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Entrepreneurism

Dave Shideler, Oklahoma State University
Michael Wilcox, Purdue Center for Regional Development, Purdue University

ENTREPRENEURISM: EXPLORING ENTREPRENEURSHIP IN YOUR REGION

OVERVIEW

Entrepreneurship is a strategy for building the regional economy by creating new businesses led by existing residents. In addition to demonstrating how important entrepreneurs are to the local economy, this module will assist participants in identifying key components of their "entrepreneurship" ecosystem as well as determining the region's willingness/readiness to embrace a program to encourage entrepreneurship.

This module fits nicely after module 2, when the region has been introduced to the CARE module, examined data, and needs to identify a strategy that will help their region move forward. This supplemental module helps the region better understand the "Creation" component of CARE, so they can determine if it is a good fit for their region/identified industries. However, this module can also be used later in the SET process, should the region decide later that it wants to use entrepreneurship as a general development strategy and/or as a strategy to enhance or complement other strategies being used with a particular industry cluster.

SUMMARY OUTLINE OF MODULE:

- Review concepts presented/learned from homework videos, PowerPoint (30 minutes)
- Map the existing entrepreneurship ecosystem in the region (60 minutes)
- Conduct a regional assessment of the entrepreneurship ecosystem (45 minutes)
- Develop an action plan to enhance the ecosystem (60 minutes)

This module is designed to be conducted as a "flipped classroom"; there are a series of activities, resources that participants will be expected to complete or review **prior** to meeting for this module; this will provide them with the necessary background for assessing the entrepreneurial "ecosystem" (what entrepreneurs need to thrive, what the ecosystem is made of, and what real world examples of these systems look like) and developing an action plan to enhance the local ecosystem.

Specific items that participants will be expected to review prior to conducting this module include:

1. View the "Fountain Square: From Down and Out to Up and Coming" video by Purdue Extension (available on YouTube here: https://www.youtube.com/watch?v=qeJu_2SdC_k) and complete the Fountain Square Viewers Guide.

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2. View the "How to Open a Restaurant" video by Howcast.com (available via YouTube here: https://www.youtube.com/watch?v=mTcvYqHaYAo) and complete the associated Viewers Guide.

3. View 2 of the 66 available videos from Indiana SBDC's "Stories and Advice from Entrepreneurs" series (available via the YouTube playlist here: https://www.youtube.com/playlist?list=PLD7AD53F446299C99) and complete the associated Viewers Guide

OR

Interview two entrepreneurs in the region and complete the Viewers Guide.

4. View the "Exploring Entrepreneurship for Your Region" PowerPoint slide show.

Purpose: Assess the region's entrepreneurship ecosystem and develop a suitable strategy to enhance it

Estimated Time to Complete: 3 hours 30 minutes

Materials Needed: Flip chart paper/sticky wall materials, survey instrument, post-it notes or note cards, markers, dot stickers

Handouts:
- Viewers' Guide questions (min 1 copy for facilitator; do not need a copy for every participant)
- Asset categorization worksheets
- Assessment
- Entrepreneurship action plan worksheet

EXPLORING OPPORTUNITIES FOR A STRONGER REGIONAL ECONOMY

GROUP EXERCISES

- Discussion of Viewers' Guide questions and recorded PowerPoint assigned for homework
- Mapping exercise to identify community assets that contribute to entrepreneurship success and categorize them as ecosystem components
- Assess the region's entrepreneurial ecosystem by having participants complete the assessment tool, aggregating responses across the region and discuss observations
- Develop an action plan for enhancing the region's entrepreneurial ecosystem

SLIDE 1
INSTRUCTIONS

Have this slide up when participants arrive.

SLIDE 1:

TIME: -

SUPPLIES: NONE

HANDOUTS: NONE

SLIDE 2

INSTRUCTIONS

- Review the objectives of this module to frame the day's work.

SLIDE 2:

TIME: 3 MINUTES

SUPPLIES: NONE

HANDOUTS: NONE

SLIDE 3
INSTRUCTIONS

To further motivate this module, review the data contained in the Regional Snapshot provided to the region in Session 2. The Industry and Occupation data (Section 05) illustrate the importance of small businesses to the region's economy because of the proportion of total businesses (establishments) they represent, their contribution to total employment and/or the growth in the number of establishments and employment over time.

The facilitator needs to update the data contained on this slide with the appropriate data (Section 05, under *Establishments*), and walk the participants through it.

The facilitator will want to remind the region what the stages represent (categories defined by # of employees; stage 0 = no employees (self-employment), stage 1 = 1-9, stage 2 = 10-99, stage 3 = 100-499, stage 4= 500+).

Observations should be made around the growth in establishes across stages 0 and 1 between years presented, the % of total employment these stages represent and the amount of sales captured by firms in these stages. Keep in mind that the Small Business Administration classifies small businesses as those with less than 500 employees! For our purposes, we will maintain a focus on much small businesses.

The other data in the Snapshot (Demography, Human Capital and Labor Force) can also be related to entrepreneurship, especially through the use of the index produced by the Kauffman Foundation that relate such data to entrepreneurship and start up activity. This can be found at:
http://www.kauffman.org/microsites/kauffman-index

SLIDE 3:

TIME: 10 MINUTES

SUPPLIES: REGIONAL SNAPSHOT SECTION 5 ESTABLISHMENTS DATA

HANDOUTS: NONE

SLIDE 4
INSTRUCTIONS

This slide contains the titles of several of the videos that the participants are supposed to watch prior to attending this session. The idea is to help the participants to begin thinking about the entrepreneurial ecosystem that exists (or not) in their region.

It would be wise to find out who actually watched the videos. If a majority did so, then the facilitator will guide the participants through a conversation about what they learned about entrepreneurship from them. If the majority did not watch the videos, the facilitator can choose to show some of them to provide the base knowledge of entrepreneurship necessary to complete the module; this will require additional time!! As a minimum, the "Fountain Square: From Down and Out to Up and Coming!" and "How to Open a Restaurant/Restaurant Business" should be shown. (To watch both videos, you'd need an extra 18 min.)

The questions associated with each video will provide some initial questions to start the conversation; the facilitator should also make sure that any business owners invited to the session share from their personal experience how easy or hard it was to get their business "off the ground" in the region.

The facilitator should be prepared to guide the discussion from the community context, using Fountain Square as the conversation starter, then from the viewpoint of the prospective business owner (Handouts 2 and 3) and then bring it all together with a discussion of what the current regional entrepreneurial support system looks like in general terms. A more specific discussion will come later in the module.

SLIDE 4:

TIME: 30 MINUTES

SUPPLIES: INTERNET, VIDEO FILES (OPTIONAL)

HANDOUTS: VIEWERS' GUIDES 1, 2 AND 3

SLIDE 5
INSTRUCTIONS

This slide, taken from the presentation that the participants should have watched as homework, is to remind the participants about the components of a region's entrepreneurial ecosystem. As the facilitator, briefly remind the participants what each component is/represents, as follows:

Access to capital – Capital may be available, but the real question is accessibility. Capital, if it is available and accessible, should be in the form most useful for the stage of business development - debt, quasi-equity, and equity through commercial, community development financial institution (CDFI), and public sources (federal, state). If this module is being conducted after Session 3, it should be noted that "Capital" in this instance can be any of the Community Capitals. For instance, Built Capital can be invested in support for entrepreneurship, such as broadband, roads, trails, signage, Main Street beautification, etc.

Supportive environment – A supportive environment includes creating community and civic environments that celebrate and support entrepreneurs. Buy local campaigns, Business to Business (B2B) efforts, small business ribbon cuttings and 'No Wrong Door' systems are all tangible examples of a supportive environment.

Entrepreneur networks, mentoring and coaching – This can include facilitating informal gatherings of entrepreneurs to share experiences and information, connecting entrepreneurs with experienced mentors, or offering coaching expertise to help entrepreneurs through specific business phases. A great example of such a network can be found here: "A Powerful Network" (https://ag.purdue.edu/agricultures/Pages/Winter2015/05-PowerfulNetwork.aspx#.Vgvza0bpKnE)

Training and technical assistance – This should include the creation of a system of advice, expertise and training appropriate to the needs of entrepreneurs. The source can be public, private, educational or nonprofit agencies.

Youth entrepreneurship – Such programs excite young people in schools, community colleges and universities about the possibilities of creating their own businesses. This assists with building the pipeline of future entrepreneurs in your region."

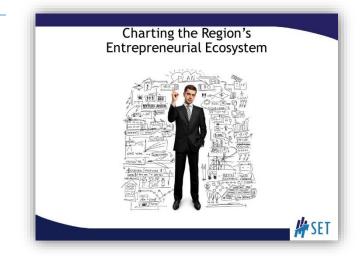Once you've gone through the 5 components, the participants should be ready to tackle the next task – to map the resources and entrepreneurs of their region!

SLIDE 5:

TIME:5 MINUTE

SUPPLIES: NONE

HANDOUTS: NONE

SLIDE 6
INSTRUCTIONS

This is a transition slide for the Ecosystem Mapping exercise described on the next page.

SLIDE 6:

TIME: 5 MINUTES

SUPPLIES: NONE

HANDOUTS: NONE

NO SLIDE

ASSET MAPPING OF THE ECOSYSTEM

This is an asset mapping exercise, in which participants will identify and categorize assets in the region that are part of the entrepreneurship ecosystem. Two sets of instructions are provided below, depending on when this module is used during the SET process.

If used before Session 3:

1. Hand out the asset categorization worksheet (pre3 version) and have the participants spend 5-8 min writing down all the assets they can think of *relevant to entrepreneurship* individually, using the five components from the previous slide.

PURPOSE OF ACTIVITY:

DEVELOP AN ASSET MAP OF THE REGION'S ENTREPRENEURSHIP ECOSYSTEM

TIME: 60 MIN

SUPPLIES: 7 FLIP CHARTS (OR STICKY WALL SUPPLIES), MARKERS

HANDOUTS: ASSET CATEGORIZATION WORKSHEETS

2. Group the individuals into 5 groups – one for each component of success. Assign the groups to a flip chart, which should already be labeled with a component (one per flip chart).

3. Using a round robin approach, each group should then record on the flip chart all the assets that were identified individually for that component, and then they should switch to the next flip chart and record any additional assets not already identified on that flip chart; repeat this so that groups have an opportunity to review and contribute to each flip chart. The first round will require the most time, give it 10 min. Each subsequent round will require less time: rounds 2-3, give 6 min; rounds 4-5 give 5 min.

4. Once all groups have visited all 5 flip charts, have the participants return to their seats.

5. Use the remaining 15 min to review the initial round of categorization, you will want to challenge the participants to consider missing assets for components that are sparsely populated; also, it is OK to have an asset categorized in multiple components – some organizations may provide technical assistance and access to capital or networking opportunities, for example. Also, be wary of letting "Supportive Environment" become a "catch all" component – follow the definitions laid out in the previous slide to help with classifying assets. Here are some suggested questions the coach can use to elicit additional assets:

- In addition to financial capital, are there infrastructure, human capital/specialized business services (i.e., services beyond business plan writing such as marketing, accounting, web building/e-commerce) available, or cultural norms/historic examples/political circumstances that might support entrepreneurship?

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- Are there existing economic development efforts that could be "piggy backed" on to create new entrepreneurial opportunities (e.g., scenic trail/highway project, Main Street rehabilitation and/or beautification, wellness initiatives)?
- What youth programs exist in the community that could provide entrepreneurship training (or may already, but it's just not known; for example, 4-H, Boy Scouts and Girls Scouts all have entrepreneurship curriculum available, but the local clubs may not utilize them due to lack of awareness/adult volunteers capable of leading the units)?

6. Discuss with the participants if anything is missing. Are there gaps in the system? Are the existing assets all relatively close by, in a proximate urban center or truly regional in nature? Lastly, are there existing constraints or barriers that need to be noted?

If used after Session 3, follow the instructions below, building upon the community capitals identified in Session 3.

1. Prior to meeting, the coach should put all of the assets on 5x7 index cards or post-it notes; the coach should either use colored index cards/post-it notes that correspond to the community capitals from Session 3, or should mark each index card/post-it note to identify the community capital to which the asset belongs. (If using index cards, the coach should be prepared with a "sticky wall" to use during the module, so that participants can re-arrange the cards to correspond to the 5 ecosystem components.)

2. The group should review the assets previously identified and remove any that are not related to entrepreneurship. Also, the opportunity should be given to add any new assets to the sets.

3. The group will now have the opportunity to rearrange the cards/notes according to the 5 ecosystem components: access to capital, supportive environment, networks/mentoring/coaching, training and technical assistance, and youth entrepreneurship.

4. After the assets are reorganized, discuss with the participants if anything is missing. Are there gaps in the system? Are the existing assets all relatively close by, in a proximate urban center or truly regional in nature? Lastly, are there existing constraints or barriers that need to be noted?

Resources for more information, or if the region wants to go further with the ecosystem mapping:

Markley, D.M. and S. A. Low. 2012. "Wealth, Entrepreneurship and Rural Livelihoods," Choices Magazines, 1 Quarter. Online: http://www.choicesmagazine.org/choices-magazine/theme-articles/rural-wealth-creation/wealth-entrepreneurship-and-rural-livelihoods .

Isenberg, D. 2011. "Introducing the Entrepreneurship Ecosystem: Four Defining Characteristics," Forbes Magazine, May 25. Online: http://www.forbes.com/sites/danisenberg/2011/05/25/introducing-the-entrepreneurship-ecosystem-four-defining-characteristics/

SLIDE 7
INSTRUCTIONS

This is a transition slide for the Self-Assessment exercise described on the next page.

SLIDE 7:

TIME: DURING SELF-ASSESSMENT EXERCISE

SUPPLIES: NONE

HANDOUTS: NONE

NO SLIDE

ASSESS THE REGION'S ECOSYSTEM

Now that Team members, along with their business owner guests, have discussed their homework findings and developed a visual representation of their ecosystem of entrepreneurial support, they will evaluate the effectiveness of the region's ecosystem using the readiness tool.

1. Hand out the readiness assessment tool, and ask each participant to complete the survey within 10 min. The participants should be encouraged to complete the survey quickly – this is a knee-jerk type assessment, so the participants should not overthink each response.

PURPOSE OF ACTIVITY:

ASSESS THE REGION'S ENTREPRENEURSHIP ECOSYSTEM

TIME: 45 MIN

SUPPLIES: POST-IT NOTES TO IDENTIFY NUMBERS BETWEEN 0 AND 50

HANDOUTS: READINESS SURVEY

2. Once participants have completed the self-assessment, have the participants line up along a "number line" (constructed using post-it notes along one wall) to identify the max score, min score and how the other responses were distributed in between. (You can tell the participants to pretend they are lining up to board a Southwest Airlines flight, where their self-assessment score represents their position in the queue, if necessary.) Make observations about the distribution before having the participants return to their seats for a discussion. (10 min)

3. The SET coach will guide a discussion, based upon the observations made by participants. The following questions can serve as a basic jumpstart to the discussion. (25 min)

- To the person with the highest and lowest scores: why did you rank the region as you did? Where there particular components that the region does poorly/well?
- What surprised you the most about the results?
- What were come 'key components' of your region's entrepreneurial system that appeared as strengths? Weaknesses?
- Geographically speaking, are there some opportunities to leverage assets from one area or more areas to the benefit of the entire region?
- If the distribution of the responses has several modes (i.e., clusters of responses), what is determining those modes: are all the people in each cluster from the same:
    - Part of the region?
    - Occupation/Employment Status (entrepreneurs, or government employees, chamber representatives, etc.)?
    - Age?
    - Gender?
    - Educational background?

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SLIDE 8
INSTRUCTIONS

This is a transition slide for the drafting an action plan described on the next page.

SLIDE 8:

TIME: DURING ACTION PLAN DEVELOPMENT

SUPPLIES: NONE

HANDOUTS: NONE

NO SLIDE

ACTION PLAN DEVELOPMENT

Development of an action plan will focus on filling gaps from the entrepreneurial ecosystem, connecting existing pieces of the ecosystem and/or developing actions to utilize the ecosystem in advancing one or more of the region's clusters. Since the participants have only identified opportunities for the clusters, you will not develop full-fledged action plans. Instead, here you will want them to go back to the cluster opportunities identified at the end of Session 2 and identify where entrepreneurship (given the status of the region's ecosystem) best fits in moving forward a particular cluster.

PURPOSE OF ACTIVITY:

DEVELOP A PLAN OF ACTION TO ENHANCE THE REGION'S ENTREPRENEURSHIP ECOSYSTEM

TIME: 60 MIN

SUPPLIES: FLIP CHART, DOT STICKERS

HANDOUTS: ENTREPRENEURSHIP ACTION PLAN

For example, when mapping the ecosystem, one or more of the region's clusters might have represented a large proportion of the existing entrepreneurs in the region. In this case, the facilitator will want the participants to discuss why so many entrepreneurs exist in that particular cluster and what could be done to support/encourage them. This might be filling a gap in the ecosystem, connecting existing components or cultivating businesses in cluster-related industries.

Alternatively, the observation may be that many pieces of the ecosystem exist but they are not connected in a productive/beneficial manner. The facilitator would then want to guide the conversation to identify key barriers that inhibit interaction and strategies to overcome them.

1. The group will want to prioritize one or more actions to enhance the existing entrepreneurship ecosystem. You may want to brainstorm as an entire group for no more than 10-15 min (less if lots of ideas, to allow for time to "vote" with dot stickers to identify 3-5 actions). Once 3-4 actions are identified as the greatest priority/"most important", have the participants divide into groups to develop an action plan for each using the Entrepreneurship Action Plan worksheet to guide them.

2. Once in groups, the coach will want to review the action plan worksheet. There are a minimum of four questions which must be answered:

• What is the action being completed?

• What are the resources needed to complete the action?

• Who will be responsible for completing the action?

• By when will the action be complete?

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The action should be specific and small enough that it can be completed within 2-3 weeks. Resources required should include any special data needs, the time required, any specialized knowledge/training, tools, and supplies. The 'who' should be specific – names of individuals rather than a more generic reference to a committee. The goal here is have someone be responsible. If there is no name, the action/step should be removed from the plan. The 'when' should be equally specific – a couple weeks, for example, is not an acceptable response, but May 12, 2012, is a very acceptable response. (5 min)

3. Using Entrepreneurship Action Plan worksheets, each group should complete the plan together, and each member should have a copy for reference. (30 min)

4. Have each group report out their action plan so everyone in the room knows what to expect over the next month. Make sure each group provides a copy of the plan to the individual who is responsible for documenting meetings and/or writing the HQP.

As some actions are completed, new actions should be added when necessary. When the desired outcome is achieved, it is time for a new action plan. As milestones are achieved, don't forget the power of celebration!"

SLIDE 9
INSTRUCTIONS

This slide is for you to put your logo and coaches contact information.

SLIDE 9:

TIME:

SUPPLIES: NONE

HANDOUTS: NONE

REFERENCES

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