

# **Peak Innovation Conference Celebrating 25 Years**

**10 Steps to Building  
a Culture of Innovation  
Sierra Business Council**

**October 8, 2014**

**Tahoe City, California**

***09.17.14 Version***





## 10 Steps to Building a Culture of Innovation

October 8, 2014



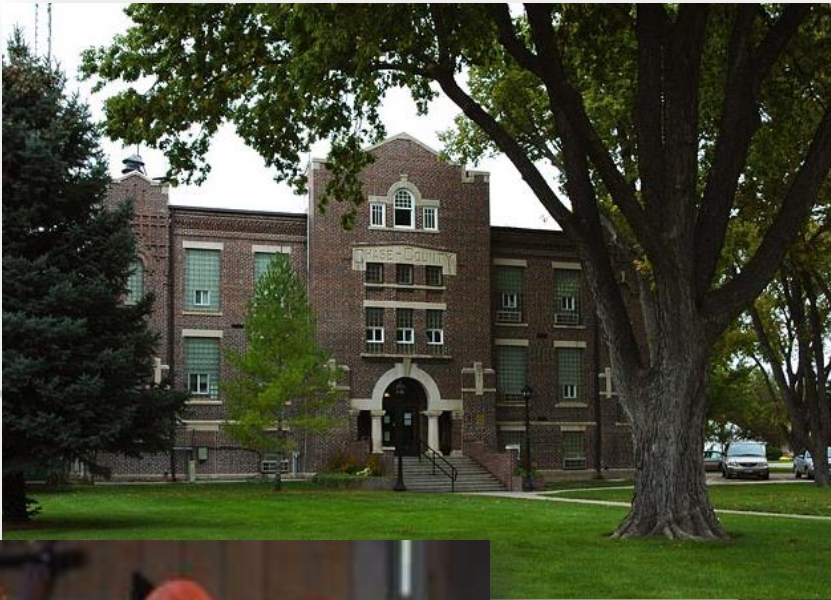


## A Powerful Story From the Field

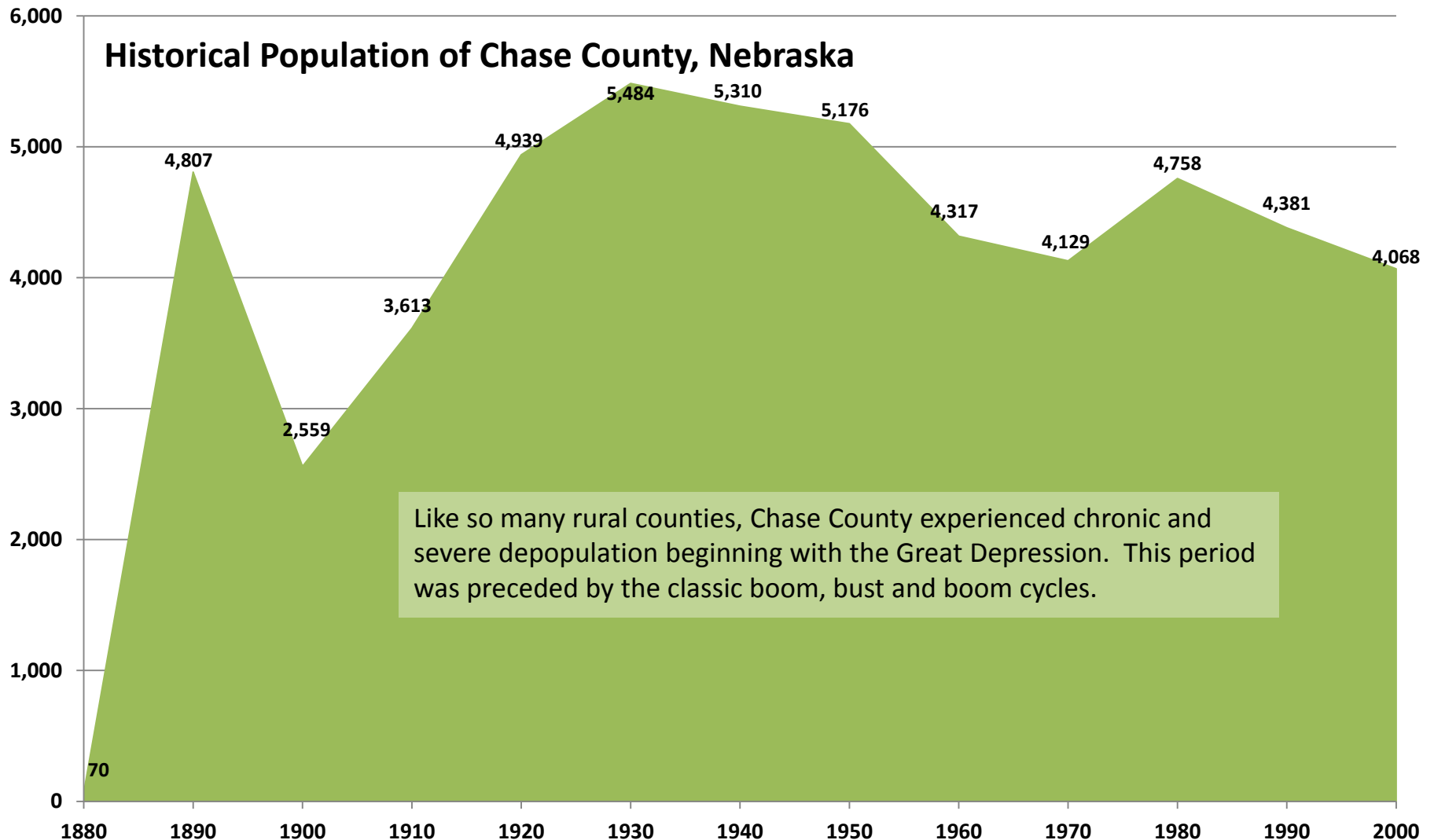
**Chase County  
Nebraska**



# Imperial - Chase County



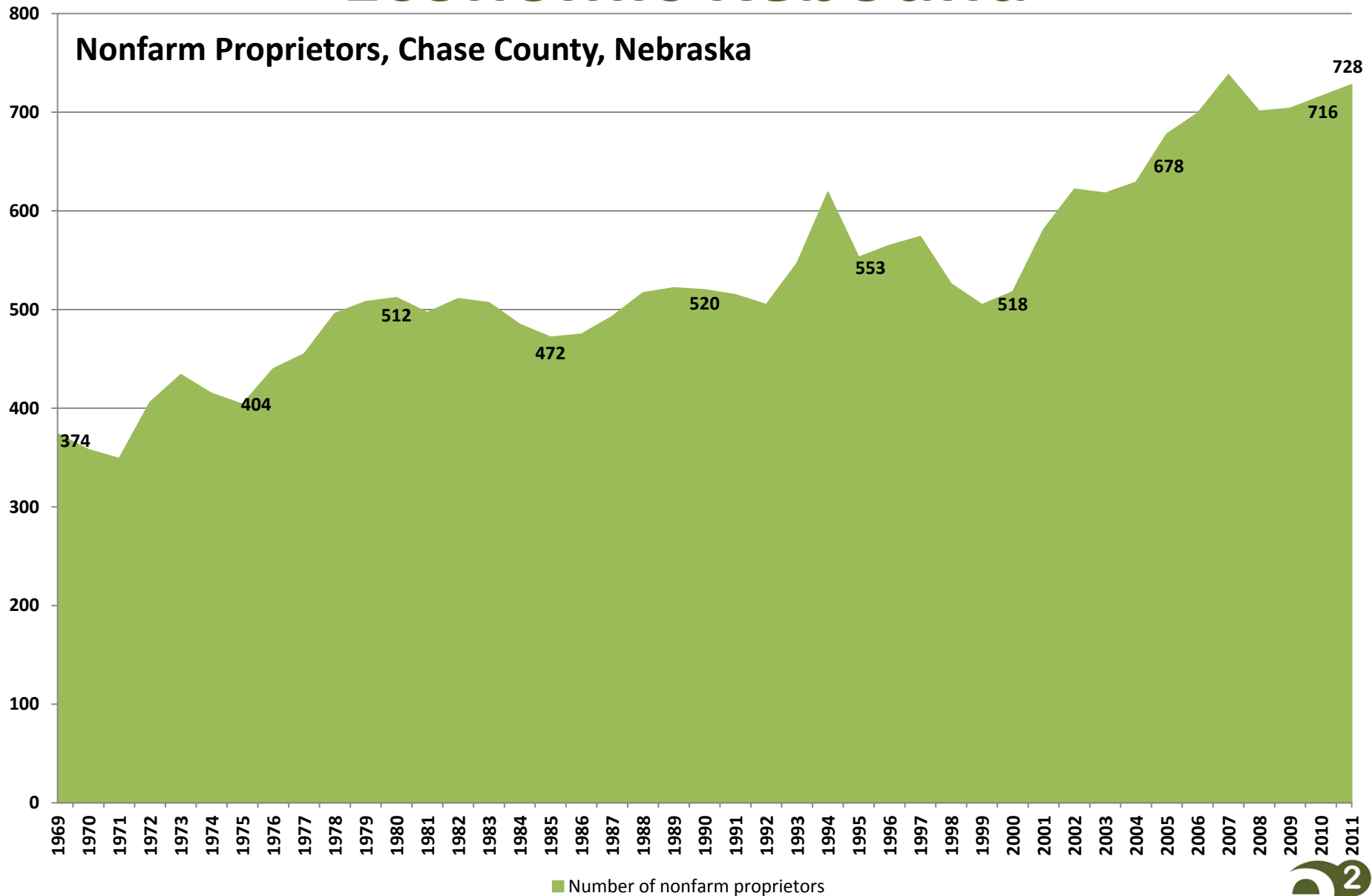
# Chase County, Nebraska



Like so many rural counties, Chase County experienced chronic and severe depopulation beginning with the Great Depression. This period was preceded by the classic boom, bust and boom cycles.

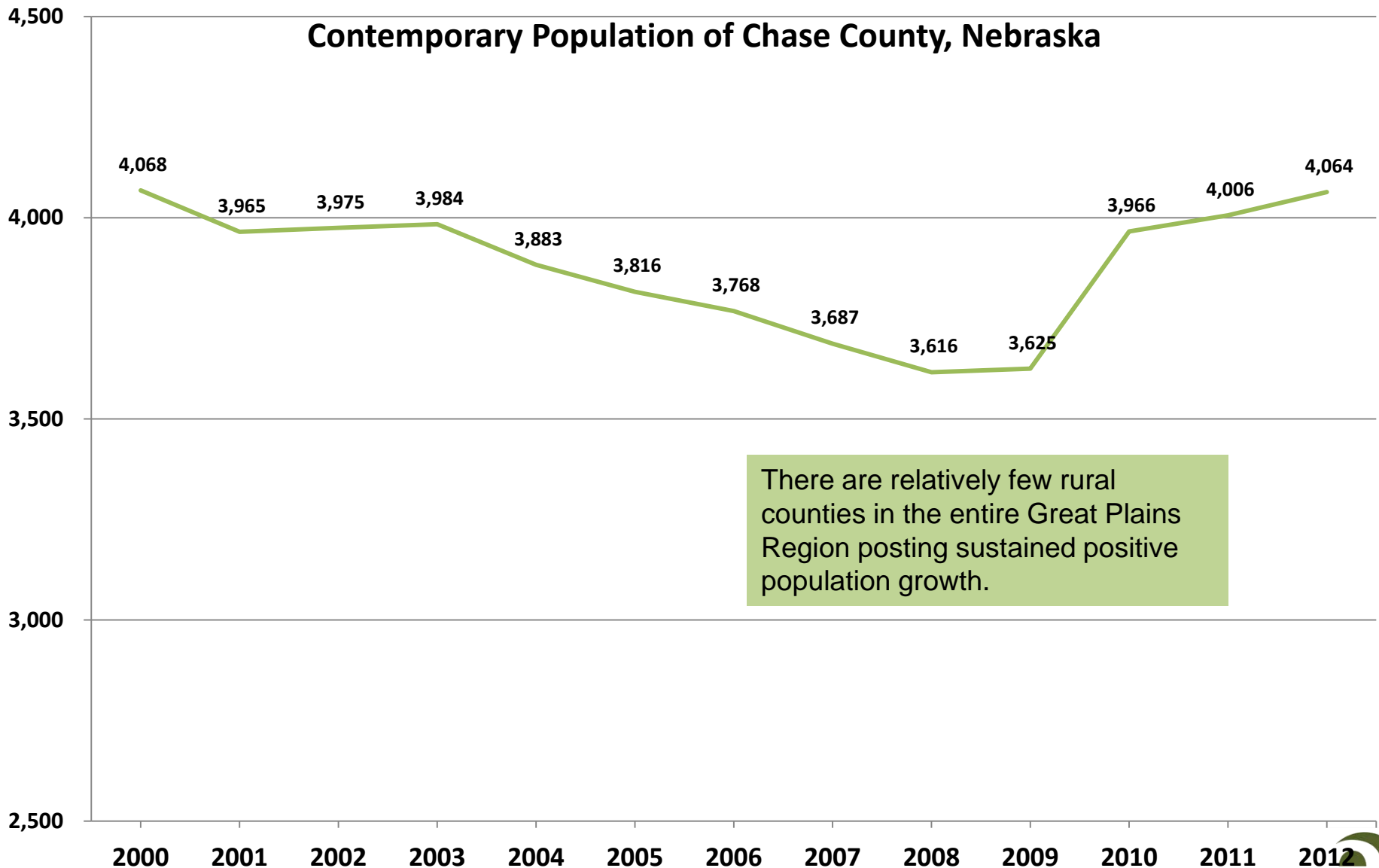
# Economic Rebound

## Nonfarm Proprietors, Chase County, Nebraska



# Community Renewal

Contemporary Population of Chase County, Nebraska



There are relatively few rural counties in the entire Great Plains Region posting sustained positive population growth.



# Russ & Allo Communications

Russ and his wife own the local twice weekly newspaper in Imperial. He and a former high school classmate created Allo Communications. Today it is one of the breakout companies fueling Chase County's revitalization. Allo Communications is competing head up with the likes of SPRINT and Century Link.

**Russ and Allo are charitable and, through gifts to the Chase County Community Foundation, they are supporting workforce development and educational opportunities for youth.**





# Three Kinds of Entrepreneurs

**Social**  
**Civic**  
**Business**



# Preliminaries

- **Welcome**
- **Introductions**
- **Questions and Discussion**
- **Exercises**
- **Resources**

***Book, Keys Paper, Power Points & Handouts***

- **Workshop Flow**



# Our Workshop Today

*Sierra Business Council*

*10.08.14*



A Story

Preliminaries

Readiness Exercise & Share Back

Why Entrepreneurship

Your Reality Exercise & Share Back

Entrepreneurial Development Systems

Kansas Case Study

Building Blocks

Wrap Up



# Role of Entrepreneurs?

**Entrepreneurs = Innovation**

*Growing an entrepreneurial ecosystem that grows entrepreneurial talent within your community or region ensures economic and social renewal, competitiveness and sustainability.*



**Beth Ehlis Strube**

# Readiness for Entrepreneurship

**Strength of agreement with each of 15 statements.**

- **Complete the Worksheet**
- **Score It**
- **Share Back**
- **Use it Back Home**



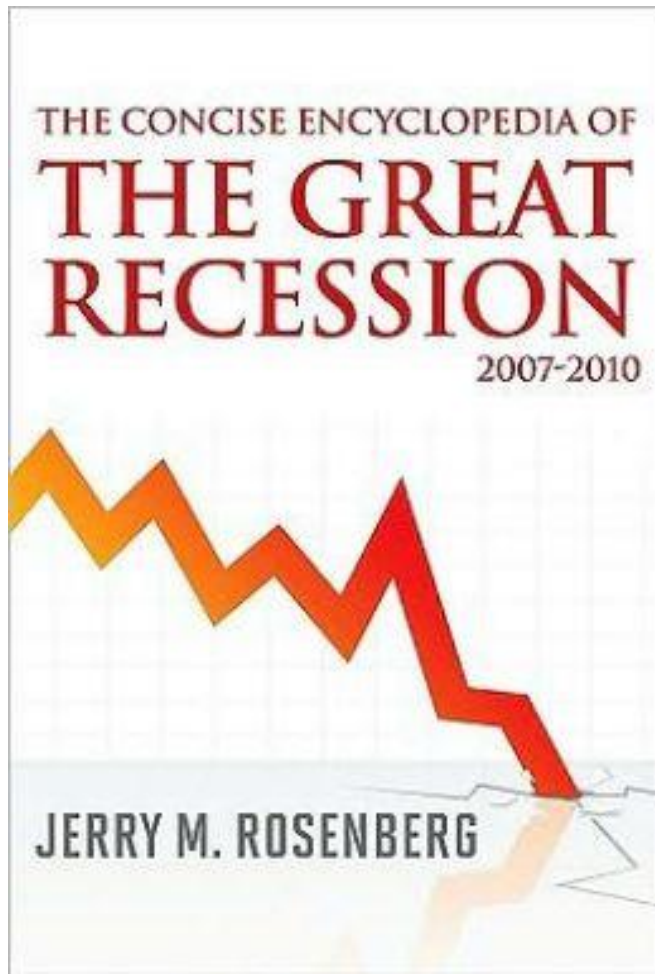


## Why Entrepreneurship

**Needs &  
Opportunities**



# Great Recession

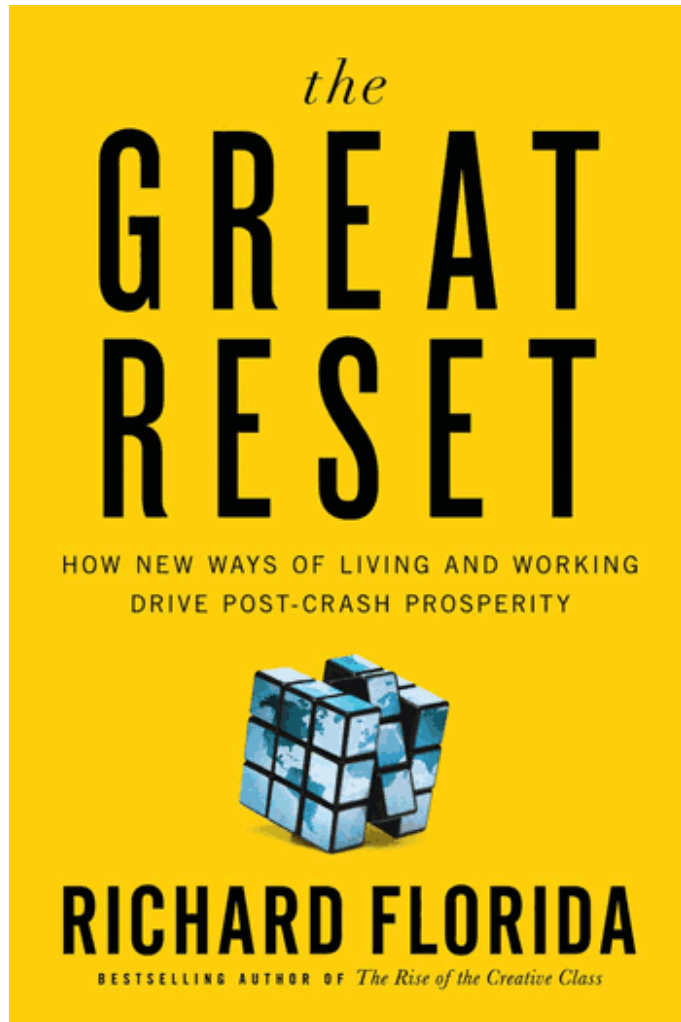


The most significant economic event in our lifetime!

A new economic and social world will emerge from this recession.



# Great Reset



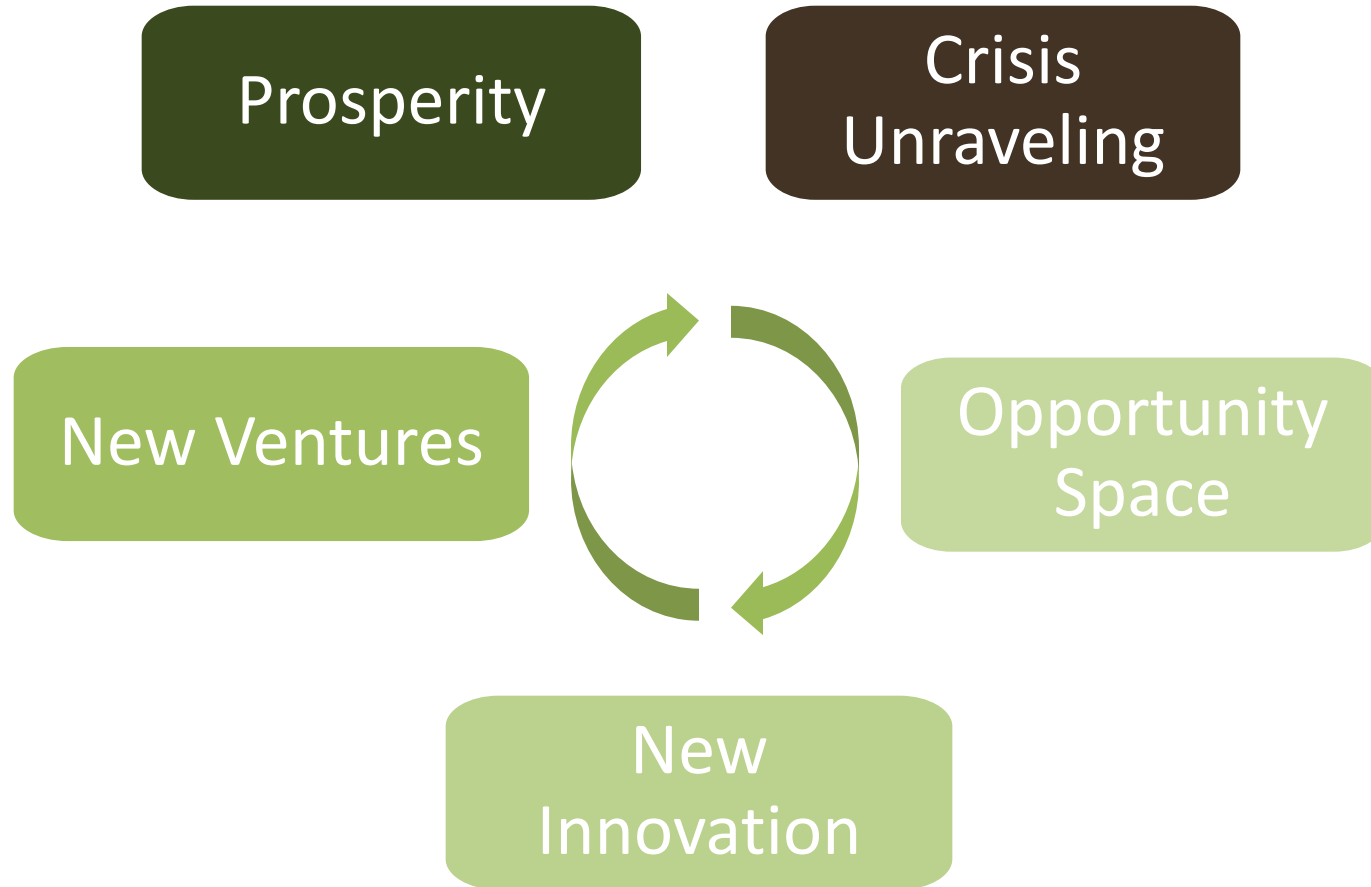
Space exists in our economy and society for creativity and innovation that can lead to a new round of economic and social progress and prosperity.

The Long Depression of the 1870s and the Great Depression of the 1930s are evidence that this can be the case with the Great Recession.

**This is called the  
Great Reset!**



# The Reset Process



# Illustration – 1995-2001

## The Great Expansion

*The 1990s was a remarkable period in American economic development history. During the 1990s, household net worth grew by a remarkable \$22 trillion. No other decade since World War II posted such wealth creation in United States including the 1950s, 1960s and the 1970s.*

## Booming 1990's

**3.7 Million**

More Businesses

**\$5 Trillion**

More Sales

**28 Million**

Net New Jobs

# Challenged 2000s

Largest Employers Shed **9.5** Million Jobs

**99,000** Jobs Loss Per Month

Smallest Employers Created **8.8** Million Net New Jobs

**92,000** Jobs Gained Per Month

Self-Employment Grew by **93%**

**3.3** Net Gain in Self-Employed Ventures

# First Year of the Recovery

## 2009-2010

Largest Employers Shed Over **1 Million** More Jobs  
or **-113,000** per Month

Smallest Employers Created **6.8 Million** Jobs  
or **569,000** Jobs per Month

**IN JUST 1 year,**  
**2.5 Million NEW**  
**ENTREPRENEURIAL**  
**startups!**



# Results in for 2009-2012

Self – Employment Dropped

↓ **146,241** or ↓ **2%**

**Stage 1 Ventures**  
(2-9) employees

↑ **2.6** *million more businesses* **+21%**

↑ **6** *million more jobs* **+28%**

↑ **\$371** *billion more in Sales*





**Defense Contractors  
Government Contractors  
Supply Chain Companies**



**Immigrant Talent  
Graduate Students  
Safe Harbor Immigrants**



**Under-Employed Talent  
Un-hired Graduates  
Displaced Talent**

## **Entrepreneur Opportunities**



**Business Failures  
Retirees  
Women**

# Sahuarita, Arizona

## **Situation:**

South Tucson – Bedroom Community

Explosive Suburban Growth

Midland Crowd – IT & Aviation

Great Recession Slowdown

Desire for a Domestic Base Economy

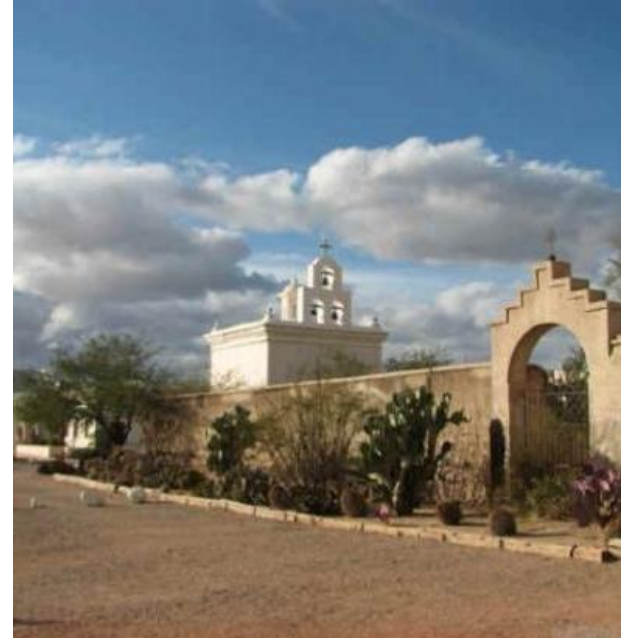
## **Response:**

**Stay at Home Spouses**

**800 Educated Home-Based Workers**

**Cluster Spin-Off Opportunities**

**System Support & Coaching**



# Fond du Lac, Wisconsin

## Situation:

Industrial Midwest Small City

Janesville, WI GM Lesson

Mercury Marine Scare

Threat to Supply Chain Companies

Defense Contractors

## Response:

**Focus on Defense & Supply Chain**

**Customized Entrepreneur Coaching**

**Use of Market Research**

**Wrap Around Services**

*Finance – Facilities – Workforce, etc.*



# Missoula, Montana

## Situation:

Western Montana

Mountains & Drop Dead Beautiful

40 Years of Economic Boom

*New Residents, Housing & Commercial*

Great Recession – Boom Stops

Forestry Industry Collapses

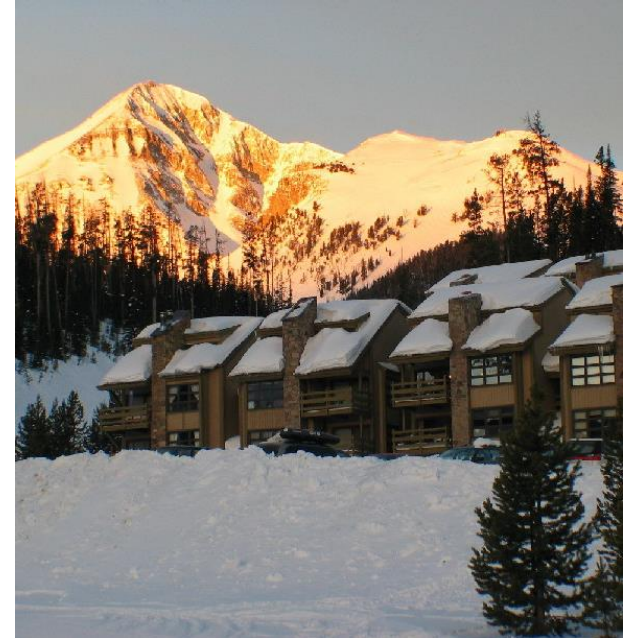
## Response:

**Micro Clusters of E Talent**

**Technology Focused**

*Pharma – IT – Green – Tourism*

**Comprehensive E Coaching Support**





# Red Wood Coast, California

## Situation:

Coastal Northern California

Rural & Very Isolated

Declining Natural Resource Economy

Historically at the Bottom in California

Largest Industry – Pot Production

## Response:

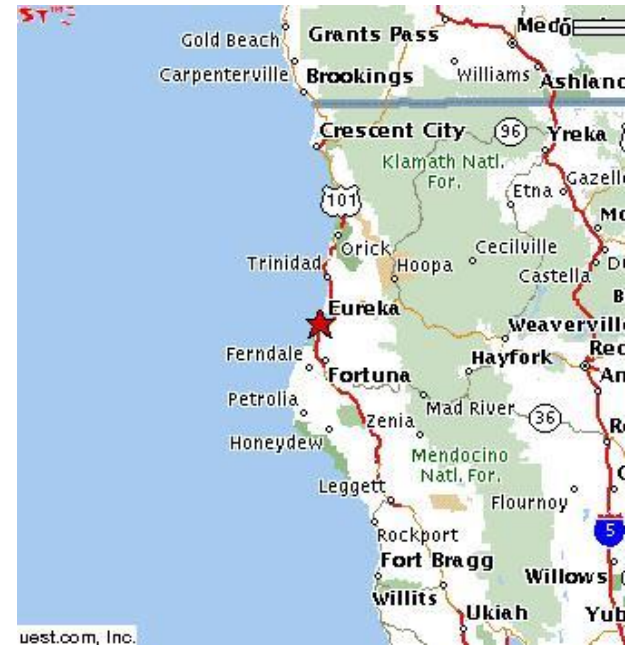
**Humboldt Area Foundation**

**\$100 Million Endowment**

**Long-Term View & Commitment**

**Entrepreneur Focus**

**Now in the Top of California Counties**



# Research Coast, Florida

## Situation:

Area North of Miami

Economic Gardening Focus

Stage 2 Growth Entrepreneurs

No Community Game Plan

## Outcomes:

Challenged Finding Entrepreneurs

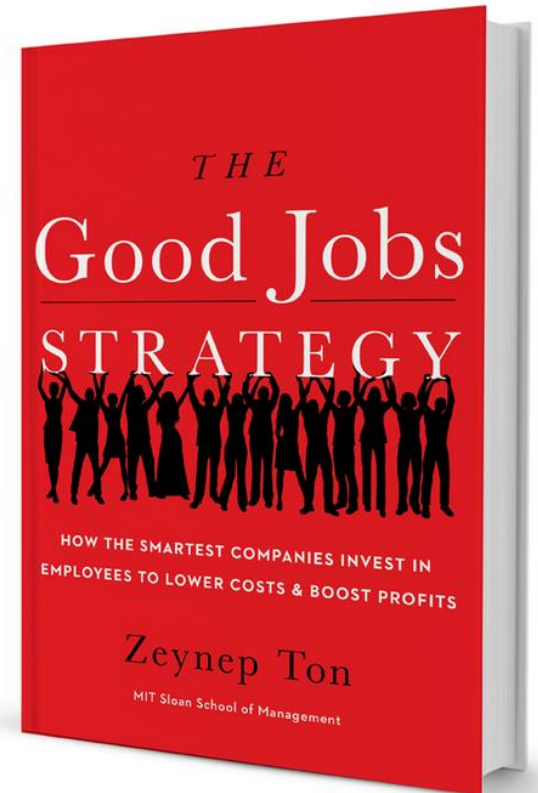
Limited Development Impact

Initiative Did Not Sustain



# The Good Jobs Strategy

- by Zeynep Ton 2014
- MIT Sloan School of Mgt.
- *Employees*
  - *Cost or Investment?*
  - *Liability or Asset?*
  - *Cost to be Reduced?*
  - *Other Ways to Reduce Costs and Increase Profits*
  - *Costco and Walmart*
  - *Systems and Empowerment*





# Your Reality...





## Entrepreneurial Development Systems



# System Illustration Slides



# EDS Elements

**Think Ecosystem...**

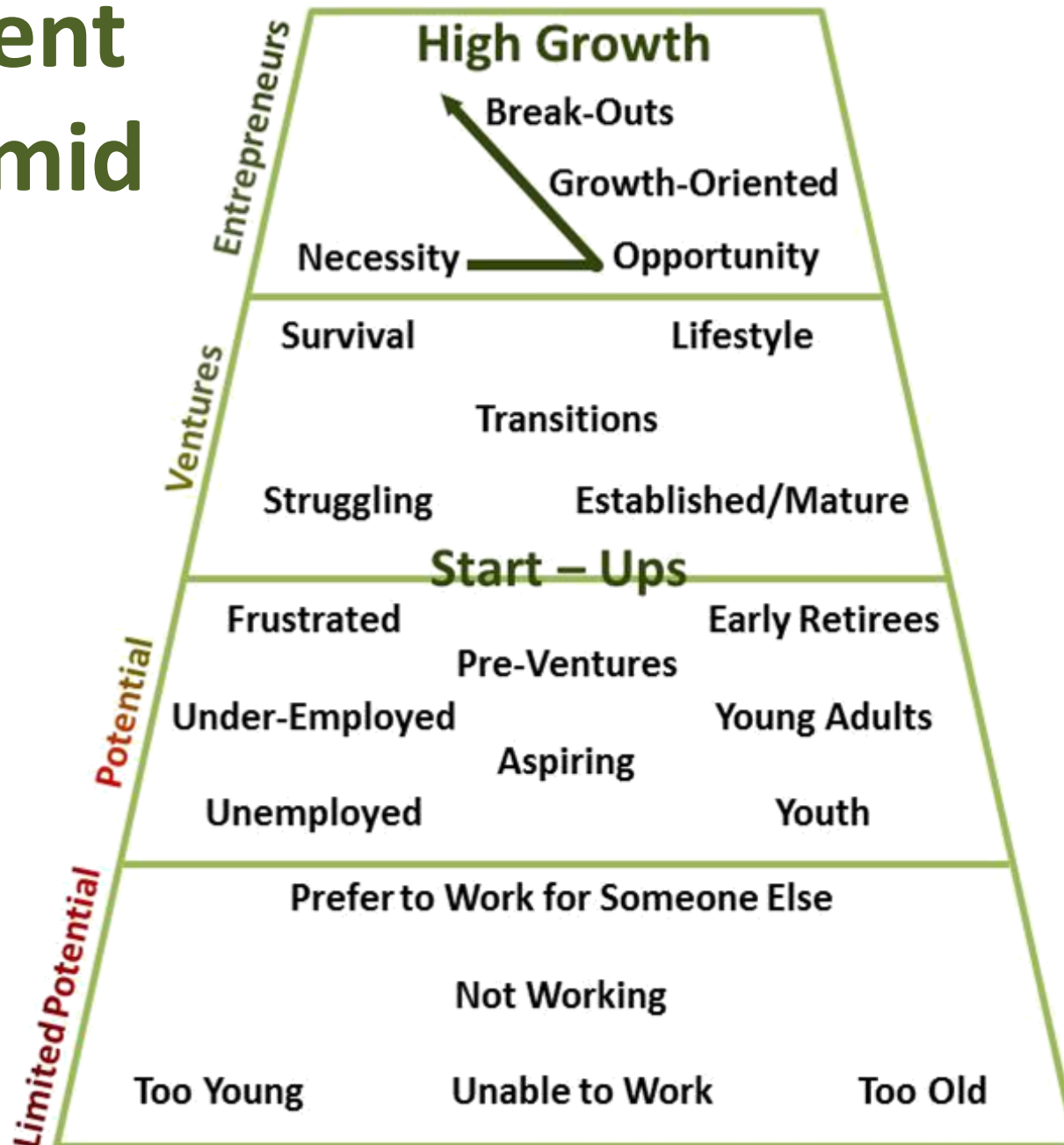
**Think Culture...**

- 1. Entrepreneurial Talent**
- 2. Relevant Resources**
- 3. Networks**

*Rooted entrepreneurs believe in community and grow fairer and more sustainable economies.*



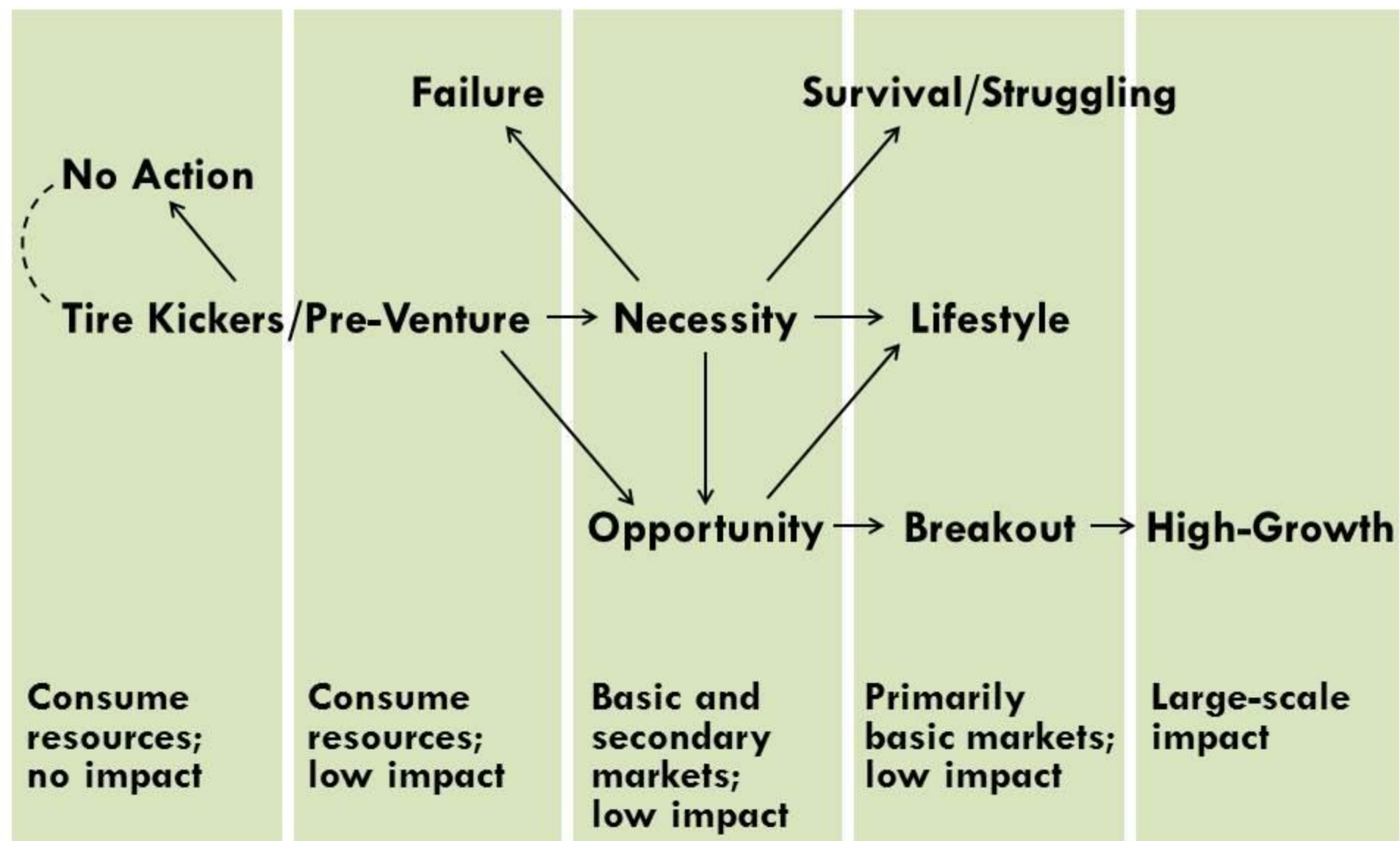
# E Talent Pyramid



Source: Center for Rural Entrepreneurship – [www.energizingentrepreneurs.org](http://www.energizingentrepreneurs.org)



# The Entrepreneurial Pipeline





# Mapping Your Assets...







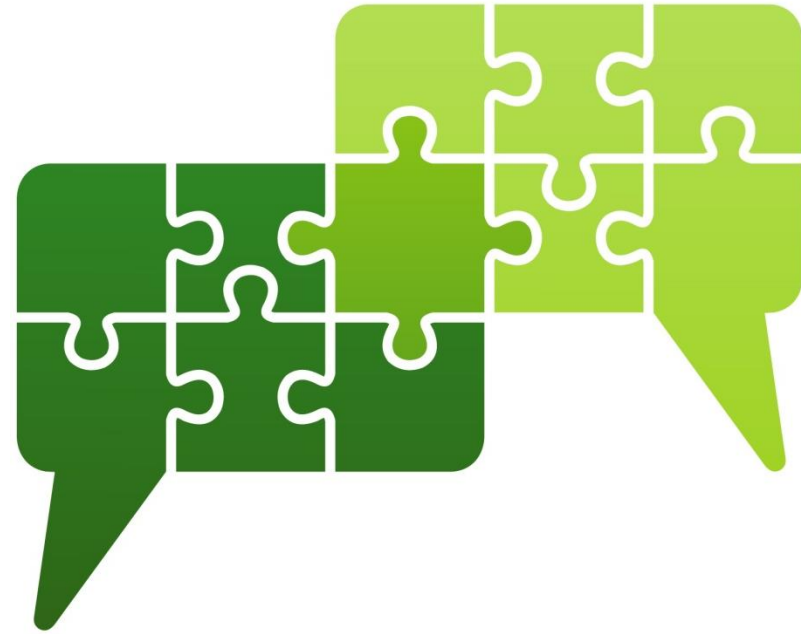
## Building Blocks

**Vision to  
Impact**



# Regional or Statewide Initiative

- **Infrastructure**
  - SourceLink Resource
  - Capital Access
  - Market Intelligence
  - Business Counseling, etc.
- **Community Engagement:**
  - Communities as Partners
  - Entrepreneur Engagement



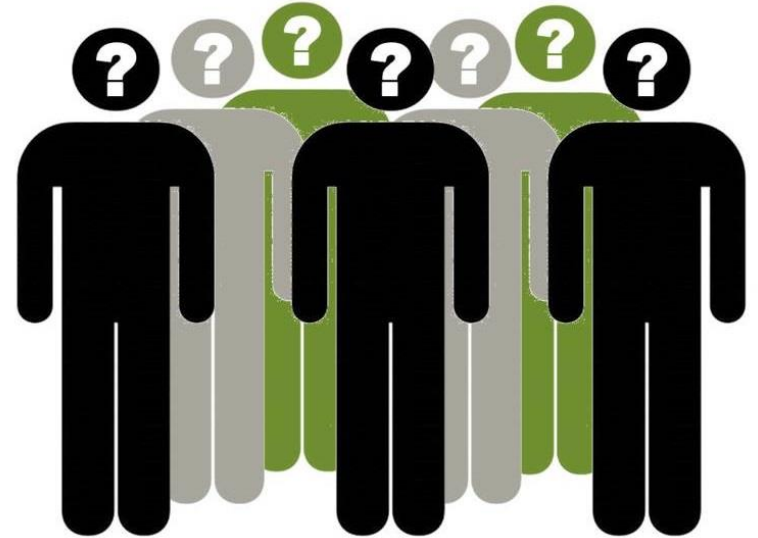
# Community Ground Game

- **Community Coaching**
- **Community Ecosystem**
- **Business Coaching**
- **Portfolios**
- **Hard Referrals & Tracking**
- **Impact Documentation**
  - Numbers
  - Stories



# An Entrepreneurial Community

1. **Entrepreneurs**
2. **Outreach**
3. **Business Coaching**
4. **Referral & Tracking**
5. **Ecosystem Development**



# Assessment is Key

1. Opportunity
2. Entrepreneurial Talent
3. Relevant Resources
4. Development Preferences
5. Stakeholders

*Smart assessment can empower a community to craft a sound game plan and accelerate impact.*



# The Philanthropy Connection

## Think...

- Endowed Professors
- Named Hospital Wings
- Gifted Library Reading Rooms

## Now Think...

- Endowed Business Coaches
- Endowed Youth Programs
- Endowed E Networks

## Holt County, Nebraska Story...



# Immigrants and New Residents

- Very Entrepreneurial
- Love of New Community
- Highly Motivated
- External Connections
- New Ideas and Energy
- Workforce Talent
- Children and Wealth

Lexington, Nebraska story...





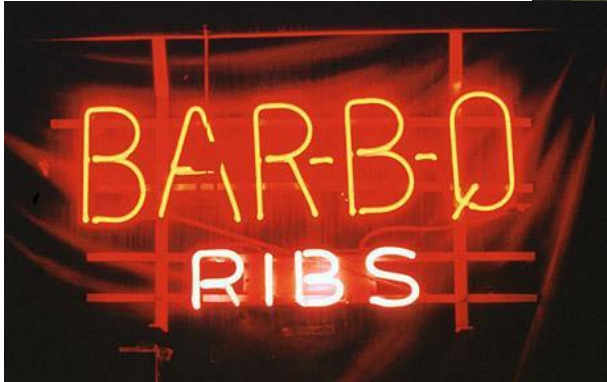


## Going to Scale

**Kansas?**

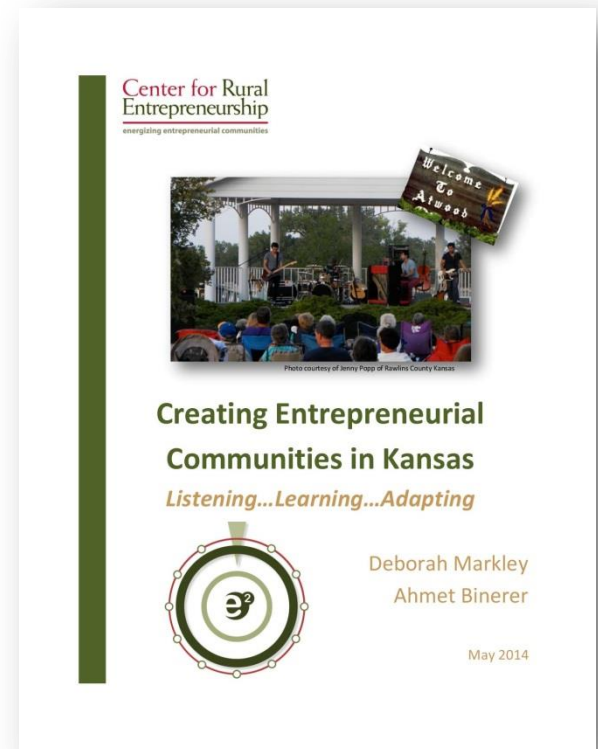


# Entrepreneurial Kansas?



# YES!

- More than a **decade of evolution** of entrepreneurial development in the state
- **Collaborative effort** – both in terms of policy and practice
- Powerful **public – private partnerships**
- Orchestrated and implemented by **social and civic entrepreneurs**



# Kansas Entrepreneurship Milestones

2001	Kansas Sirolli Initiative Begins 2001-2003	
2004	KS Economic Growth Act Passed	
2005	NetWork Kansas Formed	
2006	Steve Radley & Erik Pedersen Hired StartUp Kansas Begins	
2007	E-Community Partnership Rolls Out 2007-Present	
2011	Economic Gardening	E-Community Partnership Refocused
2013	E-Community Partnership Moves to Metro	

# Center's Kansas Engagement

2001	Early Kansas Meetings with Wally Kearns, Patty Clark, Leon Atwell & John Cyr	
2003	Center Sirolli Evaluation Conducted 2003-2005	
2003	HTC Institutes Held 2003-2005	
2008	KS Farm Bureau Hometown Prosperity Initiative	
2009	2008-2009	Rawlins County Chatauqua County Onaga
2010	KS Entrepreneurial Communities 2010-2011 Initiative	
2011	E-Accelerator Launched 2011-Present	



# Entrepreneurial Milestones in Kansas

- **2004 Economic Growth Act** – public focus on and support for entrepreneurship
- **2005 NetWork Kansas** – hub of a resource collaborative; powered by SourceLink
- **2007-2010 “Ground Game”** – E-Community Partnership and HomeTown Prosperity/E Communities Initiative
- **2011 Accelerating Impact** – E-Accelerator, Economic Gardening...



# Lessons from Kansas

- Importance of **collaboration and connections**
- **Positive role** for government action
- Community **engagement and ownership**
- **Documenting** success
- Long-term strategy – **long-term commitment**
- Power of **social and civic entrepreneurs**

*“Build strong, meaningful partnerships with those that share your mission and empower them to help you deliver your products and services.”*

*Corey Mohn, Director of Statewide Programs,  
NetWork Kansas*

*“We didn’t want to be a state program; we wanted to get in the dirt.”*

*Steve Radley  
President and CEO, NetWork Kansas*

*“This takes time and you need to keep working at it. You need to be persistent and have faith in the future.”*

*Jeff Hofaker, Phillips County Kansas  
E-Community Partner*



# ACHIEVING IMPACT

2007 to 2013 → 6 Years

## SERVING THE UNDER-SERVED

### ACCESS

Resource Navigator – 74 →  
179/month  
Calls – 23 → 192/month  
Active Contacts – 5 → 436/month  
Partners – 9 → 500+

### REACH

44 E-Communities  
39 Counties – 37% of Geography  
Now Metro:  
Kansas City & Wichita

### DEVELOPMENT IMPACTS\*

Nearly 400 Deals  
\$61 Million in Capital  
1,060 Full-Time Jobs  
865 Part-Time Jobs

### CONTINUOUS INNOVATION

Economic Gardening  
Ice House  
Start Up Weekends  
Growing Your Business  
E-Accelerator

### COMMUNITY TURNAROUNDS

Rawlins County  
Phillips County  
Hillsboro  
Sterling  
Among Others

\* Through 1<sup>st</sup> Quarter 2014





# Questions & Discussion...





## 10 Steps to Building a Culture of Innovation

Summarized



# Our 10 Steps Summarized

1. **3 Kinds of Entrepreneurs**
2. **Commitment**
3. **Entrepreneurial Talent**
4. **Relevant Resources**
5. **Networks**
6. **Community Roles**
7. **Regional Roles & Collaboration**
8. **Sustained Effort**
9. **Immigrants & New Residents**
10. **Philanthropy & Giveback**



# Questions...



# Center for Rural Entrepreneurship

energizing entrepreneurial communities



## Center Resources



# A Decade of Field Work

The areas with “STARS” are locations where the Center has completed projects.

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# Keys to Economic Success

**Local Responsibility**

**Smart Game Plan**

**Robust Investment**

**Entrepreneurial Development Systems**

**Sustained Effort**

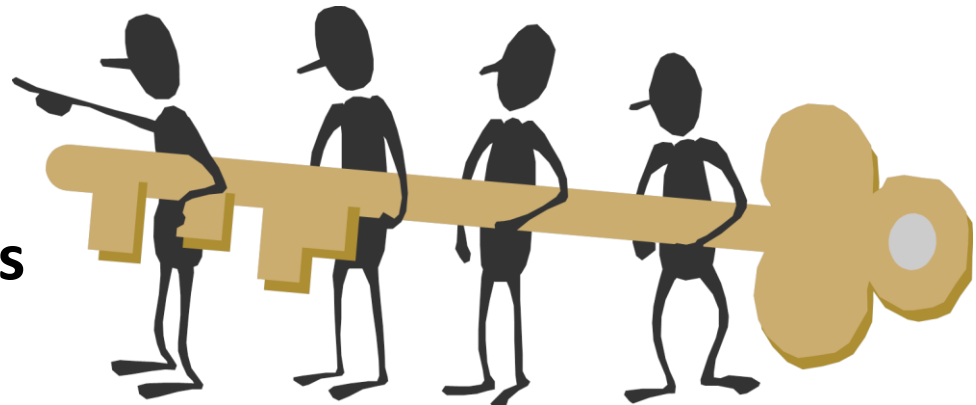
**Growth Entrepreneurs**

**Attributes of an Entrepreneurial Community**

**Immigrants & New Residents**

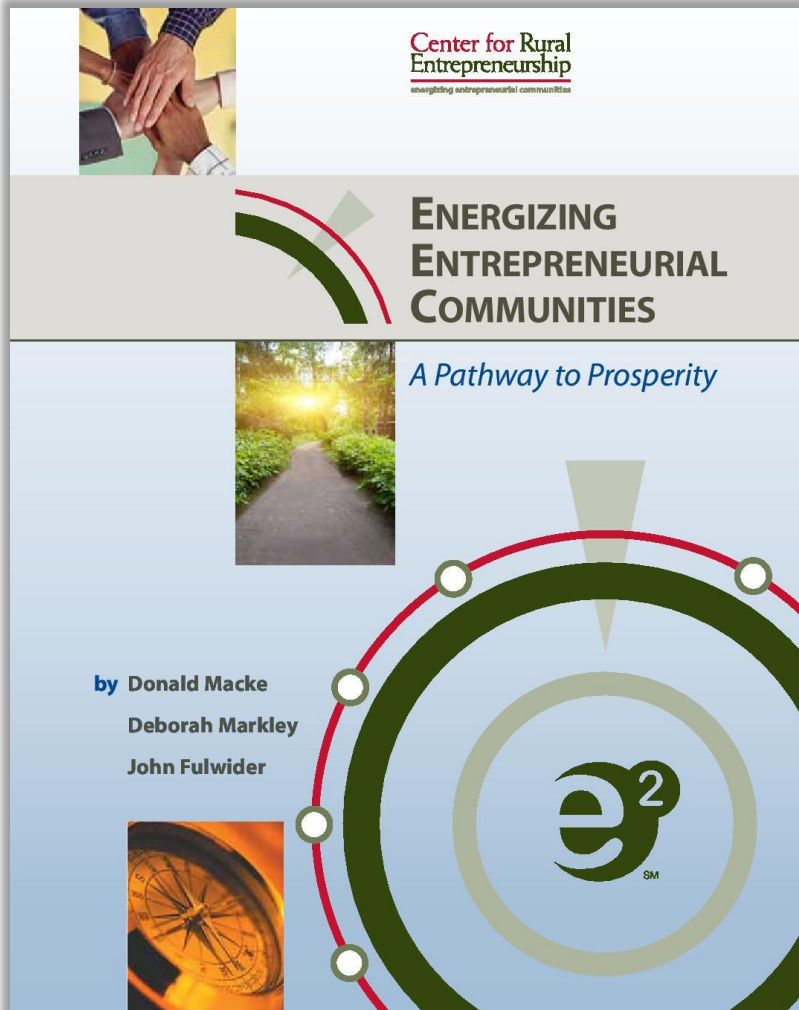
**Real Regional Collaboration**

**Civic and Social Entrepreneurs**





# New Book



January 2014 Release

## Contents...

Case for Entrepreneurs

Entrepreneurial Community

Action Framework

Working with Entrepreneurs

Guiding & Tracking Progress

*Paper & E Book*



# E2 University Online

***Rollout in 2014...***

## **Resources:**

- Guides
- Tools
- Protocols
- Training Webinars
- Exercises & Illustrations
- Videos, Stories & More



# Web site

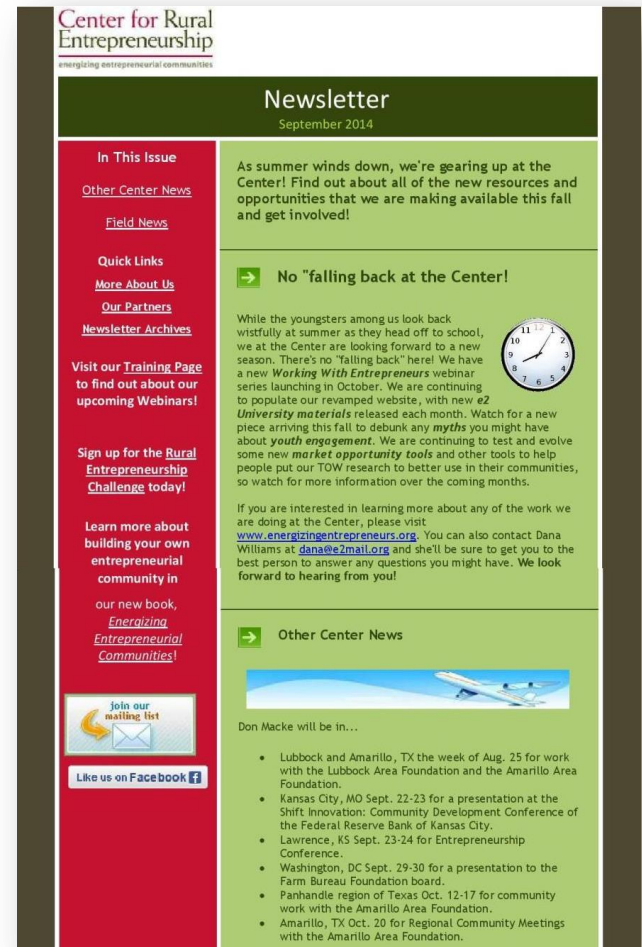
*[www.energizingentrepreneurs.org](http://www.energizingentrepreneurs.org)*

We have produced a new and improved web site with more free resources and better guidance to compensated resources. Give it a spin. Also... we have four electronic newsletters that are free. Sign up today and benefit from all the resources covered in our newsletters.



# Electronic Newsletters

1. Entrepreneurial Communities
2. New Generation Partnerships
3. Community Development Philanthropy
4. Center Newsletter



# Working with Es Webinars

**Beginning next summer and fall we will be offering community and professional webinars on working with entrepreneurs and community-based entrepreneur-focused development.**

entrepreneur  
coaching

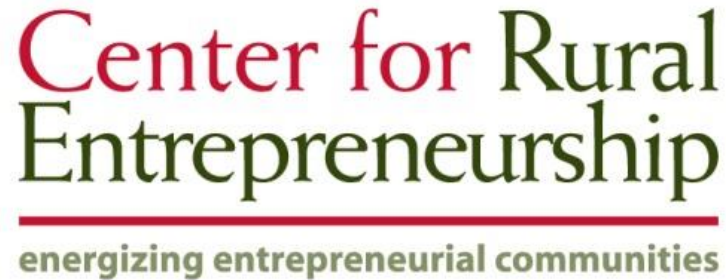
The logo for Entrepreneur Coaching features four colored circles arranged in a 2x2 grid to the right of the text. The top-left circle is teal, the top-right is orange, the bottom-left is orange, and the bottom-right is a lighter orange.

# Questions...





# Questions & Discussion



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**www.energizingentrepreneurs.org**

