

Entrepreneurship Economic Development

Creating a Supportive System for Entrepreneurial Development



Know Your Region Series

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Entrepreneurship Economic Development

- Entrepreneurs

- Trends
- Who Are They
- What do They Need

- Entrepreneurship Support Systems

- The Systems Approach
- Role of Communities and Developers
- Best Practices



- 1800 85% of American Workforce in Agriculture
- 1945 43% of American Workforce in Manufacturing
- 1979 22% of American jobs Management/Professional
- 1990's Shift to New Economy



Source: EDA, A Report on 21st Century Economic Dlvp 2005
ITIF, 2008 State New Economy Index

- Current Economic Drivers

- Functional Performance Improvements
 - Digitalization
 - Speed



- What's Next?

- Broad-Based Technology Innovations
 - Nano
 - Bio
 - Green



“An economy’s prosperity is highly dependent on a dynamic entrepreneurship sector” -GEM Study 2010

- Knowledge
Dependent
- Global
- Rooted in Information
Technology
- Driven by Innovation



Entrepreneurship Benefits the Regional Economy

- Diversified Regional Economic Base
- Sticky Business
- Localized Decisions
- Local Wealth Generation
- Clusters of Innovators



What Do Entrepreneurs Need to Succeed?

- Supportive Community Culture
- Business Technical Assistance/Training
- Capital
- Networks



What Do Entrepreneurs Need?

- Supportive Community Culture
 - Entrepreneurship Is Something To Aspire To
 - Failure Is a Learning Opportunity, Not a Stigma
 - Physical and Cultural Resources Are In Place to Foster Entrepreneurial Development



What Do Entrepreneurs Need?

- Business Technical Assistance and Training
 - 1:1 Consulting
 - Classroom Training
 - Workshops/ Seminars
 - Mentoring



What Do Entrepreneurs Need?

- Networks
 - Like Minded Individuals Innovate, Solve Problems, Create Solutions and Accelerate Outcomes
 - Peer, Professional and Social



What Do Entrepreneurs Need?

- Capital
 - The Right Kind of Capital at The Right Stage of the Business Life Cycle
 - Access to Capital Resources



Micro-Enterprise

Small Business

Innovators!

Venture Companies



Understanding Entrepreneurs

Micro-enterprise

- Demographic Profile
 - Mostly Women
 - All Ages
 - All Incomes
- Psychographic Profile
 - Driven by Passion
- Industry Clusters
 - Small Retail
 - Service



Small Business

- Demographic Profile
 - Women > Men
 - Middle Income
- Psychographic Profile
 - Seek a Lifestyle
 - Profit *Conscious*
- Industry Clusters
 - Retail/Service
 - Technology
 - Light Manufacturing



Innovator

- Demographic Profile
 - Men > Women
 - Owner is Not Manager
- Psychographic Profile
 - Opportunity Analyst
 - Profit *Driven*
 - Easily Bored
- Industry Clusters
 - Technology
 - Service
 - Retail Franchise
 - Some Manufacturing



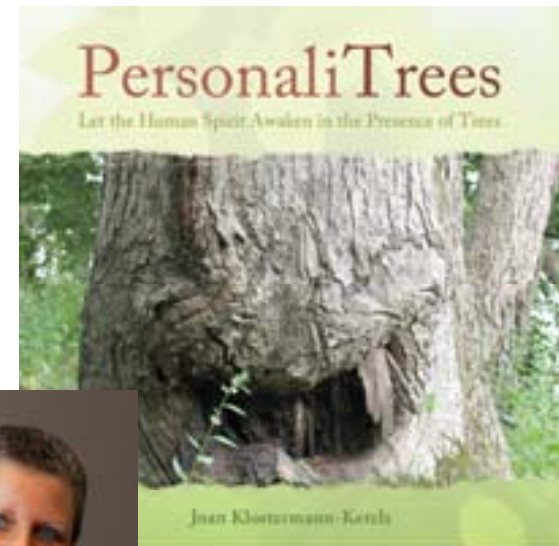
Venture Company

- Demographic Profile
 - Mostly Men
 - Management Teams
- Psychographic Profile
 - Growth Driven
 - Path Directed by Capital
- Industry Clusters
 - Technology
 - Innovation Within Any Industry



Special Segments

- Emerging Business Models
 - Social Entrepreneurship
 - Necessity Entrepreneurs



Putting It All Together

Our Ultimate Objective:

To Create An
Entrepreneurship
Support System



***“A New Economy Demands A New Approach.
We Don’t Need New Programs- We Need a New Mindset”.***

-Erik Pages, Entreworks Consulting

What Do Most Entrepreneurs Experience?

- A Complex Maze of Providers and Services
- Referral -Referral -Referral
- Little Customization of Services
- Quantity vs Quality





Turning Policy Into Practice:

The Role of Economic Developers

Creating a Supportive Culture Policy

- Climate
 - Awareness and Recognition
 - Anonymity
 - Quality of Life
- Infrastructure
 - Physical
 - Taxes and Regulations
 - Services



Source: Energizing Entrepreneurs: Charting a Course for Rural Communities

Creating a Supportive Culture Practices

- Celebrate Entrepreneurs
 - Contests
 - Networking Events
- Arts, Culture, Recreation!
- Muni-Services
- Regulatory Review
 - P & Z review



Business Technical Assistance Training and Education Policy

- Comprehensive Array of Services
 - Meeting the Needs of *All* Entrepreneurs
- Education In Grade School
- Customized Delivery
- On-Site and On-Line



Business Technical Assistance Training and Education Practice

- Collaborators

- Market as a Single Voice
- Respect/Refer Within System
- Gain Competency



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Business Technical Assistance Training and Education Practice

- Market Driven Services
 - Economic Gardening
 - Online TA and Mentoring



Access To Capital *Policy*

- Understand Capital Stream
 - Locate Gaps
 - Insure Access
 - Push Capital At Specific Clusters



Access To Capital Practice

- Inventory Existing Capital
- Leave No Gaps
 - Change Rules
 - Empower Administrators
- Create Specialized
Capital Funds



IowaMicroLoan

Iowa Foundation for Microenterprise & Community Vitality

Networking Policy

- Connect Like-Minded Individuals
 - Foster Innovation
 - Manage Churn



Networking Practice

- Customize Online Networks

- MyEntre.Net
- Facebook
- LinkedIn



Outcomes

- Business Culture that Embraces Start-Ups
 - Higher Risk Tolerance
- Networks of Entrepreneurs
- Networks of Service Providers
- Virtuous Cycle
 - Mentors
 - Angels
 - Youth



Entrepreneurship Support Programs

- **MyEntre.Net**
MyEntre.Net creates access to resources, services and entrepreneurs online. We provide small business with free, easy access to the help you need - when you need it.
www.myentre.net
- **North Carolina's Rural Entrepreneurship Development System**
The project seeks to improve and broaden entrepreneurial support services in the state's 85 rural counties, ensuring that they reach current and prospective entrepreneurs in their home communities.
www.ncruralcenter.org/entrepreneurship/development.asp
- **Economic Gardening: An Entrepreneurial Approach to Economic Development** Economic Gardening provides Information, Infrastructure and Connections to Littleton, Colorado small business. Now a nationwide initiative.
<http://www.littletongov.org/bia/economicgardening/default.asp>
- **Georgia's Entrepreneurial Friendly Initiative**
Georgia provides a certification of 'Entrepreneur Friendly' to communities who engage in a series of efforts to support entrepreneurs.
www.georgia.org

Free



Referrals to 3,800 sources of T/A, Capital,
Incubation & Professional Services



Free, Market, Industry and Business
Intelligence



www.myentre.net

North Carolina's Rural Entrepreneurship Development System

Comprehensive support services to reach rural high poverty, high minority regions of the state. Many published resources, new distance learning tools.



www.ncruralcenter.org

Georgia's Entrepreneurial Friendly Initiative



An entrepreneur friendly designation which promotes collaboration between service providers and improves the climate for small business development.

www.georgia.org/smallbusiness

Economic Gardening



Growing Local Economies

Training • Consulting • Research



Additional Reading

- **Energizing Entrepreneurs:** Charting a Course for Rural Communities
www.heartlandcenter.info/publications.htm
- **The Next Hundred Million: America in 2050:** Joel Kotkin, 2010
- **Mission, Inc.:** The Practitioner's Guide to Social Enterprise, Kevin Lynch and Julius Walls, Jr. 2009
- **Ripples From the Zambezi:** Ernesto Sirolli, 1999
- **Purple Cow:** Seth Godin, 2003
- **The E-Myth Revisited:** Why Most Small Businesses Don't Work and What To Do About It, Michael E. Gerber, 2001

For Continued Conversation

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