Creating Entrepreneur-Friendly Communities

Breakthrough Solutions Conference
May 7-8, 2013
Stacey McCullough
Elements of Successful Economic Development

- Vision
- Sustainability
- Opportunity
- Growth
- Attraction
- Investment
- Entrepreneurship
- Asset-Based
Breakthrough Solutions Model

Sustainability

Vision

Opportunity

Investment

S - Strengths and Assets

O - Opportunities for Breakthroughs

A - Aspirations and Visions

R - Results You Can Measure

Vision of your desired future (your brand)

Breakthrough action process

Key drivers

Asset-Based

Opportunities include:
- Enhanced Natural Resources & Environment
- Motivated Talent
- High Quality of Life & Place
- Financial Assets

21st Century Economic Engines

Pro-Active Leaders and Organizations

Revitalized Streetscape

20% Higher High School Graduation Rate

15% Increase in Tourism

1 New Revenue Source

20% More Youth Return

Mark Peterson - U of A Division of Agriculture ©

Community & Economic Development
Strengthening Arkansas Communities
Why Entrepreneurial Development?

• Stiff competition for industrial recruitment

• Research showing positive impacts of entrepreneurship on overall economy
  – Correlation between entrepreneurial activity and economic growth is greater than 70% (Global Entrepreneurship Monitor (GEM) Project)
  – Small businesses account for around half of the private sector work force and private sector output (The Small Business Economy: A Report to the President 2005, S.B.A.)

• Technology has lowered the barriers to entry in most industries (The Entrepreneurial Economy, D. Baker)
# EDS Models

<table>
<thead>
<tr>
<th>Model</th>
<th>Description</th>
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<tbody>
<tr>
<td>Markley, Macke &amp; Luther, 2005</td>
<td>Elements of Entrepreneurial Environment</td>
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<tr>
<td></td>
<td>- Climate (awareness, recognition, culture, anonymity, quality of life)</td>
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<td></td>
<td>- Infrastructure (real estate, utilities, services, taxes and regulations)</td>
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<td></td>
<td>- Support (basic, advanced, high performing)</td>
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<tr>
<td>Pages, Freedman &amp; Von Bargen, 2003</td>
<td>- Entrepreneurial eco-system (variety of players, networks for reciprocal action, criteria of selection)</td>
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<tr>
<td></td>
<td>- Cultural change (education and training)</td>
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<td>- Individual focused (soft networks for information sharing and peer learning)</td>
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<td>- New delivery methods (decentralized network models)</td>
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<td>- Focus on high growth (target potential “gazelles”)</td>
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<tr>
<td>Lichtenstein, Lyons &amp; Kutzhanova, 2004</td>
<td>- Systems approach among service providers</td>
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<tr>
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<td>- Enterprise development system (customized to community)</td>
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<td>- Focus on entrepreneurs</td>
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<td>- New roles, skills, and tools (to create and manage a pipeline of entrepreneurs)</td>
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<td>- Operate as transformation business (evaluation of efficiency, effectiveness, equitability, sustainability, and scale of impact)</td>
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<td>Corporation for Enterprise Development, 2003</td>
<td>- Entrepreneur focused</td>
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<td></td>
<td>- Regional cooperation</td>
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<tr>
<td></td>
<td>- Community specific</td>
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<td>- Continuous leaning and evaluation</td>
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Community Readiness

- Openness to Entrepreneurship
- Balancing Business Attraction
- Entrepreneurship Programs
- Willingness to Invest
- Leadership Team
- Beyond Town Borders

Source:

[Website or resource link]
What is your Community Readiness Score?

A. Little–capacity building needed (1-6)
B. Some–gap filling (7-12)
C. Potential–start to build on assets (13-18)
D. Present–build on assets (19-24)
E. Considerable–energize entrepreneurs (25-30)
What elements need work?

A. Openness to entrepreneurship
B. Balancing business attraction
C. Entrepreneurship programs
D. Willingness to invest
E. Leadership team
F. Beyond town borders
Vision

• What is entrepreneurial development?
  – Who are the entrepreneurs you will be supporting?
  – Who is involved in creating your entrepreneur-friendly community?
  – What will your entrepreneur-friendly community look like?
Vision

- Who are the entrepreneurs you will be supporting?
Which category of entrepreneurial talent is most prevalent in your community (top 3)?

A. Potential-aspiring
B. Potential-dreamers
C. Potential-start ups
D. Potential-youth
E. Owners-survival
F. Owners-restarts
G. Owners-lifestyle
H. Owners-transitional
I. Growth oriented
J. Growth-EGC
Vision

• Who is involved in creating your entrepreneur-friendly community?
  – Entrepreneurs
  – Policy makers
  – Business service providers
  – Educators
  – Community leaders
  – Community members
Vision

• What will your entrepreneurial-friendly community look like?

Fairfield, Iowa – pop. 9,600

- Fairfield Entrepreneur Association (FEA) created by and for entrepreneurs
- Recognizes and celebrates entrepreneurs
- Over 20 years: created 3,000 jobs; tripled per capita income; increased charitable giving; “Silicon Valley”; HQ for 75 companies

Economic Gardening

City of Littleton, Colorado

“It’s working. Littleton, population 41,000, has added 12,000 jobs in the past 15 years. Retail sales taxes have soared to $20 million from $6 million in 1987.” Denver Rocky Mountain News
Asset Based

Strengths and Assets Map
Wealth in Your Community

VIBRANT, SUSTAINABLE COMMUNITIES

Economic Capital
- Economic drivers, value chains, businesses and business support systems; infrastructure, built assets

Human Capital
- Talents, knowledge, skills, work ethic of community residents

Quality of Place Capital
- Culture, activities, and amenities; retail, housing, health care, education, public spaces; traits, walkability

Social Capital
- Leadership, organizations, bridging & bonding networks; trust, cooperation, inclusion

Natural Capital
- Water, land, plants; minerals, and animals; natural environment, biodiversity

Political Capital
- Elected officials, connections, ability to influence and make public policy

Financial Capital
- Financial assets of investors & donors, banks, foundations, tax revenues, special districts

Worksheet

Community & Economic Development
Strengthening Arkansas Communities
What type of entrepreneurial asset is most prevalent in your community?

A. Social  
B. Political  
C. Financial  
D. Natural  
E. Quality of Place  
F. Human  
G. Economic
What type of entrepreneurial asset is least prevalent in your community?

A. Social
B. Political
C. Financial
D. Natural
E. Quality of Place
F. Human
G. Economic
Opportunity

• What opportunities has your community missed to learn about & support entrepreneurial development in the last five years?

• What can you do to identify and seize opportunities in the future?
Rank your community’s economic development investment in order of magnitude (1st choice=most, 3 choice=least):

A. Attraction
B. Growth
C. Entrepreneurship
Investment: Big Picture

Strengths and Assets Map
Wealth in Your Community

STATE & NATIONAL
REGION
COMMUNITY
VIBRANT, SUSTAINABLE COMMUNITIES

Economic Capital
- Economic drivers, value chains, businesses and business support systems, infrastructure, built assets

Human Capital
- Talents, knowledge, skills, work ethic of community residents

Quality of Place Capital
- Culture, activities, and amenities, retail, housing, health care, education, public spaces, outdoor, walkability

Social Capital
- Leadership, organizations, bridging & bonding networks, trust, cooperation, inclusion

Political Capital
- Elected officials, connections, ability to influence and make public policy

Natural Capital
- Water, land, plants, minerals, and animals, natural environment, biodiversity

Financial Capital
- Financial assets of investors & donors, banks, foundations, tax revenues, special districts

Investment
- Asset-Based
- Sustained
- Opportunity
- Vision
Investment: Strategies

Handouts
Investment: Strategies

• Vision
• Assets
• Opportunities
  – Expected
  – Unexpected
Investment: Strategies

- 12,800 sq ft
- EDC, small business center, customized industrial training, career readiness certificate, space for start ups & expansion (8,000 sq ft)
- 2 grants totaling $1 million

- Educational workshops, small business center, offices for rent, banquet hall; commercial kitchen; auditorium, incubator spaces of different sizes, local products market, farm distribution center
- $1.4 million (no grant over $34,000)
Sustainability

- Maintain visibility
- Measure results
- Celebrate your success
- Reflect on your experiences
- Ask for feedback
- Welcome newcomers to your effort
- Award & reward
- Re-vision periodically
- Be persistent
Next Move?

Worksheet
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http://www.facebook.com/UACommunityDevelopment