



# ENERGIZING AN ENTREPRENEURIAL ECONOMY



rupri Center for RURAL  
for ENTREPRENEURSHIP



**by** Deborah Markley  
Karen Dabson  
Don Macke



## About RUPRI Center for Rural Entrepreneurship



The RUPRI Center for Rural Entrepreneurship was created in 2001, with initial support from the Ewing Marion Kauffman Foundation and RUPRI, as an outgrowth of the Rural Entrepreneurship Initiative (REI) of the Kauffman Foundation, the National Rural Development Partnership, Partners for Rural America, and the Nebraska Community Foundation. The Center's primary goal is to be the focal point for efforts to stimulate and support private and public entrepreneurship development in communities throughout rural America. It was founded in the belief that entrepreneurship development is an effective, and often the only route to building prosperous, dynamic, and sustainable economies across rural America.

Collaboration is the founding principle of the Center – the Center works with rural economic development practitioners and researchers across the country to conduct applied research and evaluation to gain insights into model practices and approaches. This learning is then widely shared with practitioners and policymakers to foster new and more effective approaches to rural economic development.

The Center has discovered a rich and growing field of entrepreneurship development practice throughout rural America and is actively engaged in a number of communities, regions, and states through evaluation and documentation, technical assistance, strategic planning and training support. The Center's book, *Energizing Entrepreneurs: Charting a Course for Rural Communities*, completed in partnership with the Heartland Center for Leadership Development, and the e<sup>2</sup> Energizing Entrepreneurs training program for economic development practitioners, community and state leaders are products in support of the Center's strong commitment to bringing the best learning about and model practices of entrepreneurship to rural communities across the country.

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## About the National Association of Counties



Founded in 1935, the National Association of Counties (NACo) is the only national organization representing county governments in the nation's capital. With headquarters on Capitol Hill in Washington, D.C., NACo's primary mission is to ensure that the county government message is heard and understood in the White House and the halls of Congress. NACo's purpose and objectives are to:

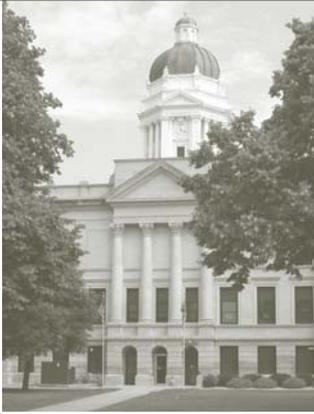
- Serve as a liaison with other levels of government;
- Improve public understanding of counties;
- Act as a national advocate for counties; and
- Help counties find innovative methods for meeting the challenges they face.

For more information about NACo or to request copies of this publication, please contact:

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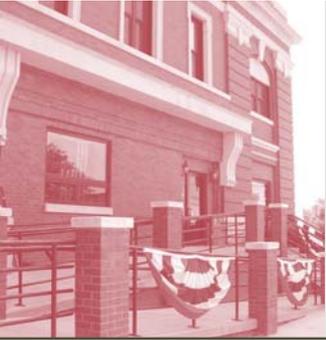


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# ACKNOWLEDGEMENTS

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# PREFACE

County governments and elected officials can and do play a fundamental role in encouraging economic development. In the new economy, local leaders increasingly are turning to entrepreneurship as a core economic development strategy in the place of traditional tactics such as industrial recruitment and business retention programs that have not achieved expected results, particularly in rural areas. Coupled with this, there are measurably more experienced entrepreneurship development practitioners who are willing to share lessons learned with those who are just now embracing entrepreneurship as a development strategy.

This guide has been prepared specifically for the membership of the National Association of Counties. It is intended to extend to county government leaders useful information, insights, and examples about how to energize an entrepreneurial economy, and achieve more dynamic and successful economic development through entrepreneurship. The guide was also designed as an introductory companion to the book, *Energizing Entrepreneurs: Charting a Course for Rural Communities*, a partnership effort of the RUPRI Center for Rural Entrepreneurship and the Heartland Center for Leadership Development. You will find most of the tools and some of the stories referenced in this guide in the book and on the companion e<sup>2</sup> website, [www.energizingentrepreneurs.org](http://www.energizingentrepreneurs.org). Watch for site "clicking" cues throughout this guide to help you access tools immediately.

## *Background*

The rate of economic change is striking. Entire industries are restructuring in the span of a few years. Historically strong Fortune 500 Corporations, faced with competition on a global scale, can disappear quickly these days. The need to be globally competitive extends from the private sector to the public sector, from the national level down to individual counties and multi-county regions. Traditional economic sectors, e.g., agriculture, natural



***“Economic development is a choice.***

***It is willed within an economy. Economic development occurs when local leaders choose to identify, invest in, and develop their comparative advantages to enable workers, firms, farms, and industries to better compete.”***

**Steve Buttress,  
former local  
economic developer  
in Kearney,  
Nebraska**

**There is no single generally accepted definition of entrepreneurs or entrepreneurship. It is useful in most rural counties to use a simple definition that is inclusive of many different types of entrepreneurs:**

***Entrepreneurs are people who create and grow enterprises.*<sup>1</sup>**

***Entrepreneurship is any attempt to create a new business enterprise or to expand an established business.*<sup>2</sup>**

resource-based industries, and routine manufacturing, have experienced reduced success in recent years with plant closings and layoffs a way of life across rural America. As a result, many county leaders are faced with the challenge of identifying new ways to build a viable local economy and often they are recognizing that hope for the future lies in supporting the entrepreneurs who are already rooted in their communities.

Entrepreneurship development is a promising economic development strategy for communities. Entrepreneurs are the ones seeing new opportunities, perceiving emerging threats, and evolving ventures that can succeed in times of rapid and compelling change. The balancing act for county officials is to support emerging and existing entrepreneurs in the region and to build an entrepreneurial environment or community that becomes a key part of the local area's identity. Looking across the country, regional economies with thriving entrepreneurial communities are doing better than those with less entrepreneurial energy.

For county leaders, to focus on entrepreneurship development is to turn the traditional approach to economic development on its head. Rather than investing significant resources in an outward looking strategy, these leaders are looking inward, identifying the local assets that can be engaged to create homegrown economic opportunities. Encouraging an entrepreneurial environment becomes the foundation for economic development. An environment that nurtures, supports and welcomes entrepreneurs is a place where existing businesses thrive and where outside firms seek to relocate.

<sup>1</sup> Brian Dabson, et al., *Mapping Rural Entrepreneurship*, WK Kellogg Foundation and CFED, 2003.

<sup>2</sup> Deborah Markley, Don Macke and Vicki Luther, *Energizing Entrepreneurs: Charting a Course for Rural Communities*, Heartland Center for Leadership Development and RUPRI Center for Rural Entrepreneurship, 2005.



# AN ENTREPRENEURIAL ENVIRONMENT

Ideally, entrepreneurs live and work within a circle of support that encourages and assists them in the creative process of building a business. A key part of this circle of support is a community environment that at a minimum recognizes and values the role of entrepreneurs (both private and public) in developing the community. County governments may choose to invest in the three elements that constitute a community's entrepreneurial environment. County leaders can do their part to ensure that there is a strong and positive climate for entrepreneurs, their families and their enterprises. Counties can partner with neighboring municipalities, private businesses, their state governments and others to ensure that there is sound and appropriate infrastructure necessary for businesses generally and for entrepreneurs in particular. County leaders can become core partners in providing support to encourage entrepreneurship and create a stronger local or regional economy.

Let's explore each part of a county's entrepreneurial environment.

## *Climate*

It is difficult for local county governments to affect macroeconomic issues such as trade, fiscal or monetary policies. However, they do play a primary role in creating a supportive and stimulating climate for entrepreneurship. This role is a key tool available to leaders seeking to "weatherproof" their counties from the volatility of the global economy. A strong entrepreneurial climate includes:

- **Awareness** of the potential role that entrepreneurs, particularly growth entrepreneurs, play in economic development.
- **Recognition** that entrepreneurs face many challenges including the likelihood of failure in one or more ventures. County officials must understand the essence of entrepreneurship and its dynamic nature of creation, growth and sometimes failure. Fair weather support for entrepreneurs will not create an enduring supportive entrepreneurial environment.



**Public entrepreneurs**  
– those who build communities through the creation of non-profit foundations and other community-based organizations, quality educational institutions, the development of cultural and recreational resources, etc.

**Private entrepreneurs**  
– those who build businesses

- A **Culture** that accepts the impact that entrepreneurial failure and success can exert on social order. Particularly in rural counties, culture plays a critically important role in supporting or limiting entrepreneurial behavior. Rural counties by their very size are intimate and demand that residents contribute to social harmony. Too much failure, as well as too much success, can unbalance a rural county, producing strife and conflict.
- **Anonymity** so that entrepreneurs have the space they need to succeed. In a traditional and socially ordered rural place, where many roles are mandated, the behavior of an entrepreneur may seem odd or unacceptable. Rural county residents and leaders must allow breathing room for entrepreneurs to be creative in their own time and way.
- **Quality of Life** amenities that are essential to meeting the private needs of entrepreneurs, their families, and workers. Entrepreneurs generally have families and like everyone else in the county, they want good schools, churches, recreational facilities and entertainment amenities. Rural counties that are able to strike a good balance between local tax rates and high quality public services are best able to retain and recruit entrepreneurs. The low-cost county may have had the competitive advantage during the recruitment wars of the past generation, but entrepreneurship support requires a different decision-making calculus.

## CASE STUDY



### Wood County, Wisconsin - pop. 75,000 *An Entrepreneurial Climate*

The opening word on Community Progress Initiative's website emphasizes the "unity" in community, and that is what this Wood County effort is all about. A collaboration between the Heart of Wisconsin Business and Economic Alliance and Community Foundation



of South Wood County, the initiative has taken an inclusive approach to making sure that county residents understand and value entrepreneurship, and that they are proactive supporters of it, from the youngest residents on up. Industry cluster networks of business owners, employees, and residents search

for local opportunities for business growth and impediments to business development. Their concept of “industry” embraces a whole array of business enterprises from agriculture, to forest products, to downtown stores, and more. Seminars and visioning sessions offer residents a better understanding of the creative nature of economic development progress that is focused on entrepreneurship, and how they are or can be a part of the climate for change. Businesses themselves have a whole host of tools to choose from in the county’s coordinated entrepreneur assistance programs. Community Progress has gained particular recognition for its “Boot Camps,” so called for their intensive three-to-four day approach to action oriented entrepreneurial training that includes thinking innovatively.

Connie Loden with the Alliance says that the Wood County Board was a true catalyst in getting the initiative moving. They provided funding for a speaker that “got people thinking differently” about what was possible in their communities and their region. Today, Community Progress’ website is checkered with success - dozens of news stories about businesses (78 formed in 12 months since the 2004 start of the initiative), business to business ‘entrepreneurial club’ activities, teens involved in leadership activities, and communities in South Wood County building on their assets and working together to create a competitive and attractive business climate. All document the comprehensive effort underway that is gaining results for the county.

#### **Community Progress Initiative goals are to:**

- Create a business-friendly environment and empower entrepreneurs
- Shape a shared vision for people throughout the region
- Stimulate new enterprises, resulting in additional job opportunities
- Build the area’s endowed charitable assets to support sustainable community development
- Motivate emerging leaders of all ages to drive positive change
- Inspire community spirit and pride

*“As we move forward with the entrepreneurial club, we hope to bring as many new ideas and businesses as possible to the table. There’s no limit. No matter what people do in their professional or personal lives, they have something to offer. We’re committed, and we’re succeeding in our work on the Boot Camps, the entrepreneurial club, and other activities that are growing new businesses and adding vitality and value to the community.”*

– Alan Panek, Panek, Schill, and Gebert, and Steve Lewallen, Steve’s Plumbing, members of Small Business Industry Cluster, Community Progress Initiative

**For more information: visit [www.progressinitiative.com](http://www.progressinitiative.com) or call 715-423-3863.**

***“...If you are not involved, get involved; if you are somewhat involved, get more involved; if you are very involved, get others involved!”***

**Mark Swanson,  
Renaissance  
Learning, Inc. and a  
member of the New  
e-economies Cluster,  
Community  
Progress Initiative**

## County Infrastructure

Rural counties are often situated in high cost and low density markets or markets where access to diverse, high quality and affordable infrastructure is harder to develop and sustain. Government programs have worked to ensure universal infrastructure ranging from banking services to telecommunications. However, in the era of deregulation, rural America is increasingly challenged to keep pace with state of the art infrastructure. Infrastructure that supports an entrepreneurial environment includes:

- **Real Estate** that meets the needs of entrepreneurs at different stages of development. In the early stages, an entrepreneur may set up the enterprise in a spare room in the home or a garage. Eventually, as the entrepreneurial enterprise grows, different kinds of space ranging from downtown storefronts to industrial park space will be required. Availability of a range of real estate, or the ability to meet these needs as the entrepreneur grows the firm, is a critical element in building a supportive entrepreneurial environment.
- **Utilities** such as water, power and telecommunications. A fundamental of any business, sound and affordable utilities have got to be available to entrepreneurs so they can be more competitive. Rural counties often operate or regulate these utilities and therefore have influence over their offering and cost.
- **Services** such as banking, insurance, freight and accounting. These are as important to entrepreneurs as to any business. Massive consolidation of such services has changed and often reduced access to them. Rural counties that are committed to ensuring local access to basic business services will create a proactive entrepreneurial environment.
- **Taxes and regulations.** Inescapably, they are a part of doing business for entrepreneurs no matter where they operate. The nature and rates of taxation and regulation can be a barrier to entrepreneurial development, particularly in the start-up phase of an enterprise. However, often the size of the tax or complying with a certain regulation is not as big a challenge as the administration of these policies. Clear information on compliance, and one-stop servicing, can ease the burden of red tape for the entrepreneur and promote a more supportive entrepreneurial environment.

**Henry County, Ohio - pop. 29,453**  
***Traditional Infrastructure Investment***

Henry County, in cooperation with the Community Improvement Corporation of Henry County (CIC) developed and implemented a program that assists in financing infrastructure construction and improvements without relying solely on government budgets. The county's Infrastructure/Economic Development Fund (Fund) provides a continual pool of funding to assist businesses with infrastructure development such as roads, water, sewer, and drainage or upgrades to existing infrastructure.

Many times state and federal infrastructure funding requires local match, which can be difficult to obtain quickly in times of tight budgets. The Fund allows Henry County to rapidly offer the needed match or last minute infrastructure requests that businesses require in order to safely invest in the county. Further, the fund can assist with certain miscellaneous expenses that arise in conjunction with the eleventh hour finalization of details necessary to "seal the deal" on economic development projects. The Fund is replenished through certain payments in lieu of taxes in conjunction with the county's tax incentive program.



*"Research shows that entrepreneurship is the heart and soul of long-term economic development in rural communities like ours. Homegrown businesses tend to have deeper roots in the community and are at least as willing as—and frequently more willing than—anyone else to invest back in the community over the long-term."*

– Lee Schroeder, Executive Director, Henry County Economic Development Team (CIC)

For more information: visit <http://www.hencoed.com/> or call 419-592-4637.

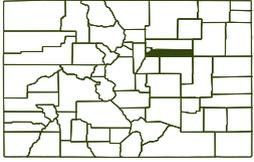
**CASE STUDY**



***"Infrastructure is a basic component to economic development—without it, you are not even in the game. Infrastructure becomes more and more commonplace and necessary to even get your foot in the door with prospective employers as the entire world gets flatter and more competitive."***

**Lee Schroeder,  
 Executive Director,  
 Henry County  
 Economic  
 Development  
 Team (CIC)**

## CASE STUDY



*“We are more convinced than ever that our fundamental concept (entrepreneurs drive economies) is right and that healthy communities have a healthy base of entrepreneurs... elements needed to create a nurturing environment for entrepreneurs include information, infrastructure, and connections...”*

**Christian Gibbons,  
Director, Business/  
Industry Affairs  
City of Littleton,  
Colorado**

## Littleton, Colorado - pop. 40,000 Information, Infrastructure, and Connections

The now famous Economic Gardening concept, first invented by Chris Gibbons and the City of Littleton, Colorado is producing results and providing a model for other communities to replicate. Economic gardening refers to a locality growing its own jobs through enterprise development, and in Littleton's case, they focused on high growth companies. Businesses without solid market understanding and access will flounder, or at best, remain small. But Littleton provides a wealth of market information at no or low cost to resident entrepreneurs. Market lists, relevant industry trends, locational information, and professional market analysis are available through the many databases and thousands of publications that the city accesses on behalf of entrepreneurs, or through the services provided by its highly professional staff. Such information is costly and beyond the reach of most business owners, but the city helps make those expert connections, as well as networking entrepreneurs with each other, appropriate trade associations, universities, and think tanks for the latest innovations.



Such concentrated intention has paid off. In its first seven years of operation, the City's program doubled the number of job creations compared to the previous 14 years!

**For more information: visit <http://www.littletongov.org/bia/economicgardening/> or call 303-795-3749.**

## Support Systems

A county can do a wide range of things to proactively support entrepreneurs and there is no single set of actions that your county should adopt. However, it is useful to think about possible investments in three categories: basic, advanced and high performing levels of support.

**1. Basic Support.** Investment in a basic support package is the starting point for building a broader and more sophisticated county support system for entrepreneurs. The elements of a basic support system include:

- Addressing any issues related to creating a positive climate and strong infrastructure for entrepreneurs. The greatest entrepreneurship development program operating in a weak climate with poor infrastructure will come up short.

- Taking stock of the county's current access to appropriate business services (e.g., legal, marketing, production, financial, accounting). Remember, having these services within the county is significant, but not necessary to ensuring access.
- Creating a focus on entrepreneurs, both public and private. This focus might include raising the awareness level of county residents and leaders about the role of entrepreneurship within the county by, for instance, creating an entrepreneur advisory group to county government. Going a bit further, a county might identify entrepreneurs and provide periodic recognition for their contributions, e.g., sponsoring an Entrepreneur of the Year award. Most importantly, a county should value entrepreneurs and their unique role in building the county and the economy.
- Providing opportunities for networking with other entrepreneurs and access to mentors. Counties can create regular opportunities that encourage networking and mentoring such as hosting monthly E Summits where entrepreneurs can meet together and with economic development practitioners to talk about their role in the county and the challenges they face in starting their businesses.

### Georgia's Entrepreneur Friendly Communities Program *Entrepreneur-Focused Support Systems*

Entrepreneur Friendly sums up what counties throughout Georgia are striving to become through a statewide program that encourages entrepreneurship development as a long-term strategy for re-invigorating the economies of local communities. The Georgia Department of Economic Development's (GDEcD) Entrepreneur & Small Business Office focuses on helping communities develop an entrepreneurial environment as key to a county's overall economic development strategies. Regional project managers from the state walk communities through a series of proven methods so that they can better understand what kind of climate they currently provide for entrepreneurs, and how they can make it better.



#### **The key steps to become "Entrepreneur Friendly" include:**

- Identifying the local leadership group and champion who will lead the community in their entrepreneur and small business development strategy; Form the committee that will support the initiative.

## CASE STUDY



*“Very importantly, we see so many ‘ah ha’ moments in the [Entrepreneur Friendly] communities’ eyes... Community leadership tells us that identifying unique assets and local entrepreneurs has changed their way of thinking about economic development. The realization that entrepreneurs and small businesses have different needs than their traditional businesses has created a new energy for something that has been ‘at home’ for a long time.”*

**Mary Ellen McClanahan,  
Director, Governor’s  
Entrepreneur &  
Small Business Office  
Georgia Department  
of Economic  
Development (DEcD)**

- Increasing community awareness of and support for strategies, needs and resources; Educate the community about the benefits of “home-grown” business development and fast-growth companies.
- Enhancing relationships with state and federal resource providers, including the University of Georgia’s Small Business Development Center and others, in educational sessions that help local leadership learn how entrepreneurs can be supported.
- Mapping local assets that include identifying all local entrepreneurs (potential, existing, growth) and identifying unique local resources (start-up kit, niches/attributes)
- Visiting and interviewing local entrepreneurs; reviewing and compiling results to determine appropriate strategies.
- Scheduling the Review Team visit. The Team will help you assess current activities and make recommendations for possible new programs or strategies based on your community’s unique challenges and opportunities. Receive the “Entrepreneur Friendly” designation!

To date, fourteen counties have been designated as “Entrepreneur Friendly” including:

- Bacon County
- Coffee County
- Cook County
- Dougherty County
- Fannin County
- Gwinnett County
- Henry County
- Houston County
- Lowndes County
- Miller County
- Rockdale County
- Toombs – Montgomery – Tattnall Counties
- Turner County
- Upson County

**For more information:** Visit [www.georgia.org/Business/SmallBusiness/Entrepreneur+Friendly+Communities.htm](http://www.georgia.org/Business/SmallBusiness/Entrepreneur+Friendly+Communities.htm) or call 404-962-4820.

**2. Advanced Support.** Once the basic elements of a support system are in place, a county can consider a number of advanced activities to further energize entrepreneurs. Remember, more advanced support does not mean that things should become more complicated for the entrepreneur. Massive directories and complicated pathways for entrepreneurs to access support can be counterproductive. Counties are urged at this level to create some kind of simple organization (probably using existing organizations) to ensure that entrepreneurial support efforts are understandable, easy to access and seamless. Examples of advanced support include:

- **ENTREPRENEURIAL TRAINING.** Consider offering an entrepreneurial training resource such as FastTrac, NxLevel, or REAL (Rural Entrepreneurship through Action Learning). These programs are particularly helpful to start-up and early stage businesses.

- **FINANCIAL CAPITAL.** Provide access to appropriate financial capital beyond that provided by local banking institutions. The development of microlending services for smaller start-up entrepreneurs and revolving loan programs for growing and restructuring businesses are likely first steps in building a stronger financial capital system for entrepreneurs.
- **ACCESS TO MARKETS.** Implementing programs that increase local entrepreneurs' awareness of and access to new markets is key. In rural areas particularly, entrepreneurs may need assistance to develop strong skills in identifying market opportunities and assessing the commercial feasibility of various opportunities. Sending delegations to conferences, trade shows and trade missions are all good ways to increase market awareness.
- **YOUTH ENTREPRENEURSHIP.** Young people are a driving cultural force in our nation and counties. Creating programs that introduce youth (the younger the better, starting in kindergarten) to entrepreneurship is essential to developing a pipeline of entrepreneurs in any community. Further, making opportunities for young adults and students to take leadership roles in entrepreneurship development is critically important.

**FastTrac** is a business development training program that offers modules targeted to different types of entrepreneurs – new start ups, growth, micro and others. The training is offered across the country through FastTrac Partners, organizations such as Small Business Development Centers and community-based organizations that offer the training. To learn more, go to [www.fasttrac.org](http://www.fasttrac.org) or call 800-689-1740.



**NxLevel** training programs are offered throughout the nation via a network of organizations including Small Business Development Centers and other organizations involved in community economic development. NxLevel programs target start ups, existing entrepreneurs, youth, micro- and agri-entrepreneurs. To learn more, go to [www.nxlevel.org](http://www.nxlevel.org) or call 800-873-9378.



**Rural Entrepreneurship through Action Learning (REAL)** is an entrepreneurial training program designed specifically for rural entrepreneurs and youth. REAL programs are offered by trained facilitators to K-12 students, through community colleges, small business centers, and other organizations as well as online. More recently, Spanish REAL was developed to serve immigrant entrepreneurs in North Carolina and is available nationally. For more information, go to [www.realenterprises.org](http://www.realenterprises.org) or call 202-408-9788.



## CASE STUDY



## Madison County, North Carolina – pop. 20,000

### Access to Markets

The goal of the Madison County Partnership is to grow its own economy, especially through targeted marketing efforts. The highly collaborative and energetic partnership, made up of the Hot Springs Health Program, Madison County Arts Council, Madison County Extension Service, HandMade in America, and Mars Hill College, has focused on identifying local assets—farms, craftspeople, and very small businesses—and taking inventory. They have learned what is needed to help these assets grow: increased, effective access to markets. Several initiatives are now underway to gain more attention for this rural county northwest of Asheville, and its entrepreneurs. They range from an on-line presence for more than 90 farmers who raise the highest number of specialty crops in the state; a searchable website for finding artists and crafters; a source book for connecting artists with builders; and the formation of an agri-tourism network. The network, a unique blend of farmers, artists, and related businesses, along with area entrepreneurial support organizations, has gained interest from the media and county tourism officials and visitors through agri-tourism farm tours and the Madison Celebrates Art! Festival held every September in downtown Marshall. A rich menu of special events has attracted visitors to this northwestern county from as far away as the state capital, Raleigh, which is located on the eastern side of the state. Marketing 101+ workshops are bringing Madison's small businesses up to speed on down to earth marketing methods that will truly yield results at these events and venues. Finally, the partnership has created and distributed the "Very Small Business Directory of Madison County"—another creative way of helping potential buyers find the treasures of Madison County.



***"Thanks to the Partnership, there's real excitement, enthusiasm and genuine hope again in Madison County. Working together, who can stop us?!"***

**Ricky McDevitt,  
Madison County  
Manager**

*"We've created a great local buzz that can be heard all the way to Raleigh. County residents and those with second homes here are learning that there are many opportunities to buy locally. Now there is a sense among local entrepreneurs that growing their businesses is possible."*

– Betty Hurst, Director of Development, HandMade in America

For more information, visit [www.MadisonFarms.org](http://www.MadisonFarms.org), [www.madisoncountyarts.com](http://www.madisoncountyarts.com) (or call 828-649-1301), [www.handmadeinamerica.org](http://www.handmadeinamerica.org) (or call 828-252-0121).

## Miner County, South Dakota – pop. 2,623

### Youth Involvement in Entrepreneurship

Miner County's youth were some of the first residents to realize that the status quo was not going to halt the economic decline and stagnation of this agriculturally dependent county that reached its highest population in 1960 at 5,040 people. The local school district received an Annenberg Rural Challenge Grant in 1995 that enabled a variety of projects, including community visioning meetings, to connect the school with its residents and local leaders in efforts to build a sustainable community. This gave the community's youth a forum to share their new and creative entrepreneurial ideas. The young people of this area became renowned for their now famous "community cash flow study" of local residents' spending habits and attitudes toward local business. The Future Business Leaders of America (FBLA) students were able to help community members understand the value of buying locally and to inform community businesses about what people wanted. The area witnessed a 41.1 percent increase in gross sales in the year following the study.



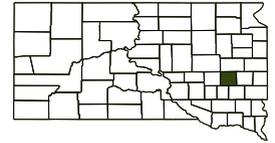
Youth continue to act as catalysts, playing key roles in organizing and actively participating in visioning sessions and planning task forces; teaching adults computer literacy; working in a community garden; and putting together several community celebrations. A county task force sprung out of the visioning process and eventually formalized economic development and beautification as top county priorities in a ten-year plan. The county's new energy and shared vision continues to cut across age barriers and led to the formation of Miner County Community Revitalization, a non-profit organization that has become successful at creating an environment fertile for niche entrepreneurs. The county's efforts have garnered positive national attention, even reaching the pages of the Wall Street Journal.

The task force agreed upon certain assumptions that would feed community economic development in their area. The first one is that "communities create lasting change through an inclusive, community-driven approach, built on trust." Clearly, including youth in previously untested ways has paid off, literally, for Miner County.

*"Entrepreneurship is the key to growth. You need someone to take a risk to help grow."*  
 - Pat Maroney, Miner County Commissioner and MCCR Board Chairman

For more information: visit [www.mccr.net](http://www.mccr.net) or call 605-772-5153.

## CASE STUDY



***"Our county's youth encouraged people to spend locally which significantly boosted sales tax revenue and got the whole process of entrepreneurial development rolling."***

**Pat Maroney,  
 Miner County  
 Commissioner and  
 MCCR Board  
 Chairman**

**3. High Performing Support.** A high performing county that is optimally supporting entrepreneurs requires considerably more commitment and investment than the other levels. High performing support may involve:

- Strategies that offer **customized help** to the full range of local entrepreneurs. It requires a major county commitment to hire skilled entrepreneurial facilitators or coaches who work one-on-one with entrepreneurs.
- County or multi-county **angel investment networks** and pathways to more traditional venture capital resources. Angel investors are high net worth individuals who, in most cases, have significant entrepreneurial experience and the drive to give back by investing in new businesses and mentoring entrepreneurs. As entrepreneurial deals emerge and grow, the ability to help these ventures meet their capital needs is the key to keeping these businesses within the county.
- Integration of entrepreneurial opportunities into the **core curriculum** of K-16 educational systems. Trying to engage youth in entrepreneurship via extracurricular activities is a real challenge and promises only marginal support. Intentional quality time devoted to entrepreneurship education for youth and young adults is a vital next step in building an entrepreneurial culture.
- Creation of high capacity organizations dedicated to supporting entrepreneurs. These **entrepreneurial support organizations (ESOs)** should become mainstays in their counties to provide the most comprehensive and sophisticated packages of support possible for energizing start-up entrepreneurs and propelling entrepreneurial growth companies to new levels.

## CASE STUDY



### Linn County, Oregon – pop. 107,150

#### *Business Development Center*

Linn County's Business Development Center is a full service entrepreneurial support organization that has produced tangible results for the local economy. The center promotes economic growth through supporting new and enhanced local businesses. The goal is for these businesses to create new jobs that pay family wages, promote economic diversification, and add value to existing products. In addition, the program develops partnerships between public, private, and academic sectors to strengthen entrepreneurial support resources.



New or expanding local entrepreneurs are supported through business planning and counseling, financial counseling and loan packaging, and financial assistance in the form of interest free loans. The center has helped create over 194 jobs since its inception in 1999 with total sales from these new or expanded businesses at \$12.1 million.

**For more information: visit [www.co.linn.or.us/BusDev/default.htm](http://www.co.linn.or.us/BusDev/default.htm) or call 541-259-5848.**

This information about the entrepreneurial environment is offered as a way for you to gain some insight into where your county might be in terms of supporting entrepreneurs. Relatively few counties in rural America meet the standards for a high performing support environment – entrepreneurship development is a relatively new addition to the economic development toolkit of most county leaders and limited resources make it difficult for counties to build quickly a sophisticated support system for entrepreneurs. Many more rural counties are providing advanced support to their entrepreneurs and even more have in place the basic elements of support. However, you will likely need to engage in assessment (described below) to gain a deeper understanding of your entrepreneurial readiness, highlight your assets and develop an appropriate strategy tailored to the needs in your county.

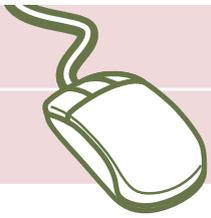
***“We try to approach economic development in a balanced fashion. Small businesses play a huge role in our community. Our business development center is a part of the balanced approach we use to give the little guy a chance to grow and prosper.”***

**Roger Nyquist,  
Commissioner, Linn  
County, Oregon**



# BUILDING ENTREPRENEURSHIP DEVELOPMENT STRATEGIES

There is no one starting point for a county wanting to support entrepreneurs as a core economic development strategy. The key to being strategic, and therefore more successful, is to understand your local situation and what you need to do to build a strong strategy. In *Energizing Entrepreneurs: Charting a Course for Rural Communities*, a compass is used to depict the journey county leaders might take to craft an appropriate entrepreneurship strategy. Points on the compass correspond to the five-step process described here.



**CLICK!** <http://www.energizingentrepreneurs.org>

**Register – it's free, then just login to enter the website every time.**

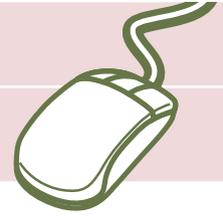
**1. Readiness.** Successful strategies are asset based, meaning that you build a strategy on what you currently have in your county. Assessing your readiness and assets for engaging in entrepreneur-focused economic development is crucial. The quickest and most strategic way to get started is to pick the low-hanging fruit – your current opportunities. Assessment tools on the e<sup>2</sup> Energizing Entrepreneurs website ([www.energizingentrepreneurs.org](http://www.energizingentrepreneurs.org)) that you can use yourself or in partnership with others (e.g., higher education, regional development groups, the state) will help you evaluate your strengths and readiness for an entrepreneurship strategy. For example:

- **COMMUNITY READINESS FACTORS** identifies six factors you can use to assess your community's readiness for entrepreneurship development – openness to entrepreneurship, balancing business attraction, entrepreneurship programs, willingness to invest, leadership team and beyond town borders.
- **RATE YOUR COMMUNITY SUPPORT FOR ENTREPRENEURS** can be used with a variety of groups in your county to get an idea of how

supportive of entrepreneurs your county is right now and what areas may be in need of improvement.

**CLICK!** <http://www.energizingentrepreneurs.org/content/chapter3.php>

**Tools - For these and other useful readiness tools**



## Livingston County, Missouri – pop. 14, 558 Assessing Readiness

“We just have an awesome community with an overall positive attitude,” explains Eva Danner, Presiding Commissioner of this largely rural county in Northwest Missouri, when asked how they have accomplished so much. Small businesses and entrepreneurs abound, particularly in the county seat of Chillicothe. But she admits that it was all catalyzed around 1994, when a group of concerned residents who had already put together a park, a pool, a golf course and a YMCA (when the national organization told them it couldn’t be done), gathered to develop a “Blueprint for the Future.” Comprised of a broad representation of the local population, this long range planning committee took a hard look at what it had to offer businesses, both within the region and outside. To their delight, many area assets were identified, such as four locally owned banks and several community foundations, along with a solid base of businesses upon which to build.



## CASE STUDY



The county undertook a baseline study with the Community Policy Analysis Center (University of Missouri) in 2000 to gather basics about their demographics, and what they could expect over the next ten years, but it was really the determination of local leaders and their blueprint that produced the creative entrepreneurial response to their issues. Sheer resolve and a pronounced willingness to work together have helped to develop a host of entrepreneurial activity. With a focus on developing amenities and improving quality of life, local entrepreneurs have built a six-screen movie theater, a bowling alley with family entertainment in mind, a performing arts center, and a brand new \$14 million school. Residents have recognized the value of working regionally as well, and the Grand River Entertainment Group, a nonprofit, has spawned the Chillicothe Mudcats, one of several

***“If you can keep money in town, it’s just as good as bringing new money into town.”***

**Ed Robertson,  
Livingston County  
entrepreneur,  
Grand River Inn**

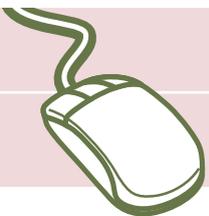
non-professional baseball teams playing in the wood bat MINK (Missouri, Iowa, Nebraska and Kansas) league. Youth programs such as 4-H and FFA are heavily promoted, and one of the area foundations is helping move and build new fairground facilities to serve them better. Many events throughout the year celebrate the community’s collective success and its entrepreneurial history, like its status as the first community to sell sliced bread!

Commissioner Danner is quick to point out that it is the will, the work, and the readiness of county residents that is truly driving Livingston County’s success. However, county and city elected officials have provided strong support every step of the way, through actions like supporting sales tax increases that were dedicated to economic development and recreational endeavors.

**For more information: visit [www.chillicothe.mo.com](http://www.chillicothe.mo.com) or call 660-646-4050; [www.chillicothecity.org](http://www.chillicothecity.org) or call 888-756-0990.**

**2. Assessment.** Assessment is fundamental to any successful economic development approach. Three assessment activities are suggested to help find your county’s “sweet spot” – the most strategic place to start:

- **IDENTIFY AND VISIT YOUR ENTREPRENEURIAL TALENT.** Entrepreneurs are essential to this strategy and a better understanding of who they are, what they are doing and how the county (and others) can help is so important. You will probably be surprised to discover the wide range of entrepreneurial talent in your county – from aspiring to growth oriented – and more talent than you think you have. A number of tools in *Energizing Entrepreneurs* can help you get started: Identifying Entrepreneurial Talent, Targeting Entrepreneurial Talent, and establishing an Entrepreneur Visitation Protocol.
- **ARTICULATE YOUR DEVELOPMENT VISION AND GOALS.** You need to carefully consider what you are trying to achieve through economic development. This step is more than reviewing your economic development vision, mission and goals. It requires assessing what you need from economic development to sustain an entrepreneurship development strategy. For instance, if what you want is some economic development success soon, perhaps within the year, you might choose to focus on existing businesses poised for growth versus helping startups, a long-term undertaking.



**CLICK! <http://www.energizingentrepreneurs.org/content/chapter4.php>**

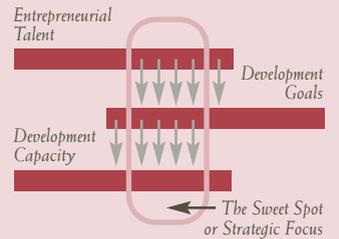
***Tools – for these and other assessment tools***

- **IDENTIFYING ENTREPRENEURIAL DEVELOPMENT ASSETS.** A county and its partners (be sure you have partners) should assess development capacity. What existing programs and resources do you currently have that can be focused, mobilized and developed to evolve an entrepreneurship strategy? Taking stock of your development resources by identifying this base of assets in your community starts at this point. The Entrepreneurial Asset Mapping tool on the e<sup>2</sup> website can help you organize this assessment process. Be sure that you consider resources that are outside your county. Remember, you have potential partners within your region, state and nation. Connecting with outside partners can help you build capacity more quickly.

The assessment process can really energize and guide your early efforts to build an entrepreneurship strategy. By including other key leaders and stakeholders, you can begin the process of building a partnership to which the county can contribute, but not necessarily take total responsibility. The discovery of your assets – entrepreneurs, development resources, and support organizations – creates hope and energy for action.

Every county has a unique “sweet spot” – the place where your development goals overlap with your capacity to engage in economic development activities and with the type of entrepreneurial talent in your community. The “sweet spot” is a great place to start if you want to focus on the strategic opportunities that may bring success and visibility to your efforts quickly. For example, if one of your development goals is to provide income opportunities for low-income individuals and your county has an existing microenterprise training program, you may choose to focus your initial entrepreneurship development strategy on identifying potential (low-income) entrepreneurs and providing subsidized training and lending opportunities for them to pursue self-employment. Identifying your county’s “sweet spot” is one reason for you to engage in the assessment process described here.

**Finding the Sweet Spot**



**3. Model Practices.** With the assessment step completed, the next step is strategy building specific to your county’s reality – no one size fits all here. However, you do not have to recreate the wheel. Successful programs often start by identifying and studying what other counties have done that might be good models. The value of this activity cannot be underestimated. A little window-shopping and research can create focus, consensus and energy for moving forward with a specific game plan. The assessment process provides indispensable information about where your best opportunities are. This information, coupled with some good models, gives a county most of what it requires to build a strategy that makes sense, fits local needs, and will result in greater success.



**CLICK!** <http://www.energizingentrepreneurs.org/content/chapter5.php>

**Strategy Building – for a discussion and range of model practices**

It is so important to do two things at this stage in the process.

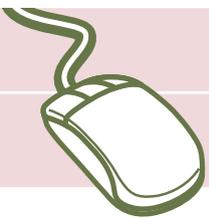
*FIRST*, move to action quickly. It is better to start modestly than to plan forever and never move to action.

*SECOND*, getting started with a small effort but a strong commitment to building capacity over time can create an expectation that a more robust strategy will evolve. There is nothing like a little success now to enable greater investments of time, people and resources tomorrow.

**4. Capacity Building.** At the start, political realities and local needs may force you to focus all of your energy on existing entrepreneurial businesses that want to grow. Early ribbon cuttings may be essential to keeping your coalition together and your efforts moving forward. However, your longer-term strategy should also focus on capacity building. You may find that you have only a few entrepreneurial businesses that are ready to grow. While you may choose to focus on them today, how will you work to support the entrepreneurs who will build the businesses of tomorrow? Eventually, your strategy should address:

- Expanding your entrepreneurial base by assisting new start-up entrepreneurs.
- Enabling aspiring entrepreneurs to move forward either with a business start up or a good decision not to go into business.
- Dealing with existing businesses where the owner/operators are heading toward retirement.
- Helping young people become more entrepreneurial and consider entrepreneurship as a career path.

The list goes on and in time, with capacity building, your strategy can address all of these development opportunities.



**CLICK!** <http://www.energizingentrepreneurs.org/content/chapter6.php>

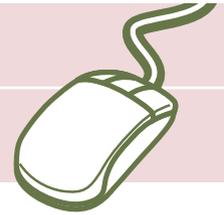
**Capacity Building – for ways to build capacity in your county**

**5. Keeping Score.** For many county residents, the outcomes of economic development investments may not be obvious. To gain support for entrepreneurship development activities, it is important to keep score and have a good system of accountability. The Center for Rural Entrepreneurship

has developed model outcome measurement approaches that can help shape your accountability system. Successful efforts around the country have demonstrated that active and strong accountability and communication programs contribute to long-term strategy sustainability. Simply put, you must continue to educate and inform your constituents about your entrepreneurship development efforts. Good communication also means a willingness to share both the successes and the failures – yes, there will be failures - so that a solid trust level evolves to support strategies in good times and bad.

**CLICK!** <http://www.energizingentrepreneurs.org/content/chapter7.php>

**Outcome Measurement – for tools on measurement**



**Coffee County, Georgia – pop. 37,413**  
**Keeping Score – Celebrating Success**

The City of Douglas in Coffee County holds the distinction of being named the first rural “Entrepreneur Friendly” community in Georgia.

Residents and local leaders have a firm commitment to homegrown job growth through enterprise development. Local business leaders have partnered with the Chamber of Commerce, Economic Development Council, South Georgia College, University of Georgia’s Small Business Development Center, East Central Technical College,



and many other public and private organizations to ensure that a broad menu of technical assistance and entrepreneurial education is easily accessible to county entrepreneurs, and their emerging or existing businesses.

Small wonder that Coffee County has achieved this honor. Local leaders, with city and county involvement, have taken a wholehearted approach to boosting entrepreneurship, beginning with themselves. Showing exceptional direction, the name of the industrial authority has been changed to the Economic Development Authority, and importantly, they have re-worked various industrial park holdings into smaller plats of land more amenable to

CASE STUDY



entrepreneurs with more modest infrastructure requirements. Extensive interviewing of local small business owners has resulted in better targeting their needs for growth and expansion. The change? Over 270 new jobs have been created, and population in Coffee County is on the rise. The overall perception of the county, from within and without, is that it is now the place to be for retail, service, and other business opportunities.

Coffee County scores well in additional areas of entrepreneurial focus, too. Small business hopefuls can get a copy of the group's nationally acclaimed publication, *How to Start and Grow a Business in Coffee County*, now distributed in 17 communities and states. More seasoned entrepreneurs can take advantage of business plan mentors and professional advisors, many of whom work on a volunteer basis. Huge strides have been made in gaining buy-in from local educational institutions for the incorporation of entrepreneurship in curricula and course offerings. Coordinating partners have also made sure that good news has been shared through media events, a local Chamber TV show, and a weekly e-newsletter. The New Century Leadership program spotlights entrepreneurship. Grant programs have been developed around the county for business façade improvement. In short, Coffee County leaders and residents are focusing on enterprise development from every aspect of their communities: leadership, infrastructure, youth, education, media, organizations, and local government.

*"One of the most critical factors for Coffee County to have a successful ESB [Entrepreneur and Small Business] strategy has been that the community sees the benefit and has total buy-in of the effort. Both the City and County provide funding, and there is a lot of organizational support around the county. Because of this, we have been able to integrate changes in our economic development strategies to focus more on entrepreneurs, and build a culture that is "entrepreneur friendly."*

– Lidell Greenway, Director of Entrepreneur and Small Business Services,  
Douglas Coffee County Chamber of Commerce & Economic  
Development Authority

**For more information: visit [www.douglasga.org](http://www.douglasga.org) or call 912-384-1873.**



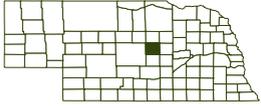
## CONCLUSION

As never before, we live in a global economy and society. Creating an economically thriving county, and sustaining it, brings new challenges to policymakers. The key in the 21st century is to energize a generation of entrepreneurs who are able to compete in this new global marketplace. As Richard Florida, in his book on the creative class, aptly points out, this "creative class" of entrepreneurs is the difference between economic success and failure in our new century. Now is the time for counties to formulate policies focused on energizing entrepreneurs as the heart of this new economy. The good news for county officials is that such actions are within reach. New tools and lessons shared from pioneering economic development practitioners are available to help every county pave the way to an economically vigorous and sustainable future based on entrepreneurship development.

This guide is designed to stimulate your thinking about entrepreneurship development and to provide you with a better understanding of what an entrepreneurial economy might look like in your counties. We have also suggested some "first steps" for getting started on the journey to building entrepreneurship development strategies that are appropriate for your community – determining your readiness; undertaking assessment aimed at identifying your goals, assets and entrepreneurial talent; exploring model practices; building your capacity; and considering ways to measure and track your success. This guide is intended to get you interested in and ready for the many tools, stories, and resources found in the book, *Energizing Entrepreneurs: Charting a Course for Rural Communities*, and on the RUPRI Center website, [www.energizingentrepreneurs.org](http://www.energizingentrepreneurs.org). These resources will help you continue your journey toward energizing entrepreneurs and creating an entrepreneurial economy that will be an integral element in your county's future growth and sustainability.



## CASE STUDY



## Valley County, Nebraska – pop. 4,647

### *Putting It All Together*

*“I truly believe there are abundant opportunities to sustain and grow our rural economies. However, we must be persistent and willing to take calculated risks in order to achieve our goals.”*

**Bethanne Kunz,**  
**native of Ord, NE**  
**and Executive**  
**Director**  
**of Valley County**  
**Economic**  
**Development,**  
**Ord Area Chamber**  
**of Commerce**

Three years ago, county leaders in Valley County, Nebraska made a key decision to focus on becoming an entrepreneurial community. They realized that no one else was going to come and save their economy, so they embarked upon a long-term strategy to rediscover their own assets and build upon them. The decision was made to become the pilot community for HomeTown Competitiveness (HTC), a comprehensive framework for long-term rural community sustainability. HTC enabled Valley County to work on every aspect of economic revitalization through four key pillars: leadership, youth, entrepreneurship, and charitable giving.



The results have been startling in their effectiveness and reach, and have garnered national attention. The combined energies of hundreds of local volunteers, along with entrepreneurial support organizations and city and county support, have been the foundation for success. Leadership development came first, followed by community assessment, which armed local leaders with the ability to create an environment that has been supportive of entrepreneurs, especially those that are growth-oriented. Importantly, youth are playing a role in both leadership and enterprise development. Finally, the emergence of a founder's club and local community foundation have successfully captured more than 5% of the area's future wealth transfer, giving Valley County residents the opportunity to self-fund their initiatives.

#### **Some Valley County Impacts as of 2005-2006**

- 80 new jobs, \$80 million in new business investment
- 12% increase in personal income, 14% in per capita, and 20% in sales tax (out performing the State of Nebraska)
- \$75 million in investments raised for an ethanol plant
- Every student in St. Mary's Middle School has developed businesses and sold items at a community-wide business fair, netting \$4,000
- 45 new residents have moved into the county
- Year four of Leadership Quest completed - 87 leaders trained
- \$65,000 + exceeded goal set for Founder's Club, new goal of \$100,000.

Endowments and expectancies for the Valley County Community Foundation now exceed \$7 million.

- In 2006, retail sales in the city of Ord are up 15% over the previous year.

Valley County possesses all the hallmarks of a successful entrepreneurial region. They have created a climate for success through widespread understanding and support of entrepreneurship, with solid, ongoing assessment. Infrastructure in the form of good telecommunications and cooperative utilities are now active, and plans for street, sidewalk, and utility improvements are in the works. With HTC as a framework, there is a strong and constant focus on entrepreneurs, young, middle-aged, and elderly, helping them access markets and buyers; and on cultivating leadership that will continue to guide the way to healthy local economies. That includes the development of affordable and adequate housing for county residents, and the expansion of hospital facilities and fire protection. Reliable entrepreneurial support organizations in Ord and in the county provide continual support for businesses, and have created strong entrepreneurial and community networks.

*“The involvement and integration of the youth into our business community is critical to ensure the successful transition and growth of our economy. In addition, youth are very much needed in leadership roles as they have different perspectives on quality of life issues that are important to current and future residents. Our youth are our future and we must look to them for insight and support.”*

– Bethanne Kunz, native of Ord, NE and Executive Director of Valley County Economic Development, Ord Area Chamber of Commerce

**For more information: visit [www.ordneusa.com](http://www.ordneusa.com) or call 308-728-7875.**



**rupri**Center **for RURAL**  
**ENTREPRENEURSHIP**

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