or negatively – by a particular policy or program that motivates action.

The following illustration from GrowFL, thanks to Chris Gibbons with Economic Gardening, highlights how good statistics can be woven into a compelling story of impact. Tack on some testimonials from GrowFL clients as to how GrowFL made a real difference in helping to create these impacts and you have a powerful "one-two" punch.

There are five key rationales for incorporating stories into your metrics system.

Moving from Abstract to Real. Numbers can be too abstract, and they lack passion. The use of real-life stories can illustrate abstract ideas and bring numbers to life. At the end of the day, you need clear and compelling evidence that you are generating a return on your community's support for and investment in your program, and stories can help give you that evidence.

Generating Human Interest. Stories can move us. They can provide validation that our work is meaningful and valuable. You need stories about how your work is impacting entrepreneurs, your community, and other resource providers. A simple story of how a community banker is able to lend more because your program is helping entrepreneurs become deal ready can be compelling. Coupled with the story of the impact on the entrepreneur, you have multiple ways to illustrate the range of your program's impact.

Nailing Cause and Effect. First-person testimonials from entrepreneurs and other resource providers about the impacts of your work can go a long way to making the case for the value of your efforts. When an entrepreneur who has just launched a business expansion, creating 25 new jobs, provides testimony about how your entrepreneurship efforts made an important contribution to this success, the **cause and effect connection** is made. Multiple testimonials become convincing evidence. Remember, three kinds of testimonials are needed to document your contributions to success:

1. **Entrepreneurs**. The most important testimonials are from your clients. There is a moment in time when a client feels really good about your work with them. This moment does not last forever, life moves on, and memories become foggy. Capturing powerful testimonials from your clients at the right time provides the most important validation that your work is important and making a difference.

2. **Resource Providers**. It takes a village to raise a child and a village to help an entrepreneur reach their fullest potential. In providing assistance to entrepreneurs, you may partner with many resource providers. When resource providers talk about how your initiative is bringing value to their work, this becomes an important validation of your systems approach. Important messages of

collaboration, avoided duplication, more efficient use of resources, and the like can be shared through resource provider testimonials.

3. **Community Leaders**. When your mayor addresses your funders, highlights all the entrepreneurs you have supported, and points to the increased sales tax revenue that has resulted, an important connection is made. Testimonials from community leaders who can speak to how your work is making the community stronger can help deepen and perhaps widen support for your efforts.

Educating and Motivating Entrepreneurs. Most entrepreneurs are laser focused on their business and often have no clue that there are resources in the community that can help them. Through stories, you can illustrate how you can help. Based on experience in the field, we know that these entrepreneur testimonials generate new client leads. Entrepreneurs want to hear that their peers find your work valuable. In the next section, we provide sample entrepreneur stories. These stories were very intentional with respect to target audiences. The first target audience was funding stakeholders. The second target audience was other resource providers. And the third audience was other entrepreneurs. These stories were written to illustrate how the Business Coaching Program could assist entrepreneurs.

Getting the How Right. Generating and capturing stories takes commitment, discipline, and resources. Too often we are so busy doing the work that we delay doing stories. Remember, the shelf-life for getting a passionate story is limited. You must be ready when the story is ripe in order to get the testimonials that are most powerful. Creating a system of story capture is essential. Here are just a few ideas:

Volunteer Opportunities. You may not have time to capture stories. But chances are good there is a volunteer or two who would love to help you with story capture. A little training and some resource help can create volunteers who can assume this role and ensure you have a robust collection of stories to use in support of your program.

Newspapers, Radio Stations, & Television. In many communities, the local newspaper, radio, or television station is hungry for positive human-interest stories. When the moment is ripe, forward a lead to your media partners and let them generate stories. Remember, this is what they do, and this can be a powerful and independent way to document your good works. In many communities, media owners are partners in community economic development. They want to help and promote a positive community image. Good business development stories can provide a win-win opportunity for you and your media partners.

Ribbon Cuttings. Media event ribbon cuttings when a new industry opens or expands are not things of the past, they just happen much less frequently today. Consider using this tried and true approach with your entrepreneurial clients. Capture every entrepreneurial success – new equipment purchase, new store, employee hires, and the like – with a ribbon cutting media event. A picture and short story are generated that can be used to document your work. By association, you are part of the success.

Quick Testimonials. Equip your business coaches and resource providers with portable digital recorders. Cell phones are great for capturing quick testimonials. Train your team to recognize when the moment is ripe and how to capture a testimonial. Be sure to obtain permission for use of the testimonial. Capture these and then convert them into stories you can use.

Story Illustrations

There are three types of stories that illustrate the importance of story capture.

Figure 8 – Three Kinds of Stories

Impact Reports	Community Stories	Entrepreneur Clients
Impact reports or stories focus on creating a macro or big picture. These reports provide a powerful overview of your work and impact. Often impact reports include both statistics and stories.	Just because your work is rooted in the community, the community may not understand your work. A community story shows how your hometown is becoming stronger through your efforts.	Stories of and testimonials from entrepreneurial clients are essential. These can be short or more in depth based on your intended purpose for the story.

e2 Story Collection

We have been generating and collecting entrepreneurial stories for years. Our story collection begins with our **legacy** stories and case studies. Many of these are available through our website. In time we will create access to new stories through our National e2 Practitioners Network and website.

We are committing more time and energy to story capture including the following that will be released through our monthly e2 Newsletter as they become available.

- **Kansas**. We are working with NetWork Kansas on capturing a wide range of stories focused on the Kansas entrepreneurial ecosystem beginning with how NetWork Kansas, in partnership with other organizations, is responding to the Pandemic Recession. Three stories have already been published: Spotlight on the Hospitality Industry Relief Emergency Fund, Restart Kansas County Loan Fund and Blue Cross Blue Shield of Kansas – NetWork Kansas PPE Initiative. Our future stories include capturing the exciting and emerging work in Hutchinson and an update of the Kansas Case Study.

- **Southern Minnesota**. e2 has been a partner with the Southern Minnesota Initiative Foundation and their Rural Entrepreneurial Ventures Initiative (REV). The REV team has generated a number of stories about this rural community-centered work.

- **Nebraska**. The Cornhusker State is home for our core e2 team. We have been partnering with the University of Nebraska and others on a wide range of entrepreneurial community initiatives. Our plans call for capturing these stories as they evolve and mature.

- **Ord, Nebraska.** Ord was our first entrepreneurial community and over the last 20 years Ord has become a high performing entrepreneurial community. With support from the Ewing Marion Kauffman Foundation and our own resources we are capturing Ord's story. Our goal is to share a series of stories about Ord this fall 2020.

- **Central Appalachia.** For past four years the Center for Rural Entrepreneurship, LOCUS Impact Investing and e2 have been working with host organizations and communities in Central Appalachia (i.e., Ohio, Kentucky, and West Virginia) on an eCommunities Initiative supported by the Appalachian Regional Commission and others. Deb Markley and Dana Williams with LOCUS and our e2 team are collaborating to generate a series of stories from this pioneering work to be available this fall 2020.

- Oregon – For a number of years we have been collaborating with [Klamath IDEA](#) in Klamath Falls, Oregon on an eCommunities initiative. Now we are advising the [Ford Family Foundation](#) on a rural Oregon eCommunities initiative to be launched in 2021. Our plan is to work with these partners to curate a series of stories from this Oregon work.

If you are interested in tracking and accessing any of these stories we encourage you to [sign up](#) for our e2 Newsletter to know when stories become available and how you can access them.

Our next and final stop in this section of the guide explores the power of testimonials in helping connect the dots between entrepreneur impacts and how your community's helped.

The Power of Testimonials

Independent and third-party evaluation of your entrepreneurship work is both expensive and time consuming. Most entrepreneurship initiatives cannot afford to do this kind of documentation given their size and resources. For most communities and smaller initiatives, we think there is a lower-cost solution in the form of **testimonials**. You need to demonstrate to yourselves, your stakeholders, your community, and other entrepreneurs that your assistance is making a material difference in contributing to business success and outcomes. Using our recommended client portfolio approach, your program has the opportunity to create public testimonials from your clients that document how you have contributed to their success. Systematically capturing client testimonials can create more comprehensive and research-based documentation of the value of your work.

There is an important operational consideration we want to note. There is a special timing for capturing these testimonials. Entrepreneurs are often moving very fast, and if you wait too long to conduct these quick testimonial interviews, the moment for a rich quote may be lost. Typically the best moment is when the entrepreneur has made some important progress and you were part of making this happen. At this time, your relationship is really positive and the story is still very clear in everyone's minds. Details are rich and the willingness of the entrepreneur to share this publically is optimal. We suggest that you using your client tracking system to pinpoint these optimal moments and then make sure you have the capacity to get the testimonial and the story. Be sure to vet what you capture with the entrepreneur to make sure they agree with what you have written and are still comfortable having this information used in a public way identified with them.

The following is a story based on an interview with one of the clients in the Western Iowa Development Association ([WIDA](#)). This story highlights key statements made by the client that provide necessary "cause and effect" documentation.

Figure 9 – David Jacobson – An American Entrepreneur Story

About Jacobson

David Jacobson was born in Council Bluffs, Iowa. He has spent his life in the Heartland of America, serving the United States in the military, working as an over the road trucker and then operating a courier service in the Council Bluffs/Omaha area. David also goes by Jake, and his partner in life is his wife, Roxanne. He is a family man with children and now grandchildren.

Like so many entrepreneurs, David's current venture has its roots in the early stages of his life. As a teen, David worked in the meat department of a small grocery store. He became interested in meats and particularly cooked meats. Like so many entrepreneurs, the lines between business and life are blurred with David. As you will see in this story, he loves both life and his new work with Papa Jake's BBQ.

Why Start a Business?

When we interviewed David, we asked a question we have asked thousands of entrepreneurs, "Why are you doing this?" That question started a fun conversation as David reflected on his motivations for starting Papa Jake's BBQ.

The answer is rooted in both a fear and a passion to do something David really loves. First, let's share the fear factor. David has been around life's trials more than a few times. He has grown in wisdom created by life's lessons. When David got off the road as a trucker, he started a courier business in Western Iowa. This was a great deal for David, but he could see the writing on the wall. Bank consolidation and automation were reducing the number of stops and volume of traffic. Intuitively, he knew that this business's life was shortening and that he "needed something to do."

Helping Hands

David has been amazed at how helpful folks have been with his new business. Now, he is open to help and that makes a difference. So many folks have supported David, and we can only share a few.

Top on David's support list is friend and advisor Lori Holste with the Western Iowa Development Association or WIDA. David shares that Lori took time to listen to his dreams and connect him to so many resources.

Lori introduced David to John Adams, a business coach with the Business Success Program supported by WIDA, Iowa Western Community College, Pottawattamie County HomeTown Competitiveness Initiative, and the Iowa West Foundation. John helps folks like David sort through issues and build better businesses.

Government regulators are often seen as bad guys, but David did not wait for the Iowa Food Inspectors to show up. He called them. He shares that they were great and so helpful. He listens and follows advice. He is committed to safe and healthy food, and he lets folks know that working with regulators has saved him time, money, and grief.

There are so many other supporters including his suppliers, the Harlan REC and its help with a small business loan, the City of Avoco that has worked with him on his building and provided him with a business-friendly attitude.

Bottom line, this area wants to foster business and support people like David who are contributing to economic development.

As the courier business was winding down, David's daughters bought him a new grill and smoker. This is where David reconnected with his interest in cooked meats. Like other entrepreneurs, David was motivated by something personal. Many of the smoked meats he ate gave him heartburn, and so he was motivated to create meats that he liked and could eat without consequences. The beginnings of Papa Jake's BBQ were now taking shape and a new business in rural Pottawattamie County was born.

Papa Jake's BBQ

The gift from his daughters of a grill and a smoker evolved into the purchase of a commercial van. Then, his relationships with folks in the area helped David secure meats (Avoca Goods), welding machinery (Guyers Machine Shop), a trailer supplier (Lyle Bently BFSCo.) and helped to convert a downtown building in Avoca into a preparation area – and someday a town café. Today, David's primary business gig is his food truck and stops in small towns, celebrations like Hancock's Old Settler's Day, and catering gigs for weddings, receptions, retirements, graduations, and the like.
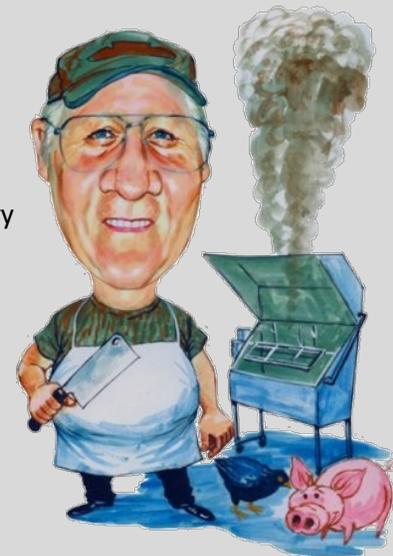
David loves people, and after years of trucking and courier work, he values the interplay with customers. When you talk with David, you can feel that he enjoys being with people. He takes great pleasure in the joy he brings to town events with good food and neighbors spending time chatting. David feels he is making a contribution to the quality of small-town life with his business. For David, being in business is more than making money, although making a living is important. Despite being dog tired some days, this is not really work for David. It is a way of life that makes him happy while earning him a living.

What started as a part-time and sideline business is growing. It is becoming David's full-time work, and it is beginning to create work opportunities for others including members of his family. The food truck is going to more gigs and is becoming busy more days of the year. The plans for a downtown café are taking shape and could become reality in the current year. Community jobs and economic activity are resulting from what started out as his teenage interest in meats and a gift from his daughters.

Keys to Success

We asked David what the keys were to his success, and the answer was clear and compelling. David is motivated, and, more importantly, he is open to learning. This positive attitude of seeking and accepting help is central to David's success and happiness. David is the first one to share that his success is rooted in help from "so many different people." David is at the core of his success, and yes, he feels he would have gotten somewhere on his own, but he freely admits he has gotten so much further with the help he has received. Not all entrepreneurs share this key success attribute with David. When asked why he is so open to seeking help, David shares it is based on past failures when he was more "bull-headed." Hard lessons learned have changed him for the better. There are other keys, of course, including hard work, determination, being smart about money and listening to customers.

The Future

Papa Jake's BBQ is becoming a serious business. It is growing and has considerable room for future growth. Jake understands he is getting older and this may be his last business venture, but he is excited about the involvement of family in this business. His grandchildren are involved and learning important lessons about business such as giving change, interacting with customers, and discovering that work and life can be interwoven through entrepreneurship. He is hopeful that Papa Jake's BBQ will become a family business ensuring a longer life. Only time will tell, but there is a transition strategy already taking shape. For now, you can plan on David being the central character that brings life to this growing business in Western Iowa.

Our final topic in this guide focuses on sustainability or the ability of your communit to ensure your eInitiative not only continues but has the capacity to grow with your entrepreneurial opportunities.

Part 4 – Sustainability

The job of visioning and growing a relevant, competitive, vibrant, and prosperous economy and community never ends. As noted before, it is a 24-7-365 forever job. The vast majority of entrepreneurial initiative startups never survive past early energy and funding. Planning early and seriously for eInitiative sustainability and growth is foundational if your community is to realize desired transformative improvement and change. In this section, we take a look at how your community can build on early initiative energy and move toward sustainability and prosperity.

The Connection between Impact and Sustainability

The very reason for engaging in entrepreneur-focused economic development is to create economic development impacts, such as new investment, new businesses, jobs, and tax base. These impacts can only be realized if your strategy is given enough resources to be robust and a long enough period of time to bear fruit. Sustainability is the key to success and supportive stakeholders are the keys to ensuring sustainability. Achieving impact requires two important things:

- **Enough Support.** There must be enough financial support initially to build an effective program. Too often, development strategies are so grossly undercapitalized that they are inherently limited in their potential for success.

- **Support over Time.** There must be adequate financial support over a long enough period to ensure the strategy has the time to prove up and achieve impact. We recommend a commitment of at least three years to demonstrate that the strategy can work. Then there must be stable and adequate funding to grow the strategy over time to reach levels of impact that actually develop a community's economy.

Sustainability and Stakeholders

To have real support and meaningful funding over time, you need champions within key stakeholder groups in your community who are committed to an entrepreneurial community strategy. These

champions or stakeholders are the keys to capitalizing and sustaining your program. They must be engaged and truly invested in what you are trying to do, or their support will wane and disappear over time.

Building a stakeholders group begins with finding early champions, those leaders in your community who have helped you explore options and create a vision for your strategy. They are the early adopters, the ones who open doors that bring others to the table and ensure institutional commitments are made. Likely targets for your **stakeholders group** might include:

<div align="center">

Municipal Government
County Government
Chamber of Commerce
Development Corporation
Major Employers like Hospitals
Area Utilities and Local Banks
Main Street Program
Schools
Area Community College
Entrepreneurs

</div>

Chances are good that your community already has a tradition of supporting economic development. You need to make room in this space for your entrepreneur-focused economic development strategy. Who from this list of possible stakeholder groups wants to come to the table and make something happen? Sorting that question out early on in strategy building is the foundation for your sustainability plan. Be sure to look beyond the organizations or agencies and identify those specific leaders or possible champions who will actively engage, support, and sustain your game plan. People do matter. Organizational support is only meaningful and sustainable if there are leaders within those organizations who are willing to use their reputation and personal capital to champion the entrepreneurship strategy.

An overlooked but extremely important stakeholder group is existing successful entrepreneurs. Every community has them and engaging successful entrepreneurs in visioning your strategy can help you build a better and smarter game plan. Their engagement can provide a genuine and supportive voice within the community for what you are trying to accomplish. As a first step, look for successful entrepreneurs who are also civically engaged in your targeted stakeholder organizations. These individuals can be a pathway or bridge to other successful entrepreneurs who are not active in the chamber or other organizations. If they believe in what you are doing, they can bring stakeholder organizations to the funding table and also create an opportunity for private business pledges. Ultimately, successful entrepreneurs have wealth and often motivation to make legacy gifts that could endow part or all of your initiative.

<div align="center">

Effective Communication

</div>

While stakeholders do not want to be harassed with too many communications, they do need to be kept informed of what you are doing and the impacts you are realizing. You should engage your stakeholders in selecting the set of metrics you will use to track progress. Then, provide clear and effective communication focused on those metrics so that you can build trust and confidence in your game plan and your ability to implement.

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A 10-Year Vision for Capitalizing Your Strategy

Field experience shows that implementing an Entrepreneurial Community strategy can generate economic development outcomes and help communities create a brighter and more prosperous future. A key to success is setting aggressive expectations for investments of vision, leadership, time, and financial resources. Entrepreneur-focused economic development is not a commitment to make lightly; it requires serious, ongoing, and increasing investments to ensure success. We suggest creating a 10-year financing or capitalization strategy to mobilize the dollars necessary to bring about serious and desired change.

Sustainable and Growing Funding is Foundational

At the end of the day central to eInitiative sustainability is robust, sustainable, and growing funding generated locally from your community's key stakeholders. The issue of entrepreneurial ecosystem funding is a central theme from the Kauffman Foundation's Eship Summit work. Over the past two years, e2 has produced three relevant resources we encourage your community to explore as part of your e2 sustainability game plan:

- [Entrepreneurship and Community Philanthropy](#)
- [Funding Entrepreneurial Ecosystem Building](#)
- [Funding Economic Development](#)

These three resources can help your community develop a funding strategy within your e2 sustainability strategy.

Rural Communities and Development Capacity

Our field experience strongly suggests that many rural communities are struggling due to more limited development *capacity* rather than more limited development *opportunities*. In successful communities, creating prosperity is tied to a community's ability to:

1. Envision its future
2. Craft an optimal development plan
3. Invest at adequate levels to execute the development plan

There is a direct relationship between inadequate development investment and a rural community's cycle of decline.

What are the "capacity" issues facing most rural communities?

Limited Scale. Rural communities, by their nature, have limited resources. There are fewer people, leaders, volunteers, and resources. Therefore, rural communities must work smarter and harder.

Boom and Bust. Many rural communities are dependent on natural resource industries (such as timber, mining, or agriculture) or manufacturing, which undergo periodic cycles of boom and bust. For the past century, most rural communities have struggled to keep pace. Recessionary cycles have eroded wealth, population, leadership, and capacity to support development.

Community Cycle of Decline. Figure 10 provides a visualization of how a rural community can become trapped in a cycle of decline. Understanding this dynamic for those rural communities that are experiencing chronic and severe economic and social distress is important.

Figure 10 – Community Cycle of Decline Dynamic Illustrated

	Depopulation	
Absent robust development efforts, the cycle of decline can become permanent!	**Economic Loss**	Under-Resourced Development Efforts
		Leader & Staff Turnover
		Limited Impact
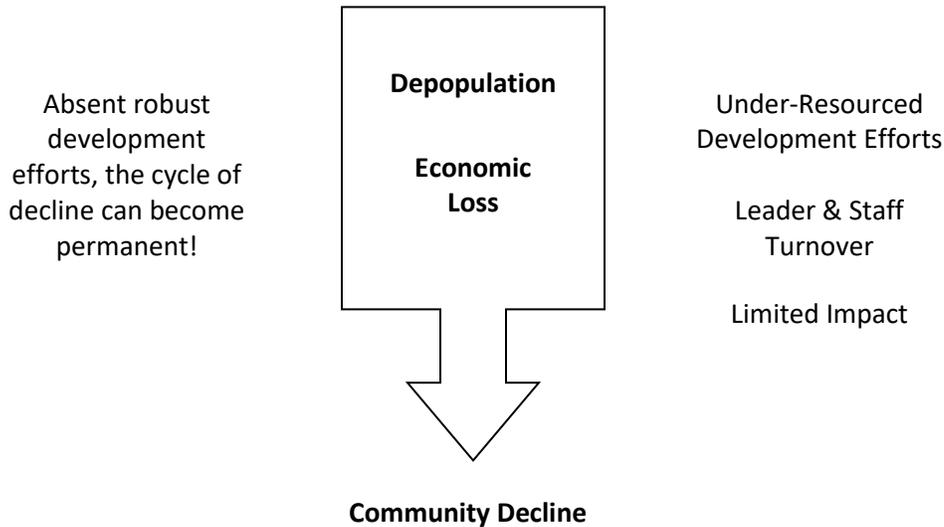
Community Decline

Typically, community decline does not occur quickly (although it can with a major natural or economic disaster). Decline comes slowly where the community's vitality is eroded over decades, small steps at a time. For those residents who left and comeback later in life they are often shocked at how the community has changed for the worst. The continued to commitment to smart and robust community economic development is foundational to ensuring your community does not fall into this community cycle of decline pattern.

Under-Resourced Development Efforts. Here is one way of looking at investment to ensure a community's long-term success:

- A community of 10,000 generates a $1 billion annual economy. If this community were a corporation, it would be one of the largest in its region and even its state.

- For this community to renew itself economically and remain globally competitive, it must average a 10% annual investment rate into schools, workforce development, private businesses, construction, roads, etc. For our hypothetical community, 10% equals $100 million annually of new private and public investment.

- For naturally growing communities, annual investment occurs with minimal assistance or stimulation. But in mature or struggling communities, investment in community economic development is clearly required. Based on our field experience, a community should invest about 1% of its annual output to leverage this larger annual renewal investment. This amounts to a $1 million development budget for a community of 10,000!

The overwhelming majority of rural communities are not hitting a 10% annual investment rate, partially accounting for why so many are struggling. The vast majority of rural communities are grossly underfunding their community's development efforts. Few reach the 1% rate of investment in economic development.

Turnover. People make the difference. Experienced leaders provide the talent and human energy to make community economic developments happen. Talented, skilled, and motivated development staff is equally important. Communities that are under-resourced tend to have higher turnover rates among staff, leaders, and volunteers. Higher turnover rates deny communities the experience necessary for robust and sustained development success. Communities that adequately fund development have the opportunity to invest in staff, leaders, and volunteers while creating the human resources necessary for long-term success.

Failure. Communities like to invest in a winning program. Unfortunately, the flip side is also true. Communities that are struggling with development programs and that are not getting adequate results often fall into a confidence crisis, resulting in inconsistent and inadequate support. Failure to invest robustly and consistently leads to future cycles of failure and lost hope.

Crafting the right development program is essential but so is executing the plan successfully. Breaking the cycle of disinvestment or inadequate development investment is not easy. A long-term and incremental strategy makes the most sense for most rural communities. Out of short-term success, additional capacity can be marshaled to dream larger and move up the cycle of progress. A community of 5,000 residents struggling today to mobilize $30,000 to $50,000 for a part-time development program can grow over five to 10 years into a $1 million dollar program with three to five professional development staff members.

From Decline to Prosperity

In community development, the **cycle of progress** or the **cycle of prosperity** represents the inverse of what happens to a community in the **cycle of decline**. The cycle of prosperity is best represented visually as a spiral where development success drives deeper community investments into additional capacity building and even greater development outcomes. Progress feeds on past success and drives future success. In the cycle of prosperity, communities generate new economic opportunities and wealth. Figure 12 shows how this cycle of prosperity was conceived for an early collaborative development effort of the Nebraska Community Foundation, the Heartland Center for Leadership Development, and the Center for Rural Entrepeneurship: HomeTown Competitiveness (HTC).

The Cycle of Prosperity. Like the cycle of decline, the cycle of prosperity embraces that multiple positive actions, outcomes, and impacts results overtime in a stronger and more prosperous community. By its very nature, entrepreneur-led development is incremental, where thousands of positive actions (e.g., decision to stay, new investment, hiring a new employee, reaching a new market, etc.) create hundreds of positive impacts (e.g., cumulative jobs, a stronger venture community, broader local tax bases, stronger income and wealth creation, etc.) over years of sustained commitment and action.

Figure 11 – Community Cycle of Prosperity
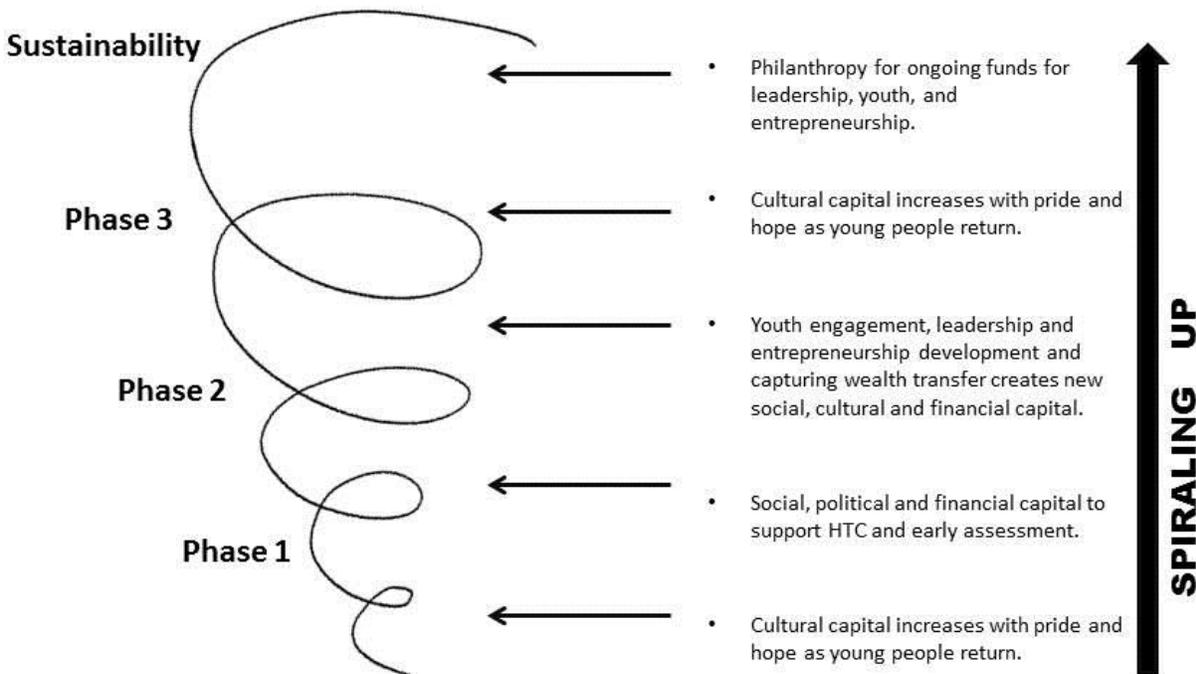
Central to establishing and sustaining the cycle of prosperity are three core community actions:

1. The community creates a visionary and optimal development strategy building from community assets.
2. The community is capable of executing its strategy effectively and consistently over time.
3. The community makes a significant, sustained investment in its economic development capacity.

While communities can be efficient and effective with their economic development efforts, they cannot realize sustained success on the "cheap." So, the question is how can we raise ever larger amounts of financial resources to fuel community economic development? Part Five in our book, Energizing Entrepreneurial Communities: A Pathway to Prosperity, provides detailed information about sustaining your efforts over the long term.

Part 5 - Shining Light on Your Impacts

In conclusion to our **Metrics, Stories, and Sustainability Guide,** let's summarize key learnings from e2's experience across North America:

1. **Start at the Beginning of Your Journey.** A commitment to metrics, stories and sustainability should not be an afterthought when you are pursuing future funding and support. Your community's metrics, stories and sustainability strategy should be core from the very beginning of your entrepreneurship journey.

2. **Remember the Connection Between Metrics and Stories with Sustainability.** An honest and robust metrics and story capture system is the foundation for initiative sustainability. At the end of the day, your community is seeking through entrepreneur-led development transformative change in your community. What motivates community is the desire to grow a more competitive, higher value and

vibrant economy that in turn can enable greater community and resident prosperity. Metrics along with stories provides the fuel to keep your stakeholders and community energized and support of your eInitiative.

3. **Make a Serious and Ongoing Commitment to Metrics and Sustainability.** Take metrics, stories, and sustainability seriously and make an ongoing commitment to this important work. Dedicate strategy, staffing, and funding to this all-important work. Do not assume that because you and your eTeam feel you are doing important and impactful work that this perception is shared by your stakeholders and community. Intentionality and robust communication of your progress and impacts using the one-two punch of metrics with stories can ensure sustained and even deeper commitments to your community's entrepreneurship initiative.

4. **Use Your Metrics and Stories to Energize Your Community.** Ongoing communications about your progress including incremental sharing of metrics and impact stories can energize your community mobilizing broader and deeper community engagement and support. Additionally, communicating honestly this kind of information can motivate your community's entrepreneurial talent to reach out to you and create more opportunities for assistance, impacts, and additional metrics and stories. Finally, seriously consider using e2's or some other customer relations management tool to be systematic in your capture of metrics and stories.

5. **Be Sure to Take Time to Celebrate Your Success.** As we have stated before, all economic development is continuous. It is a 24-7-365 forever commitment by communities. Only you and your community can ensure a brighter future. We have come to believe that entrepreneur-led development is foundational to all community economic development. As you grow your entrepreneurial community you will evolve a more competitive, diversified, higher-value, and resilient community. Be sure to make time for celebration focusing on your progress. Use your metrics and stories to illustrate how this work is changing your community for better. Finally, use these celebration opportunities to engage your community in not only deeper understanding of your work but engage your community in shaping the future of your eInitiative.

It is e2's sincere hope that this guide along with the other resources in our e2 University can help you, your team, and your community become an entrepreneurial community. As you employ our e2 University development framework and resources, be sure to share back with us so we can share with our North American audience and network. Your story of progress and impact could be part of the magic that motivates other communities to embrace this pathway to more prosperous communities. Share back by contacting Don Macke at don@email.org.

Access and Use of e2 University Materials

Single Party Users. Our entire e2 University is available free of charge to selected users. If you and your community are interested in any or all of these resources, contact info@e2mail.org.

Compensated Users. For those users wanting to use e2 University in their compensated work, e2 is happy to explore licensing options. Contact Don Macke at don@e2mail.org.

Nonprofit Users. If your organization is a charitable non-profit that works with multiple communities, e2 is open to non-compensated licensing options. Contact Don Macke at don@e2mail.org.

International Users. If your organization is located in or focused on non-U.S. locations, we are open to collaborative efforts to translate our work into other languages and cultures for possible use. Contact Don Macke at don@e2mail.org to explore options.

Kansas and Nebraska Users. Nebraska and Kansas have played an extraordinary role in evolving our e2 development framework. Access to e2 University resources is available free of charge to end users through NetWork Kansas and Nebraska Extension in Nebraska.

A Condition for Access and Use of e2 University Resources

In all cases e2 asks users to execute a **use agreement.** As part of this agreement*,* we require a commitment from you to share your learning back with e2. We need user feedback to continue our learning so that e2 can support entrepreneurship ecosystem building and future resources for users yet to come.

Additional Help

Don Macke is not currently accepting new advising and consulting work. However, based on scheduling availability, Don is willing to do an exploratory call to better understand your needs and expectations, and recommend pathways forward. Contact him at don@e2mail.org.

How e2 Can Help

e2 Entrepreneurial Ecosystems helps communities increase prosperity through entrepreneur-focused economic development and ecosystem building. Led by **Don Macke,** e2 has a national team of practitioners who bring research, coaching, incubation, market intelligence and other expertise to this work.

What We Do

✓ **Mentoring.** We mentor and coach new practitioners seeking to pursue entrepreneur-led development. We provide advice and support for building eEcosystem strategies that work.

✓ **Analytics Support.** e2 helps communities and regions understand their entrepreneurial potential through research and data. Explore some of our research tools and reports here.

✓ **e2 University (e2U)** is our platform for sharing guides, papers, stories, tools, and resources with communities wanting a deep dive into eEcosystem building. Don Macke leads the e2U team with analytics support from **Cathy Kottwitz** and report preparation from **Ann Chaffin.** Special recognition for their e2U legacy contributions goes to **Dana Williams** and **Deb Markley,** LOCUS Impacting Investing.

✓ **Fostering the eMovement.** We support the national entrepreneurship movement along with our partners including the **Federal Reserve Bank of Kansas City**, **SourceLink**, **Edward Lowe Foundation**, **Kauffman Foundation**, and **NetWork Kansas**. We are a founding member of Start Us Up: America's New Business Plan, a coalition dedicated to strengthening entrepreneurship across America. Together, we continue to advance the foundational ideas of building entrepreneurial ecosystems and entrepreneurship-led economic development.

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NetWork Kansas, a 501c3 nonprofit organization dedicated to developing an entrepreneurial ecosystem in Kansas, is the home for e2 Entrepreneurial Ecosystems. NetWork Kansas connects aspiring entrepreneurs, emerging and established businesses, to a deep network of business building resource organizations across the state.