What Works! 2011
Entrepreneurship and Community Development in the Northeast

Conference Proceedings

September 18-20, 2011
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Foreword

On behalf of The Northeast Regional Center for Rural Development, we sincerely thank each of the participants at the What Works II Conference held in Philadelphia, Pennsylvania on September 18-20, 2011. The conference featured a variety of research presentations, workshops and roundtable discussions that covered many interesting topics in entrepreneurship and community development, and the presentations were well received. Our profound thanks go to all of the committee members and staff who dedicated their time and effort putting together an outstanding program for this conference, and also to the reviewers who provided comments and suggestions on the papers that are included here.

The goal of What Works II was to provide a networking opportunity for researchers, extension educators, service providers, and policy makers to exchange and share knowledge/skills that are essential to entrepreneurship development. The success of What Works II was the result of the dedication and commitment of participants and presenters who believed in creating a prosperous future for our communities. We have now established an excellent tradition and reputation for promoting entrepreneurship and small business research, education and outreach.

The Northeast Center welcomes innovative topics, approaches and discussions that will generate new knowledge and applications. We continue to strive for excellence and to meet the challenges ahead and look forward to future collaborations as well as continuing to offer high quality conferences.

Kathleen Liang, Chair, Technical Advisory Committee
Stephan Goetz, Director

April 2012
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Lessons from the Green Launching Pad

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Opportunity often comes from addressing difficult challenges in a creative manner. In many ways that is what entrepreneurship is all about – finding opportunity and filling gaps where others see difficulty and needs unmet. Today, in the context of the slow recovery from the 2008-2009 recession and increasing concern about natural resource sustainability there are opportunities for entrepreneurs. The opportunities are in providing new products and services to address environmental concerns. While doing this, entrepreneurs can create jobs and economic opportunity for themselves and also for others.

The difficulty is how to provide a support system to enable entrepreneurs to act on this opportunity, particularly when resources are limited for entrepreneurs (including limited financing), public policy support for sustainability is uncertain and there are challenges selling to consumers feeling the effects of a weak economy.

This article describes a University business school based initiative – The University of New Hampshire’s Green Launching Pad (GLP) -- designed to address these and other challenges for so-called “green entrepreneurs” in the state of New Hampshire. Green entrepreneurs are entrepreneurs who are engaged in industries that include products and services used to store and conserve energy, produce energy from renewable and low-carbon sources, treat waste, and conserve and manage water and other natural resources (Jones and Bouamane, 2011). They are interested in starting sustainable enterprises, companies that care about addressing sustainability while earning a profit (Shepherd and Patzelt, 2011). The GLP is directed specifically at supporting fledgling entrepreneurs focused on environmental sustainability.1

The program draws on the business, science and engineering expertise, resources and connections of the flagship public business program in the state to provide a network of support services to aspiring green entrepreneurs. A start-up initiative itself, the program helped to launch 11 ventures in less than 18 months in partnership with state government, the private sector and non-profit organizations. The GLP’s strengths are its focused approach, multi-stakeholder engagement, and the broad nature of benefits derived -- environmental, economic and educational. The program is designed to use entrepreneurship to improve the environment and economy and to help to educate the next generation of entrepreneurs all at the same time. The Green Launching Pad’s design, start-up and experience can provide lessons for others, particularly for University-based initiatives in support of the start-up of sustainable enterprises.

1 This paper is drawn from a keynote presentation to the Northeast Center for Rural Development “What Works! 2011 The Future of Entrepreneurship and Community Development” Conference in Philadelphia in September 2011. The presentation and this paper are focused on the economic development practitioner perspective and to inform future practice.

1 Sustainable enterprises often are focused on the triple bottom line, including profit, planet and people. The entrepreneurs supported by the GLP are focused on profit and the planet/environmental aspect of sustainability.
Introduction

A Brookings Institute report, *Sizing the Clean Economy* (Muro and Rothwell, 2011), documents a 10% growth in green (what they call “clean economy”) jobs from 2007 and 2010 at the same time total jobs declined over 5% nationally. This suggests that efforts to improve the environment can improve the economy at the same time. But what is the best way to accomplish this? ¹ This paper is drawn from a keynote presentation to the Northeast Center for Rural Development “What Works! 2011 The Future of Entrepreneurship and Community Development” Conference in Philadelphia in September 2011. The presentation and this paper are focused on the economic development practitioner perspective and to inform future practice.

Goetz, Partridge, Rickman and Majumdar (2011) identify the positive relationship between entrepreneurship (new firm formation) and employment growth in states. Other research (Drucker, 1985; Camp, 2005; and Henderson & Weiler, 2010) suggests that it is the combination of entrepreneurship and technology innovation that creates the most employment growth. This research identifies the nexus of entrepreneurship and technological innovation as important in economic growth. The dynamic suggested is that entrepreneurs can take technological innovation and create commercial ventures and generate employment growth based on the innovations.

According to Glaeser, Rosenthal and Strange (2010) entrepreneurs are needed to assemble the resources, apply the business know-how and draw on the networks necessary to create new products, new markets, and new ventures based on new knowledge and technologies. In a study drawing on the latest available date, Gittell, Sohl and Tebaldi (2010) use panel data regression analysis to analyze the influence of entrepreneurship and technology concentration on employment growth in U.S. metropolitan areas (MSAs) over the course of the last full business cycle. Their findings are in support of the efficacy of entrepreneurship together with high technology expansion in job creation.

Then the question remains, what is the best way to help entrepreneurs innovate and create successful ventures using technology? Some business accelerators have good performance experience as “support” models in addressing the challenges facing technology start-ups. Business accelerators which have been successful are active at MIT (Deshpande Center) and at University of California at San Diego (van Liebig center). And there are also successful private models in practice in the venture industry.

The business accelerators are meant to help start-ups address the key challenges they confront. This includes the need for seed stage support to: develop and test prototypes, conduct market research, identify market opportunities and strategies, develop business plans, connect with funders, connect with public agencies and resources, and to get the word out to promote their products and services.
Description of the Program: New Hampshire’s Green Launch Pad: Business Accelerator Program

The Green Launching Pad was inspired from economic and climate science research undertaken by University of New Hampshire (UNH) business, engineering and earth science faculty for the New Hampshire Governor’s Climate Action Plan in 2008-2009. The research was on the economic and environmental impacts of different state policies proposed by members of an organized task force to address climate change. The economic and environmental analyses identified several policies that could provide the state with both economic and environmental benefits. These included efforts to reduce the use of imported (from other nations and states) energy by enhancing the energy efficiency of older commercial, industrial and residential buildings and efforts to develop locally produced renewable energy from biofuels, wind and solar.

Sustainable enterprises often are focused on the triple bottom line, including profit, planet and people. The entrepreneurs supported by the GLP are focused on profit and the planet/environmental aspect of sustainability.

Out of the economic and environmental impact analyses the value of supporting green entrepreneurship was highlighted to the Governor and to several faculty at UNH. UNH business school and engineering and science faculty worked directly with Governor Lynch and also two other lead partners and program co-founders – a successful New Hampshire based entrepreneur turned venture capitalist and a vice president for the New Hampshire Charitable Foundation and before that environmental advocate -- to design a program to support green entrepreneurship that became the Green Launching Pad.

The Green Launching Pad was conceived as a competitive grant program in entrepreneurship to help the state achieve environmental and economic objectives. The GLP was based at UNH with state-wide reach. It provides grants to help entrepreneurs to assess markets, and commercialize new products and services in growing energy and energy efficiency markets. The program puts out requests for proposals. Teams interested in engaging in technology commercialization efforts apply for awards with or without faculty researchers. The selection criteria used includes: entrepreneurial business potential, the market feasibility of the product or service proposed, the experience/capability of entrepreneur, the technology used and its proven capability, the potential to increase energy efficiency, reduce energy use and lower carbon emissions, the potential for economic development—job creation and growth opportunities.

Selection is on a competitive basis and done by an Advisory Council whose members serve as judges, the advisory council and judges included the venture capitalist and charitable foundation executive that both helped conceive of the GLP. The other judges are from industry, government, the academy and have expertise in the different areas judged -- entrepreneurial capacity and potential, business feasibility, economic development contribution, and environmental impact.
The winning teams receive up to $90,000 each and receive assistance in accelerated business development. This includes mentorship and coaching from experts in scientific, technical, business, legal disciplines and funding for student interns.

What was called GLP 1.0 involved the first round of the competition. The funding for grants to winning companies and for program administration was from the Federal Government ARRA (stimulus) funding that went through the NH Office of State Planning and Energy and was from the US Department of Energy to the GLP. This first grant for the program was for $750,000. The NH Office of Energy and Planning (OEP) was the grant administrator and responsible for oversight of the grant. Overtime, however, the NH OEP became much more than an oversight agency for the GLP; it also became a partner in working with the winning companies and a resource for the program and program participants.

GLP 1.0 was launched in February 2010. By the April deadline 71 proposals were received. The number of submissions exceeded the expected number of 30. The expectation of 30 proposals was taking into account the short time period between program launch and the deadline for first round submissions. The aggressive outreach of the program, strong incentives (e.g., potential of $90,000 award) and “push” from the weak economy helped to generation more proposals than anticipated.

Program judges identified 10 finalists. The finalists were asked to provide full proposals and required to present their proposals in front of judges, with 15 minutes for presentation and 15 minutes to take questions from the judges. Five winning teams were selected in May 2010.

The winning teams were diversely representative among green industries. They included three in renewable energy and two focused on energy efficiency. One was university based. One was a service provider.

The winning GLP 1.0 teams were:

- EnerTrac. Providing innovative low cost smart metering technology and a corresponding monitoring service for propane gas usage that could reduce CO$_2$ emissions by 30% or more.

- Air Power Analytics. Providing technology that could improve energy efficiency of industrial compressed air systems, reducing electric consumption, and saving money while reducing upstream greenhouse gas emissions.

- Innovacene. A UNH faculty invention of high performing organic semiconductors (OSC$s$) for flexible organic photo-voltaics (solar cells) and organic light emitting diodes (OLED$s$, lighting and displays.


Simultaneous to the solicitation of proposals and winning team selection, student interns were recruited at New Hampshire institutions of higher education. Students were solicited by getting the word out about the GLP and internship opportunities in engineering, business and earth sciences classes at UNH and Dartmouth, emails and social media. More than 60 graduate and undergraduate students applied for internships with GLP and 7 were selected. The students were from UNH and Dartmouth College and included business, science, math and engineering majors.

During the summer of 2010 the GLP worked intensively with the winning 1.0 teams. All the teams were assigned seasoned entrepreneurs who served as mentors. The mentors were recruited, organized and prepared by the venture capitalist familiar with the GLP from being one of its founders and familiar with the winning companies having served as judge. He was very well connected to local entrepreneurs having funded many of them. In addition all the GLP winning companies all used student interns and all accessed a network of faculty and business resources that the GLP UNH faculty founders organized.

During the intensive summer business accelerator support period, GLP principles (primarily the UNH business faculty and the venture capitalist, GLP co-founder) met with entrepreneurs on a bi-weekly basis in individual and group sessions. In addition a “Green Business Development Seminar Series” was organized for winning teams and for all the teams that had applied for the GLP awards. The seminars were on the topics of Entrepreneurship, Financing, Marketing, Intellectual Property Management, and Business Planning. The seminars were led by successful entrepreneurs, UNH and Dartmouth faculty, business consultants and two by Governor Lynch who had a strong interest in staying involved in the program and had impressive business background as a former Associate Dean at Harvard Business School and after that as a CEO had led a major turnaround at a failing company.

In addition, in the Fall the GLP organized events to get the word out about the winning companies, to help them develop a customer base and to generate investor interest. These included individual events at company sites part of what was called an Energetic Conversations Tours at individual companies with media and public officials and a state-wide Green Community Day with all the companies and public, private and non-profit sector leaders including the NH Commissioner of Department of Resources and Economic Development and an administrator from the NH Department of Environmental Resources recognizing the GLP winning company innovations and products and services.

Based on the performance of GLP 1.0, the program was awarded additional support of $750,000 in early 2011. This allowed the program to increase the scope of its efforts in what became known as GLP 2.0. Again, the support for program administration was from the Federal
Government ARRA (stimulus) funding that went through the NH Office of State Planning and Energy from the US Department of Energy to the GLP.

With the second round of funding, the GLP considered expanding its efforts to include a student competition and a “north country” competition (competition just for aspiring entrepreneurs in the northern, more rural, part of the state). The decision was made to stay focused on its core competitive grant program, to remain a state-wide program and to focus on the most promising ventures while increasing the number of awards and expanding the awards to include a broader definition of green enterprise.

The second round of GLP was launched in February 2011. This time a smaller number, 50, of proposals were received but the overall quality of the submissions was higher than in the first round. This reflected that the word had gotten out about the nature of the program and the quality of the entrepreneurial effort desired. The high quality of the proposal pool made the judges work harder than in GLP 1.0. This was a desired development.

In GLP 2.0 a similar selection process was used as in the first round. Twelve finalists were identified for full proposals and presentations by finalists in front of judges were held in March 2011. This time the winning teams were announced in April by United States Energy Secretary Stephan Chu in Nashua, New Hampshire along with Governor Lynch and with UNH President Mark Huddleston. Secretary Chu’s presence reflected the US Department of Energy’s recognition of the accomplishments of GLP 1.0 and the support of the Department for GLP 2.0.

The winning teams in GLP 2.0 were broader in green definition than in GLP 1.0, including one company (New England Footwear) engaged in clean/green manufacturing -- manufacturing by innovate design and sourcing to use energy and materials with high efficiency -- and a company (Holase) that uses renewable energy in transportation system management.

The winning GLP 2.0 Teams Profiles are below.

• SustainX provides a new non-toxic technology for low-cost utility scale energy storage. The company’s new technology enables efficient storage of renewables (e.g., wind and solar) and can potentially be a game-changer in the economics of renewables. The energy storage technology is modular and allows for siting anywhere, from low-scale to grid-scale storage.

• Blue2green promotes hydroelectric power production by restoring dams to produce renewable energy and attracting investors to suitable dams and mill-restoration projects. The revitalization of hydroelectric power in small- to medium-sized former industrial mill towns can help produce renewable energy, create jobs and preserve community history.
• Holase has developed self-contained, solar-powered LED traffic signal lights that are low-cost and easy to set up and operate.

• New England Footwear has developed a sustainable solution to footwear manufacturing and a way to revive shoe manufacturing in the region through new technologies that use organic materials, molds (instead of stitch and sew) and modular design to allow for easy replacement and re-use.

• Therma-HEXX invented an invisible low-cost paver solar collectors and heat exchangers with a diversity of potential applications. Applications include winter time melting of snow and ice off of roofs and summer time cooling pool side pavements while heating pools.

• Walker Wellington has developed a hydrokinetic turbine power that can generate energy with variable flow. This will capture and produce off-grid renewable energy for on-site use. Primary users will be municipal waste water treatment facilities and drinking water delivery systems.

Again, simultaneous to the solicitation of proposals and the winning team selection process, student interns were recruited at New Hampshire institutions of higher education. More than 75 graduate and undergraduate students applied for internships with GLP and 11 were selected. The students were from UNH, Plymouth State University, Southern New Hampshire University and Dartmouth College and included, business, science, math and engineering majors.

And, again during the summer months the GLP worked intensively with the winning 2.0 teams. All the teams worked with seasoned entrepreneurs who served as mentors, all used student interns and all accessed a network of faculty and business resources that the GLP organized. Also, again, GLP principles met frequently with entrepreneurs in individual and group sessions and there was another Green Business Development Seminar Series over the course of the summer.

Lessons from UNH Green Launching Pad Experience

The Green Launching Pad, like all the companies it was worked with, is still a start-up venture. In a relatively short period of time, about 18 months, the initiative has helped to launch and accelerate the business development of 11 ventures. The companies have used GLP funding for marketing research, website development, business planning, and purchase of equipment and supplies essential for product development and fulfilling orders. All the companies have created jobs, ranging from 2 to 27 at each venture. All have already or have potential to reduce energy and material use and carbon footprints. Two of the companies have secured venture capital funding (Enertrac and SustainX). Two have been awarded highly
competitive DOE grants based on performance (Walker Wellington and SustainX). All have used student interns effectively and the students and the companies have benefited from this.

From the GLP experience it appears that what fledgling green ventures need most is business and marketing know-how. Many of the green venture aspirants in NH, and it most likely will be the case in other states, are engineers who have been tinkering with ideas for new products and services and to start businesses around those ideas, products and services. What they lack most is business know-how, connections to legal, marketing advise to help them start-up and start to identify potential customers and market, and, money/financing – both seed (early stage financing) and working capital.

Important criteria for entrepreneur selection include a novel idea that has both market potential and positive social and environmental impact, products and service ideas that address new or underserved market and the entrepreneur having a specific focused knowledge set that is unique.

The experience of the Green Launching Pad suggests that there are opportunities and a positive role for University engagement in green entrepreneurship initiatives. There can be many different types of positive benefits for Universities and states and localities as outcomes. With the GLP this included new venture and job creation, environmental/social benefits, and positive educational outcomes. Multiple benefits can help to garner board and diverse interest and involvement.

The experience of the GLP indicates that in University based initiatives there is value in working with multiple stakeholders on- and off-campus on all aspects of the program, including program formulation, implementation and continuous innovation. In the GLP state government, the private sector and university officials were deeply involved at all phases and continue to be involved.

The outsider engagement with the GLP at the highest level of state government -- with the Governor -- was unique. It serves as an example of how working with a high level public official can be highly beneficial and that the depth of key stakeholder commitment can and should be used to indicate whether an initiative is worthwhile to pursue for time constrained faculty and budget constrained University administrators.

Another key factor contributing to the successful launch of the GLP was focus. In the case of GLP having a unique focus at the intersection of entrepreneurship, the economy, the environment and education was beneficial. Execution directed on the chosen focus area was another key factor contributing to program success. Effective execution was essential to deliver results and build credibility and support for the initiative. Effective GLP program execution required detailed “hands on” management by two full professors at the business school, and having two of the program co-founders as project directors helped to keep high level public and private officials engaged. Then, success can breed success. The GLP experience illustrates how
with positive results and proven track record comes positive recognition and additional resources can follow. This was the experience of the GLP 1.0 that helped to strengthen the foundation of support for GLP 2.0.

Other lessons, some more general and some more specific, include that with broadening public and private sector concern about sustainability will come opportunities for multi-stakeholder engagement on green entrepreneurship. The opportunities may be most pronounced at Universities for business schools and engineering and science programs strongly connected to the business community and relevant public policy makers. This lead role requires establishing a working network of multiple stakeholders interested and willing to contribute and participate.

While only one program, the GLP experience suggests that there are potentially significant numbers of students and faculty across University campuses interested in green entrepreneurship. It also suggests that there are also probably significant numbers of independent entrepreneurs with ideas for green businesses who desire to be connected with university resources. The over 120 applicants in the first two rounds/years of GLP in the small state of New Hampshire suggests that there are probably significant numbers of latent green entrepreneurs who will come out if there is a program/initiative that they believe can help them. And, it appears that there are also many different and diverse stakeholders interested in green entrepreneurship, including public sector environmental, energy and economic agencies, private sector business organizations, environmental groups/organizations, and professional service providers.

What are the benefits for Universities and other institutions of higher education from engagement in green business acceleration? For public institutions most relevantly, but also for all higher education institutions, an initiative helping to launch new ventures, create jobs and protect the environment serves the public good and will be positively recognized for its contributions. For the GLP the recognition has come in the form of positive media coverage in local and state wide outlets and in New England regional outlets. And recognition has also come in the form of public statements by the Governor, state senators and state representatives and with their participation at events including the GLP organized New Hampshire Green Community Day and at events at individual GLP companies. Public officials like to be at events at companies that are creating jobs and providing community benefits.

Also for higher education institutions engagement with green business entrepreneurship initiatives can provide opportunities for faculty research, class projects, and internships for students. For students working with green companies can provide learning and career development opportunities and can lead to job opportunities -- this will be true for business, engineer, science and other students.
For states the green entrepreneurship initiatives based on college campuses can produce jobs, create new ventures and perhaps most importantly be the training and launching grounds for the next generation of entrepreneurs and state business leaders.

**Conclusion: A Role for University Led Green Entrepreneurship Initiatives -- How to Make it Work**

There are gaps in the support system for green entrepreneurship. Faculty and students at business schools, in engineering and sciences programs and elsewhere on campuses can be involved in helping fill those gaps. To do this well, the focus must be on the specific needs of and opportunities for green entrepreneurs. And the programs must be discriminating, distinguishing among aspiring green entrepreneurs, separating the viable from the not so viable and the green from the not so green. A key strength of the GLP was its design as a competitive grant program. The competitive nature of the program by design allowed for distinguishing among the aspiring entrepreneurs.

Any University based program should seek off campus engagement. This includes public sector support. The GLP experience highlights the benefits of having public sector champions and public sector agencies and officials participating as program partners. Public sector involvement is more than just about money to support the program. As in the case of the GLP, strong public sector support can be a “legitimiser” both internally and externally. Public sector support of green entrepreneurs can also be helpful in defining and adjusting regulations to help entrepreneurs and changing some of the rules to create new markets. This was the case in the GLP with state agencies helping to define and adjust environmental regulations for hydropower. The GLP experience also suggests how the public sector can be useful as one of the first and/or largest customers for green entrepreneurial ventures and also making connections to utilities and large companies as potential customers of entrepreneurs.

As far as what to focus on with green entrepreneurs, the GLP experience suggests that it is hard to overestimate the need for basic marketing help for ventures. Marketing assistance was needed by all of the winning teams to identify target customers and figure out how to convince them to buy products or services that they often do not know much about.

Overall based on the GLP experience the keys to success in University based green entrepreneurship support efforts are to strategically identify and engage a wide range of stakeholders on and off campus and to keep the focus on launching successful ventures and engaging students as part of the training ground for the next generation of entrepreneurs. And then though strong execution establish and then build on a reputation for success and also for being a good partner.
Looking forward, there can be benefits of sharing the experiences of campus-based green entrepreneurship support efforts. The Green Launching Pad is just one program, and still relatively early in its development. There has been significant learning already and there is much more to do and learn.

References


Investing in Entrepreneurs by Appropriately Segmenting the Market of Entrepreneurs and Enterprises

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Summary

This paper suggests a different way of thinking about enterprise development as a community or regional development strategy. It advocates a useful segmentation of the market of entrepreneurs and enterprises that permits the efficient, effective, and equitable management of the community’s portfolio of business assets. It discusses a conceptual framework for doing this called the Pipeline of Entrepreneurs and Enterprises (the Pipeline). The Pipeline facilitates the regulation of the volume and flow of entrepreneurial activity, guides the community’s decision making relative to the investment of limited resources, and explicates challenging policy decisions.

The significance of the Pipeline model lies in its ability to graphically capture the dynamics of entrepreneurial activity in a community. By segmenting a market (which typically gets treated like a mass market) by the skill level of the entrepreneur and the stage in its life cycle that entrepreneur’s business currently operates, the Pipeline allows the economic developer to “map” the enterprises located in her or his jurisdiction, to track their movement (or lack thereof), and to strategically intervene to advance entrepreneurship skills and thereby move businesses more efficiently and effectively through their life cycle stages.

By its design, the Pipeline emphasizes both growth (the volume of enterprises in the Pipeline) and development (the changes in the quality of these enterprises in terms of transformations of both skill and business structure). It puts human development before business development because entrepreneurs must possess the requisite skills in order to restructure their businesses to move them to the next stage in the life cycle. It helps economic developers avoid the dual trap of either treating all entrepreneurs and their enterprises the same (one size fits all) or treating each of them differently (a highly customized approach).

The paper also identifies three major management strategies for the Pipeline - performance enhancement, incubation, and selective attraction - and offers descriptions and examples of each.

Introduction

Entrepreneurship development rapidly rose in visibility and popularity as an economic development strategy only a very short time ago. As recently as 2006, a study by Lyons and Koven (2006) found that while 44 percent of municipal-level economic developers in the United States identified business attraction/recruitment as their principal focus and 41 percent indicated that they focused on business retention, small business development was a distant third at 19 percent. At the federal level, there was some disjointed support for entrepreneurial activities through various agencies but no unified policy that recognized the value of entrepreneurship to the U.S. economy. Today, despite the persistent pursuit of business attraction efforts, the number
of governments that actively pursue enterprise development strategies has grown dramatically (Walzer & Athiyaman, 2007; Lyons et al, 2012), and the Obama Administration has made entrepreneurship a feature of its efforts to pull out of the Great Recession by launching programs such as Start-up America.

The fact is that business attraction has been criticized as a “zero sum game” that adds little net value to our economy (Harrison & Kanter, 1978; Dabson, Rist, & Schweke, 1994; Lyons & Hamlin, 2001). Research has shown that it tends to favor locales that are already economically strong over those that are not (Goss & Phillips, 1999; Wassmer & Anderson, 2001) and that it is best used only as a short-term strategy (Herzog and Schlottmann, 1993). Much of the impetus for continuing to engage in attraction is “political” – professional and community-based (Dewar, 1998; Lichtenstein, Lyons, & Kutzhanova, 2004). Business retention and expansion can be useful, but it does not address the problems of communities that have very little business left to retain, nor does it do anything to grow the next generation of businesses (Lichtenstein & Lyons, 2010).

However, what economic developers seem to have paid the least attention to are the basic facts about the relevance and impact of entrepreneurship to the U.S. economy. Small businesses (accounting for differences in the definition of this term) have been found to produce the majority of new jobs in this country (Birch, 1987; Acs & Armington, 2006). Ninety-five percent of all radical innovation is initiated by firms that are small and entrepreneurial (Timmons & Spinelli, 2007). Fleming and Goetz (2011) found a positive correlation between concentrations of small, locally-owned firms and per capita income growth. Finally, entrepreneurs do not merely generate income; they produce wealth by building business assets, which benefit the individual entrepreneur and her or his family and, when considered collectively, the entire community.

If enterprise development (small business development) is to become a featured economic development strategy; however, it must be done well. It must be systemic, systematic and strategic in its approach. In order to do this, it needs a framework that permits the region or community fostering entrepreneurial activity to think about this and plan for it in a holistic manner. This framework must segment entrepreneurs and their enterprises in an expedient way that allows for the strategic management of this portfolio of business assets. The Pipeline of Entrepreneurs and Enterprises is such a framework.

The Pipeline of Entrepreneurs and Enterprises Framework

Underlying the Pipeline framework are three core values:

- **A focus on the entrepreneur; not the enterprise.** Entrepreneurs drive their ventures. Thus, enterprise development, if it is to be effective, must put human development before business development.
• **A commitment to the development/transformation of individuals and communities.**
  Economic development should be about development, not merely growth. Development involves deep, lasting change and is thereby transformative. Developing individual entrepreneurs requires transforming their skills. Developing communities through enterprise development involves the collective building of business assets by the community’s entrepreneurs, which creates widespread economic wealth resulting in the community’s economic transformation.

• **A dedication to creating systems where the whole is greater than the sum of its parts.** The only way to effectuate transformation is by taking a systems approach. This is because systems approaches facilitate the necessary synergy.

  With these values in mind, the Pipeline segments a community’s or region’s entrepreneurs and enterprises in a way that is useful to understanding and managing local business assets. It does this by addressing the question: “What are the crucial differences between entrepreneurs and between enterprises?” Some scholars and practitioners try to distinguish entrepreneurs by the industry in which their enterprise operates (i.e. what their business is). Others try to differentiate by the race, ethnicity, gender, or socio-economic status of entrepreneurs (i.e. who they are). While these distinctions have their value, they all ignore the basic fact that entrepreneurs are business people, no matter who they are or what their industry is. If they are to be successful, as entrepreneurs, they must first master the necessary skills. Thus, skill level is the most crucial difference between and among entrepreneurs and is the segmenting algorithm employed by the Pipeline. It is developmental, not descriptive.

  The most popular method of segmenting enterprises is by industry. As is the case with differentiating entrepreneurs, distinguishing by industry sector is superficial and descriptive. It does not get to the crucial differences. A much more refined way to segment enterprises is by business life cycle stage, which is a path of development.

  The Pipeline puts these differentiators (skill level and life cycle stage) into a three dimensional representation of the regional economy. The vertical dimension represents the rungs in a ladder of skill development and sorts entrepreneurs into one of five skill levels (see Figure 1). The skill levels are based on the professional baseball farm system. The lowest-skilled entrepreneurs are identified as “Rookies,” followed by “Single A’s,” “Double A’s,” “Triple A’s” and “Major Leaguers” as skills increase. Skills are measured on four dimensions – technical, managerial, entrepreneurial and personal maturity (see Lichtenstein & Lyons, 2001 for more detail) – using a communimetric assessment tool developed by a psychologist (see Lyons, 2009). This tool permits the original slotting of each entrepreneur by skill level, the tracking of that entrepreneur within a skill level, and the tracing of her or his movement from one skill level to the next.
The horizontal dimension of the Pipeline represents the six life cycle stages of a business (see Figure 2). This business life cycle model was developed by Lichtenstein & Lyons (2008). It is the product of an analysis of 26 such models to determine their strengths and weaknesses. The chief weakness across these models was determined to be their lack of clear parameters on each stage in the life cycle. This makes it difficult to know where an enterprise is in its development process and how it might best be helped. In the Pipeline framework, the life cycle stages are very clearly defined, so that it is easier to know in what stage a business is operating at any time and to track its movement from one stage to the next.

In Stage 0 (a symbolic label because at this stage there is no business entity) Pre-venture, the beginning point is an interest on the part of the entrepreneur in an idea for a product or
service. The idea must be assessed to determine whether or not it represents a true opportunity to add value (to meet the needs) of a group of customers. If it does, an offering is developed (a process that may involve research and development, proof of concept, etc.) and a business is launched. The launch is a boundary that differentiates the Pre-venture stage from Stage 1: Existence.

In the Existence stage, the enterprise is operating and starting to generate revenue. It is developing its potential as a successful, profitable business. The Existence stage ends when the enterprise reaches breakeven – the point where revenues equal expenditures. Breakeven is also the starting point for Stage 2: Early Growth. Now the enterprise is building a customer base and becoming truly economically viable in the sense that it is generating a consistent profit. This is not a large profit, but the business is making money.

**Figure 2: Stages in the Business Life Cycle**

![Stages in the Business Life Cycle](image)


Early Growth is a very important stage in the business life cycle because this is where the enterprise reaches a crossroads. One path has the entrepreneur electing not to grow the business any more. When this happens, the enterprise becomes a so-called “mom and pop” business or a “life style” business, which essentially stays at the Early Growth stage until it declines. These businesses play an important role in the local economy, but they do not grow or develop that economy. It is only when the entrepreneur chooses a goal of growth for her or his business, the second path, that the enterprise creates the wealth and jobs that local and regional economic developers desire.

Once the entrepreneur has chosen to grow the enterprise, it moves into Stage 3: Expansion. In this stage, the business moves from low-margin profits to high profitability. It does so through the infusion of debt and/or equity capital, which enables the venture to scale,
acquiring a growing market share. The Expansion stage ends when the enterprise has achieved substantial size, as measured by such variables as employment and/or sales revenue. Size, however it is measured, also marks the beginning of Stage 4: Maturity, in which the enterprise achieves stability and has developed a diversified line of products/services. It is in the Maturity stage that businesses begin to reach a saturation point in their markets. The end of this stage is characterized by increasing complacency, as the business fails to innovate at a pace necessary to keep up with its market(s) and its competition. This latter situation leads to Decline, Stage 5. In the Decline stage, the enterprise faces increasing competition, profit pressure, and a decline in revenue. Ultimately, these pressures force the business to either close or reinvent itself and cycle back to an earlier life cycle stage. Thus, the death of the business is not inevitable. Innovation and entrepreneurship can make the life cycle model a feedback loop.

The third dimension of the Pipeline framework is the depth dimension, which represents the quantity of enterprises in the community’s portfolio of business assets. Among the three dimensions – skill level, stage in the business life cycle and number of enterprises – both the quality and the quantity of these business assets are captured. This is significant because most economic development efforts focus merely on quantity, which is scalar and only represents more of whatever is already there. Quality is a product of development (positive change); therefore, the Pipeline captures both growth and development. In this way, it puts development back into economic development (Lichtenstein & Lyons, 2010).

Figure 3 is a two-dimensional representation of the Pipeline. It illustrates the relationship between the two qualitative dimensions – skill level and life cycle stage. As the skill level of the entrepreneur, or entrepreneurial team, increases, so does their ability to move their enterprise through the stages of its life cycle more efficiently and effectively. Businesses do not move through their life cycles automatically. It requires a skilled entrepreneur to pilot them. The desired movement within the Pipeline is upward and to the right because this represents a flow of entrepreneurial activity that reflects increasing entrepreneurship skill and developing enterprises. From an economic developer’s perspective, the “sweet spot” in the Pipeline is where Triple A and Major League entrepreneurs (or teams) are operating businesses in Stages 3 and 4, as this is where the most jobs and wealth are generated.
Figure 3: Two Dimensional Representation of the Pipeline of Entrepreneurs and Enterprises


Figure 3 also demonstrates how the Pipeline framework can be used to “map” the business assets of the community. The numbers in the cells, or segments, of the Pipeline denote the number of enterprises at each level of quality of entrepreneur and enterprise, much like the coordinates of a map of the world (longitude and latitude). Using the Pipeline, economic developers can better understand both the quality and the quantity of their community’s portfolio of business assets and how they can best allocate limited resources toward maintaining volume and flow. Figure 4 offers a three-dimensional perspective of a community’s Pipeline.

There are several key observations to be made about the Pipeline:

2 While it is beyond the scope of this paper to fully describe how a Pipeline map is populated, it should be noted that there are assessment tools developed by Lichtenstein and Lyons for measuring skills and for determining a business’s life cycle stage. It is also important to understand that a Pipeline map captures all businesses (small, medium and large) in a community or region. This is an acknowledgement of the fact that entrepreneurship does not take place exclusively in start-ups.
Movement from one segment to another requires a transformation - either the development of a new level of skill or a change in the structure of the enterprise. Moving from one skill level to a higher level involves a deep change in the entrepreneur’s skill set. Single A’s think very differently about their businesses than do Rookies. Moving an enterprise to the next stage in its life cycle requires a dramatic change in the business’s structure. Accounting systems, management systems, financing structures, and so forth become increasingly sophisticated as the enterprise develops.

Figure 4: Three-Dimensional Representation of the Pipeline of Entrepreneurs and Enterprises


The needs of entrepreneurs and their enterprises are different from Pipeline segment to segment. As a result, the infrastructure and the services required to support businesses in each segment are different.
• Entrepreneurship and innovation is an issue in every segment. Entrepreneurship is not exclusive to start-up. In other words, entrepreneurship can and must take place at all stages of the business life cycle.

• The Pipeline illustrates the crucial differences between growth and development as well as the important relationship between the two. Growth focuses on quantity; development aims at quality. Quality growth cannot take place without development.

• The entrepreneur’s ability to use technical and financial assistance is a function of skill level. Therefore, in order to effectively help an entrepreneur to grow her or his business, one must first assist in developing her or his skills. The process and content of developing skills must vary from skill level to skill level. A Rookie cannot be worked with in the same way that a Double A is.

• Transforming a community’s economy requires the creation of a pipeline that emphasizes both volume and flow. Flow is achieved only by connecting individual segments. Moving entrepreneurs and enterprises through the Pipeline (maintaining flow) requires first understanding where they are currently located, so that it can be accurately determined what needs to be done for them.

• Because of the realities highlighted by the two preceding bullet points, a system of service provision must be created in which each entrepreneurship service organization (ESO) plays a specific role commensurate with its capability and capacity and all work together in a highly visible and seamless way.3

• To be effective, individual economic development tactics must be targeted to a specific part of the Pipeline; however, these tactics must be part of a larger strategy that maintains the overall volume and flow.

Using the Pipeline in Community Economic Development Efforts

The preceding observations begin to offer some insight as to how community economic developers might use the Pipeline of Entrepreneurs and Enterprises to accomplish their ultimate goal of transforming their community’s economy. However, a more explicit discussion of how this can be achieved is in order.

Perhaps the most vexing challenge of pipeline management is maintaining flow. Pipeline flow is not automatic. There are numerous places where entrepreneurs and their enterprises can get stuck, disrupting flow and even resulting in the untimely demise of the enterprise. Thus, a better understanding of pipeline dynamics is needed. Figure 5 illustrates the places in a community’s pipeline where disruptions in flow are likely and where interventions to maintain flow may be required.

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3 See Lichtenstein & Lyons (2001) for a discussion of such a system.
Lichtenstein & Lyons (2010) have identified three major types of flow disruption in the Pipeline, which they call “stuck points,” “crash points,” and “weak points.” Stuck points are places where the demands of an enterprise’s life cycle stage stretch the skill set of the entrepreneur to the maximum – the entrepreneur can just barely manage the enterprise at that stage. If the entrepreneur’s skill level is not raised, he or she will not be capable of transforming the business’s structure in a way that will take it to the next stage, and the business will become stuck in the current segment of the Pipeline. There are three potential stuck points in the Pipeline: Rookies at the Existence stage, Single A’s at the Early Growth stage and Double A’s at the Expansion stage. Stuck points are an early warning system, as they alert the community to an impending disaster. They should be addressed immediately. Better yet, a system should be put in place that ensures the entrepreneurs will be continuously supported in their skill development.

Crash points are places where the stage in the life cycle outstrips the ability of the entrepreneur to manage the enterprise at that level. Not surprisingly, potential crash points are found among Rookies at the Early Growth stage, Single A’s at the Expansion stage and Double A’s at the Maturity stage. If an enterprise gets to this point, it may already be too late. Most
likely, the only remedy available is helping the entrepreneur to enhance her or his management team with the requisite skills.

Weak points occur when an enterprise is purchased or inherited from its founder/owner by an entrepreneur who does not have the necessary skill level to maintain the business at the life cycle stage to which it has been developed. This is quite common. It is likely that businesses will be purchased when they are at the Expansion or Maturity stages because that is when they have the level of value that makes them attractive. It is also common that the purchaser has more money than they do entrepreneurship skill. Many communities can cite instances when the founding entrepreneur of a venerable local company that employs numerous people can no longer manage her or his business and sells it to a buyer, who promptly runs it into the ground due to a lack of requisite skills. Some of these communities have desperately tried to plead with the original owner to buy the company back, but this is not a sustainable strategy. A better approach would be to work with the founding entrepreneur to find a suitably skilled purchaser, or, barring that, work with the new owner to both develop her or his own skills and/or acquire management team members with the needed skills. Inherited businesses that fall under the control of unqualified family members can be similarly assisted.

Without the perspective provided by the Pipeline framework and its emphasis on the relationship between entrepreneurship skills and business development (i.e. human development and business development), these issues would be neither apparent nor readily remedied. Yet, these are issues of flow, and Pipeline management requires attention to both flow and volume. The following discussion offers strategies for managing the Pipeline comprehensively.

There are three major strategies for managing the Pipeline: Performance enhancement, Incubation and Selective attraction. Each has multiple tactics under its umbrella. It is beyond the scope of this paper to enumerate all of these, but a general discussion of each of these strategies is presented.

Performance enhancement seeks to improve the quality of the business assets in a given segment or segments of the Pipeline. This is accomplished by focusing on the improvement of specific business outcomes for the enterprises found in the segment being treated. The intervention, itself, will likely include the infusion of equity capital or physical resources designed to ramp up business performance and profitability. Figure 6 illustrates the Performance enhancement approach. Most often, this strategy is used with higher skilled entrepreneurs operating later stage companies. Because it focuses on one Pipeline segment at a time, it neither develops the skills of the entrepreneur nor the structure of the business. Thus, it is transactional and short-term, not long-term and transformative. It can generate many jobs and much wealth in a relatively short period of time, but it is not preparing the next generation of entrepreneurs and enterprises for eligibility for its help. As Lichtenstein & Lyons (2010) have noted, it skims the “cream” off the top of the community’s business assets but makes no more cream. It reaps, but it does not sow. It is quantitative but not qualitative.
Figure 6: The Performance Enhancement Strategy

The structure of the business and the skills of the entrepreneur are left unchanged.

Source: Lichtenstein, G.A. & Lyons, T.S.

Figure 7 depicts the Incubation strategy. This is an approach that is designed to change, or transform, the community’s business assets by improving their flow within the Pipeline. This strategy involves tactics that develop entrepreneurs’ skills and thus their ability to move their enterprises through the life cycle stages. This includes tactics such as business incubation, microenterprise development, and one-stop business development centers. They are what drive a pipeline’s flow upward and to the right.
A Selective attraction strategy seeks to add new entrepreneurs/enterprises to the Pipeline, where needed. It brings these players to the community from elsewhere, but for very strategic reasons. When a community maps its pipeline, it becomes clear where deficiencies lie. Strategic attraction provides a short-term means to solving volume issues in the Pipeline. It also allows for a good “fit” between existing enterprises and newly recruited ones; a fit that is not solely premised on industrial complementarity. Figure 8 illustrates this approach.
Figure 8: The Selective Attraction Strategy


Conclusion and Implications for Policy

The Pipeline framework permits community economic developers to know what constitutes their community’s portfolio of business assets, the quantity of those assets and their quality. It provides a concrete basis for making strategic decisions about how and where to invest limited resources, and for how long. It also helps economic developers to avoid the classic trap of enterprise development – treating all entrepreneurs/enterprises as though they are the same (a one-size-fits-all approach) vs. treating each entrepreneur/enterprise differently (a highly customized approach). The former can be very efficient but is rarely effective because it only hits
its mark a fraction of the time. The latter may be quite effective but is unrealistic because it overtaxes limited resources. The Pipeline permits both approaches in balance.

The Pipeline can also be useful in lending clarity to pressing policy issues surrounding the use of enterprise development as an economic development strategy. Three such issues illustrate this point. First is the bifurcation of enterprise development policy that creates a gap in community pipelines that disrupts flow. There is a missing middle; with no bridge to span this gap (see Figure 9). In the lower left sector of the Pipeline, dubbed by Lichtenstein & Lyons (2010) as the “Zone of Potential,” low-skilled entrepreneurs operate early stage enterprises. Most communities provide ample assistance in this zone. These programs do a good job of providing technical and financial assistance that helps Rookies become Single A’s and move their businesses to the Existence stage; however, due to a lack of capacity and capability, these ESOs are not able to take these entrepreneurs any farther.

In the upper right hand sector of the Pipeline is the “Zone of Maximization.” Here, ESOs that engage in technology commercialization and other activities targeted at later stage, high impact enterprises, operated by entrepreneurs at higher skill levels, do their work. They are picking low-hanging fruit by working with those entrepreneurs/enterprises that can maximize economic development outcomes in the short term, making their efforts highly attractive to politicians and others who operate on short cycles. They are not thinking in terms of developing other entrepreneurs/enterprises with which they can work; therefore, they do not reach back to help those from the Zone of Potential to enter the Zone of Maximization.

The result is a break in the Pipeline. If allowed to persist, it will result in massive log jams in the lower levels of the Pipeline and the eventual exhaustion of appropriate candidates for maximization. The community’s economy is compromised by a lack of holistic thinking about its business assets and how best to manage them; this is holistic thinking the Pipeline framework can provide.

A second policy issue elucidated by the Pipeline is the rise in the percentage of entrepreneurial activity that is “necessity entrepreneurship” (entrepreneurship undertaken as a form of job and income substitution) as a result of the Great Recession (Ali et al, 2010; Rogoff et al, 2009). For most policy makers, necessity entrepreneurship is viewed as a necessary evil; a temporary condition that is best approached by helping to maintain these subsistence entrepreneurs until such time as they can find employment again. However, the Pipeline points out that this is a very myopic view. Entrepreneurs operate along a continuum of skill development. As they build their skills, they can grow their enterprises. Necessity entrepreneurs tend to be low skilled and run enterprises that are in very early stages in the life cycle. While some may never be able to progress beyond this point, many others can be helped to “think bigger” about their businesses and pursue a goal of growth. With the proper assistance these entrepreneurs can be converted to opportunity entrepreneurs, who can move their companies into
the Expansion and Maturity stages and thereby build wealth for themselves, for their families, and, when taken collectively, for their communities.

The final policy issue has to do with how community resources are invested in enterprise development activities. Most economic developers view the entrepreneur and her or his business to be one and the same. Thus, investment is made in business development and not entrepreneur development. As a result, policy debates center on whether or not a given business is worthy of investment. The Pipeline demonstrates that entrepreneurs and their enterprises are not the same. Entrepreneurs must be skilled enough to pilot their businesses. Thus, the policy question should not be whether or not to invest in the business but how best to invest in the entrepreneur?

The Pipeline’s strength lies in its ability to convert a mass market of entrepreneurs and enterprises into a clearly segmented market that draws useful distinctions among entrepreneurs and among their businesses. These market segments are then connected in a way that permits the mapping of a community’s business assets, the tracking of change over time, and a clear guide for making efficacious decisions about resource allocations and the best way to address economic development policy challenges.

References


Enhancing the Land Grant University’s Role in Creating Economic Opportunity through Community-Based Entrepreneurship

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Summary

Small and micro-businesses are critical to the U.S. and Maine economies. In 2009, there were 40,616 businesses with employees in Maine. Nearly 90% of these businesses employed fewer than twenty employees. In addition, there were 109,679 individuals who were self-employed and 23,433 businesses with one to four employees. These 133,112 micro-businesses account for 21.6% of the State’s employment and contribute an estimated $12.9 billion to the Maine economy. Nationally, there were approximately 25 million micro-businesses in 2009 accounting for 18.8% of total employment (McConnon, 2011; McConnon, Atasoy, & Gabe, 2007).

Community and political leaders are becoming increasingly aware of the role played by small businesses in creating and sustaining a healthy economy. As a result, helping small businesses succeed has proven to be a viable economic development strategy for an increasing number of communities throughout the United States. However, for existing and aspiring business owners to achieve success, it is important that they have access to high quality training opportunities that will enable them to develop or enhance their business management skills, and create support networks with other business owners and business-assist organizations. This is especially critical in our current economy, which is challenging the viability of even more established and traditionally profitable businesses.

Research has shown that participation in relevant and effective training can reduce the failure rate and help business owners make better business management decisions and avoid costly mistakes (Muske & Stanforth, 2000). Regrettably, many small businesses continue to fail because entrepreneurs lack the necessary business management skills and community business support infrastructure they need to successfully start and grow a business. A contributing factor is that entrepreneurs are often unaware of available training and counseling support provided by business-assist organizations. As a result, many business owners fail to take advantage of resources that are designed to help them succeed.

Introduction

As the U.S. economy struggles and federal and state tax revenues continue to dwindle, political leaders across the country are more carefully scrutinizing how limited tax dollars are being spent. Consequently, Land Grant University administrators are increasingly being asked to demonstrate the value of public investment in their universities and how these investments are benefiting the economy. As a result, Land Grant Universities across the country have re-focused some of their research and outreach efforts on projects designed to expand the economic opportunities for citizens in their states.

In recent years, research efforts at many of these universities have focused on the development and commercialization of new technologies as a way to stimulate entrepreneurial
development and job creation in their states. For example, researchers at the University of Maine have developed new composite wood technologies, which have supported business development in the boat building and bridge construction sectors of the economy.

Cooperative Extension in Maine and other states across the country are also actively seeking ways to support and enhance the economic viability and sustainability of local economies. One approach that has been growing in popularity in recent years is community-based entrepreneurship. A central focus of this bottom-up approach to economic development is providing cutting-edge educational programs, facilitated networking opportunities and other support services to existing local entrepreneurs so that they acquire crucial business management skills and improve their ability to create and sustain jobs. In addition, community-based entrepreneurship attempts to expand the number of businesses in a region by focusing assistance on aspiring entrepreneurs so that they can acquire the skills needed to start and grow their own businesses.

This presentation illustrates how collaborative partnerships can lead to the creation of effective community-based entrepreneurship programs. We frame the discussion around three highly successful community-based entrepreneurship programs that have been conducted in Maine: the Washington County Business Conference and Marketplace, the Down East Micro-Enterprise Network and the Governor’s Regional Conferences on Small Business & Entrepreneurship.

These cutting-edge outreach programs demonstrate how the university, through the work of Cooperative Extension, can play a key role in supporting community-based entrepreneurship and, at the same time, address some of the concerns expressed by political leaders and university administrators. For example, each of the three community-based entrepreneurship programs described in this presentation was the result of forming strategic partnerships with other business support organizations. This improved the chances for program success and enhanced community-based entrepreneurship in the region. At the same time, the partnerships advanced the ability of each organization to achieve its own objectives and goals. More importantly, each program utilized the synergy generated by the partnership to leverage additional private sector funds thus creating a unique three-way partnership among the university, the business community and State government. As a result, these programs maximized the use of limited taxpayer dollars. Finally, each program helped to strengthen regional business support networks by helping to build relationships among business support professionals. This resulted in further collaborations among the partners, improved access to high-quality and cost effective training programs for aspiring and existing entrepreneurs and contributed to job creation in the region.
Down East Micro-Enterprise Network

In 2005, the University of Maine Cooperative Extension partnered with two business-assist organizations, the Washington Hancock Community Agency and the Maine Small Business Development Centers, to explore workable strategies that would improve entrepreneurial support services in a two-county region in Eastern Maine. These discussions resulted in the creation of a partnership, which became known as the Down East Micro-Enterprise Network (DEMN).

The goal of DEMN was to enhance the availability and access to business management training for the region’s existing and aspiring entrepreneurs. To accomplish its work the DEMN partners applied for and received a one-year, $164,115 grant from the Maine Department of Economic and Community Development to support its activities. The grant was part of a $1 million fund established by the Maine Legislature which was designed to encourage collaborations like DEMN that could facilitate new approaches to program delivery, strengthen partnerships among existing business-assist organizations and extend limited state resources.

Deliverables

From January 2005 to April 2006, the Down East Micro Enterprise Network provided nearly 3,000 hours of technical assistance to more than 300 micro-businesses through 60 business management workshops, 265 individual business consultations, and visits to businesses. In addition, the Washington County Business Conference and Marketplace, an annual event, established through Extension’s leadership, was integrated into the DEMN activities and served as an important resource for program participants.

Results

A mail survey completed by 41% of the DEMN participants 18 months after the program ended found that 97% improved their knowledge about operating a business. As a result, 98% percent made practice changes that improved their business with 15% reporting increased sales, profits and efficiency. Twenty-eight percent credited DEMN with helping them stay in business and retaining 43 jobs. Twenty-eight percent indicated that DEMN helped them start a new business or expand an existing business. Seven percent received business loans totaling $361,000. The average respondent valued the skills and knowledge acquired at $1,500.

Through a coordinated approach to program delivery, the DEMN project successfully helped hundreds of Maine micro-entrepreneurs improve their business management knowledge and skills. As a consequence, business owners made significant changes in practice, which resulted in positive economic benefits for their enterprises, families, and communities. This is
especially significant because it helped to improve economic opportunity in an economically depressed region of the state. As a result, the region’s entrepreneurial climate has improved.

**Washington County Business Conference & Marketplace**

In 2002, Washington County Cooperative Extension initiated conversations with representatives from local and regional business support organizations, the chamber of commerce and economic development agencies to identify ways in which we could work together to accelerate the growth of entrepreneurship in Washington County. The discussions identified the need to bring together, in one highly visible event, current and aspiring business owners with state and federal resources that are available to support small business development.

In 2003, the University of Maine Cooperative Extension organized the first ever Washington County Business Conference and Marketplace in partnership with other business support organizations, economic development agencies, business owners, municipal government officials, and the local community college. The conference was financed through sponsorships from local businesses, state and federal business support organizations and small grants. This enabled the conference organizers to offer the regional event free of charge to the public with only minimal vendor fees for participation in the marketplace.

**Deliverables**

From 2003 to 2008 the conference provided in-depth business management training to aspiring and existing business owners. The conference presented a wide range of workshops on topics considered critical for business success.

Numerous workshops were offered in business planning; financing; marketing; managing employees; legal, insurance and tax issues; e-commerce; and, using technology. A special track of workshops addressed local issues that could impact the business community. A key aspect of each conference was the business assistance center, which featured over a dozen of Maine’s most important business-assist organizations. Finally, the conference marketplace featured Washington County businesses with their products and services on display and offered for sale to the public.

**Results**

Participants of the 2003, 2004 and 2005 conferences completed a post-conference mail survey. The response rate was approximately 22%. The results indicated that 98% of conference
participants acquired new knowledge about starting or operating a business. Ninety percent of the respondents reported they used their newly acquired knowledge to improve some aspect of their business.

Approximately 70% made three or more changes in practice in their business. Some of the changes survey respondents reported included: writing and/or revising a business plan, revising marketing materials, developing a new Web site, changing a booth or exhibit design, establishing a new pricing policy, and changing the form of business ownership. These changes improved business efficiency, reduced costs, increased profits and sales, and resulted in better business decision-making. Twenty-five businesses were started or expanded.

Respondents valued the skills they acquired at conference at $1,295.

The Washington County Business Conference and Marketplace has been successful in spurring business development in a rural Maine county. It has contributed to job creation; served as a focal point for the area's small and micro-business owners to gain information about starting, expanding, or improving a business; strengthened business support networks and partnerships; and enhanced leadership capacity within the business community.

**Governor’s Regional Conferences on Small Business & Entrepreneurship**

The success of the Washington County Business Conference and Marketplace attracted the attention of policy makers and others in Maine State government. They were drawn to its high visibility and partnership with the community college, business support organizations, and the business community. In addition, they recognized and appreciated the collaborative approach used to organize the conference because it fostered greater cooperation, built and strengthened public and private partnerships, and resulted in more efficient use of limited state resources.

The Washington County Business Conference and Marketplace became the model for developing regional small business conferences across Maine. These conferences became known as The Governor’s Regional Conferences on Small Business & Entrepreneurship. These conferences were organized by a coalition of organizations and agencies which became known as the “Statewide Steering Committee”. The Statewide Steering Committee included representatives from the U.S. Small Business Administration, Maine's Community College System, the Maine Department of Economic and Community Development, the Maine Small Business Development Centers, and the University of Maine Cooperative Extension.

In the spring 2006, with strong support from Maine Governor John Baldacci, the Statewide Steering Committee launched a pilot project to determine if the Washington County model could be successfully replicated in four regions of Maine under the moniker, “The Governor’s Regional Conferences on Small Business & Entrepreneurship”.
The primary goal of the Governor’s Conferences was improving the opportunities for success for Maine’s prospective and current small and micro-business owners. To achieve that goal, the Statewide Steering Committee pursued the following four specific objectives.

- Provide cost-effective, critical, accessible training and information
- Establish long-lasting, regional networking systems
- Provide direct access to state policy-makers
- Celebrate the entrepreneurial spirit of Maine’s micro and small businesses

The Statewide Steering Committee helped to identify and recruit the local planning team members and provided orientation and ongoing guidance to local planning teams throughout the process. Local planning teams consisted of representatives from the business community, business-assist organizations, community colleges and community leaders. Extension played a key role in ensuring the success of the Governor’s Conferences by assisting local planning team members throughout the planning process and by sharing lessons learned from organizing the Washington County Business Conference and Marketplace.

Each regional planning team raised approximately $15,000 in cash by soliciting local sponsorships, which was matched by funds raised through the Governor’s office from corporate donors. In addition, each local planning team donated over $20,000 in in-kind contributions.

**Deliverables**

Four, one to two-day conferences, took place across Maine over a two-year period. Conferences were held in Southern, Central, Eastern, and Northeast Coastal Maine. Each conference was hosted by the local Community College serving the county or region. Twenty-five workshops were presented at each conference in business planning, financing, marketing, record keeping, pricing and other relevant topics. In addition, representatives from Maine’s premier business-assist organizations were available to assist business owners with issues or concerns. Finally, state officials were present to solicit feedback from business leaders on legislation and other policy issues impacting local businesses.

**Results**

The four regional conferences reached over 800 business owners throughout Maine. The conferences achieved the following results:

- Provided high quality, meaningful training for aspiring and existing business owners
- Provided a showcase for the region’s business resource providers and increased business owners’ awareness of resources and assistance available to them.
- Provided a single gathering point for micro and small business support systems and service providers to leverage one another’s assets. This created efficiencies for both resource providers and local business owners.
- Created a gathering point where prospective and current small and micro business attendees could develop important contacts and initiate valuable relationships whose effectiveness were enhanced by the networking skills developed at and after the conference.
- Established or strengthened regional peer to peer (business to business) or business to service provider networks which continued to flourish and have impact beyond the conferences.
- Strengthened partnerships at state and local levels.
- Provided Maine’s small and micro-business owners with opportunities to share views and suggestions directly with state policy-makers, including the Governor.
- Increased the visibility of micro and small business as an important contributor to sustaining and growing Maine’s economy.
- Spurred business activity, contributed to job creation and enhanced leadership capacity within the business community.

Implications and Conclusions

According to Muske and Stanforth (2000), the economic boom of the 1990's was fueled by the growth of small business. These businesses employ about 56% of all workers in the United States today. They argued that future job creation and growth will rely on their continued success. Micro-businesses are especially important in rural communities (McConnon, 2011), and community leaders are becoming increasingly aware of entrepreneurship and its potential to improve local economies.

The three projects that we have highlighted demonstrate a strategy for expanding and strengthening Cooperative Extension’s nationwide entrepreneurship programs through the effective use of strategic partnerships. These partnerships can create programs with significant impact while maximizing the use of increasingly limited public resources. In addition, they strengthen organizational relationships that lead to other successful collaborations.

Cooperative Extension, with locations in almost every county throughout the U.S., could play a significant role in supporting and enhancing economic growth and development through community-based entrepreneurship education programming. The Cooperative Extension System employs many individuals with community development skills who could serve as catalysts for building successful coalitions similar to those that created the Down East Micro Enterprise Network, the Washington County Business Conference and Marketplace and the Governor’s Regional Conferences on Small Business & Entrepreneurship.

For example, Cooperative Extension could facilitate the formation of a working committee comprised of the leadership of a State’s leading business support organizations.
Meetings of this group could identify opportunities for collaboration in programming and other areas of mutual interest at the State level. Here in Maine, this kind of activity resulted in the formation of the partnership that organized the Governor’s Regional Conferences on Small Business & Entrepreneurship.

Similarly, Cooperative Extension could facilitate regular gatherings of business support personnel at the county and regional levels to discuss opportunities for better program coordination and to avoid duplication of effort. It was a coalition formed at the county level that identified the need for an event like the Washington County Business Conference & Marketplace and contributed resources to make it a reality.

The venues suggested above would provide Cooperative Extension with an opportunity to identify those circumstances where partnering makes programmatic sense from the perspective of the clients and partnering organizations. In addition, they would help to create and strengthen partnerships with other business-assist agencies that would result in the development and implementation of effective community-based entrepreneurship programs.

The results of our work demonstrate that properly conceived and well executed strategic partnerships involving the Land Grant University, community colleges, economic development organizations, business owners, and others can create high quality, and effective community-based entrepreneurship programs that can generate significant economic impacts in a state or region.

In addition, collaborative partnerships enhance creativity in programming, provide professional enrichment opportunities, strengthen business service provider networks, improve funding opportunities and enhance the reputation of the university as an important partner in the state’s sustainable economic development efforts.

However, collaboration with other organizations can bring with it unexpected challenges. For example, each partnering organization had their own unique organizational culture which sometimes resulted in different approaches to the program development process. This was especially true with the DEMN project.

One method we used to overcome some of the challenges was to formalize the DEMN partnership by creating a written memorandum of understanding. This document clearly described program goals in measurable terms, the role of each organization, the resources to be allocated by each partner, and the strategies that would be used to collect data, and measure and report program impacts.

In addition, we agreed to meet regularly to evaluate our progress toward achieving our goals, to identify potential opportunities for program enhancement, and to address any challenges that could adversely affect our efforts. Understanding and learning to accommodate the
expectations of each partner proved time consuming and at times frustrating. However, it was a necessary component of creating and sustaining an effective partnership.

As suggested in recent studies, the Cooperative Extension System can and should play an important role in supporting community-based entrepreneurship (Muske & Stanforth, 2000; Bassano & McConnon, 2008; Peake & Marshall, 2009).

References


West Virginia University Power of Ten Program

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Introduction

The *Power of 10* is a concept Project for Public Spaces (PPS) developed to create place-making processes. The concept works with attractions that showcase a community’s significance, meaning and value. The idea is that a city or region needs ten or more major destinations. Each destination needs ten or more places to create a truly thriving city or town. Every one of those places also needs at least ten things to do and reasons to be there. Meaning that each community can strive to provide people with opportunities to enjoy public life such as music to listen to, food to eat, historic information to learn about, art to touch, benches to sit on and so on. The ultimate goal is that people will have a great experience and want to come back to visit the localities again.

Program Purpose

Sole proprietorship establishments and establishments with fewer than 20 employees grew faster nationwide than small businesses in West Virginia between the years 2002 and 2009 (U.S. Census Bureau, 2011). Over that period, small businesses increased a total of 2%, and during the recession (2007 – 2009) they fell 5% over what it was in 2002 (see Figure 1).

![Sole Proprietorships Establishments and Establishments with Fewer than 20 Employees](image)

*Figure 1. Sole Proprietorships Establishments and Establishments with Fewer than 20 Employees*

Increasingly, municipalities are recognizing the economic and social value of their downtowns as commercial, civic and government centers. Residents of small towns and cities across West Virginia are realizing the unique identity and sense of place exemplified by their downtowns. Power of 10 program feedback has shown that participants feel that downtowns create a sense of place and are both worth preserving and developing. Thus, there is a need for
the Power of 10 program to train community leaders and volunteers to take on the task of rejuvenating and sustaining core community areas. Stakeholders who are educated through the Power of 10 program will be better equipped in the planning and implementation processes for downtown revitalization.

Adapting the Power of Ten

The WVU Extension Power of 10 program promotes ten techniques that both experts and laypeople can easily understand and adapt for their communities’ purposes. These ten concepts are ideas adapted from principles developed by research conducted by the Project for Public Spaces. The Project for Public Spaces is entirely responsible for the creation and phraseology of each principle, although different communities have modified interpretations of the principles to fit local needs. One principal, “You are never finished” was eliminated to provide numerical consistency with other Power of 10 components. Each of the techniques is predicated on best practices gathered from case studies of successful community development projects. Program participants are encouraged to conceptualize the ten principles as symbolic phrases that represent underlying ideas, outreach techniques, action plans, or project implementation strategies in the real-world.

Rather than being a universal model, the principles for creating public spaces should be seen as a flexible strategy that can be adapted to the unique needs and desired outcomes of distinct stakeholders. By understanding and using these ten principles, community members can begin the process of constructing guidelines that match the collective wishes of residents in specific neighborhoods. Since these techniques cover several stages of program development, from planning to implementation, it is worthwhile to note that not all communities may need to incorporate each of the ten principles for successful outcomes. While participating communities are encouraged to imagine a vision for creating their ideal places, some vicinities may be much further along than others. The WVU Extension program encourages each locale to use any or all of the principles for place-making in their towns. Although the principles are in numerical order, initial program feedback has indicated that matching only a few techniques to core elements of existing community activities has shown promise as well. With these caveats in mind, each the ten principles for creating public spaces can be viewed as stand-alone ideas or a collective program to maximize community revitalization projects.

The Principles of Power of Ten

1. The community is the expert: One of the basic assumptions of the Power of 10 approach is the concept that visiting consultants and professionals should lead from behind. Stakeholders in a particular area are the authorities on place-making in their locales. To gather a
variety of viewpoints, however, participants can be reminded that the concept of community is difficult to define. A key step in community development is simply describing the make-up of a community in a specific area. With this in mind, initial meetings should be focused on inclusivity and building stakeholder involvement. Just who is the community? Anyone who has thoughts, attachments, or interests in a specific area is considered a member of the community for this program’s purpose. People other than residents use locations and make particular places flourish or fail. In addition to residents, communities are made up of visitors, business owners, workers, nonprofits, churches, schools, elected officials, and any clubs, activities, or festivals that a place might host. This principle promotes the use of all stakeholder input to help guide the community’s development process while steering clear of concepts that do not have community buy-in, no matter how practical the approach may be.

2. You’re creating places not designs: Although design concepts are crucial to development, the Power of Ten principles emphasize techniques that leverage community expertise for place-making. Participants are taught that design is just one tool of creating a place and that community development should not be seen as a singular project with a finite end. Since place-making is an iterative process, places evolve, morph, change, and grow in different aspects over time. To continue to use the community as the expert, place-making meetings should be a regular occurrence. As ideas are generated work plans can be developed to reflect the community’s sense of place. Data collected during meetings and planning sessions is not only used to understand key issues but also to identify strategies to implement the community’s vision for a particular place.

3. You can’t do it alone: Another foundational concept is that community achievements are predicated on stable partnerships and network connections. This means that no stone should be left unturned when communities are looking for collaboration and cooperation. Although some potential partners may stand out from the beginning, unlikely partners should be uncovered and pursued as well. A broad base of diverse partnerships assists communities with the expansion of resources and expertise. The right partners could mean the difference between successfully executed political, marketing, or fundraising strategies or disastrous losses of opportunity. The basic idea is to find common ground with government, business, religious, volunteer, nonprofit, and resident groups to maximize an area’s collective efforts for place-making.

4. They always say, “It can’t be done”: A different idea that elucidates similar conceptual principles, is that “you can’t please everyone.” Although each community has distinct challenges, all communities share in the fact that there is rarely, if ever, complete consensus on place-making issues. Since unforeseen challenges can be planned for, but not entirely mitigated, it is best to understand and be prepared for obstacles from the outset of the place-making process. Novel ideas and approaches to community revitalization may be met with resistance. Nevertheless, community members should be encouraged to move ahead while building incrementally on small accomplishments.
5. You can see a lot by observing: Transitioning from conceptual ideas to planning techniques, this principle encourages participants to begin viewing places in terms of day-to-day functionality. Instead of incorporating preconceived ideas for public use into a community’s design, one can look at basic ways that a place is currently functioning to assess future development strategies. By utilizing information gathering techniques such as direct observation, pedestrian and automobile tracking, user surveys, and employee or resident interviews, a place-making team can reliably uncover key uses and community needs.

6. Develop a vision: Mission and vision sessions are common planning tools in the process of collecting and categorizing community input. While different by nature than an organizational vision, a vision that assists community members in visualizing outcomes and then creating achievable goals is crucial to the place-making process. There are several steps that can be discussed while using this method. Important stages of the process include detailing the meaning of the locality to users, describing long-term goals, outlining potential uses, comparing and contrasting similar places, and then using best practices, case studies and community preferences to help finalize a formal vision. The community should look to the future and prepare for the long-term evolution of the place instead of creating the vision based solely on current uses.

7. Form Supports Function: The previous seven principles focus on underlying ideas or planning techniques, while the next two describe methods to move from ideas to action. In view of the fact that the Power of Ten is based on the idea that designs should help people use places, this principle illustrates the concept that areas will thrive when matched with favored uses and activities. By examining the ways users function in each locale place-makers can breathe life into a space. After collecting data in the observation phase, one can chart the most frequent and popular activities of a given place. The character of a space should not only be predicated on specific user analysis, such as where people walk, but also on larger thematic issues like how people feel about the character of the place.

8. Triangulate public element: In triangulating components of a place, stakeholders can group together and link elements to maximize similar uses, visual esthetics, and opportunities for user interaction. Ideally, proper triangulation will increase occurrences of both random and planned activities. The uses for specific components of a space are amplified if elements with complimentary functions are located nearby. Program participants are taught methods to look at existing elements of an area and then augment the location with compatible components. Conversely, elements of a place should rarely, if ever, be isolated. Examples of complimentary elements are: a bench, trash can, and bus stop; planters, walkways, and a park; signage, information displays, and public market entrances; a library, playground, and vendor kiosk.

9. Start with the petunias: For the implementation phase of place-making, the WVU Extension Power of Ten program recommends small, but achievable short-term goals. By picking simple project that are viewed as low-hanging fruit, communities can demonstrate
successful outcomes and rapid results. Low stakes projects can also be used as trial runs to assess concepts created in the visioning process. Small scale project completion raises stakeholder belief in future possibilities. Participants can document and advertise successes by circulating press releases. These small but visible changes verify ongoing improvements and strengthen community partnerships. The term phased implementation is another way to describe this principle.

10. Money Is Not the Issue: The last of the adapted principles for creating public spaces demonstrates the fact that place-making is not solely dependent on funding concerns. Even though major construction projects can be a boon to struggling neighborhoods, small changes can be achieved with limited capital. Attractions and amenities can be created or bolstered with relatively little monetary investment. Several small town business districts have documented increased public use through simple but effective projects such as clean-ups, murals, and landscaping improvements. This principle builds on the concept that both daily maintenance and ongoing creativity can be just as crucial to a space’s long term success as project financing.

**Target audience**

The target audience for this program is community and civic leaders, volunteers, business owners and elected officials.

**Goal of Program**

To create stronger downtown communities for economic development and growth.

**Approaches**

WVU Extension Service has taken the Power of Ten concept developed by the Project for Public Spaces and adapted it to rural communities. The program has been modified for use in the rural downtowns of West Virginia. This localized model encourages a community team to attend a two day training that is held in a “living classroom.” That is, the downtown. During this training, participants develop a plan for their town based on their respective community assets, shared experiences and needs. The curriculum for this program includes creating downtown destination critical mass, waterfronts, public destinations, streets, places and community anchors and public markets. Participants are also engaged in a downtown evaluation exercise called “the place game” as well as “asset mapping.”
The *place game* is a simple exercise that encourages participants to observe and evaluate. From a highly trained professional to a layperson, anyone can find new insight into the functioning of the key places in their downtown and achieve results using this approach. The place game unleashes creativity and requires the participants to talk with community people. This game works best with stakeholders divided up into groups of five or six people. Each participant uses a rating sheet for the place they are assigned. The categories include comfort and image, access and linkages, uses and activities and sociability. These four key qualities are essential for successful downtowns in regard to people using the downtown who are engaged in a variety of activities in these areas. This exercise will help determine if the downtown is a comfortable place to be and if public and private places are accessible with good linkages to other places. It will also help identify the downtown as a sociable place where residents meet each other and non-residents like to visit. The groups go to their assigned places and once the visit has been made, groups tally their results, share their interviews, refine improvement ideas and present short and long term ideas on how to improve their designated “place.”

The *asset mapping* is an exercise to identify and map the key attributes of the groups’ public and private places. Like the place game, the four categories are used (comfort and image, access and linkages, uses and activities and sociability). However in this case, an aerial photograph of their downtowns are used creating four overlays, with colored dots representing each category and markers used to delineate pathways, trails, corridors or linear spaces. Once groups map the key attributes of their downtown’s public and private spaces, the next step is to examine how their downtown’s places function together as a system and to develop strategies to improve and integrate those places. For instance when looking at access and linkages, participants are encouraged to think about if there is a good connection between the place and the adjacent buildings, or is it surrounded by bare walls and vacant storefronts.

**Deliverables**

During the training, community teams move from strategy to action by developing a plan for their downtown that include short and long term goals, potential partners, funding sources and time-line for projects. This process focuses on two places teams have identified in the mapping exercise in order to improve those places. Templates are provided for this goal setting process as well as ideas on how to make it happen in terms of next steps.

**Program Results**

2008 - Nine community teams attended with 27 participants

2010 - Nine community teams attended with 20 participants

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Since the 2008 Power of Ten training, participant communities reported the following impacts based on attending the Power of Ten training:

- Four towns received the West Virginia ON-TRAC Designation (Organization, Training, Revitalization and Capacity). This program was created by Main Street West Virginia to assist West Virginia communities in their efforts to boost economic and community growth. The goals of the program are to evaluate, educate and assist communities in these efforts;

- One participant town received a Brownsfield Grant through the Northern and Southern Brownfields Assistance Center that was created to empower communities to plan and implement brownfields redevelopment projects;

- Several towns incorporated signage and handicap curbs and well as streetscapes;

- One town improved the flow of tourists traffic patterns;

- One town developed their riverfront;

- and several towns are collaborating regionally

**Next Steps**

- Identify and circulate a resource list for participating communities that would include grants, people, etc.

- Create a networking opportunity (in person or virtual) where individuals can share ideas and resources.

- Tailor the Power of Ten training to one region and community approach to focus attention on individual communities and resources. Two communities have applied to receive individual Power of Ten training in 2012.

West Virginia University Extension Service brings invaluable education to communities in West Virginia. The community, Economic and Workforce Development unit of Extension Service provides workforce and leadership development programs and services.
References


Social Entrepreneurship Workshop

Tom Lyons

and

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Purpose

This workshop is designed for researchers, extension educators, and others to learn and discuss: (1) the definition of social entrepreneurship; (2) how extension services fit into the social enterprise category; and (3) important issues and topics for research that are missing in the field to connect extension services with the missions of social enterprises.

Extension programs usually offer free or low cost training and educational opportunities for people (farmers and non-farmers) to be engaged in agricultural sectors through production, management, marketing, or other venues. It will be appropriate to claim that extension services are a part of the social entrepreneurship sector, given the nature of the extension services focusing on improving community economic situations and quality of life for residents in general. There has been very limited research or discussion on the relationship between extension/outreach services and social enterprise development. This workshop offers participants an opportunity to (1) gain new information with respect to social entrepreneurship and its relationship to extension/outreach programs; and (2) exchange and brainstorm ideas that will lead to future research and innovative outreach programs.

What is Social Entrepreneurship?

Literature has defined entrepreneurship in many ways. In general, entrepreneurship is a process of transformation involving entrepreneurial individuals constantly seeking opportunities to create value added with regards to resource constraints and risks. Social entrepreneurship follows a similar paradigm of general entrepreneurship, and focuses more on creating and sustaining social values for individuals or organizations. The common mission shared by social enterprises is to create innovative strategies or solutions to social issues, considering the complexity of resource allocation, capacities, risks, public policies, and reaching for sustainable social transformation.

Social enterprises can be in any forms such as non-profit, NGO, for-profit that directly impacts on social need, government agencies, and a combination of for-profit and non-profit. Here are several examples of social enterprises:

- Adhikaar [http://adhikaar.org](http://adhikaar.org) Adhikaar is a New York based non-profit organization and works to improve the lives and rights of Nepali-speaking communities.
- Children’s Rights Council [http://www.crckids.org](http://www.crckids.org) Known as CRCKids, this non-profit organization was founded in 1985 in Maryland to protect the best interests and healthy development of children in all ages.
- Digit All Systems [http://www.digitallsystems.org/about](http://www.digitallsystems.org/about) This non-profit organization was founded in 1998 in Maryland. The mission of DAS is to bridge the digital divide and to bring the benefits of expanding technology to everyone, particularly people in underserved communities in urban areas.
• Hiyaah Power, Inc. **http://www.hiyaahpower.com** The mission of Hyaah Power is to create an online community for women in the US, UK, and Caribbean to share information with respect to professional development, counseling and healing resources, and news on leading edge organizations that facilitate and expand a woman’s empowerment base.

• Child Health Corporation of America **http://www.chca.com/index_flash.html** Based in Kansas, the mission of CHCA is to create and support an alliance of non-competing children’s hospitals, that will help advance the safety and quality of care provided to children.

• Hope for Women, LLC. **http://www.hopeforwomen.com/lifestyle/about** This is a Vermont based for-profit enterprise that brings premium quality, fair trade products to market which are created by women artists in developing countries.

• Seventh Generation **http://www.seventhgeneration.com** This company was established in 1988 in Vermont. The mission of the Seventh Generation is to create a leading brand of household and personal care products that help protect human health and the environment.

**Impacts of Social Entrepreneurship on Economic Development**

There are really no significant differences between a general entrepreneur and a social entrepreneur. The social values and benefits created by social entrepreneurs, however, have distinct characteristics and impacts on community development and economic movement. More often the social values and benefits are associated with ‘public goods and services’ that will not attract private/commercial enterprises’ attention. The goal of commercial enterprise is to maximize the profit and earnings for stakeholders or enterprise members. There is no or little incentive for commercial enterprises to contribute to social goods and services, since most of the beneficiaries of the social goods and services are ‘free riders’. However, without the support and formation of the social enterprises, the gaps between social need and capitalized need will be substantial when the economy is in recession. For example, the employment rate is relative high and many workers are laid off or displaced in the job market. Families are struggling to survive with little or no cash reserve, and many families become homeless. Many adults and children of these homeless families need to adapt and adjust to a new life style that they are not familiar with. There is an increasing need for various organizations to provide cash and/or in-kind support to these families. Job training, career counseling, and personal counseling are critical and in high demand to maintain the stability of the families. Social entrepreneurs often choose to meet these needs because they want to and because they are passionate about the social issues. Despite funding limitations and resource scarcity, social entrepreneurs may seek to make an impact in the community by (1) raising the awareness of the social issues; (2) changing the conventional way of thinking while dealing with social contexts; (3) reinforcing the critical
elements of societal sustainability in personal growth, career development, and technology improvement.

**Key Points of Discussion**

1. We need to think beyond the individual community level while designing outreach programs.
2. How do we make public service entrepreneurial? What are examples out there?
3. What are appropriate legal forms for social enterprises? Should it be primarily a for-profit entity with a social mission embedded, or a primarily non-profit entity with a commercial enterprise business model? Should it be a hybrid between for-profit and non-profit?
4. If the extension service would follow the social enterprise model, then it will be critical to understand the relationship between networks, resources, and services from both providers’ perspectives and receivers’ perspectives.
5. To help researchers and extension educators to understand and implement the functions of social entrepreneurship, it will be necessary to explain clearly at what point we actually inject the idea of social entrepreneurship.
6. How do we manage the social enterprise with a commercial focus?
7. When should we bring up or introduce the social missions in new venture creation and venture development process?
8. The 4H programs have reached out to many children and assist children to learn about different aspects of the agricultural sector. How do we further assist and encourage children to become ‘transformers’ in the communities?
The Maryland Rural Enterprise Development Center (MREDC)

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The Maryland Rural Enterprise Development Center (MREDC), www.mredc.umd.edu, provides farmers, agricultural entrepreneurs, and new and beginning farmers a much needed business development resource. It is the first agricultural business development site in the state totally dedicated to agricultural and natural resource business development. The Center provides both business development resources along with actual production and/or processing advice as they relate directly to agricultural and natural resource-based businesses. It relies heavily on leveraging resources from a variety of Extension specialists both in and out of state. It is a one-stop-shop for the latest and most successful business development innovations and support for Maryland’s agriculture and natural resources enterprises.

The Center does not seek to duplicate other University of Maryland Extension programming efforts, but instead offers unique resources in a digital format. The launch of this web-based rural enterprise development center uniquely addresses some current Extension concerns, but also creates new fiscal challenges and programming opportunities. Such as:

I. Support for Client and Support Agency Needs:

1. The public’s need for an unbiased Agriculture and Natural Resource’s business development and rural enterprise support resource.

2. A well maintained and monitored web site where different supporting agencies can aggregate information. For example, Maryland Department of Agriculture, the Maryland Department of Health and Mental Hygiene, and Extension have combined their information for on-farm processing regulations in Maryland under the “Food Processing” section of MREDC.

3. A portal for a variety of interactive media developed by Extension, other rural and economic development initiatives, and other supporting agencies. This is the media delivery system of the future.

4. Web-based platform provides for linking and collaboration between Extension and partnering organizations

II. Support for University of Maryland Extension Needs:

1. Cost effective platform for delivering rural and community development resources.

2. Allows clients to explore information and resources before contacting Extension staff for better use of staff time.

3. Supports regional concept of Extension services by providing access to statewide programs and specialist.
4. Provides a platform for Extension initiative and programs that can quickly respond to emerging issues and opportunities.

Communities across Maryland are confronted with issues linked to infrastructure, water, renewable resources and energy, social and cultural artifacts, and the economy. These issues are enormous in scope and are multidisciplinary. The Center has a long-term focus on sustainable development, drawing upon existing research and knowledge and partnering with community development stakeholders within communities to develop place-based solutions. This focus strongly complements the University of Maryland Extension’s brand, “Solutions in Your Community”.

**Building a Strong Root System**

MREDC is a virtual center that is entirely web-based. It can be visualized like a tree with its expanding web-tree of modules, topics, and resources. But, it requires a strong root system for support and growth. Four major components have been developed in conjunction with the website to guide and facilitate the Center’s growth. These include the MREDC Stakeholders’ group, a talented and progressive web designer, access to expertise through the University of Maryland, and feedback from Maryland’s rural communities and supporting agencies and organizations.

| Stakeholders | Web Site design | Access to Expertise | Community |

**Targeted Audience:** MREDC works on a referral basis with selected entrepreneurs on marketing plans with a focus on value-added enterprises; conducts market research studies; evaluates primary and secondary market information and data; performs cost benefit analysis; develops enterprise budgets; works with producers one-on-one to implement their new
enterprise; develops/coordinates workshops statewide; and works with local government officials and other decision makers on economic development.

Our Goals:

- Improve economic competitiveness, diversity and adaptability of Agriculture, Forest & Seafood businesses (new and existing) in small and/or rural communities.
- Spur economic, organizational and community innovation while creating jobs in the rural economy.
- Increase start-up and growth rates while reducing failure rates of Agriculture, Forest & Seafood businesses by creating strong partnerships between educational and organizational support systems for entrepreneurs.
- Facilitate the development of policies that enhance the well-being of rural communities to include sustainability of Agriculture, Forest & Seafood enterprises.
- Increase Agriculture, Forest & Seafood business retention and expansion.
- Link Agriculture, Forest & Seafood industries with community and environmental resources.
- Increase financial literacy for Agriculture, Forest & Seafood small businesses.
- Enhance co-existence of Agriculture, Forest & Seafood businesses with “urbanization”.
- Utilize the College of Agriculture and Natural Resources as a catalyst for connecting rural Agriculture, Forest & Seafood businesses throughout Maryland and beyond.

Innovative/ Cost Effective Approach: The MREDC allows clients to view a wide variety of resources and references concerning over 200 different topics ranging from how to structure and implement a business plan to how to grow a specific crop. Armed with this introductory material, clients can then move forward in a more intentional manner to develop their business management team and improve their chances for business success. The web site is designed to be user friendly and informative. It includes interactive business assessment and planning tools, resources covering such topics as: business development, entrepreneurship, access to expertise, new and next-generation farmer programs, food processing, and enterprise specific modules.

Recognizing that people have different learning styles, the material on MREDC is presented in a variety of formats- workbooks, Power Point presentations, webinars, video feeds, fact sheets, and written documents. Links to agencies, regulatory information, forms, and local contacts that support business development are a major resource of the site. Extension personnel and other agency personnel can refer clients to MREDC to help them garner basic information about their proposed business and then call back for more targeted one-on-one support. This structure helps already limited staffs in agencies, departments, economic development offices and Extension offices be more effective with their consultation time. The following are examples of these resources.
Dream-Plan-Implement

Dream-Plan-Implement (DPI) is a guide that helps clients explore their business idea and plans. Select a category directly from the main DPI page or use navigation to view the guide from start to finish. Each page within the guide is organized using tabs: Overview, Resources, and Downloadable Media. There are podcasts throughout the guide. These podcasts can be downloaded and played back using a computer’s media player or copied to a handheld music player for listening at any time. Link to Dream-Plan-Implement: http://www.mredc.umd.edu/rootdreamplanimplement.html

Farm Business Planning

Farm Business Planning is a downloadable workbook for the beginning farmer or the farmer who has delayed putting a written plan in place. Clients can download the guide in printable format (pdf) or take a very short survey to receive a version of Farm Business Planning in MS Word format. The MS Word version allows clients to save the guide to their personal computer for editing. Link to Farm Business Planning: http://www.mredc.umd.edu/rootbeginningFarmBusinessPlanning.html

MREDC Resource Map

The MREDC Resource Map is a directory of contacts and links by county. In addition, there are regional resources. The County Resources page contains an interactive map of Maryland. Just click on a county within the map to go to the county resource page. This resource is organized by tabs including Extension Office, Agricultural Marketing Professional and Other County Resources. On the Other County Resources tab, county government and other organization links are provided. On the MREDC Resource Map main page, other resources are available on the Regional Resources tab. These resources service all of Maryland. Link to the MREDC Resource Map: http://www.mredc.umd.edu/MarylandMap.html

Distance Learning Library

At the Distance Learning Library, the resources are organized in three tabs: Podcasts, Webinars and Videos. Podcasts: Topics for podcasts are related to small farms and agricultural entrepreneurship. Scripts for the podcasts are also provided in printable (pdf) format for your convenience.
Using Analytics to Grow and Improve the Site

Through Google Analytics we know how site visitors are coming to MREDC and what “Keywords” and topics they use in their searches. We can then develop or revise content based on this feedback. We have seen a dramatic rise in visitors coming to MREDC via their mobile devices. Formatting and content editing now provides for even faster service to these devices and we expect an even great number of visitors to the site through these types of connections.
140 page titles were viewed a total of 48,188 times

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As a result of the MREDC web portal:

- Producers, agricultural entrepreneurs, and natural resource-based businesses have an industry specific portal for educational and outreach resources in marketing and business development planning. This is the Center’s Signature Program – “Dream, Plan, Implement” that guides entrepreneurs through the process of turning good ideas into new Maryland businesses.
- Alternative agriculture entrepreneurs have a new and better focused resource for developing new marketing plans and opportunities.
- University of Maryland Extension offers an innovative, 24-7 launch pad that provides producers with a wide-variety of web-based University, community, and professional resources for developing profitable, sustainable businesses.
- New and next-generation farmers have access to research-based training, mentoring, and business development resources to help them develop sustainable, profitable businesses.
- The Center and its web resources provide continuing education and networking opportunities for agricultural support agency personnel, Extension staff, and agricultural economic development specialists statewide.
Program Showcase

Agritourism in the Northeast: Building Collaborations that Work

Lisa Chase
University of Vermont Extension

Ben Amsden
Plymouth State University
Purpose:
One of the fastest growing segments of agricultural direct marketing, agritourism allows farmers to diversify their core operations and keep farmland in production while preserving scenic vistas and maintaining farming traditions. By providing authentic farm experiences for visitors, agritourism helps educate the public about the importance of agriculture to a community’s economic base, quality of life, history, and culture. Agritourism is growing rapidly in the Northeast region, however the industry remains underdeveloped in many states, lacking technical assistance support, infrastructure, and networking opportunities to ensure best practices. Consequently, a team led by the Vermont Tourism Data Center at UVM Extension created a collaborative program to facilitate the development of agritourism throughout the Northeast region. Specifically, the program designed and implemented workshops in seven states to both acquaint farmers with a wide variety of agritourism issues and provide technical support as they began to engage in agritourism.

Our workshop at the What Works conference showcased the results of this collaboration, highlighting the working collaboration between multiple stakeholders from across numerous industries (farmers, educators, marketing specialist, policy advocates, etc). We then took the opportunity to discuss with those present opportunities for future collaborations in Northeastern agritourism.

Target audience:
The target audience of the agritourism training program was small and medium farmers, rural landowners, and other land based entrepreneurs in New Hampshire and Vermont who were currently involved in or were planning to start agritourism enterprises. Typical participants included young farmers new to farming and agritourism, and mid-career farmers with advanced involvement and experience seeking to expand his or her agritourism operations.

Goals and Approach:
The goal of the program was for at least 70 farmers in the Northeast to have adopted new agritourism practices contributing to the viability of their farms. To this end, the project team created tools that helped farmers (1) determine whether an agritourism enterprise would fit with a farm’s core business and at what cost; (2) prepare business and marketing plans; (3) assess and manage the risk of farm visitors; (4) comply with local, state and federal regulations; (5) leverage promotional activities of tourism and other agencies and organizations; (6) develop and deliver effective media tools; and (7) make use of technical assistance opportunities. To accomplish these objectives, collaborators from several states in the Northeast developed a curriculum of core business skills training modules and delivered these modules through agritourism workshops and follow-up assistance.

Workshops for farmers interested in agritourism took place between January 2009 and March 2010. The time period that the workshops took place was extended to accommodate different planning schedules for state coordinators. Most states had multiple workshops in different locations around the state in an effort to reach more farmers. In total, nineteen workshops were
held in ten different states in the Northeast region (ME, MD, DE, VT, NH, NY, MA, CT, WV, RI). The total number of workshop participants was 763, including farmers, service providers and other attendees. We implemented the benchmark survey through a questionnaire handed out at the end of each workshop; however questionnaires were not collected from all workshops. We received 143 completed questionnaires from farmers, which is significantly lower than expected and posed challenges when following up with farmers who attended workshops. For future projects, we need better oversight of the evaluations at the workshop throughout the region to ensure a higher response rate.

Results:
Defining farm viability as increased profitability and/or increased quality of life, 72 farmers reported improved farm viability as a result of changes made based on the information, resources and contacts provided at workshops and through technical assistance, with 38 reporting both increased profitability and quality of life indicators, 21 reporting increased profitability, and 13 reporting increases in quality of life indicators.

In terms of adoption, new or improved agritourism enterprises were adopted by 76 farms as a result of the workshops and technical assistance. Of those, 72 reported improved farm viability. This is illustrated by the comments of the farmers themselves, who shared their experiences implementing new ventures and improving their existing enterprises:

*We were able to implement our business plan and reach our goal of increased profitability. Revenue was more than double our expectations.*

*We've just this past year begun to attract a great group of visitors. We've learned a lot about reservations and requiring deposits. We've got to find*
out what it takes to get set-up with a credit card machine. I wouldn't have
gotten into this, had you all not brought it up. Thanks!

We increased our involvement with local schools by offering our farm as
the home course for the Sanford High School x-country running team.
Because several schools participate in each home meet, many parents of
runners were introduced to our farm and returned to pick apples at a later
date.

We capitalized on the "Farm as Venue" portion of Harvest New England
pre-conference on AgTourism, and hosted several of the fundraising
events of several non-profits. We also began a weekly, in-season (monthly
in the off-season), online newsletter (Constant Contact) to keep our
customers up-to-date on farm activities and varieties at their peak each
week.

In addition to these direct on-farm results, there were a number of ancillary benefits resulting
from the collaborative nature of the project. Collaborators strengthened their relationships and
shared best practices and barriers related to agritourism throughout the Northeast region. For
example, collaborators in NH and VT received three grants from the Northeast Center for Risk
Management Education to support risk management related to agritourism. Positive exposure
from this project helped collaborators in NH secure grants from Plymouth State University and
the New Hampshire Charitable Foundation to continue agritourism research in the Northern
Forest region. Collaborators in MD received a grant from the USDA Ag Marketing Service's
Farmers Market Promotional Programs to connect farmers and the hospitality industry on MD's
eastern shore. Collaborators in RI received a USDA Rural Business Enterprise Grant to support
agritourism/hospitality in RI in collaboration with Johnson and Wales Small Business
Development Center. Collaborators in VT received a grant from the SRDC National e-
Commerce Extension Initiative Grants Program to focus on e-Commerce educational resources
for agritourism, and VT is a co-investigator on a proposal to NESARE led by NJ to further
develop agritourism support in the Northeast.

Implications and Lessons Learned:
While this project contributed to improved farm viability through adoption of agritourism
practices throughout the Northeast region, more work is needed to develop agritourism best
practices and support their implementation. As demand for agritourism and local foods continues
to increase, more farms are diversifying and interacting directly with the public. Adopting best
practices has become even more critical and an increasing number of farmers need support in
this area.
Better information about the impacts of agritourism ventures on farm viability is needed. In particular, further research is needed to refine the quality of life indicators and test the index with other projects. Quality of life is a central concern for individuals and communities, which makes it an especially important outcome to measure. However it is a difficult concept to measure because it has multiple definitions and meanings and can be examined at several scales. As program evaluation has become a critical means for measuring accountability and improving effectiveness of programs, further research is needed to develop a widely accepted index for measuring changes in quality of life indicators as a result of projects like those supported by SARE.

**Future Opportunities for Collaboration:**
At the conclusion of the workshop, participants discussed a variety of future opportunities for collaboration. These included the creation of a website containing research and information resources, and a mailing list to share news and opportunities. While the mailing list is currently under construction, the resource website is available at [http://www.uvm.edu/tourismresearch/agritourism/](http://www.uvm.edu/tourismresearch/agritourism/)
Assistance Paths for Rural Entrepreneurs

Jeffrey Hyde, Lynn Kime, Winifred McGee, and Dana Ollendyke
Pennsylvania State University
Anyone who studies or works with entrepreneurs understands that entrepreneurship rarely happens without the benefit of partners and advisors. Entrepreneurs need a support network to assist in developing a business. Of course, support takes many forms and comes from many sources. However, one important link is local education and technical support for business planning, marketing, and business development. The infrastructure for this type of support is often strongest in urban areas. For example, consultants (including Small Business Development Centers and SCORE) are relatively abundant in urban areas, universities and community colleges offer trainings on business management, and Chambers of Commerce provide business connections.

In rural areas, entrepreneurs often feel a stronger sense of isolation in developing and managing their small businesses.

Cooperative Extension is well-positioned to be the lead institution in supporting rural entrepreneurs, capitalizing on the resources of a major university and the local connections provided by county-based Extension offices. Penn State Extension has a track record of meeting many entrepreneurs’ needs through group workshops and personalized consultations. Several of the Penn State Extension entrepreneurial curricula and trainings are highlighted in this presentation -- each designed to provide support for entrepreneurs at various stages of the business/product development process. From exploring the initial kernel of an enterprise idea to exiting an established business, rural entrepreneurs can look to our programs, faculty, associates, and educators for support.

For this presentation, we chose to focus on three specific items in Penn State Extension’s suite of programs – curricula developed targeting the topics of youth entrepreneurship, agricultural business planning, and risk management focused on the unique needs of food ventures.

**Youth entrepreneurship**

In the summer of 2010, a team of Extension faculty, staff, and county educators received a grant for the development of a youth entrepreneurship curriculum. The focus of the curriculum is to spark interest in entrepreneurship amongst high school students and is not an in-depth training since many, if not all, of the students would still only be in the “idea” or “pre-venture” stage of business planning.

This curriculum (which borrows many concepts from the Penn State Extension business planning course, *Your Future in Focus*) was developed to stress the importance of business planning as well as the use of risk management tools, in launching and managing an enterprise. Key questions this course answers are:

- **Business planning** - What is a business plan and why do you need one?
- **Goals and objectives** - How do they differ? How can you use a SWOT analysis to define these?
· **Risk management** - What are the 5 major areas of risk for agricultural businesses? What types of insurance do you need and why?

· **Marketing** - What are the 4 P’s? How can social media be used as a promotional tool? How do commodity marketing and direct marketing differ?

· **Financial management** - How can enterprise budgeting help forecast future monetary conditions? How can financial statements monitor the health of your business? What measures can tell if your business is profitable, liquid, and solvent?

Some of the resources in the course include:

· A glossary that defines words used throughout the curriculum and the “business world”.

· A list of websites to visit when the student actually begins serious consideration of writing a business plan.

· An evaluation tool to get feedback from students as to what knowledge they had before the training and what they learned after attending.

· An introductory presentation to be shared with high schools to generate teacher and student interest.

· Handouts that include copies of a Risk Management checklist, SWOT analysis worksheet, related Penn State Extension publications, and related *Ag Alternatives* publications (these items being useful teaching tools, as well as providing information to which the students can refer as they continue toward starting their own businesses).

Two sessions were piloted in spring of 2011. An in-depth session was conducted in the Clearfield, PA area and an abbreviated session was held in Philadelphia, PA with a total of 32 participants. In the in-depth program, a comprehensive evaluation was conducted after each session and a broad evaluation at the end of the program. For the abbreviated session, a shortened evaluation was used to assess the most important educational indicators. (We would be pleased to share our evaluation tools upon request.)

**Agricultural Business Planning**

*Your Future in Focus* is a comprehensive business planning curriculum developed by Penn State Extension faculty, extension associates, and educators. It has undergone peer review by colleagues from Purdue, Ohio State, Kansas State, Iowa State, and University of Nebraska. The curriculum takes the student through all aspects of creating a written business plan. The textbook is copyrighted and available at YFIFonline.com or by calling 814-863-5567.

The material is designed to be taught in five all-day sessions or eight to nine evening sessions (whatever is best for the instructors and clientele). Three pilot sessions were held throughout the curriculum development phase (the winter of 2009-2010) with great success.

The curriculum consists of ten chapters covering the need for a written business plan; values, mission and vision statements; market research; SWOT analysis to formulate strategies; risk
management; development and use of financial statements; and obtaining financing. An innovative feature of Your Future in Focus is the use of two fictitious case study families, to illustrate application of the various concepts through the planning process. One family (the Ryans) considers beginning to add value to their dairy operation’s milk production; the other family (the Gundersons) considers entering farming from other careers by purchasing an existing Christmas tree farm. By following these two families through their thought processes and actions, students can visualize the intricate steps of business planning. By being alerted to issues that may arise during the entrepreneurial process, they incorporate strategies into their own plans to overcome these obstacles when and if similar challenges arise on their farms.

The textbook incorporates examples from actual businesses with descriptions pertinent to the subject matter. For example, values, vision, and mission statements for large and small companies are given. In the human resources section, students are shown examples of what to include in a job description. The text is enhanced by instructional exercises designed to stimulate thought, raise questions, and explore the ways that planning will improve their business development and management. Guest speakers from the immediate area(s) not only enhance the learning experience, but may serve as valuable advisors for the entrepreneurs as they grow their businesses in the years ahead. Because guest speakers for each subject are brought into class on the session following the introduction of a topic, the students have an opportunity for reflection about the material for question and answer sessions with these “experts” increasing the likelihood of this networking to be of the greatest utility (rather than simple, off-the-cuff comments).

Worksheets at the conclusion of each chapter enable students to apply what they have learned to their own current, or potential, operation. When all worksheets are completed, the students will have gathered most of the initial information needed to complete a first draft of their business plan. A glossary of business terms is included in the workbook so students can become familiar with the words and phrases most common to commercial enterprises.

A companion tool to this curriculum is the AgPlan online application, developed by the University of Minnesota. This on-line tool provides a convenient place to enter the information that students have gathered – not only for their own use, but also to allow the instructors to comment on and edit the developing plans as the weeks progress. This promotes private, yet timely out-of-class interaction between student and instructor, and serves as a springboard for individualized consultations as the instructors deem necessary.

Over the sessions of the class, the instructors develop relationships with the students to customize the entire business planning experience. To support this type of interaction, an Internet-based instructor’s guide is currently being compiled and will be available at YFIFonline.com. This site will include Power Point presentations, tools, and examples of handouts and resources used during the pilot sessions. While instructors may choose to follow the guide, they are also encouraged to customize what is presented by using examples from their
specific areas and conforming to the interest of the students. In that way, when the curriculum is not used in Pennsylvania, the instructor will have to introduce regulations applicable to business start-up and management that are in force at their locale. Details such as class structure and times devoted to each session are suggestions but are adaptable to the specific class and instructor.

Risk Management

Since fall 2009, food entrepreneurship has grown substantially, largely due to consumer interest in locally grown and processed foods. For many years, Penn State Extension has held one-day workshops to teach the basics in starting a food business (*Food for Profit*) – but that workshop’s jam-packed agenda focuses on feasibility of the business, rather than liabilities of the business. Therefore, in 2010, a team of Extension personnel utilized grant funding from the USDA Risk Management Education program to conduct the primary and secondary research necessary to develop a curriculum to create an awareness of the legal and ethical hazards that food entrepreneurs face, and to introduce five proactive strategies that can be adopted to lessen the liability associated with placing a food product in the marketplace.

The need for this type of training changed from “nice” to “necessary,” when, in January 2011, the FDA Food Safety Modernization Act (FSMA) was put into effect (followed by a number of USDA and state level initiatives) — all designed to ensure that the U.S. food supply is as safe as possible. These regulations mirror consumers’ growing concern about the quality and safety of what appears on their dinner tables, and make it mandatory for every food business owner (and every farmer who is selling products directly to the public) to understand what they must do (according to the regulations) and what they should do (ethically) to provide safe food.

The resulting Penn State Extension one-day workshop, *Managing Risk for Food Businesses*, combines educational presentations, panel discussions with successful food entrepreneurs, and a highly interactive learning environment, to address the new practices that are required, as well as voluntary ways to proactively address the business liabilities that come with selling food to the public. Included in the discussion are:

- FSMA Implications for Food Businesses – The actions that are required, and the groups of businesses to whom they apply (since the legislation is not “one size fits all”).
- Good Agricultural Practices (GAP)/Good Handling Practices - General procedures that producers and packers of farm-fresh products follow to ensure food safety of their product—especially for products sold to large, national customers.
- Hazard Analysis Critical Control Point (HACCP) Planning - Steps or procedures to eliminate or reduce hazards associated with food production – learning what you, or your co-packer, should monitor for enhanced food safety.
· Liability Insurance—Determining the amount of coverage that is necessary and what purpose it will serve in protecting farm assets—learning from the experiences of those well and poorly insured, captured in case studies.

· Allergen Warnings—Ensuring compliance with FDA regulations that food labels must state clearly if food products contain (or were made in an environment containing) protein derived from the eight major allergenic foods.

· Proactive Recall Processes—Coding batches and keeping accurate records so that the entire product line doesn’t need to be recalled in an emergency.

New regulations are often complicated; it is difficult to apply general rules to specific enterprises’ situations. By attending a session, farmers adding value and food business owners increase their awareness of the regulations that apply to their enterprises (making the requirements easier to understand and adopt). Participants are empowered to choose business risk management strategies that address the legal and ethical considerations for a more sustainable business venture. The materials that are provided in the class are gathered from “best sources” representing various land grant universities and their collaborative partners in the food business world. An important resource that all participants receive is a risk management workbook that reinforces what was learned in the workshop, and encourages the participants to select “one step” that they will take to research, determine the applicability of, and potentially begin to adopt specific risk management tools and strategies. This proactive activity is the hallmark of entrepreneurship, protecting the assets of the rural business venture.

In conclusion, Penn State Extension strives to meet the needs of its rural entrepreneurs, no matter where they are in the business/product development process. From exploring a kernel of an idea to exiting the business, rural entrepreneurs can look to our programs, faculty, associates, and educators for support. Programs like youth entrepreneurship, business planning (Your Future in Focus), and risk management (Food for Profit and Managing Risk for Food Businesses) are all designed to strengthen our clients’ ability to make sound business decisions and not feel alone or underprepared for their journey as an entrepreneur.
OPPORTUNITY IDENTIFICATION, SELECTION AND ENACTMENT

By

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Abstract

Do opportunities simply exist or are they made? In this interactive session we will explore opportunity recognition in entrepreneurship utilizing a multitude of lenses. The individual, community, technology and context will be examined as to how they can contribute or inhibit opportunity development. In addition, participants will be part of an interactive opportunity discovery exercise to trial their own skills for discovery. After completing the session, conference attendees will better understand the factors that contribute to opportunity recognition and effectuation for their clients and themselves.

EXECUTIVE SUMMARY

Opportunity recognition, selection and effectuation is a core process of entrepreneurship. In our current social and economic climate the call for entrepreneurism and opportunity conversion is ever present in our work roles. Today, not only does the lone entrepreneur have to heed to the call of opportunity, rather each of us in our roles as educators, employees and public servants are required to attend to the opportunity process. The current deep recession has placed additional strain on each of us requiring us to do more with less and affect change with diminished resource bases. Similar to entrepreneurs immersed in a startup, each of us is required to bootstrap resources and lever our abilities and relationships to achieve our goals. Developing our opportunity conversion skills to become more entrepreneurial in our work roles will help us address these challenges.

In this work, I highlight the factors that affect this process and identify means for each of us to improve our own opportunity conversion abilities. I begin with a brief review on the nature of opportunity and then review individual characteristics that affect opportunity discovery, selection and effectuation. The impact of community, technology and context on the opportunity process are then explored. Some findings of this work are that we should consider our own and our clients’ dispositions and social contexts when working to convert opportunity. Further, each of us in our own unique areas of expertise has the ability to proactively scan technological and disciplinary trends to identify fertile fields for opportunity. A key point of learning is that we need to be aware and proactive in the opportunity conversion process for ourselves and our clients.

I. INTRODUCTION

Opportunity is elusive, evident, empowering and embedded in our lives all at the same time. The elusiveness of opportunity continues to challenge us as we seek to accomplish. As one potential presents itself to us, another opportunity may be immediately dismissed as a result of our choice. The evident nature of opportunity usually is brought to the foreground with hindsight. As we act upon an opportunity we may see its empowering effects as dreams are realized, goals are accomplished and new robust opportunities are presented. All these factors layer into the context of our lives and the careers that we chose. In this work I set out to explore some common factors that affect individual opportunity recognition and effectuation. A central premise of this work is that opportunity recognition is at the core of entrepreneurism. Without the existence of opportunities entrepreneurship wouldn’t exist (Shane & Venkataraman, 2000) and we would not have witnessed the great technical, commercial and human advances of our
present day. In fact opportunity is a central component of the definition of entrepreneurship. Consider how we define entrepreneurship for our Entrepreneurship Strategic Initiative in the College of Agricultural Sciences at Penn State.

*Entrepreneurs capitalize on opportunities by forming new businesses or organizations that are capable of creating value. New business generation, a core activity of entrepreneurship, is a driver of economic growth and a powerful force for change.*

So how do we improve our opportunity recognition capacity? Further how do improve the way we screen opportunities in order to better accomplish our personal and career aspirations? As we develop our opportunity detection and evaluation skills another promising avenue is our role as educators for assisting others to develop these skills.

This work will first begin by reviewing the nature of opportunity in the entrepreneurial context by type and strength. Second, I will explore the role of select individual characteristics and their purported influence on opportunity detection and effectuation. For example, there is correlational evidence for a positive relationship between one's openness to experience and entrepreneurship (Zhao and Seibert, 2006). Expanding to the group level, I will then examine the role of community and social networks for opportunity recognition and access. Network position has been shown to profoundly influence the access to novel information (Burt, 1992) of which is the stock for ideas that drive entrepreneurship. Third, the role of technology or the means to convert inputs to outputs (Woodward, 1965) and its role for opportunity creation will be evaluated. Fourth, I will explore the nature of social, economic and environmental context in the opportunity space utilizing strategic lenses. Accordingly, the nature of entrepreneurial opportunities assumes different characteristics in turbulent contexts versus static environments (D’Aveni, 1994; Shane, 2003). Each of these factors that influence opportunity discovery, selection and effectuation are listed in Figure 1. After examining these factors this work will conclude by offering some tips for individuals who wish to improve their opportunity detection, selection and effectuation abilities.

II. FACTORS AFFECTING OPPORTUNITY AND ENTREPRENEURSHIP

The nature of opportunity

Opportunity is the presence of a potential means-end connection to accomplish a goal either at the individual or group level. In many instances opportunity is framed in an entrepreneurial context whereas a new technology is discovered to improve a means end relationship, reduce problem severity and deliver value. For example, new media technology such as social networking allows us improved connectivity and access to our professional networks versus past alternatives such as the rolodex. Through the changes in technology we are better able to monitor network activity, reach out and discover, screen and capitalize on opportunities. There are several accounts where agriculture based entrepreneurs have garnered new business from social media (Gagnon & Crowley, 2010).

Fortunately, significant discovery has been made on the nature and existence of opportunity in the entrepreneurship domain. Since the early works of Schumpeter (1942) there has been tremendous development in the economic theory of opportunity emergence and creation. Two ideas about opportunities are pertinent to the discussion at hand. First what is the
nature of the opportunity? Does it simply exist to be recognized or is it created by the interaction of the individual and the environment? One could argue that it’s both (Shane and Venkataraman, 2000). Opportunities exist when significant market disruption occurs (i.e., the strong premise also known as the Schumpeterian (1942) perspective) and opportunities are created at least in part by individual knowledge asymmetries (i.e., the weak premise Kirznerian (1973/1997) perspective) (Venkataraman, 1997). The second idea worth discussing is the opportunity typology presented by Drucker (1985). Drucker identified three types of opportunity 1) the creation of new information, 2) exploitation of market inefficiencies and 3) shifts in resource or cost allocation. An example of new information being created is our relatively recent ability to sequence genes. This technology has open a wide spectrum of new opportunities for scientists and entrepreneurs alike. Exploitation of market inefficiencies can be seen as a source of opportunities in the example of international logistics where scale in containerization has allowed for a whole host of goods to be sold in international markets. Last, the wind energy business with its government incentives provides us with an example of opportunity creation with shifts in resource or cost allocation. The U.S. government via incentives help spur the rapid development of wind generated power. Each of these types of opportunity gives us an idea of where opportunity may be found as we scan the environment.

Opportunity and the individual

Some of us are more hardwired for opportunity discovery versus others via personality traits. Personality traits are enduring psychological tendencies that each of us posses in degree (Tellegen, 1991). There are several personality traits that assist in opportunity discovery such as openness to experience, learning orientation, growth orientation, extraversion and creativity. Openness to experience is an individual’s willingness to try new experiences and is one of the big 5 personality traits (McCrae, 1987; Zhao and Seibert, 2006). Learning orientation is one’s desire to continue to learn or acquire new knowledge (Dweck and Leggett, 1988) such as the desire for lifelong learning. Growth orientation as opposed to a fixed mindset is the way an individual views the development of his or her skills and abilities (Dweck, 2006). Growth minded people will see people as having the ability to practice skills and develop. Whereas people with a fixed mindset will see themselves as either having an ability or not, and thus will not be inclined to develop in areas where abilities are low. Extraversion is also a trait that leads to opportunity discovery since extraverts thrive on social interaction and thus are more likely to be exposed to new information and thus opportunity versus introverts. The social nature of opportunity is clearly evident in this case. Finally individual creativity plays a role in opportunity discovery (Shane, 2003). Creative people have the ability to assemble information in novel ways (Amabile, 1983) thus they are inclined to discover additional opportunity.

Acting upon opportunities links well to certain individual dispositions. I argue that as individuals are more inclined to act upon opportunities they are more likely to discover more opportunities in their career paths. Granted, opportunity costs exist as some opportunities are immediately disqualified when individuals choose other opportunities, thus shifting resources and attention away (Shane, 2003). The individual traits of risk tolerance, action propensity, level of energy, curiosity and work ethic that characterize entrepreneurs (Locke and Baum, 2007) also aide in opportunity effectuation and subsequent discovery. Risk tolerance is an individual’s ability to handle risk and it has been shown to be a core trait of entrepreneurs. The inclination to act is also crucial for opportunity conversion and also has been described as a core component of
the entrepreneur psyche (Locke and Baum, 2007). Further it takes a significant amount of personal energy to act upon opportunities, which again characterizes entrepreneurs and goes hand in hand with a strong work ethic. Many successful entrepreneurs demonstrate an exceptional work commitment to converting opportunities—far beyond what would be considered normal bounds (Locke and Baum, 2007). Last, curiosity leads to opportunity discovery and effectuation. Asking why in many instances has lead to many significant discoveries—especially as it pertains to questioning dominant paradigms. Steve Jobs was a notable example of an individual with a questioning mindset. Moreover, I would ask you to consider someone you know who is opportunity prone and list his or her traits.

In addition to our dispositions, the role of individual characteristics and experiences affects opportunity discovery. Our interest affects the information we attend to and thus defines our field of search for opportunity (Fiske and Taylor, 1991). Further expertise has significant influence as to the information that we attend to—primarily sensitivity to anomalies that would not be discovered by a novice to a field (Chi, Glaser and Farr, 1988). Conversely novices tend to question the fundamental paradigms held by experts thus allowing avenues for opportunity discovery. The well used question of a newcomer asking, “Why do we do this?” to a common routine, and the reply of “We’ll that’s the way we always did it” from an experienced person highlights this case. The level of individual scanning also is likely to influence opportunity discovery. Those who scan the environment more are likely to discover the existence of opportunity or have a larger informational repertoire to see opportunity (Finkelstein and Hambrick, 1996). Last, success and failure with past opportunities will affect future opportunity effectuation and discovery. Success leads to increased effectuation with opportunity and failure tends to steer individuals away from acting upon additional opportunities. These factors highlight the role of individual history and path dependence on opportunity discovery, selection and effectuation.

Community and opportunity

Social capital—our connections with others (Coleman, 1988) has significant influence on the availability of opportunity. If we examine the nature of information and opportunity creation as discussed before, we can see that having access to certain people may allow us access to privileged information. This information could be the source of a new entrepreneurial opportunity or lead to a path of information that offers significant benefit. For example, by interacting with others, ideas can emerge, be developed, and take on richer form. Ideas are the seeds of opportunity, and further, one’s connections with others can assist in their proper selection and effectuation. Each of us also possess our own unique knowledge, experiences and abilities know as human capital (Becker, 1975). Opportunity development can be improved by having connections with others who possess the right human capital to help us with our journey.

Social network theory provides helpful insight on how we can build our networks to better enable the opportunity process. Rather than developing tight clustered networks with access to the same base of information we should seek to bridge out to other social environs (Granovetter, 1973; Burt, 1992). Figure 2 highlights the role of network connections and access to new information. Using the same number of connections an individual can still maintain an existing network while reaching out to other new groups (Burt, 1992). This example demonstrates that making connections into new social groups is likely to help our own chances
for discovering opportunity. Moreover, imagine the case where expert advice is sought out to better develop a business opportunity. The entrepreneur builds an advisory board where each member provides sound guidance for the emergent concern. The deep level of human capital is likely to significantly improve the new concern’s probability of success. In addition, relationships with others are likely to improve access to resources for opportunity effectuation and perhaps open the door for consideration of new opportunities. Resources exist in many forms such as capital, knowledge or connections to social networks. Similar to connections with others access to resources is the lifeblood of opportunity development and new venture creation. In many instances we see entrepreneurial clusters that are rich in human and physical resources that are conducive to entrepreneurial endeavors (Feldman, Francis and Bercovitz, 2005). After reviewing these factors, the reinforcing nature of human relationships on opportunity discovery, selection and effectuation becomes evident.

**Technology, context and opportunity**

Contextual change and technological advances are a source of opportunity for individuals and entrepreneurs. Entrepreneurs in many instances are able to detect and act upon opportunity from changing context and technologic advances. It is this first seeing that creates a temporal window where those who act have the ability to reap reward. I define context as the economic, societal and environmental background. Examining context from an economic perspective the factors of industry structure, turbulence, competition, innovation, industry mindsets and dominant technologies all affect opportunity. Employing standard strategic analyses will certainly help us to see the role of these factors. Moreover, if we take a critical perspective and question why—we may begin to detect avenues of opportunity. The hypercompetitive view of strategy (D’Aveni, 1994) with its Schumpeterian (1942) underpinnings is an exemplar of employing solutions to questioning and undermining dominant industry paradigms. Entrepreneurs such as Steve Jobs took this approach and significant altered industries from home computing to telephony.

On the societal front demographics determine many of the fertile fields for opportunity. This is evident by the explosive growth of the health care industry in the United States as a significant portion of our population ages. In addition, the increased pace of human activity has spurned new options that set a premium on convenience and time saving such as the rise of prepared foods. Opportunity is ever present when we examine the current status and anticipated shifts within the human condition. Many entrepreneurs have a keen sense on how to detect and deliver on the opportunity that is created by our societal shifts. In addition the nature and changes within the physical environment are likely to be the source of opportunity. Historically the natural environment has not been an opportunity generator to the degree of shifts with human interaction. However, current day evidence suggests that climate change and the interface of our species with the natural environment represent a source of opportunity. Entrepreneurs have already begun acting upon opportunities at this interface in such areas of renewable energy and green building.

The essence of technology is the conversion of inputs to outputs or it can be seen as simply the means within a process (Woodward, 1965). In our current time, technology is often tied to information, thus losing its encompassing scope. We have seen the opportunities generated by new technology as productivity, efficiency and qualities have increased across
many fronts. For example in timber harvesting we have progressed within the last 200 years from mechanical axes and saws, to chain saws, to automated feller bunchers that cut and haul the tree to the log truck. More mainstream are the advances in social media and the opportunities that platforms such as Facebook have provided. Entrepreneurs in agriculture have capitalized on these new technologies to grow their businesses (Gagnon and Crowley, 2010). Individuals who scan and keep aware of new technologies within their respective fields are likely to discover more opportunities.

**CONCLUSION**

The role of the individual is central to opportunity identification and effectuation. This holds true for strong game changing opportunities versus those that are less disruptive and may reside in the idiosyncrasies of the individual. Overall if we consider our traits and those of our client’s we should be better able to understand the role of the individual in the opportunity recognition and effectuation process. Further there is a strong community element that represents the field for opportunity development. Consider the abundance of opportunities that exist for tech focused entrepreneurs who elect to be part of the community in places like Silicon Valley. Further, technology or the means of conversion processes continues to advance at an exponential rate in many key areas and is a factor in opportunity creation. Individual awareness and creativity in applying the new developments of technology to solve our problems is clearly a source of opportunity. Finally, we are immersed in our present day context which is grounded in all the decisions we have made in the past. Seeing the trends of today and the emerging trends as they play forward into time further defines the backdrop of opportunity. This is certainly true for entrepreneurship.

So what does this mean for educators? First, we need to be aware of the factors that influence opportunity development and recognition and help facilitate awareness in our clients. A significant amount of educational exercises are available to utilize to help clients improve their opportunity recognition, selection and effectuation skills. Exercises such as: What’s in your wallet? (Seelig, 2009) highlight that even in everyday items there is opportunity to improve. In this exercise participants are asked to interview each other in pairs about what they like and dislike about their wallets. Then, participants are asked to create a new wallet and sell the new wallet to their partner. I’ve found that new ideas emerge each time this classroom exercise is conducted. Second, as a result of our unique position we are able to help our clients make the right connections with others to improve the opportunity process. Consider the essential role of entrepreneur networking and new venture success. As educators we have the opportunity to be central to this process and are a source of trusted information. Finally, as educators we have an obligation to continue to develop and act upon the right opportunities that are in our field of vision. Through our own interaction with opportunity we will be able to deliver more value to our clients and share in the experience of the opportunity process.
REFERENCES


Figure 1. Factors affecting opportunity discovery, selection and effectuation
Figure 2. Network optimization

Source: Burt 1992
Economic Contribution of Maine’s Food Industry Entrepreneurs

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This presentation was based on a study conducted in 2011 at the University of Maine. We examined the statewide economic contribution of Maine's food system using an input-output model and secondary data from state and U.S. government sources. Economic contribution is defined as the sales revenue, employment and labor income resulting from the production, processing or sales of food products in Maine. Maine’s food industry is treated as two distinct, but interrelated components; the food makers (i.e., farms, fisheries and food processing companies) and the food sellers (i.e., grocery stores and restaurants).

The results of our study indicate that Maine’s food system is an important component of the state’s overall economy. Our findings show that the total economic contribution of Maine’s food industry is $11.5 billion in sales revenue, 112,674 full-and part-time jobs, and $3.1 billion in labor income.

The Margaret Chase Smith Policy Center at the University of Maine recently published the results of this study in a special issue of the Maine Policy Review that was devoted to food-related issues. Our paper is available online at: http://mcspolicycenter.umaine.edu/files/pdf_mpr/v20n1/PDF_articles/economic_Contribution.pdf
Creating a Sustainable Entrepreneurship Development Program

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Purpose

The Southern Entrepreneurship Program (SEP) was founded in 2007 by the University of Southern Mississippi (USM) and its partners. SEP teaches program participants entrepreneurial skills, financial literacy, networking, and business plan development. The purpose of the program is to provide these skills and opportunities to participants with the end goal of assisting participants of starting and operating successful small businesses. The program works with schools, colleges and universities, governmental agencies, private businesses, funding agencies, civic organizations, and community and economic development organizations to establish entrepreneurial friendly communities and thereby increase the likelihood of program establishment, success, and sustainability. Participating communities are assisted in developing Entrepreneurial Community Coalitions consisting of the above described partners. SEP helps it partners create dynamic partnerships of public and private entities. The program results in new small businesses that enhance regional economic development and civic education.

Target Audience

This program was piloted in four high schools in 2007, expanded to 8 schools in 2008, 16 high schools in 2009, 24 schools in 2010. Concurrently, the program was further expanded to work with community/junior college students and displaced workers via the community/junior colleges and WIN Job Centers. To date, over 2000 high school students, community college students, and displaced workers have been trained in the SEP curriculum. The program has since grown to engage over 60 high schools in six states (Mississippi, Alabama, Louisiana, Wisconsin, Illinois, and Colorado), 22 community and junior colleges, and unemployment centers across the United States.

Discovering and Creating Entrepreneurs

What do entrepreneurs look like? Can they be created? These are just two questions that researchers have examined in recent years. Several factors impact the likelihood of individuals engaging in entrepreneurial ventures. The first factor is age. For example, The E. M. Kauffman Foundation issued a report indicating that in a survey of 600 company founders, Americans between the ages of 55-64 had the highest involvement in entrepreneurial ventures (Stangler, 2009). However, younger entrepreneurs represent the fastest growing segment of the US entrepreneurs. Korschning and his colleagues (2008) found that younger residents of his sample held the highest entrepreneurial ideations. Lindner and Cox (1998) similarly found that younger respondents in their survey were more like to express entrepreneurial tendencies.

Income of family of origin was also found to be a predictor of entrepreneurial activity. Wahdwa and his colleagues (2009) indicated that 90 percent of their sample of business founders was from the middle to upper class. The authors posit that successful business owners learn many of the tactics, strategies, and techniques of being a successful entrepreneur through interaction with others, thus supporting community interactional field theory (Wilkinson, 1970).
Education is also a strong predictor of entrepreneurial engagement. Again, Wahdwa and his colleagues (2009) found that 75 percent of business owners surveyed indicated that they were in the upper 30 percent of their classes while in high school and also significantly more likely to have attended college. Korsching and his colleagues (2007) similarly noted that more educated respondents were more likely to be entrepreneurs.

Entrepreneurs do not emerge in a vacuum. Rather, communities supportive of entrepreneurship and small business development have distinct characteristics. Markley and Barkley (2003) note that communities are ready to engage in entrepreneurial development when certain qualities and characteristics are evident:

- Particular capacities in human, financial, and physical infrastructure
- Supportive business/entrepreneurial history
- Strong self-image with positive citizen and community attitudes
- Open and creative community leadership that is nurturing to emerging leaders

According to Granovetter (1985), successful applications of entrepreneurship occur within the context of the community and are based on the existing resources within a region. Similarly, Lauer (2005) noted the advantage of strong, economic ties and the resources that flow through them among entrepreneurs. SEP focuses on creating entrepreneurial opportunities that enable participants to utilize their collective networks for development and growth. Similarly, the embedded nature of the program enables participants to develop a wider network than would be possible in a single-county network structure. Utilizing existing business and community networks through county industrial and economic development foundations, chambers of commerce, and academic and government entities enables program participants’ access to additional resources heretofore untapped by the participants (Burt, 2002).

In general, universities, industrial development corporations, and chambers of commerce, and other economic development organizations have failed to adequately address embedded entrepreneurialism. Most efforts to spur entrepreneurialism in the region have emerged in a laissez faire format involving competition rather than through a dedicated collaborative effort (Hustedde, 2006). It is expected that the focus on the development of embedded entrepreneurs will increase the likelihood of business success and growth (Lauer, 2005).

In an attempt to overcome laissez faire development, SEP created a community coalition consisting of educators, entrepreneurs, students, economic development professionals, and funding agency representatives from banks, credit unions, angel capitalists, venture capitalists, and microcredit lenders. Full participation and ownership from all partners insures the viability of the project. The community coalition works with the partnering school districts to:

- Identify program participants;
- Identify funding opportunities for program graduates;
- secure sponsorship of the high school programs from banks, law firms, and large
industries;
- Encourage entrepreneurs to serve as mentors to the students;
- Local business incubators providing space for SEP participants to start businesses at reduced rates or at no cost;
- Working with economic development professionals to engage with the teachers to increase opportunities for student participants to have access to business development tools; and
- To encourage participation from the wider community in entrepreneurial supportive policy and activities.

Justification of the Program

The Mid South Region (Alabama, Arkansas, Louisiana, and Mississippi) has a long history of pervasive poverty and educational underachievement. According to the United States Census Bureau, the poverty level of residents is higher in the Mid-South region than the national average (U.S. Census Bureau, 2011). These figures have significantly increased since the downturn in the United States economy (U.S. Census Bureau, 2008). Only Louisiana saw decreases in poverty from 2008 to 2011. Much of this decrease can be attributed to recoveries from Hurricanes Katrina, Rita, and Gustav.

### Table 1. Percent of Residents Below Poverty Level

<table>
<thead>
<tr>
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<th>United States</th>
<th>Alabama</th>
<th>Arkansas</th>
<th>Louisiana</th>
<th>Mississippi</th>
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<tbody>
<tr>
<td>2008</td>
<td>12.7%</td>
<td>16.1%</td>
<td>15.6%</td>
<td>19.2%</td>
<td>19.3%</td>
</tr>
<tr>
<td>2011</td>
<td>14.3%</td>
<td>17.5%</td>
<td>18.5%</td>
<td>17.6%</td>
<td>21.8%</td>
</tr>
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United States Census Bureau (2008 & 2001)

As a result, many of the region’s best and brightest students of all ages seek education as a mechanism for leaving the region for perceived economic opportunities in other parts of the country (Carter, 2011). The resulting brain drain results in a less-skilled workforce, impacting the region’s economic viability. Similarly, many of the most capable future business owners leave the region impacting the viability of business development.

The Mid-South region has mirrored the rest of the United Stated in experiencing significant declines in the manufacturing sector since 1990. According to the Bureau of Labor Statistics (2008), in 1990, 16 percent of the country’s workforce was employed in the manufacturing sector. By 2007, that figure had declined to only 10 percent. Mississippi experienced greater losses in this sector as 21 percent of the state’s workers were employed in the manufacturing sector.
sector in 1990. By 2010, that figure had dropped to only 10.5 percent (Mississippi Department of Employment Security, 2011). This 10.5 percent decline was caused by numerous plant closings, shifts from manufacturing to knowledge economy based jobs, and the globalization of manufacturing. Similar statistics are present in the surrounding Mid-South states.

Unemployment in many Southern states is significantly higher than the national average. In 2011, Mississippi ranked only below the District of Columbia, California, and Nevada at 10.6 percent (Bureau of Labor Statistics, 2011).

Numerous regional organizations such as the Small Business Development Center Network, state economic development agencies, planning and development districts, community/junior colleges, state Departments of Education, and state Councils for Economic Education are working with SEP to promote small business development. These organizations have vital stakes in the outcomes from the plan of work that is currently undergoing a rapid growth phase (Eberts and Erickcek, 2002). SEP and its partners are engaged in programs seeking to stimulate economic development. This project helps the participating high schools, community colleges and their partnering economic development organizations stimulate economic growth with young adults, businesses, and community partners. Furthermore, the program fosters invaluable educational and research opportunities for numerous students.

The vast majority of private business establishments in the Mid-South region have fewer than 50 employees. These smaller firms, many of which are family owned, tend to face a common difficulty or shortcoming which this project seeks to remedy. In particular, a large percentage of these businesses are operated by individuals who are quite knowledgeable regarding the particular requirements of their chosen endeavors. However, major stumbling blocks for many of these entrepreneurs are sufficient capital and the knowledge to manage finances, to control inventory, and to create viable financial plans.

The focus of the SEP program is to deliver these crucial skills to representatives of micro-sized, family owned business enterprises in the region. This innovative project focuses on time-tested strategies and specific financial knowledge while taking advantage of advances in micro-computer technology and small business oriented software. The program is intensive, with each cohort meeting with various facilitators, each with specific training or skills in an area of be covered.

**Goals:**

SEP is based on seven core objectives that are assessed on a consistent basis. Specifically, the steps to accomplishing the objectives and expected benchmarks are assessed against the realized outcomes of the project. While programmatic successes are expected, lessons learned through the evaluation process provide critical feedback for program development. The following represents the SEP objectives, support for those objectives, and the outcomes of the objectives in the pilot year of the program.
**Objective 1.** To identify participants to become enrolled in one of the SEP programs:

- One or two classes of fifteen students per high school district;
- Up to 25 participants per community colleges; or
- Up to 25 displaced workers per locale.

Program participants are identified in collaboration with the partnering host agencies. Each agency engages the training in their existing coursework or scope of work. High schools have participated typically in the course of their 9-month school year. Community college participants engage in the training as an amendment to their coursework. Displaced workers engage in the training, thereby maintaining their qualifications for the continued reception of unemployment benefits.

All locations are encouraged to personalize the program by using their own metrics to recruit/enroll participants.

**The Outcomes from Objective 1**

*High School*

In the pilot year of the program (2007-2008), 70 students from four high schools and seven community college students participated in the SEP. Seven high school students started successful businesses including a uniform clothing store, a New Orleans shaved ice company, a flying service, a landscaping business, a cosmetology business, a music business, and a computer consulting/repair service. Of the high school students that started in the program, 64 completed (91.4 percent). Only two participants dropped out of school in a state where the dropout rate is 38 percent (Mississippi Department of Education, 2008). The remaining four students left the program for various reasons but remained in school.

From 2007-2011, a total of 410 youth have started the program. Of those students, 389 have completed the program. Nearly half of those students indicated that they didn’t want to be entrepreneurs any longer. A total of 70 new businesses have started.

*Community College Certification Program*

In 2008, SEP initiated a community college entrepreneurship training program. The program recruited 15 students to attend the class. Seven completed 85 percent of the coursework requisite for certification. Four of the seven community college participants started businesses with the remaining three expecting to start businesses in the next two years. The delay in starting businesses for the remaining three participants was due to certifications requisite to starting their own businesses.
A second community college cohort started in September, 2008. SEP personnel hosted a train-the-trainer course for all 15 community colleges in Mississippi and four community colleges in Alabama. This course enabled participating community colleges to institute SEP in their districts.

As of 2011, all 15 community/junior colleges in Mississippi, four in Alabama, and two in Illinois are participating in SEP.

Displaced Worker Program

SEP piloted the Mississippi Entrepreneurship Training Program (METP) in three WIN Job Centers in Mississippi to train displaced workers through 14-week intensive entrepreneurship training. Over 40 displaced workers received entrepreneurship training resulting in the starting of numerous businesses including consulting, retail, insurance, hazardous materials, entertainment and leisure, light manufacturing, and more.

Additional METP classes have been held throughout the State of Mississippi through collaborations with community/junior colleges. College staff were trained in the SEP program and certified as trainers. These trainers then worked with WIN Job Center staff to enroll participants and provide the training. The colleges received $200 per participant in the program. To date, over 1,500 displaced workers have been trained in this program. Once participants complete the program, they are referred to the Small Business Development Center for follow up in their business initiation.

Objective 2. To provide participants the basics of the Network for Teaching Entrepreneurship (NFTE) training program to be able to instruct to program participants. This program includes basic accounting and marketing training and also results in the development of a business plan.

Program participants receive training and hands on experience in accounting, marketing, developing a business plan, and receive continuous feedback on their progress. Other seminars are offered to program participants as the interests and strengths of the program participants are identified using a participant resource assessment and in focus group discussions. Instructors are encouraged to utilize existing business owners and managers to work with and engage the program participants in building their social network capital (Flora & Flora, 1993).

Successful entrepreneurship development programs don’t simply teach about entrepreneurship. They assist participants in becoming entrepreneurs. This is accomplished by using an approach based on the following skills.

- Research
- Critical evaluation
- Team building
- Presentation
The Outcomes from Objective 2

Participants in all SEP programs receive NFTE training thereby increasing their understanding of the basics of business startup. The core curriculum and relevant business experience from guest lecturers result in student readiness for core testing in the high school program and for participation in business competitions. The guest lecturers consisted of entrepreneurs, representatives from financial institutions, and business development professionals (incubator directors and Small Business Development Center representatives). In addition to hearing success stories, participants were encouraged to take advantage of programs specifically targeting small business development.

One high school team had never participated in the entrepreneurship category of the Future Business Leaders of America. A team of SEP participants placed second in the Mississippi state competition in that category. Additionally, students from both programs noted perceived readiness to start their own businesses as a result of participation in the courses and from their increased network opportunities.

Objective 3. To provide students with QuickBooks training enabling them to be more effective in their fledgling business efforts. Students receive training in QuickBooks due to its user friendliness in tracking company resources, producing invoices, and tracking customers. Business owners’ financial literacy and ability to maintain proper records is critical to business success. While any financial tracking program could be used, QuickBooks provides significant training options for teachers.

The Outcomes from Objective 3

Participants in all SEP programs receive training in QuickBooks. High school students create accounts for their fictional and actual businesses. Four schools have established student-run businesses in the high schools to provide an enriched learning environment for their students. Students use QuickBooks to monitor sales, track inventory, and issue purchase orders.

Objective 4. To increase the likelihood of new entrepreneur success by engaging existing business leaders to serve as mentors for the program participants. Ideally, program participants are partnered with mentors in similar business fields. To increase the participants’ Entrepreneurial Social Infrastructure (ESI) (Flora & Flora, 1993), mentors from existing businesses are recruited to work with participants in the course of the program. Special attention is given to recruiting mentors from similar fields to that of program participants, thus, increasing the likelihood for strong entrepreneurial ties. These ties increase levels of trust and reciprocity that facilitate successful business development (Lauer, 2005). This also increases the ESI of both parties and the group as a whole.

The Outcomes from Objective 4

Students from the high school, community college, and displaced worker programs are encouraged to seek out mentors from the business community. Opportunities to identify mentors
are also provided through direct contact of potential mentors through guest lectures, symposium participation, and field trips to entrepreneurial firms. Local economic development agencies, chambers, and business incubators are also heavily involved in the mentor identification process. The community coalition is extremely helpful in this process. Board members provide critical feedback, introduce mentors to the program, and encourage mentor development at the local level.

Three symposiums are held for the high school participants wherein the schools were brought together to learn about 1) the basics of entrepreneurship; 2) getting a business funded; and 3) business development through a business plan competition. Participants interact with other entrepreneurs, funders, and organizations specializing in business development.

A social networking platform was constructed to enable program participants from all SEP programs to interact with each other, with potential mentors, and symposium participants. Best practices for teachers, discussion forums, and interest groups are also available on the site. The resulting interaction enables the sharing of information across school and host sites and the development of an entrepreneurial business network for program participants and partners. The site can be found at http://www.theSEP.org.

**Objective 5.** To provide stimulants for new business development by providing program graduates opportunities to obtain private funding options. Program participants present business plans constructed in the program to panels of funders for consideration. Business plan competitions are held with winners receiving money and support services.

One of the main barriers to business development and particularly for entrepreneurial or new business ventures is the acquisition of capital, termed by Aldrich and Fiol (1994) as the liability of newness. To increase the likelihood for startup success, participants are provided opportunities to obtain private funding. Program participants construct and present business plans to panels of funders (banks, micro-lenders, venture capitalists, and angel capitalists) and incubator operators. Additional resources are sought through existing public and private lending entities for participants and alternates as the need is deemed. Responsibility for securing and repaying development capital rests with the borrower in accordance with established policies of the lending or granting institution.

Additionally for high school students, a bootstrapping program called “Making Money Now!” (MMN!) has been established. This program teaches participants the necessary skills to bootstrap their way into business. Students are given seven months to make as much money as possible. However, students are only allowed to start out with $10. They must complete five separate entrepreneurial projects and keep track of their financials. The student that makes the most money during the competition is awarded $500 for his or her efforts. Teachers are also instructed to use this program to teach QuickBooks and record keeping.
The Outcomes from Objective 5

Students from the high school and community college programs presented their business plans to panels of funders, state and federal agencies, and business incubators. All participants received feedback from the judges that participated in the program. This feedback was used in critical evaluation of the business plans and provided several students the opportunity to refine their plans and present them to funding agencies. As noted above, several students started their businesses and this feedback was essential to their obtaining funding for their business ventures.

The local economic development agencies and business incubators coordinated with SEP to offer at least one student or group of student per high school with one-year of free rent and services at the incubator. Of the business plan competition winners, only one company needed the physical space allocated by the incubators. However, all benefitted from the variety of services provided by the incubators.

Through the displaced worker program, funding agents indicated that several of the participants were successful at gaining access to capital for business start-up through banks and other capital programs.

In 2010, the first year of the “Making Money Now!” contest, the student entrepreneur winner made $7,348 during the seven month program. In 2011, the figure was over $5,000. The $500 prize is sponsored by a partnering financial institution that funds the program and prize with money designated for the Community Reinvestment Act.

The MMN! contest is also being used with additional youth not participating in SEP but participating in a program designed to assist them in developing individual development accounts. To date, over 75 youth from disadvantaged homes are participating in this program and reaching their savings goals using the MMN! format.

Objective 6. To conduct on-going evaluation efforts throughout the program development and implementation process to assure that all tasks in the effort are completed in an efficient and effective manner.

Staff of the Center for Economic and Entrepreneurship Education at the University of Southern Mississippi (USM) have responsibility for conducting continuous evaluation during all phases of this program. Dr. Brent Hales and Mr. James Wilcox and several graduate students from the USM Masters of Economic Development Program developed formal, evaluation instruments that are used by the evaluation team to collect pretest and posttest data from program participants.

The Outcomes from Objective 6

In the pilot phase of the project, posttests were administered to program participants assessing their perceptions of business readiness, general knowledge of business, and satisfaction with the program content. The results of these evaluations were used to plan for the current year.
However, midway through the pilot year, several students noted the need for an online social networking program that would facilitate communication and the sharing of best practices among program participants. As a result of the feedback received, the SEP website was created. The continuous feedback received throughout the pilot year directed the development of all aspects of the program.

Each year, pretests and posttests are administered to high school participants. The results of the evaluations are used for program enhancement and are distributed back to the participating schools.

**Objective 7.** To enhance and sustain the work of the University of Southern Mississippi and its SEP partners by enhancing their ability to maintain an ongoing entrepreneurial development program with local funds.

The program development activities described above significantly enhances the development of new businesses and increases the capacity of program participants of the Mid-South to remain in the area. As the project partners implement each action project, strategies are developed that enable each county to sustain the program with internal funds. It is expected that the counties identify avenues for entrepreneurial development for young adults after the project has ended. SEP project partners work with its partners to seek external funding from other sources to help increase the sustainability of the program.

**The Outcomes from Objective 7**

SEP has successfully developed partnerships with local, regional, state, and national organizations interested in the development of entrepreneurial activities in the Mid South region. SEP began with no external funding but instead built upon the existing resources of the community. Hence, any external funds were used to augment the ongoing efforts of the program at the local level. Funds were raised from the business community primarily to support the schools’ attendance at SEP symposiums and to purchase texts. Additional symposium sponsorships supported the symposiums at no cost to the students.

Long-term, sustained financial support of the SEP program will be generated by seeking line-item budget support from the participating state governments. Additional support will continue to be sought at the local level from the business communities to support participation in the symposiums and other extracurricular activities as designed by the schools.

**The Future of the Southern Entrepreneurship Program**

The Center for Economic and Entrepreneurship Education has developed a train-the-trainer curriculum for teachers in middle schools, high schools, and community colleges to institute SEP at each partnering entity. The Master Teacher of Entrepreneurship (MTEnt) is an endorsement certification developed in conjunction with the Mississippi Department of Education. As of
2012, all teachers interested in receiving an endorsement in entrepreneurship will be required to complete the MTEnt program and participate in the Southern Entrepreneurship Program. This is also reflective of the curriculum redesign that has been undertaken by the State of Mississippi and led by SEP staff.

In 2011, 99 MTEnts have been trained and certified. The Mississippi Department of Education has requested that 1,600 teachers be trained by 2016 and that every school in Mississippi have SEP fully operating. This effort will result in tens of thousands of students being exposed to the program and entrepreneurial skills annually.

A middle school program is currently in the final year of a three-year pilot program. The curriculum that it is based on will be available in 2012. For more information on this program, please see http://www.learningpaper.org.

SEP has also been instituted in collaboration with the Mississippi Band of Choctaw Indians for high school students and displaced workers.

SEP is growing across the country and the globe. In conjunction with partnering institutions, SEP is being instituted in numerous states in the United States and countries throughout the world. Programs in Illinois, Wisconsin, Alabama, and Louisiana are currently in operation. Additional partner sites are being trained and will double the footprint of the SEP program in 2012. While challenging, the massive growth expected will result in the potential for thousands of the region’s young adults to gain valuable business skills, initiate business development, and reduce drop out rates and brain drain.

**Conclusion**

Opportunities to promote entrepreneurial development exist for agencies at all levels, be they public or private, for-profit or non-profit. The Southern Entrepreneurship Program was started with the belief that regional economic development is possible through the utilization of existing assets, namely its best and brightest. SEP demonstrates the potential for collaborative partnerships across government, business, and civic organizations. The skills taught, networks created, and opportunities shared will live long after the program participants have exited the program. Additionally, for much of the rural US, entrepreneurial development remains one of the bastions of hope for struggling communities.

SEP program partners have sought to overcome regional, political, social, and economic barriers to entrepreneurial development. Through the growth of the program from high schools to community colleges and to the creation of a displaced worker program, SEP has positioned itself to be a driver of the entrepreneurial development in the Mid-South region.
References Cited


Using IMPLAN to Identify Entrepreneurial Opportunities through Gap Analysis

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Research suggests that traditional industry recruitment practices are ineffective job creators. Over the 1992 to 2006 period the average state realized only 1.9 percent of annual job gains from business relocation (Kolko, 2010). The overwhelming majority of job creators were expanding local industries (41.8%) and new local establishments (56.3%) (Kolko, 2010). Targeting the appropriate industries for recruitment, creation, or expansion requires a strong base of knowledge and data including a basic understanding of how regional economies operate, the resources available to the community, and the assets the community can leverage to improve their economic conditions. Recognizing these assets and opportunities requires current economic data that accurately describes the structure of the community’s local and regional economy. Input-output (I-O) models are one analysis tool used to describe these economic structures and the impacts that can result from changes in economic activity.

I-O models are frequently used as a predictive model generating economic multiplies to examine “what-if” scenarios that describe the reaction of a local or regional economy to an economic “shock” such as a new industry entering a region’s economy or the loss of a major employer in the community (Schaffer, Deller, and Marcouiller, 2004). Constructing the multipliers requires a rich set of data that can also be mined for descriptive analysis. As a descriptive tool, I-O models provide information on the current structure of a regional economy. They are used to analyze industry employment, output and incomes; describe supply-demand relationships between industries; and estimate final demands of goods and services by regional industries, institutions and households. In this capacity they can be used to identify “leakages” in a region’s economy, dollars lost from the region due to purchases of goods and services from outside the region.

Industries import products for a variety of reasons: First, there may be a “gap” in the supply chain (Deller, 2009). That is, the product is simply not available locally, or not available in sufficient quantities. In this case, the region may want to recruit businesses that can fill this gap. Second, the product may be available locally but the buying and selling businesses are somehow unaware of each other’s presence creating a “disconnect” (Deller, 2009). In this case, the community would want to encourage networking or the development of business directories that connect local industries. In either case the community should use local knowledge to explore the situation further. Some “disconnects” in the region may exist for good reasons: Companies may require specialized / custom products; or the definition of “local” extends beyond the region of analysis. Likewise, the “gap” in the supply chain may exist because required businesses do not fit the economic, social, or environmental needs of the community.

The method presented here is based on Steven Deller’s “Wisconsin Approach” (Deller, 2009). The I-O modeling program IMPLAN is used to describe the local/regional economic structure and identify opportunities for internal growth by targeting industries that can supply intermediate inputs thereby filling gaps and minimizing leakages from the economy.
Targeted Audience

The project was a component of the technical assistance offered to five West Virginia regional development teams through USDA Rural Development’s Stronger Economies Together (SET) program. SET is a partnership between USDA RD, the Regional Rural Development Centers, and state Extension educators. The program works with economic development organizations and county economic development authorities to generate region specific economic development strategies. The process and data would be suitable for any team of regional or county economic development officials and practitioners.

Program Goals

The goals of the program are to provide data and analysis specifically tailored to a region’s unique economic structure. The process helps leaders better understand how their local/regional economy operates and identifies gaps and disconnects in the economy. Through the analysis teams will identify their comparative advantage and industry clusters that could be targeted for expansion, and gaps and disconnects in the economy that could be filled by developing local entrepreneurs or through the focused recruitment of industries.

Approach and Process

The following is an example of the process used in the Eastern Panhandle of West Virginia. The region consists of four counties (Jefferson, Berkeley, Morgan, and Hampshire) with varying degrees of rurality. The Panhandle is bordered by Maryland and Virginia and less than 50 miles from Pennsylvania; a large portion of the region’s workforce commutes to the Washington D.C. metro area for employment. Members of the region’s development team were directors of their respective counties’ economic development authorities.

The analysis begins with a general discussion of the economy: what industry sectors are the leading employers; what sectors have seen the most growth; which are the greatest income generators? At this point team members were presented with historical employment and earnings data that describe the economy at the two digit NAICS supersector level. In the Eastern Panhandle these dominant and growing industries include government, healthcare, and tourism related businesses.

The discussion of which industries dominate the regional economy continues with the presentation of data from IMPLAN. IMPLAN not only presents industry data at a more detailed level than the previous two digit supersector level, but encourages team members to expand their thinking of economic measurements and “good jobs” by considering output and value added
components. Four metrics are presented: employment, output, wage and salary, and total value added. Examples of the region’s leading industries by output and employee compensation are presented in Tables 1 and 2.

Table 1. Largest Sectors: Industry Output

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>Million Dollars</th>
<th>Share of Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>7,882</td>
<td>100</td>
</tr>
<tr>
<td>Employment and payroll only (federal govt, non-military)</td>
<td>609</td>
<td>7.73</td>
</tr>
<tr>
<td>Employment and payroll only (state &amp; local govt, education)</td>
<td>516</td>
<td>6.55</td>
</tr>
<tr>
<td>Soap and cleaning compound manufacturing</td>
<td>278</td>
<td>3.53</td>
</tr>
<tr>
<td>Food services and drinking places</td>
<td>255</td>
<td>3.23</td>
</tr>
<tr>
<td>Wholesale trade businesses</td>
<td>222</td>
<td>2.82</td>
</tr>
<tr>
<td>Private hospitals</td>
<td>217</td>
<td>2.76</td>
</tr>
<tr>
<td>Construction of other new nonresidential structures</td>
<td>192</td>
<td>2.44</td>
</tr>
<tr>
<td>Real estate establishments</td>
<td>190</td>
<td>2.41</td>
</tr>
<tr>
<td>Amusement parks, arcades, and gambling industries</td>
<td>180</td>
<td>2.28</td>
</tr>
<tr>
<td>Monetary authorities and depository credit activities</td>
<td>174</td>
<td>2.20</td>
</tr>
</tbody>
</table>

Table 2. Largest Sectors: Wage and Salary Income

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>Million Dollars</th>
<th>Share of Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>2,724</td>
<td>100</td>
</tr>
<tr>
<td>Employment and payroll only (federal govt, non-military)</td>
<td>539</td>
<td>19.78</td>
</tr>
<tr>
<td>Employment and payroll only (state &amp; local govt, education)</td>
<td>454</td>
<td>16.68</td>
</tr>
<tr>
<td>Employment and payroll only (state &amp; local govt, non-education)</td>
<td>123</td>
<td>4.50</td>
</tr>
<tr>
<td>Private hospitals</td>
<td>96</td>
<td>3.51</td>
</tr>
<tr>
<td>Food services and drinking places</td>
<td>84</td>
<td>3.07</td>
</tr>
<tr>
<td>Wholesale trade businesses</td>
<td>80</td>
<td>2.93</td>
</tr>
</tbody>
</table>
The metrics are also placed on a per job basis and presented against the state and nation. For measures like output per job, the method allows the region gauge productivity relative to other regions (Table 3). For measures like employee compensation, it encourages the team to think about job quality (Table 4). For example, “Food services and drinking places” are in the top ten industries for both total output and total wage and salary income; however these jobs only average $17,148 per worker, a wage lower than even the national average of $19,930.

Table 3. Industry Output per Job, U.S., West Virginia, and Eastern Panhandle

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>U.S. ($)</th>
<th>West Virginia ($)</th>
<th>Panhandle ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soft drink and ice manufacturing</td>
<td>677,458</td>
<td>677,535</td>
<td>771,149</td>
</tr>
<tr>
<td>Support activities for other mining</td>
<td>510,195</td>
<td>639,543</td>
<td>614,507</td>
</tr>
<tr>
<td>Forestry, forest product, and timber tract production</td>
<td>388,942</td>
<td>487,834</td>
<td>502,380</td>
</tr>
<tr>
<td>All other misc. professional, scientific, and tech services</td>
<td>199,790</td>
<td>117,462</td>
<td>267,735</td>
</tr>
<tr>
<td>Mining and quarrying sand, gravel, clay, and ceramic minerals</td>
<td>155,147</td>
<td>243,573</td>
<td>255,229</td>
</tr>
<tr>
<td>Support activities for oil and gas operations</td>
<td>205,686</td>
<td>184,263</td>
<td>248,570</td>
</tr>
<tr>
<td>Brick, tile, and other structural clay product man.</td>
<td>185,583</td>
<td>203,175</td>
<td>244,138</td>
</tr>
<tr>
<td>Sawmills and wood preservation</td>
<td>225,568</td>
<td>214,464</td>
<td>239,274</td>
</tr>
<tr>
<td>Other concrete product manufacturing</td>
<td>195,839</td>
<td>180,956</td>
<td>212,526</td>
</tr>
</tbody>
</table>
Table 4. Wage and Salary Income per Job, U.S., West Virginia, and Eastern Panhandle

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>U.S. ($)</th>
<th>West Virginia ($)</th>
<th>Panhandle ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining and quarrying sand, gravel, clay, and ceramic minerals</td>
<td>47,905</td>
<td>100,738</td>
<td>108,238</td>
</tr>
<tr>
<td>Brick, tile, and other structural clay product man.</td>
<td>54,158</td>
<td>64,581</td>
<td>84,388</td>
</tr>
<tr>
<td>Other concrete product manufacturing</td>
<td>53,294</td>
<td>46,223</td>
<td>64,447</td>
</tr>
<tr>
<td>Veneer and plywood manufacturing</td>
<td>47,225</td>
<td>42,492</td>
<td>62,075</td>
</tr>
<tr>
<td>All other misc. professional, scientific, and tech services</td>
<td>42,823</td>
<td>22,490</td>
<td>59,904</td>
</tr>
<tr>
<td>Sawmills and wood preservation</td>
<td>43,370</td>
<td>36,479</td>
<td>55,232</td>
</tr>
</tbody>
</table>

The notion of regional competitiveness is continued with the incorporation of location quotients (LQ). Following the Wisconsin Approach, the LQ represents an average of the shares across all four metrics (employment, output, value added, wage and salary income) rather than the traditional single employment measure.

Using the region’s LQs as a starting point, cluster development as a strategy to focus economic development and industry recruitment efforts is discussed. Table 5 identifies regional industry specializations (LQ greater than 1) that may also be part of a regional cluster. These include stone mining and quarrying and value added processes such as cement and concrete manufacturing; wood products manufacturing; agriculture; printing and publishing; and data processing, management, and hosting services.

Table 5. Industry Sectors and Location Quotients for Eastern Panhandle Regional Clusters

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>LQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining and quarrying sand, gravel, clay, and ceramic minerals</td>
<td>10.88</td>
</tr>
<tr>
<td>Support activities for other mining</td>
<td>4.93</td>
</tr>
<tr>
<td>Mining and quarrying stone</td>
<td>4.50</td>
</tr>
</tbody>
</table>
Cement manufacturing 26.35
Brick, tile, and other structural clay product manufacturing 4.58
Lime and gypsum product manufacturing 2.52
Other concrete product manufacturing 1.57

Non-upholstered wood household furniture manufacturing 6.36
Sawmills and wood preservation 6.31
Engineered wood member and truss manufacturing 5.79
Veneer and plywood manufacturing 2.09
Wood container and pallet manufacturing 2.06
Forestry, forest products, and timber tract production 1.49

Poultry and egg production 4.55
Fruit farming 3.54
Cattle ranching and farming 2.04
Veterinary services 1.88

Directory, mailing list, and other publications 14.17
Newspaper publishers 3.44
Printing 1.66

Data processing, hosting, ISP, web search portals 1.73
Other computer related services, including facilities management 1.73
Following the LQ’s assumptions, we also discuss competitiveness in terms of the region’s exports. If we examine industries exporting $10 million or greater, many of the region’s leading exporting industries match with clusters identified from the LQ discussion (Table 6). Other possible clusters include wholesaling and truck transportation, and tourism industries related to the gaming industries and racetrack in Charlestown, WV.

Table 6. Eastern Panhandle Cluster Industries Defined by Exports

<table>
<thead>
<tr>
<th>Exported Commodity</th>
<th>$ (Millions)</th>
<th>% of Total Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amusement parks, arcades, and gambling recreation</td>
<td>145.70</td>
<td>5.5%</td>
</tr>
<tr>
<td>Hotels and motel services, including casino hotels</td>
<td>47.95</td>
<td>1.8%</td>
</tr>
<tr>
<td>Restaurant, bar, and drinking place services</td>
<td>15.41</td>
<td>0.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>209.05</strong></td>
<td><strong>7.8%</strong></td>
</tr>
<tr>
<td>Poultry and egg products</td>
<td>37.65</td>
<td>1.4%</td>
</tr>
<tr>
<td>Cattle from ranches and farms</td>
<td>21.32</td>
<td>0.8%</td>
</tr>
<tr>
<td>Canned, pickled and dried fruits and vegetables</td>
<td>19.11</td>
<td>0.7%</td>
</tr>
<tr>
<td>Fruit</td>
<td>19.00</td>
<td>0.7%</td>
</tr>
<tr>
<td>Oilseeds</td>
<td>14.04</td>
<td>0.5%</td>
</tr>
<tr>
<td>Processed animal (except poultry) meat and rendered byproducts</td>
<td>11.47</td>
<td>0.4%</td>
</tr>
<tr>
<td>Grains</td>
<td>10.07</td>
<td>0.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>132.66</strong></td>
<td><strong>5.0%</strong></td>
</tr>
<tr>
<td>Cement</td>
<td>75.72</td>
<td>2.8%</td>
</tr>
<tr>
<td>Sand, gravel, clay, and ceramic and refractory minerals</td>
<td>24.04</td>
<td>0.9%</td>
</tr>
<tr>
<td>Support services for other mining</td>
<td>13.59</td>
<td>0.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>113.35</strong></td>
<td><strong>4.3%</strong></td>
</tr>
<tr>
<td>Wholesale trade distribution services</td>
<td>54.16</td>
<td>2.0%</td>
</tr>
<tr>
<td>Truck transportation services</td>
<td>31.95</td>
<td>1.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>86.11</strong></td>
<td><strong>3.2%</strong></td>
</tr>
<tr>
<td>Dimension lumber and preserved wood products</td>
<td>44.18</td>
<td>1.7%</td>
</tr>
<tr>
<td>Forest, timber, and forest nursery products</td>
<td>20.82</td>
<td>0.8%</td>
</tr>
<tr>
<td>Non-upholstered wood household furniture</td>
<td>15.34</td>
<td>0.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>80.34</strong></td>
<td><strong>3.0%</strong></td>
</tr>
<tr>
<td>Data processing- hosting- ISP- web search portals</td>
<td>15.40</td>
<td>0.6%</td>
</tr>
<tr>
<td>Other computer related services, including facilities management</td>
<td>11.74</td>
<td>0.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27.14</strong></td>
<td><strong>1.0%</strong></td>
</tr>
</tbody>
</table>
The discussion of exports and growth from sales to the “outside world” transitioned to discussions of leakages from the economy due to imports. The region’s most imported goods and services are presented in Table 7.

Table 7. Imports Over 25 Million Dollars

<table>
<thead>
<tr>
<th>Imported Commodity</th>
<th>Exports</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real estate buying and selling, leasing, managing, and related services</td>
<td>2.03</td>
<td>126.73</td>
</tr>
<tr>
<td>Refined petroleum products</td>
<td>7.45</td>
<td>111.11</td>
</tr>
<tr>
<td>Wholesale trade distribution services</td>
<td>54.16</td>
<td>95.90</td>
</tr>
<tr>
<td>Management of companies and enterprises</td>
<td>5.80</td>
<td>88.35</td>
</tr>
<tr>
<td>Non-depository credit intermediation and related services</td>
<td>1.98</td>
<td>70.00</td>
</tr>
<tr>
<td>Insurance</td>
<td>0.81</td>
<td>63.98</td>
</tr>
<tr>
<td>Soaps and cleaning compounds</td>
<td>258.39</td>
<td>56.61</td>
</tr>
<tr>
<td>Electricity, and distribution services</td>
<td>1.07</td>
<td>44.39</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>17.20</td>
<td>42.58</td>
</tr>
<tr>
<td>Leasing of nonfinancial intangible assets</td>
<td>0.98</td>
<td>36.07</td>
</tr>
<tr>
<td>Plastics materials and resins</td>
<td>0.80</td>
<td>35.23</td>
</tr>
<tr>
<td>Management, scientific, and technical consulting services</td>
<td>2.46</td>
<td>33.53</td>
</tr>
<tr>
<td>Securities, commodity contracts, investments, and related services</td>
<td>7.78</td>
<td>31.24</td>
</tr>
<tr>
<td>Natural gas, and distribution services</td>
<td>2.94</td>
<td>30.32</td>
</tr>
<tr>
<td>Architectural, engineering, and related services</td>
<td>4.13</td>
<td>30.19</td>
</tr>
<tr>
<td>Printed materials</td>
<td>34.75</td>
<td>27.83</td>
</tr>
</tbody>
</table>

Using IMPLAN we can determine what industries are responsible for the bulk of the imports. Examining the third most imported commodity “Management of companies and enterprises,” it is evident that many of the leading importers are cluster members or represent large sectors of the economy (Table 8).

Table 8. Eastern Panhandle’s Leading Importers of “Management of companies and enterprises”

<table>
<thead>
<tr>
<th>Importing Industry</th>
<th>$ Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private hospitals</td>
<td>5.08</td>
</tr>
<tr>
<td>Medical and diagnostic labs and outpatient and other ambulatory care services</td>
<td>1.63</td>
</tr>
<tr>
<td>Offices of physicians, dentists, and other health practitioners</td>
<td>0.79</td>
</tr>
<tr>
<td>Nursing and residential care facilities</td>
<td>0.58</td>
</tr>
</tbody>
</table>
Food services and drinking places 4.87
Amusement parks, arcades, and gambling industries 3.80
Hotels and motels, including casino hotels 1.30

Wholesale trade businesses 4.22
Transport by truck 0.69

Directory, mailing list, and other publications 1.19
Newspaper publishers 0.76
Printing 0.54

The other source of leakage in the economy comes from “disconnects,” either between consumers and producers of a single commodity, or between consumers and producers within a value chain. Table 9 shows disconnects in the Eastern Panhandle’s regional economy. In some cases the disconnect is almost one-to-one. For example, the region exports $11.5 million in processed animal products and at the same time imports $12 million. Examining regional supply chain/value added clusters disconnects can be observed in paper board container manufacturing, which exports $72 million in paperboard yet imports all of its paperboard containers, and soft drink manufacturing which exports $13 million in soft drinks but imports nearly all of its syrups.

Table 9. Commodity Disconnects in the Eastern Panhandle Region

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>$ (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Exports</td>
</tr>
<tr>
<td>Wood windows and doors and millwork</td>
<td>6.51</td>
</tr>
<tr>
<td>Printed materials</td>
<td>34.75</td>
</tr>
<tr>
<td>Processed animal (except poultry) meat and rendered</td>
<td>11.47</td>
</tr>
</tbody>
</table>
byproducts

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<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper from pulp</td>
<td>4.84</td>
<td>14.83</td>
</tr>
<tr>
<td>Paperboard from pulp</td>
<td>72.14</td>
<td>4.07</td>
</tr>
<tr>
<td>Paperboard containers</td>
<td>0.00</td>
<td>17.16</td>
</tr>
<tr>
<td>Flavoring syrups and concentrates</td>
<td>0.53</td>
<td>7.02</td>
</tr>
<tr>
<td>Soft drinks and manufactured ice</td>
<td>12.90</td>
<td>2.52</td>
</tr>
</tbody>
</table>

For many SET communities the lists of gaps and disconnects in supply set the stage for the identification of entrepreneurial opportunities and candidates for business recruitment that could reduce leakages and strengthen and support specific regional clusters. However, in the case of the Eastern Panhandle the analysis was perhaps more effective in demonstrating the consequences of working within political rather than economic boundaries. Earlier data showed the region’s reliance on the D.C. metro area as a source of jobs and income, this pattern undoubtedly holds for many of the region’s imported goods and services. Given the region’s proximity to the greater Washington D.C. metropolitan area and its easy access to specialized goods and services it is questionable how viable many of these sectors are as entrepreneurial opportunities or recruitment options for the four county region.

Results and Outcomes

At this time it is unclear whether the program was successful in changing teams’ development and recruitment strategies. However, we believe the process was useful as a teaching tool and successful in broadening how local leaders viewed the economy. For example, while teams generally made correct assumptions as to which sectors drive the local economy, their discussions concerning industry recruitment were focused on traditional engines of growth such as manufacturing that did not match the current economic structure. Eastern Panhandle team members were surprised to see growth in sectors like real estate, mining and quarrying, and oil and gas extraction. The latter spurred an interesting discussion concerning differences between economies even within the region, especially in the more rural, western counties.

In addition to recognizing differences within their individual counties team members were encouraged to think beyond political borders and re-define “local” economic development. Although entrepreneurship was not (and perhaps should not) be embraced as a strategy for many
of the identified gaps and disconnects, we were pleased to hear discussion of business retention and expansion strategies to minimize leakages.

Because IMPLAN is used by many universities and consultants, the technical analysis presented here can be easily conducted by Extension professionals or development practitioners. In our experience the process of interpreting and walking teams through the data can be time consuming; however, generating the data is a relatively easy procedure. Evaluation results indicated that all participants agreed (20%) or strongly agreed (80%) that the information would be helpful and of immediate use. Overall we feel the process provides a useful educational tool that produces changes in thought if not necessarily action.
References Cited


## Program Overview

### Summary of What Works 2011 Presentations

<table>
<thead>
<tr>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primarily a research presentation</td>
<td></td>
</tr>
<tr>
<td>Primarily about an extension program</td>
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</tr>
<tr>
<td>A hands-on workshop</td>
<td></td>
</tr>
<tr>
<td>Discussion/round-table</td>
<td></td>
</tr>
<tr>
<td>Plenary session</td>
<td></td>
</tr>
<tr>
<td><strong>The Case for Supporting Entrepreneurs in a Jobless Recovery;</strong></td>
<td>More than ever before, expectations are high that entrepreneurs can serve as potential engines of economic growth in local economies. Yet the science base documenting the economic impacts of smaller entrepreneurs remains weak, and organizations such as Kauffman Foundation are promoting Billion Dollar businesses rather than smaller operations to rekindle economic growth. This overview session will provide a user-friendly state of the art review of the most recent research that examines the roles of small, locally owned businesses and the self-employed in local and regional economic growth.</td>
</tr>
<tr>
<td>Stephan J. Goetz, NERCRD and Penn State University</td>
<td></td>
</tr>
<tr>
<td><strong>Creating the Future: Nurturing the next generation of entrepreneurs and job creators;</strong></td>
<td>Professor Gittell will discuss strategies for nurturing the next generation of entrepreneurs and job creators. Entrepreneurship opportunities and new venture creation strategies in sustainable business will be highlighted along with collaboration opportunities with large employers and with local anchor institutions. Recent data and case studies will be presented with review of lessons learned and best practices.</td>
</tr>
<tr>
<td>Ross Gittell, Univ. of New Hampshire</td>
<td></td>
</tr>
<tr>
<td><strong>The Entrepreneurial League System;</strong></td>
<td>“Investing in Entrepreneurs” explains how to increase the numbers and the rate of success of entrepreneurs in our communities and regions. The authors present a tool, called the Pipeline of Entrepreneurs and Enterprises that enables economic developers and others to assist entrepreneurs in developing their skills and in building their businesses. For individuals or organizations that work directly with entrepreneurs, the Pipeline helps them understand what individual entrepreneurs need and how to most effectively support their growth and development. For those in leadership or policymaking positions, the Pipeline improves their ability to make more informed decisions about how and where to invest scarce resources in order to generate more jobs, greater wealth and higher social as well as economic returns for their community or region. Communities can now manage their economies as a</td>
</tr>
<tr>
<td>Tom Lyons, Baruch College, New York</td>
<td></td>
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<tr>
<td>Unleashing the Power of 10 to Guide Local Business Development; Kelly Nix and Denis Scott, West Virginia University</td>
<td></td>
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<tr>
<td>The Power of Ten is a model that begins the placemaking process for community revitalization. The idea is that a city or region needs to have 10+ major destinations, a destination needs to have 10+ places and each place needs to have 10+ things to do or reasons for people to want to be there. If this model is used, communities may experience increases in economic health and quality of life. Learn how West Virginia University Extension Service has unleashed this model for rural communities, based on special places that will draw residents and visitors alike. Participants will be engaged in a thought provoking Power of Ten placemaking activity that can be applied in their own communities.</td>
<td></td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Assistance Paths for Rural Entrepreneurs; Winifred McGee Co-Presenters: Jeff Hyde; Dana Ollendyke, Penn State Univ.</th>
</tr>
</thead>
<tbody>
<tr>
<td>In the past two decades, a wealth of assistance has evolved for urban/suburban business ventures – Small Business Development Centers, on-line tools, and SCORE – to assist during the critical start-up phase and throughout development. Because their marketplace is more dispersed, and their products and services require unique entrepreneurial strategies, rural entrepreneurs (i.e., farms, home-based food businesses, and rural youth ventures) experience barriers to effectively access support needed to attain their entrepreneurial dream. Penn State Extension has specific assistance paths for these under-served audiences – the “Risk Management for Food Products,” “Your Future in Focus,” and “Youth Entrepreneurship” curricula. These programs target on-farm value-added food businesses, next-generation agricultural producers (and diversification of an existing farm), and youth seeking to start an agricultural or other small business. The curricula underscore the potential for setting goals and objectives to build strong, targeted enterprises in an environment that is more isolated from high-speed internet and actual market venues. Participants will be guided in replication this suite of programs (in their own communities), effecting instruction of rural entrepreneurs (present and future) -- resulting in proactive business planning, marketing, record-keeping, financial analysis, and addressing liability areas specific to food production, incorporating strategies to mitigate potential business risks.</td>
</tr>
</tbody>
</table>

portfolio of entrepreneurial assets, allowing them to transform their economies and more strategically compete in the global economy.
<table>
<thead>
<tr>
<th>If We Offer it, Will they Come? Determinants of County-Level Demand for Community-Based Entrepreneurship Programming; Ajka. Suljevic and S. Loveridge, Michigan State University</th>
</tr>
</thead>
<tbody>
<tr>
<td>In establishing new programs aimed at enhancing the capacity of communities to support entrepreneurs, it is important to think carefully about who is likely to register for the program. Not much literature exists about why communities choose to participate in entrepreneurial development programs. This research looks to bridge that gap using information from Michigan State University’s Creating Entrepreneurial Communities Program, which uses coaching techniques to help local leaders select and implement best practices tailored to their community goals. The program focuses on enhancing 1) social networks; 2) assets and resources; 3) entrepreneurial culture; and 4) policy. The program has been offered in two cycles, with 20 of Michigan’s 83 counties participating. In this USDA/NRI supported research, we match participation data with published socioeconomic and demographic information. We use econometric techniques to explore relationships between socioeconomic/demographic and locational characteristics and a county’s decision to participate.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Successful Youth Eship Programs for Youth of All Ages; Craig Schroeder, RUPRI Center for Rural Entrepreneurship; Ann Sherrard, Univ. of Maryland; &amp; Kathleen Liang, Univ. of Vermont</th>
</tr>
</thead>
<tbody>
<tr>
<td>Youth entrepreneurship uniquely provides both youth and community development opportunities. Craig Schroeder will present findings from youth assessments conducted in communities across the country with 25,000 junior and high school students. His work provides insights into what motivates youth to want to stay or return to rural communities, and also what is currently driving many of them to leave and not return. Ann Sherrard will share her Annie E. Casey Award winning project offering youth hands-on-education about marketing, price-setting and selling. This experiential learning program demonstrates how youth can contribute to their households as they develop life skills, gain money management experience, and explore new product markets. Kathleen Liang will describe Growing Vermont, an innovative micro-enterprise incubator established at the University of Vermont in 2007 to stimulate entrepreneurship learning and activities for undergraduate students. She will share key information regarding the planning and implementation, management, operation, vendors' profile, and financial status. Challenges and barriers will also be discussed. This session will provide a framework and tools for effective youth engagement that participants can apply in their work with youth, utilizing assets, life skills and resources they currently have available.</td>
</tr>
</tbody>
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<thead>
<tr>
<th>Cooperative Development Success Stories; Peggy Fogarty-Harnish &amp; Bob Noble, Penn State Univ.</th>
</tr>
</thead>
<tbody>
<tr>
<td>This workshop will present 4 case studies of successful entrepreneurial cooperatives. They include a worker-owned childcare cooperative, a farmer-owned marketing cooperative, an eater-owned food retail cooperative, and an alliance of food cooperatives. Basic information will be presented on the cooperative form of business and then each example cooperative will be highlighted. There will be ample time for questions and discussion.</td>
</tr>
<tr>
<td>Enhancing LGU’s role in Creating Econ Opportunity through Community Based Eship; Louis Bassano Co-Presenter: Jim McConnon, Univ. of Maine</td>
</tr>
<tr>
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<tr>
<td>Participants attending this session will learn about successful strategies for creating effective community-based entrepreneurship programs that strengthen the Land Grant University’s role in sustainable economic development. The presenters will discuss the university’s role in facilitating, nurturing and sustaining strategic partnerships with community colleges, economic development and business-assist organizations, business owners and other stakeholders. The presenters will frame their discussion around three highly successful Maine community-based entrepreneurship programs which have resulted in the creation of a new innovative regional model for community-based entrepreneurship education in Maine. Participants will leave the workshop with key strategies they can implement in their states.</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>What Mentors Need to Know about Youth Eship; Alganesh Piechocinski, Debra Kantor, Univ. of Maryland and Maine</th>
</tr>
</thead>
<tbody>
<tr>
<td>To be successful, youth entrepreneurs need to have the knowledge and skills to turn an idea into a marketable product. Success for each step of this path is greatly increased by the support of a mentor. This roundtable will explore a variety of models utilized including youth-adult partnerships and peer-to-peer mentors. Each strategy has its unique challenges. Successful business owners may have a great deal of expertise in how to start a business, but little knowledge in youth development. 4-H volunteers are often skilled in working with youth but lack confidence in their ability to mentor entrepreneurial projects. Alganesh Piechocinski will present the model of the Baltimore City 4-H Teen Corp Leadership as one example of youth-adult partnership. Debra Kantor will share her work with both youth-adult partnerships and innovative peer-to-peer mentoring to encourage youth entrepreneurs. Participants are encouraged to share their own experiences, the unique characteristics that led to their success, and to identify common strengths shared by the various mentoring models.</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Logistics of Youth Markets; Ann Sherrard, Univ. of Maryland; &amp; Gwen Pokalo and Michael Moser, Univ. of Vermont</th>
</tr>
</thead>
<tbody>
<tr>
<td>Youth markets provide experiential learning opportunities, and their own challenges specific to working with youth. Ann Sherrard will share her work in rural Appalachia using youth markets in a county effort to improve the economic status of families. Youth learn about entrepreneurship, develop a small business, and have a &quot;real-life&quot; experience of selling at a market. Gwen Pokalo and Michael Moser will describe their marketing incubator model of the Growing Vermont Student-Run Store at the University of Vermont. They will share a typology of the emerging, small-scale entrepreneur and describe the technical assistance they seek, including the prevalence of informal support networks. Descriptions of these two different models of youth markets will provide a foundation for an interactive discussion exploring how youth entrepreneurship can be integrated into other extension projects; reviewing how youth entrepreneurship is a component in positive youth development; and brainstorming potential partnerships to support youth entrepreneurship.</td>
</tr>
<tr>
<td>Second Homeowner as an Opportunity for Local Entrepreneurs; Bill McMaster and Michael Moser, Univ. of Vermont</td>
</tr>
<tr>
<td>Creating a Sustainable Entrepreneurship Development Program; Brent Hales &amp; Ken Malone, American Entrepreneurship Academy, Univ. of Southern MS</td>
</tr>
<tr>
<td>A Web Portal for Rural Business Success; Ginger Myers, Univ. of Maryland</td>
</tr>
<tr>
<td>Agritourism in the Northeast; Lisa Chase Co-Presenter: Ben Amsden, Univ. of Vermont and Plymouth State Univ.</td>
</tr>
<tr>
<td>Getting grants – working regionally; Mary Peabody (Facilitator), Univ. of Vermont</td>
</tr>
<tr>
<td><strong>Social Media Tips, Tools &amp; Strategies for Entrepreneurs;</strong> Mary Peabody, University of VT</td>
</tr>
<tr>
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<tr>
<td><strong>Small Cities Coalition (SCC) in South Texas;</strong> Gloria Casas, Workforce Solutions Cameron</td>
</tr>
<tr>
<td><strong>Social Entrepreneurship Opportunities;</strong> Tom Lyons &amp; Kathleen Liang, Baruch College, NY and Univ. of Vermont</td>
</tr>
<tr>
<td><strong>Entrepreneurial Opportunity Recognition;</strong> Mark Gagnon, Penn State University</td>
</tr>
<tr>
<td><strong>Lessons from Network Science for Helping Entrepreneurs to Connect</strong>; Stephan J. Goetz, NERC RD</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>The presentation provides an overview of recent advances in the science of economic and social networks and shows how these can be applied to help entrepreneurs make connections that are essential to business growth. Illustrations are provided from successful local and regional foods-related business, and participants will learn how to conduct surveys to gather data and identify existing and nascent networks.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Economic Contribution of Maine’s Food Industry Entrepreneurs</strong>; Todd Gabe, James McConnon and Richard Kersbergen, University of Maine</th>
</tr>
</thead>
<tbody>
<tr>
<td>Using existing state and federal data and Maine IMPLAN, a state of the art economic modeling system, Todd Gabe, James C. McConnon Jr. and Richard Kersbergen crunch the numbers to present an overview of the economic contributions of Maine’s food industry in this brief research presentation and roundtable/discussion session. This includes food makers (farms, fisheries, and food processing companies) and food sellers (grocery stores, restaurants and direct sales). Each play a unique, but interconnected, role in the Maine economy and together they add up to significant economic impact.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Using IMPLAN to Identify Entrepreneurial Opportunities through Gap Analysis: Description and Partnering Options</strong>; Steve Deller or Dan Eades</th>
</tr>
</thead>
<tbody>
<tr>
<td>This presentation demonstrates how IMPLAN can be used to identify hidden opportunities for local business development within communities. The key concept is that of import substitution -- identifying those sectors in which goods and services are both imported and exported from the county. The discussion will also explore how to access and use IMPLAN either in partnership or individually.</td>
</tr>
</tbody>
</table>