

# **SourceLink Virginia: Putting the Pieces Together for Entrepreneurial and Community Development**

**Community-Based and  
Entrepreneur-Focused Development**

**Virginia Community Economic Network**

**June 3, 2014**

**Roanoke, Virginia**





## Community-Based and Entrepreneur-Focused Development

**June 3, 2014**  
**Don Macke &**  
**Deb Markley**



# Our Presentation

*Virginia Community Economic Network*

*06.03.14*



## **Part 1**

Virginia Needs a Ground Game

## **Part 2**

Lessons from Kansas

## **Part 3**

Building Blocks for Success



## Why Virginia Needs a Ground Game?

### Part 1



# Virginia's Need for Development?

## 1970-2011:

Population = +1.8%/Year

Employment = +2.9%/Year

Income = 6.5%/Year

## 2000-2012:

Domestic Migration = +17,000

International Migration = +23,000

***Outperformed the U.S. on nearly every indicator.***



# Virginia's Need for Development?

## **Great Recession (2005-2009):**

Added 124,116 Establishments

Added 134,222 Jobs

*Stage 2-4 firms dropped by 1,187  
and shed 108,000 jobs.*

*Self-employed and Stage 1 firms  
added 242,000 jobs.*



# Virginia's Need for Development!

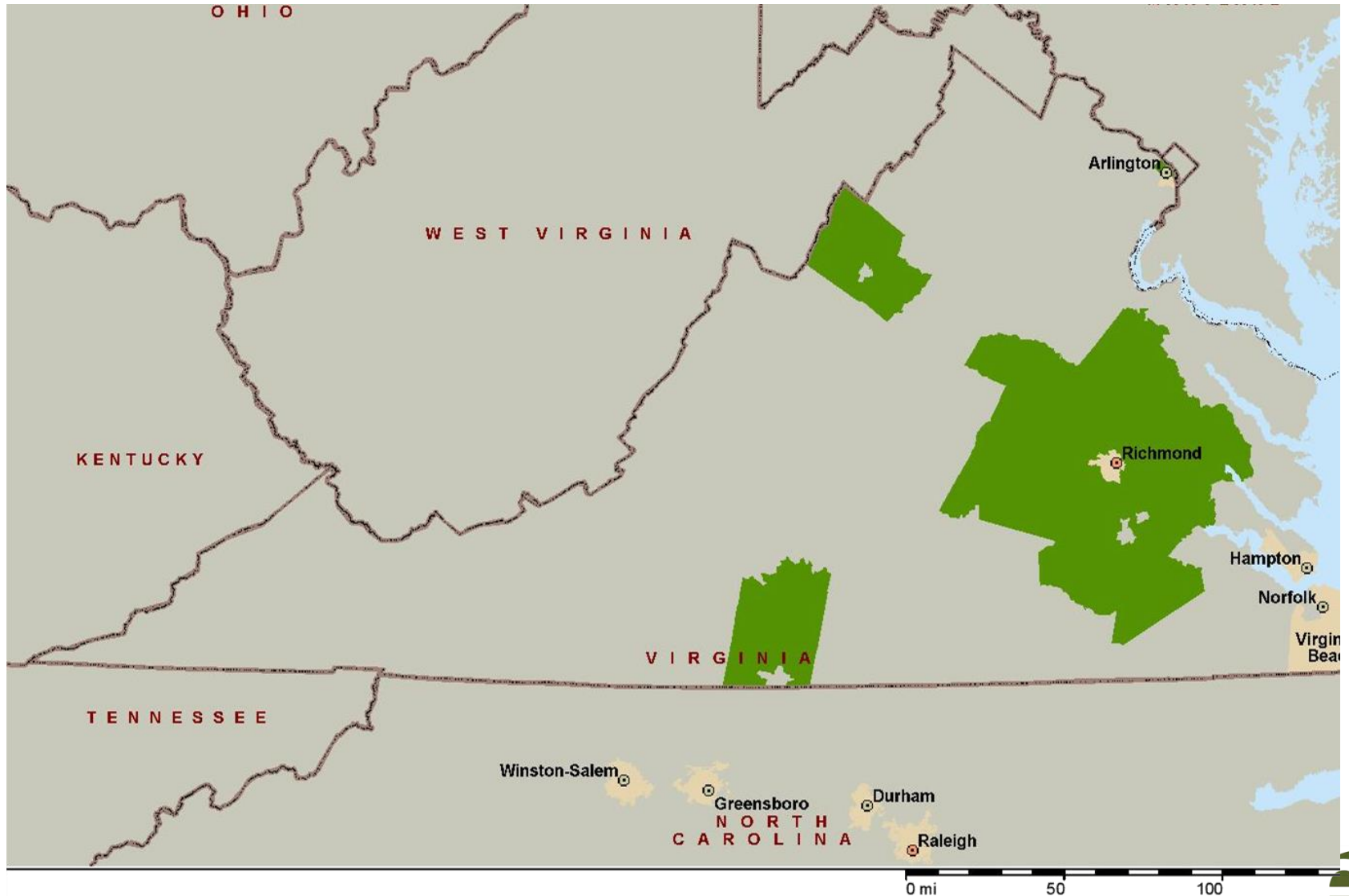
- **Military?**
- **Federal Government?**
- **Structural Changes?**
- **Manufacturing?**
- **Retirees?**
- **Uneven Growth!**

***Entrepreneur focus – Great!***

*Entrepreneurs are key to ensuring economic success in a rapidly changing world economy and society.*



# Virginia – A Very Diverse State





# Why a Ground Game?

- **Top Down & Bottom Up Strategy**
- **Community Responsibility – American Tradition**
- **Why Communities as Partners?**
  - **It's Their Community – Preferences**
  - **Finding Growth-Oriented Entrepreneurs**
  - **Reaching Under-Served and Distressed Communities**
  - **Democratizes & Sustains**
- **Communities of Place and Interest**

# A Decade of Field Work



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

# Sahuarita, Arizona

## **Situation:**

South Tucson – Bedroom Community

Explosive Suburban Growth

Midland Crowd – IT & Aviation

Great Recession Slowdown

Desire for a Domestic Base Economy

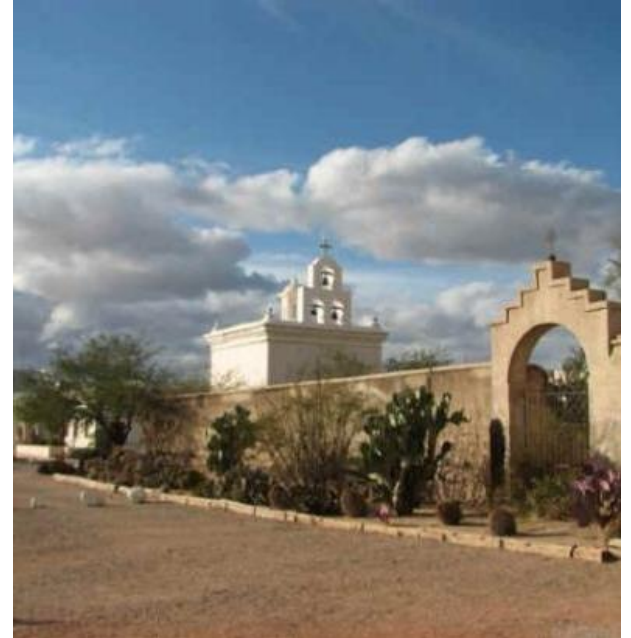
## **Response:**

**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

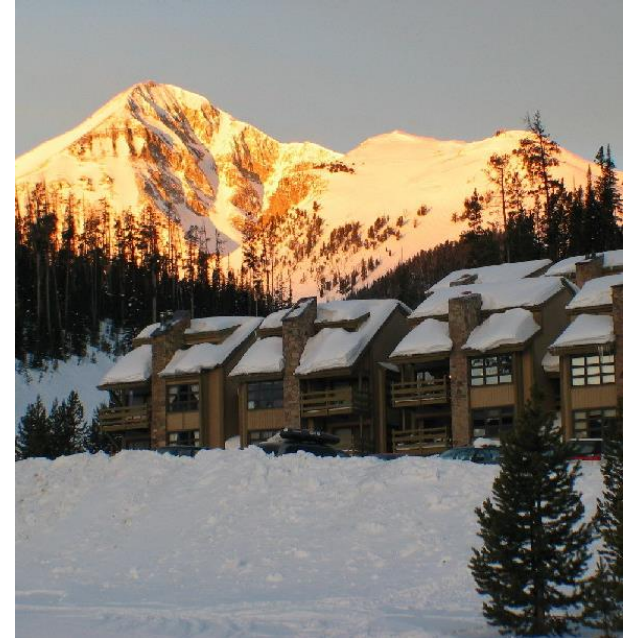
## Response:

**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:

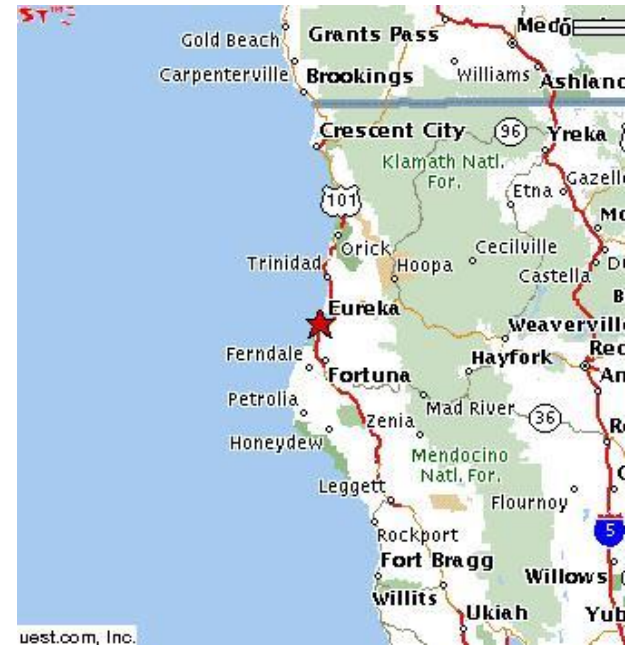
**Humboldt Area Foundation**

**\$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





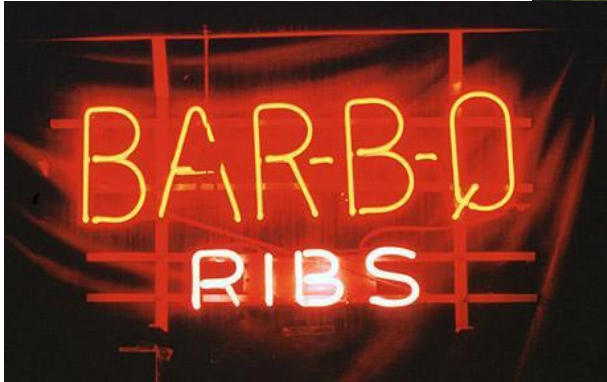
## Lessons from Kansas

### Part 2



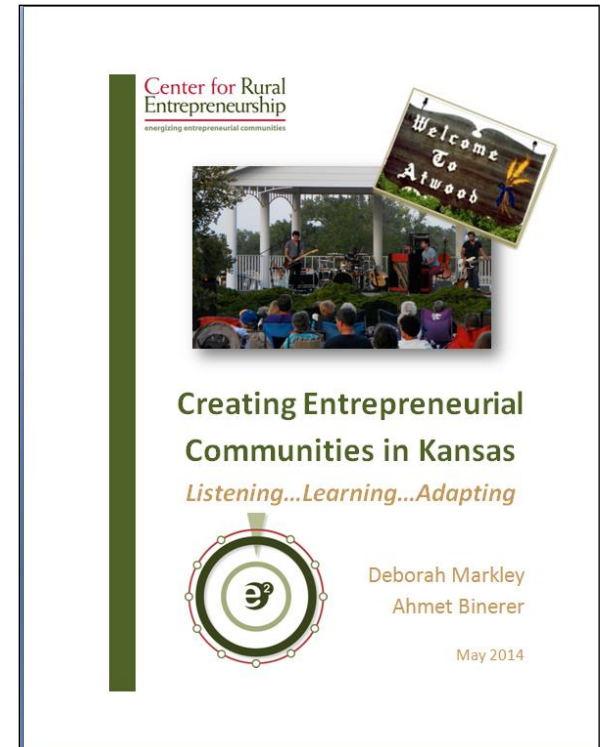


# Entrepreneurial Kansas?



# 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**



# KS 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

## 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

## SERVING THE UNDER-SERVED

86% Under 25,000 Population  
70% Under 10,000 Population  
57% Under 5,000 Population  
17% Under 1,000 Population

## 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



## Building Blocks For Success

### Part 3



# 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



# Becoming an E-Community

- Readiness
- Commitment
- Assessment
- Strategy
- Execution
- Impact
- Learning & Improving
- Sustaining Effort



# Assessment is Key

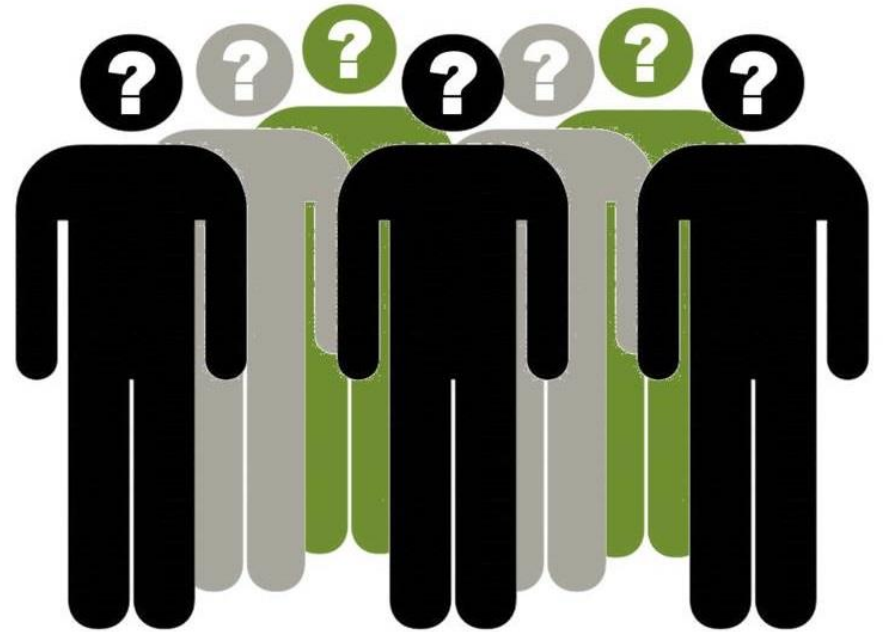
1. Opportunity
2. Entrepreneurial Talent
3. Relevant Resources
4. Development Preferences
5. Stakeholders

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

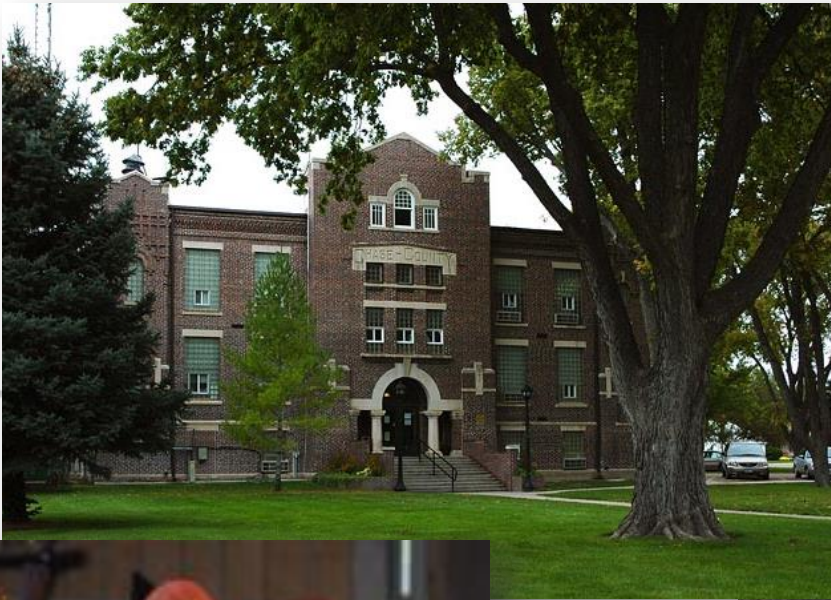


# An E-Community's Job

- Identification
- Targeting
- Outreach
- Intake & Screening
- Referral & Tracking
- Assistance
- Impact
- Ecosystem Development



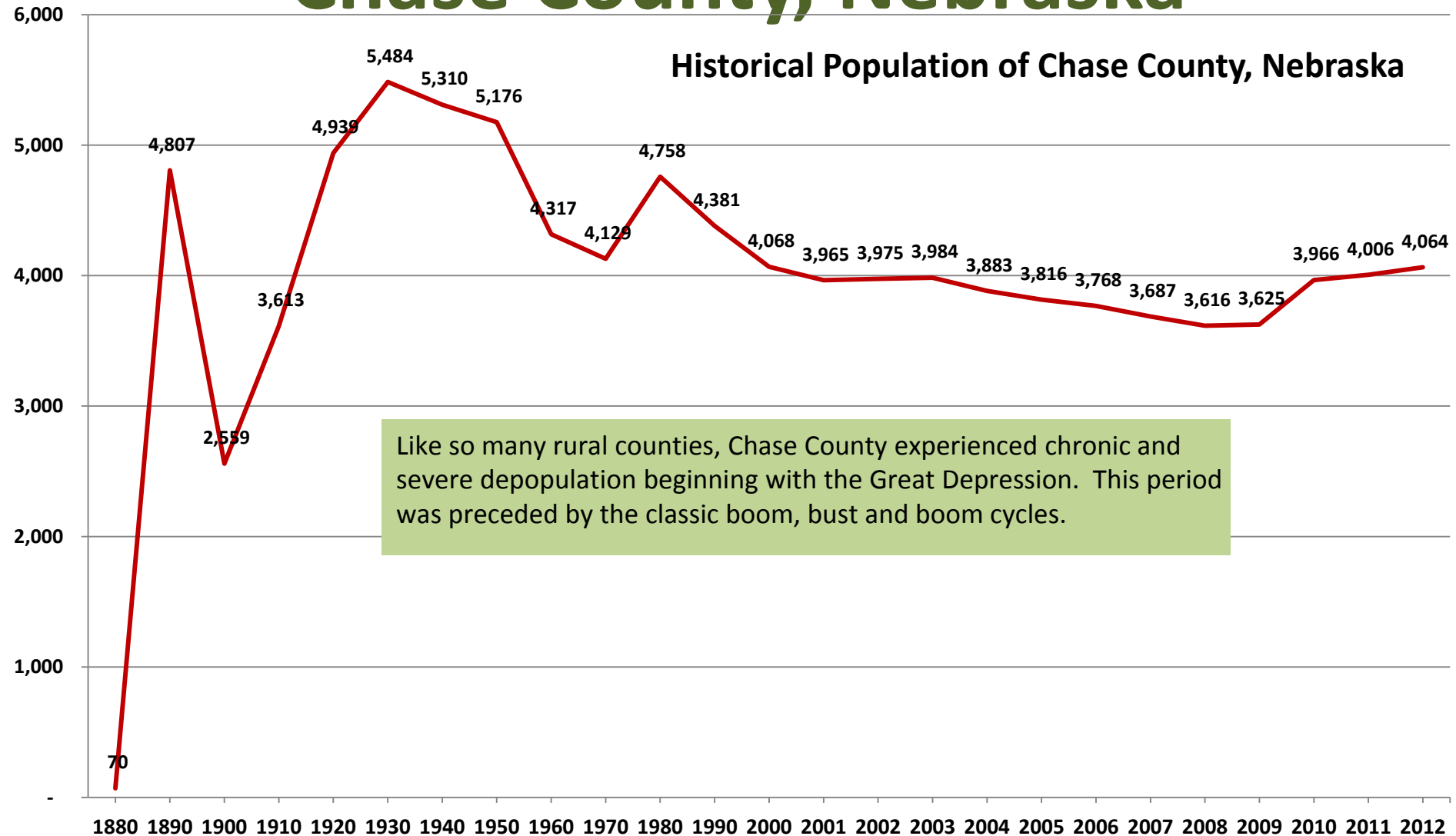
# Imperial - Chase County





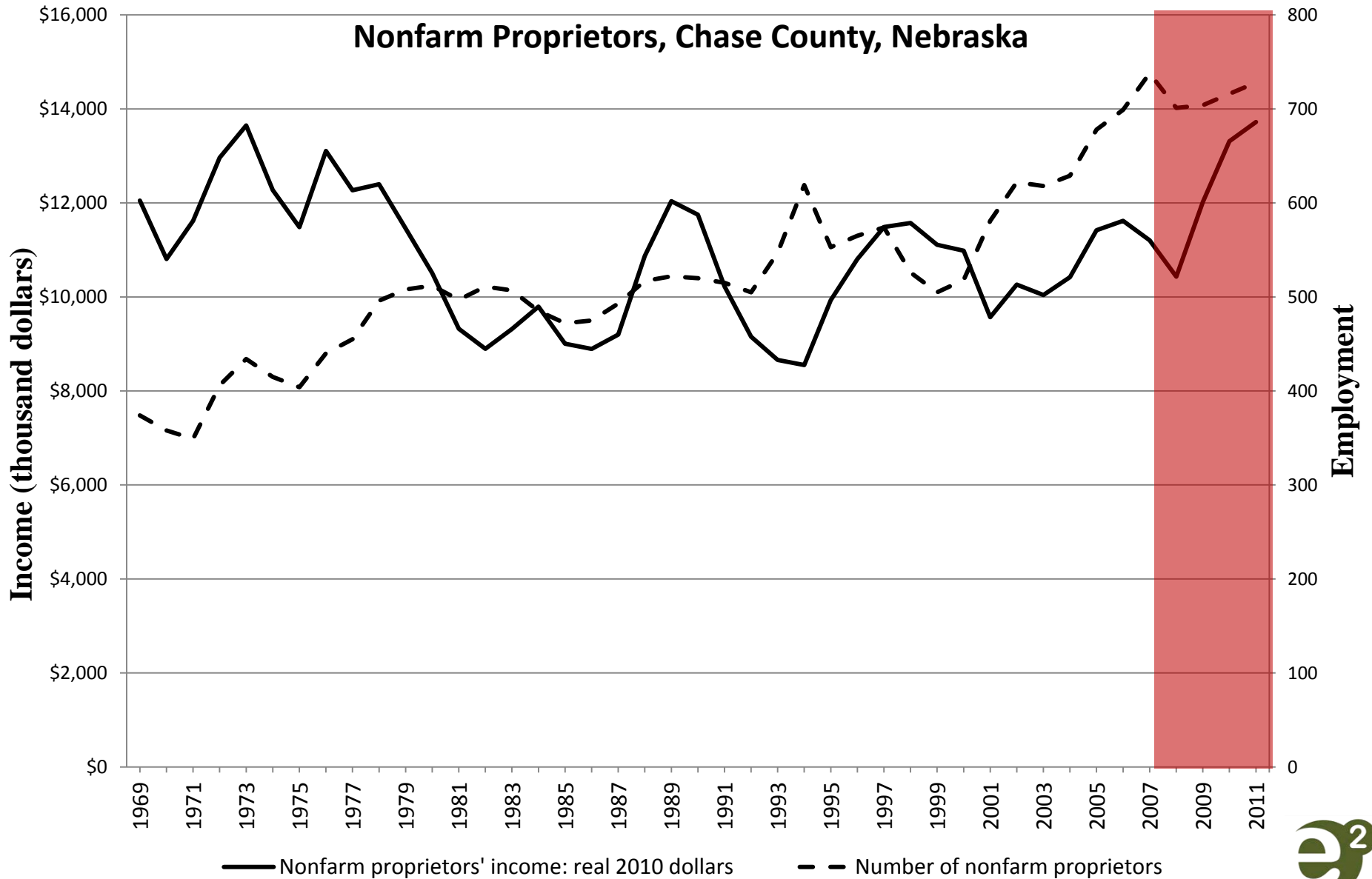
# Chase County, Nebraska

Historical Population of Chase County, Nebraska



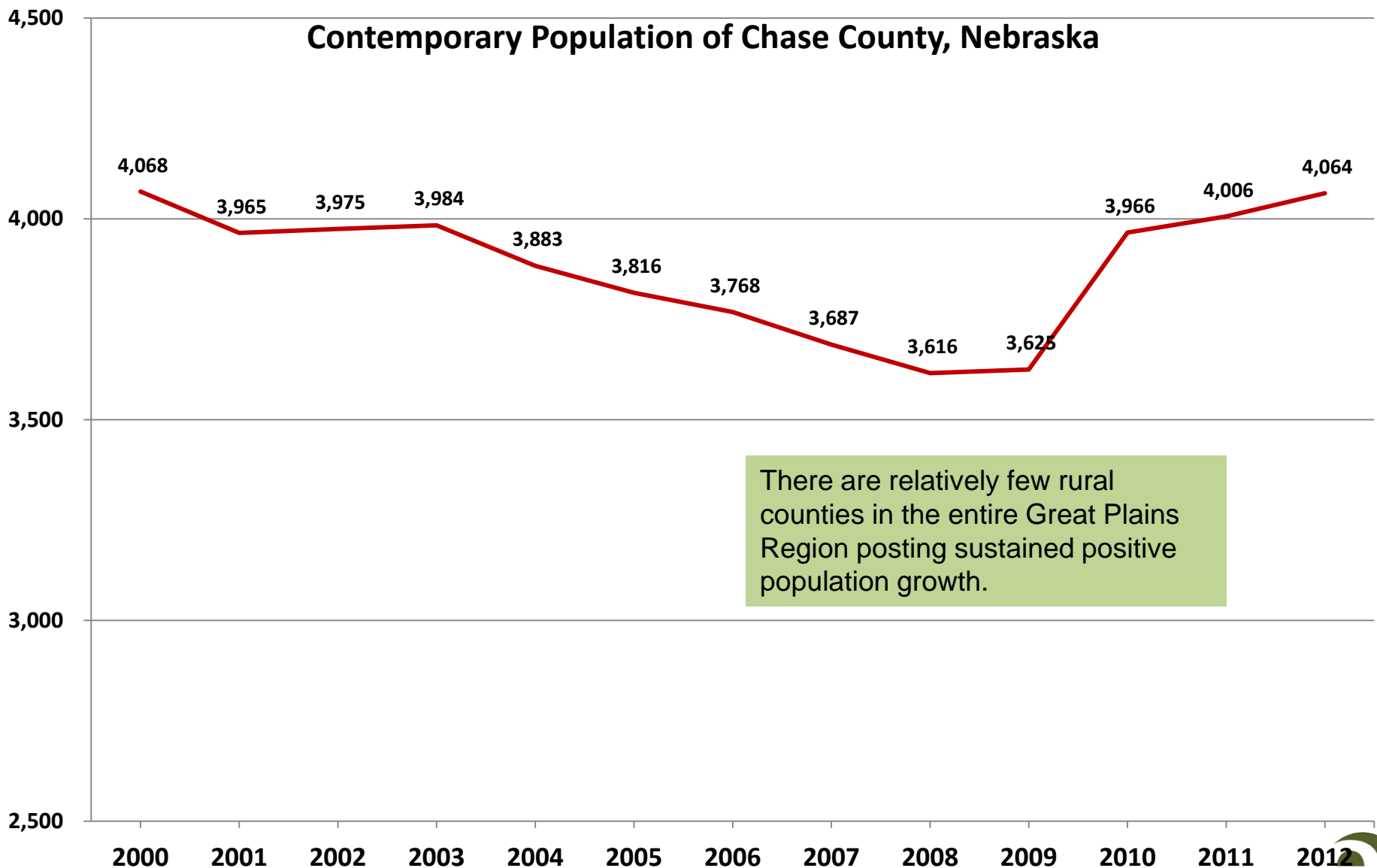
Like so many rural counties, Chase County experienced chronic and severe depopulation beginning with the Great Depression. This period was preceded by the classic boom, bust and boom cycles.

# Economic Rebound



# 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.**





## Center Resources



# Keys to Economic Success

**Local Responsibility**

**Smart Game Plan**

**Robust Investment**

**Entrepreneurial Development Systems**

**Sustained Effort**

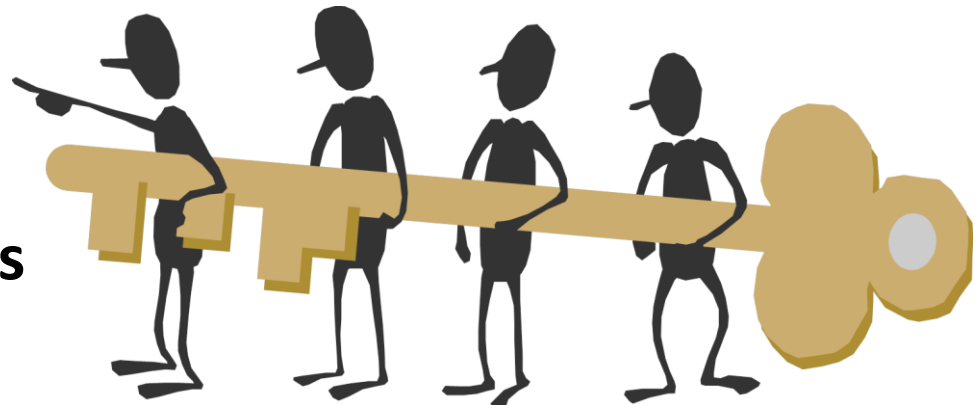
**Growth Entrepreneurs**

**Attributes of an Entrepreneurial Community**

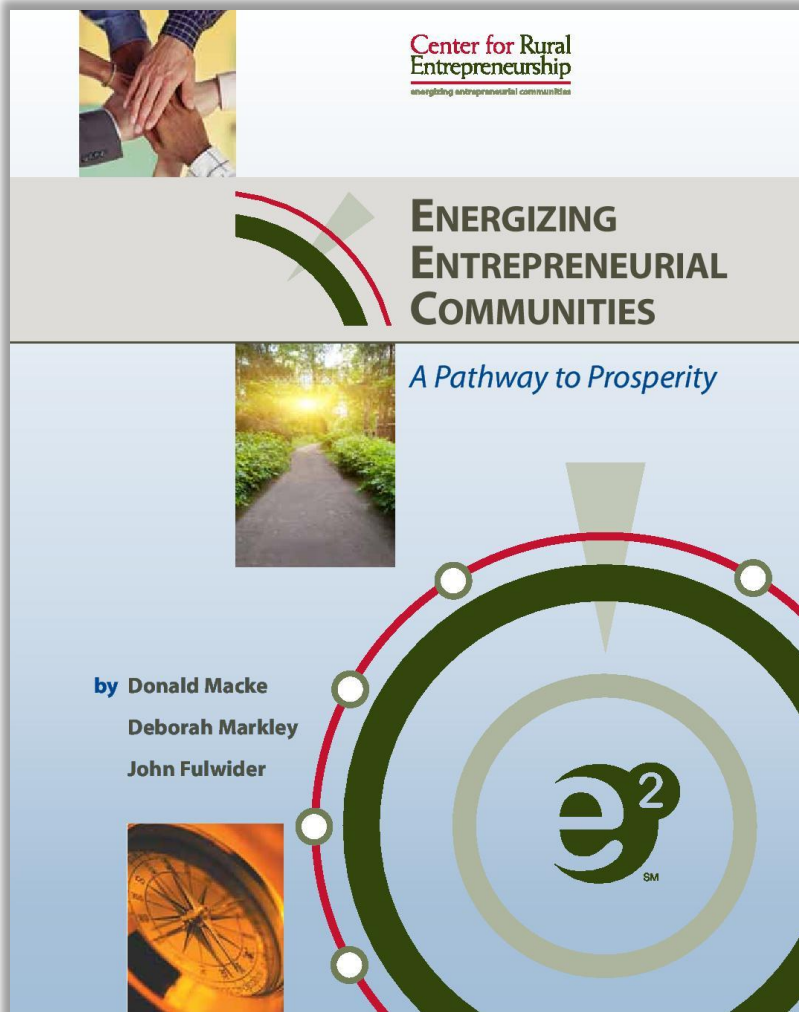
**Immigrants & New Residents**

**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.



# Working with Es Website

**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 

# Questions...







# Questions & Discussion



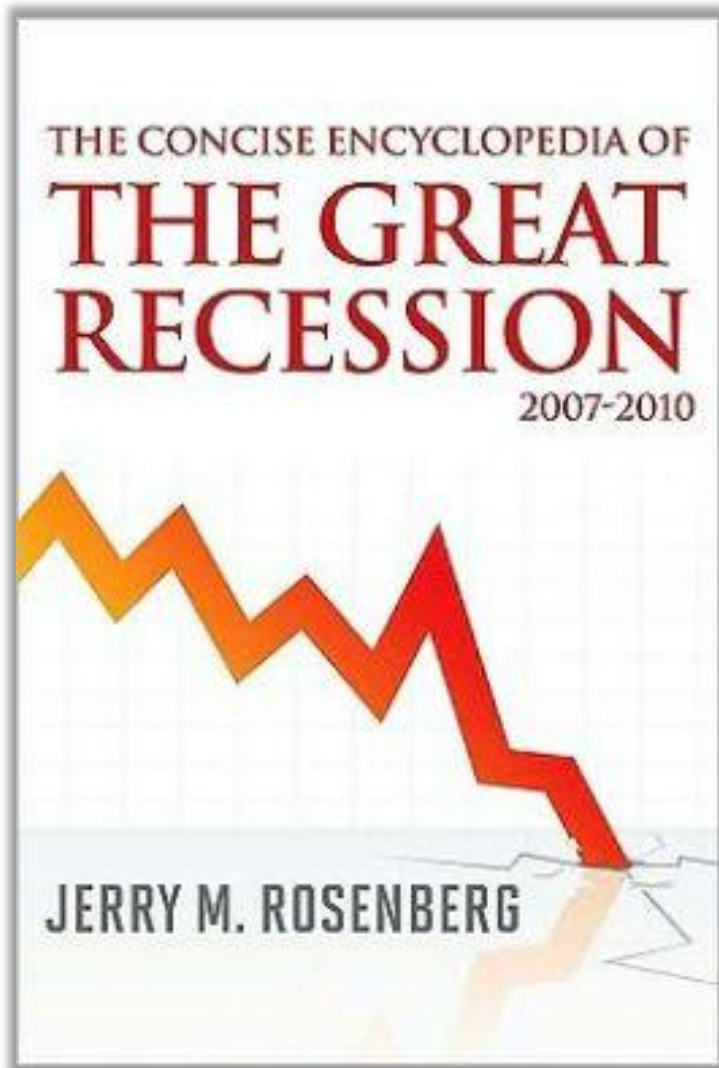
**Don Macke**

**don@e2mail.org**

**www.energizingentrepreneurs.org**



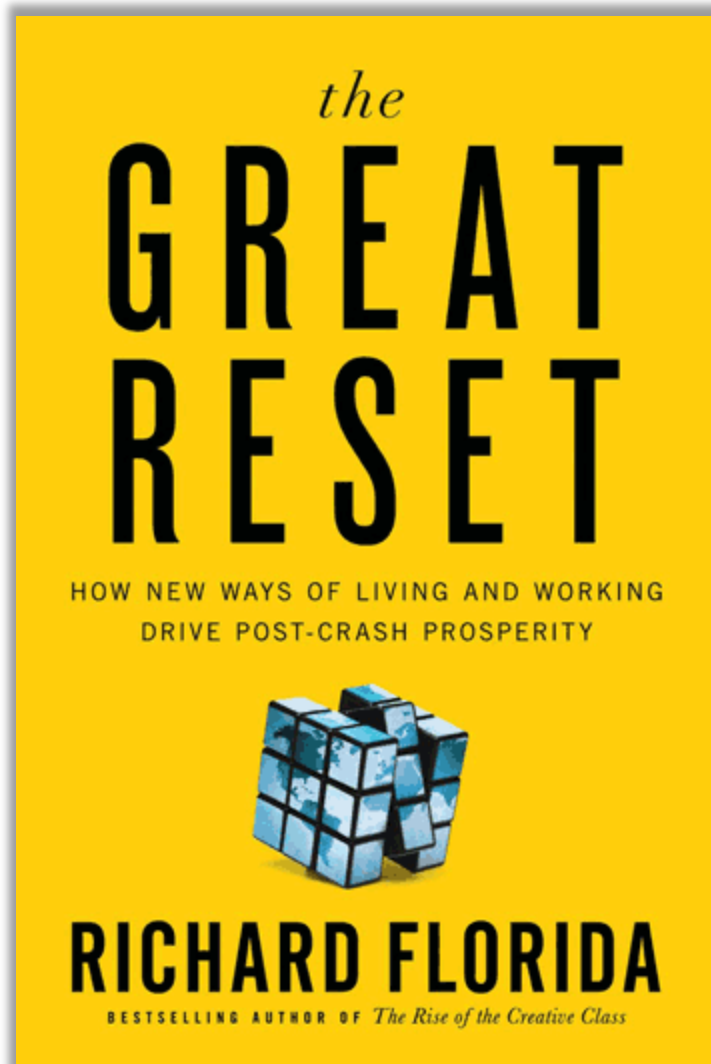
# Great Recession



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



**Supply Chain Companies**  
**Defense Contractors**  
**Government Contractors**

**Immigrant Talent**  
**Safe Harbor Immigrants**  
**Graduate Students**

**Entrepreneur  
Opportunities**

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

**Women**  
**Business Failures**  
**Retirees**

# 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.*

## By the Numbers

**Businesses: +3.7 million (30%)**

**Jobs: +28 million (19%)**

*Nearly 390,000 net new jobs per month over six years!*

**Sales: \$5 trillion (35%)**

[www.youreconomy.org](http://www.youreconomy.org)

**Edward Lowe Foundation**



# Illustration – 2001-2009

## By the Numbers

**Businesses: +5.9 million (37%)**

*Net gains in new businesses actually rose!*

**Jobs: -11 million (-6.4%)**

*For the 96 months during this period  
net job destruction averaged nearly -  
-115,000/month*

**Sales: -\$973 billion (-5.0%)**

[www.youreconomy.org](http://www.youreconomy.org)

Edward Lowe Foundation

## Digging Deeper...

**Job Changes...**

**Non-Resident: -7.1 million**

**Largest Employers: -9 million**

**Smallest: +8.0 million**

**Self-Employment: +3.2 million**

***91% Increase***

***What are You Doing?***





# Employment Shifts – 3 Waves

## **Pre-World War II**

Self-Employment – Smaller Local Employers

## **World War II into the 1990s**

Large Corporations, Government & Non-Profits

## **1990s through to Today**

Swelling Self-Employment & Smaller Ventures



## **Navigating Change**