

ASSESSMENT SERIES

UNDERSTANDING ENTREPRENEURIAL TALENT

Energizing Your Economy Through Entrepreneurship

Background and Introduction

Entrepreneurship is an American value, rooted in our culture. We see ourselves as entrepreneurial in our passion to create and our motivation to build. Everyone who is in business probably has some entrepreneurial traits. But most business people are not entrepreneurs. True entrepreneurs represent a relatively small segment of American society. Entrepreneurs are those who have a passion for creating and a capacity for growing enterprises. Entrepreneurial talent is rooted in motivation and capacity. Both are learned traits and can be developed, expanding the nucleus of entrepreneurs at the community level.

This assessment can help economic development practitioners and community leaders better understand the local pool of entrepreneurial talent. There are two parts to this process. The first part helps you **understand the entrepreneurial talent** present in your community. The second part helps you **map and target** the entrepreneurial talent found in your community. These two pieces will provide the information you need to better support and encourage local entrepreneurs. We'll also suggest some steps for using this tool to get you "across the finish line."

Part 1: Understanding Entrepreneurial Talent in your Community

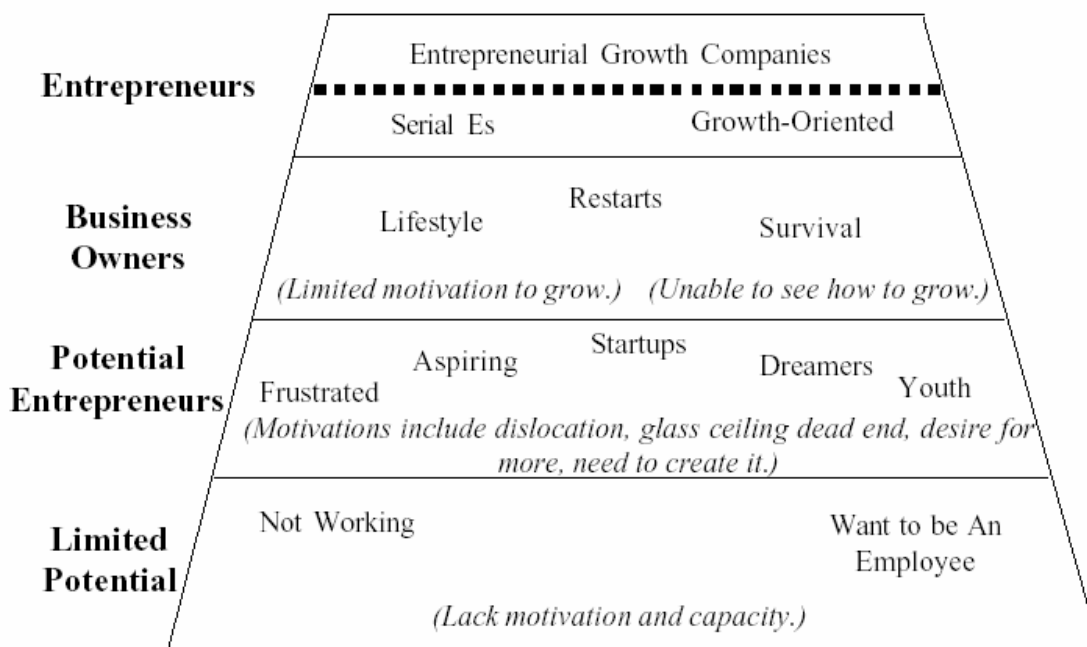
Every community has a range of entrepreneurial talent. There are four broad categories of entrepreneurial talent: **Limited Potential, Potential, Business Owners, and Entrepreneurs**. Within each category, there are types of entrepreneurs whose characteristics vary based primarily on their motivation and capacity to be entrepreneurial. These categories make up the typology used for the **Mapping and Targeting Entrepreneurial Talent** exercise that follows.

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TYPE	DESCRIPTION	DEVELOPMENT OPPORTUNITY	SIZE OF POOL
Limited Potential	Not in the workforce or choose to be employees.	Limited opportunity to transform into entrepreneurs; long-term approach.	Large
Potential	Could become entrepreneurs with the right motivation and support.	Long-term approach; high cost relative to expected impact.	Large/Moderate
Youth	Interested in learning new career opportunities and paths.	Long-term approach; likely to create cultural change rather than new enterprises.	Moderate
Aspiring	have motivation but need to reduce risk through support services.	High cost relative to expected moderate development impact; long-term approach.	Large
Start-ups	In process of starting a business but may not have all the skills.	High cost relative to expected impact; moderate opportunity; long-term approach.	Moderate
Business Owners	Currently in business but may not have motivation or capacity to create a more competitive venture model.	Moderate cost relative to expected moderate return; medium-term development approach.	Large
Survival	Struggling to achieve success in business and may not have time/ability to see new opportunities.	Moderate cost relative to expected moderate return; medium-term approach.	Large
Lifestyle	Successful in their business and they are not seeking to change or grow.	Moderate cost relative to expected moderate return; medium-term approach.	Modest
Re-starts	Have started and failed, but are trying again with more experience.	Moderate cost relative to expected moderate return; medium-term approach.	Small
Entrepreneurs	Actively engaged in running/growing a successful enterprise, looking for new opportunities.	Low cost relative to expected high return; opportunity for more immediate impact.	Modest/small
Growth-oriented	Have a drive to grow and are reaching out to new markets and approaches.	Low cost relative to expected high return; opportunity for more immediate impact.	Modest
Serial	Create and grow a new enterprise, then move on to another opportunity.	Low cost relative to expected high return; immediate impact but some challenges.	Very small
Entrepreneurial Growth Companies	Experience consistent high growth; "gazelles."	Limited opportunity and capacity to help.	Rare

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Figure 3 - Understanding Entrepreneurial Talent



Part 2: Mapping and Targeting Entrepreneurial Talent in your Community

One way to assess the types of entrepreneurial talent in your community or region is through the use of talent mapping. A group of informed citizens can begin to identify specific persons/ventures based on the typology presented here. The mapping exercise output can be used to target (e.g., aspiring, growth-oriented) specific entrepreneurs for visitation. Visitation, employing a Business Retention and Expansion model, can provide deeper insight with respect to entrepreneurship traits and enterprise needs.

There are five steps to **Mapping and Targeting Entrepreneurial Talent**:

- **Step 1 – Build a Team.** Pull together a team of folks who have considerable familiarity with the community, its residents and businesses. This team will provide the expertise for the entrepreneurial talent mapping work. Possible team members might include someone from the newspaper, local government, Chamber of Commerce, development corporation or bank.
- **Step 2 – Gather Informational Resources.** Before the team meets to begin the mapping work, gather various information resources that might help identify possible entrepreneurial talent. These resources might include the local business directory, telephone book or other directories of local business people.

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- **Step 3 – Identify your Entrepreneurial Talent.** Once the team is gathered, use the **Entrepreneurial Talent Checklist** and the **Entrepreneurial Talent Mapping Worksheet** to begin identifying and categorizing businesses within the main entrepreneurial talent categories. The **Checklist** can help you classify local entrepreneurs/businesses on your worksheet. Remember, an entrepreneur doesn't need to meet all the items on a specific checklist to fall into that category. Use these characteristics as a guide in placing entrepreneurs. Use the **Worksheet** to list as many entrepreneurs in each category as you can identify in your community. This is a first cut so don't worry about exact placement. This list will be used for further targeting.
- **Step 4 – Focus, Focus, Focus.** Few communities or organizations have the capacity initially to work with all types of entrepreneurial talent. Focusing on those entrepreneurial talent groups that best fit your community's economic development needs and support capacities is important. Targeting your development efforts initially is important to success as well as to building the capacity necessary to expand. Use the **Targeting Entrepreneurial Talent – Pros and Cons Checklist** to help with this targeting activity. Once you've worked through the **Checklist**, use the **Targeting Entrepreneurial Talent – Pros and Cons Worksheet** to create your own list of pros and cons for targeting each type of talent in your community or region.
- **Step 5 – Visitation.** Once your group has focused on the type of entrepreneurial talent that you will work with, plan visits to each and every person/business on your list. The Center has developed interview and survey tools that can guide your visitation efforts.

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ENTREPRENEURIAL TALENT CHECKLIST

Potential

Aspiring

- Actively considering going into business.
- Actively researching a business idea.
- Attending business workshops.
- Networking and testing ideas with others.
- Motivated toward a life change.

Start ups

- In the process of starting a business.
- May or may not have been in business before.
- May or may not have a good plan.
- Motivated to make this life change.
- May or may not have the necessary skills.

Business Owners

Survival

- Struggling to make enough income to sustain their families.
- Doing multiple things to generate enough income.
- Have difficulty seeing opportunities, such as new markets.
- Often stressed.
- Reluctant to seek out help.

Lifestyle

- Generally successful.
- Often well-established.
- Not actively seeking to change business model.
- Not actively seeking to grow.
- Have established and comfortable goals.

Re-starts

- Have been in business before with limited success.
- In the process of starting a new business.
- Recognize weaknesses in business skills.
- Motivated to succeed this time around.
- Willing to seek out help.

Entrepreneurs

Growth-Oriented

- Successful in business.
- Have a growth orientation and drive.
- Actively seeking new markets, services and products.
- Open to new ideas and seeking new insights.
- Seeking to be more competitive.

Serial

- History of creating and growing more than one business.
- Tend to move on to a new business idea quickly.
- Often sell a business start up once it is up and running.
- Generally on the lookout for new ideas and opportunities.
- May have multiple business interests going at one time.

Entrepreneurial Growth Companies

- Experiencing rapid growth in employment or sales.
- Reaching new markets.
- Developing new products and services.
- Experiencing growth in customers or users.
- Innovative and dynamic leadership and workforce.

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ENTREPRENEURIAL TALENT MAPPING WORKSHEET

Aspiring	Re-Starts
Start-ups	Growth-Oriented
Survival	Serial
Lifestyle	Entrepreneurial Growth Companies

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TARGETING ENTREPRENEURIAL TALENT PROS AND CONS CHECKLIST

ENTREPRENEURIAL TYPE	PROS OF TARGETING	CONS OF TARGETING
Potential - Youth	Large pool Can be change agents Can energize a community	Long-term commitment Create indirect outcomes Significant cost/outcomes
Potential - Aspiring	Large pool Primed to go Modest early impact	Long-term commitment Subsidized assistance Modest outcomes Medium-term incubation
Potential - Start-ups	Modest pool Commitment to go Assistance critical Modest impact	Subsidized assistance Medium-term incubation Modest outcomes
Business Owners - Survival	Already committed Some business experience Qualified motivation Tipping point opportunity for community Large pool	Challenged and struggling Bad habits and attitudes Wrong or incomplete motivation Modest investment required Long-term opportunity
Business Owners - Lifestyle	Already committed Some business experience Often successful Tipping point opportunity for community Modest investment	May lack motivation to grow Modest pool
Business Owners - Re-Starts	Strong business experience Motivated to succeed Opportunity for impact	History of failure Bad habits and attitudes Need to market test the opportunity
Entrepreneurs - Growth-Oriented	Successful in business Motivated to grow Often open to help Opportunity for high impact Opportunity for immediate impact	Small pool Some are negative on help Weak self-awareness Requires time to build a relationship Limited ability to help
Entrepreneurs - Serial	High impact Remarkable assets Civic leadership and can become patrons	Very small pool Limited ability to help May lack patience and be demanding
Entrepreneurs - Entrepreneurial Growth Companies	Achieving growth Realizing impact Home run potential Civic leadership and can become patrons	Rare Negative or demanding on help Require higher order help Relocation threat

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ENTREPRENEURIAL TYPE	PROS OF TARGETING	CONS OF TARGETING
Potential - Youth		
Potential - Aspiring		
Potential - Start-ups		
Business Owners - Survival		
Business Owners - Lifestyle		
Business Owners - Re- Starts		
Entrepreneurs - Growth-Oriented		
Entrepreneurs - Serial		
Entrepreneurs - Entrepreneurial Growth Companies		

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TARGETING ENTREPRENEURIAL TALENT PROS AND CONS WORKSHEET

By working through this tool, you should have a good idea of who the entrepreneurs in your community are and what type of entrepreneurs your community should target initially as part of an entrepreneurship development strategy. But, there are a few more steps to help you get “across the finish line.”

- **Step One** – The visitation process should provide considerable insight into the needs and opportunities of your entrepreneurs. Use this information to begin assessing what resources you have access to that can help you address these needs and opportunities. For example, who in the community helps entrepreneurs right now? What kinds of services are provided? What gaps in service delivery exist?
- **Step Two** – Develop a strategy for supporting entrepreneurs in your community. Starting with the team created for the mapping exercise, bring more people into the process to provide support for strategy development. Try to learn from other communities or regions that have already made a commitment to entrepreneurship development. The Center’s web site has more information that can help you tap into resources in other communities (www.ruraleship.org.)
- **Step Three** – As you execute your strategy, keep the focus on the entrepreneur. Focus on developing a process that directly helps each entrepreneur achieve greater business success.
- **Step Four** – Identify the outcomes you expect from your development strategy and track these outcomes over time. Capture stories about the impact of your work on entrepreneurs and communities. While it is important to measure quantitative impacts such as jobs created, remember that an entrepreneurship development strategy is about creating a community environment that supports entrepreneurship. Be sure to measure changes in your community’s economic development capacity, citizen and entrepreneur engagement, and other more qualitative changes in your community or region.
- **Step Five** – By targeting your initial activities, you will create results. These results will enable you to build greater capacity to expand the work to more types of entrepreneurial talent. Be intentional about how your community or organization leverages initial success to build greater capacity for future engagement. Entrepreneurship development is a long-term strategy and you will need these expanded resources to stay in it for the long haul.
- **Step Six** – Celebrate your good work! Plan regular social events to recognize your work, the entrepreneurs you have helped succeed and to inform the broader community of your efforts.

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About this Series

Through each of the publications in this series, we provide guidance and tools for completing an entrepreneurship assessment in your community. Other publications in the series are:

- Establishing a Baseline Assessment in your Community (with sample assessments).
- Clarifying your Community's Development Goals.
- Mapping your Community's Development Assets.
- Understanding your Community's Entrepreneurial Talent.

About the Center

The Center for Rural Entrepreneurship is a RUPRI or Rural Policy Research Institute national research and policy center with founding support from the Ewing Marion Kauffman Foundation of Kansas City, Missouri. Our mission is to *enable every rural resident to achieve his or her full entrepreneurial potential*. This mission will be achieved by collaborating with individuals and organizations engaged in the study, practice and policy of rural entrepreneurship. The Center supports research, field work, and policy development through collaborations with national, state and community interests. For more information on the Center for Rural Entrepreneurship, contact Taina Radenslaben at 402-323-7336 or taina@ruraleship.org .