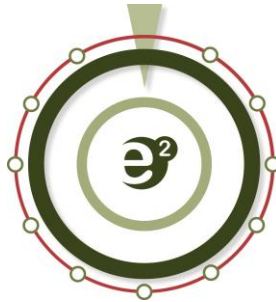


# Center for Rural Entrepreneurship

energizing entrepreneurial communities



## Entrepreneur Assessment Guide Understanding Your Starting Point Assessment as a Decision Making Tool



## About This Guide

Assessment is foundational in crafting an optimal and customized entrepreneur-focused development strategy. Over decades of field work, the Center has developed a 5-Point Assessment framework and process that is addressed in this guide.

## Related Resources

The Center has an entire collection of worksheets and exercise resources. Pricing for this Guide is \$10 (digital) and \$20 (printed). The price for the

Assessment Worksheets and Exercises is \$25 (digital) and \$50 (printed). These prices are for individual community use. If you want to employ these resources for multiple communities please contact Don Macke at [don@e2mail.org](mailto:don@e2mail.org)

## Other Guides in this Series

### Energizing Entrepreneurs (e2) Series:

Entrepreneurial Communities  
Keys to Growing Entrepreneurial Communities  
Growth-Oriented Entrepreneurs  
Economic Gardening  
Readiness for Entrepreneurial Development  
Entrepreneurial Development Opportunities  
Community Coaching  
Entrepreneur Coaching  
Area Resource Networks and Teams  
External Networks  
Stakeholders and Sustainability

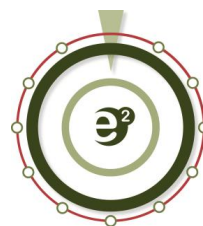


## Contents

Role of Assessment  
Assessment and Strategy Development  
Five Assessments  
Development Opportunities  
Entrepreneurial Talent  
Development Resources  
Community Preferences  
Stakeholders

### Working with Entrepreneurs Series:

Entrepreneurial Mapping  
Program Branding  
Entrepreneur Outreach  
Visitation Protocols  
Sample Entrepreneur Surveys  
Intake and Screening of Entrepreneurs  
Referrals  
Client Tracking and Portfolios

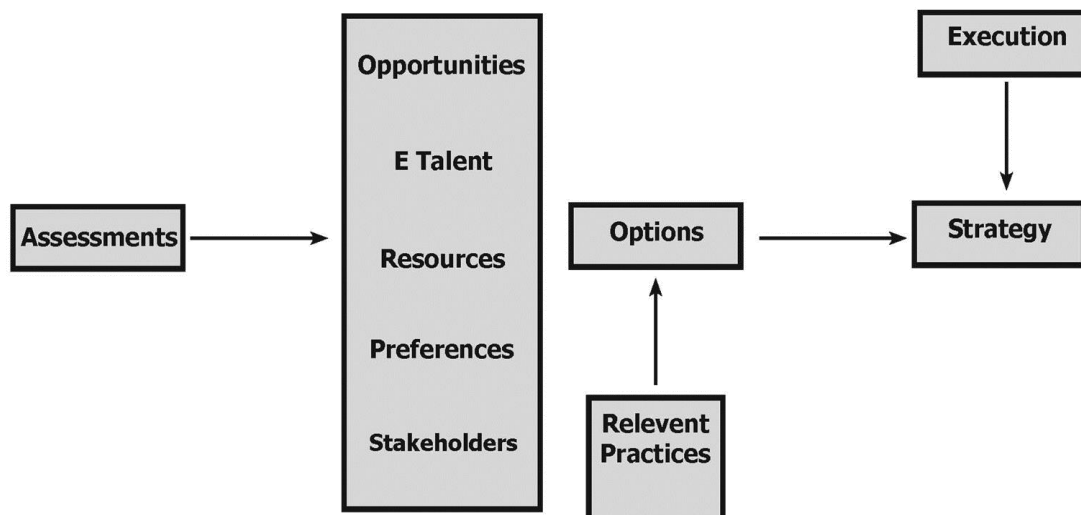


## Role of Assessment

Whether you call it due diligence, homework or assessment, this activity can be foundational in the development of an optimal economic development strategy. When the community environment and stakeholders are included in the assessment, the potential for a robust and sustainable initiative is greatly enhanced that reflects resources, preferences and socio-political culture of the community.

### Assessment to Action and Impact

The Center's extensive field experience from across North America concludes that robust assessment is foundational to strategy development. While assessment is essential, it is one piece of a larger process that moves from assessment to an implemented game plan that realizes economic development outcomes such as new investment, job and career creation and local tax base expansion. The following illustration provides a road map for building an entrepreneur-focused economic development game plan that gets results:



Source: Center for Rural Entrepreneurship™ - [www.energizingentrepreneurs.org](http://www.energizingentrepreneurs.org) - 8/2011

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Road map elements of the Center’s development framework and process are summarized in the following chart:

<b>Assessments</b>	Our approach included five key assessments focused on development opportunities, local entrepreneurial talent, development resources, community preferences for development and likely stakeholders to support recommended development efforts.
<b>Relevant Practices</b>	The Center works throughout North America and we support an active and long-term documentation program. We have drawn on our experience and learning from other rural areas to identify relevant models, strategies and practices given the realities of other communities.
<b>Strategy Options</b>	Based on the five assessments and relevant practices, we have developed a set of strategy options from which communities and regions can build an enhanced entrepreneur-focused economic development game plan.
<b>Strategy Recommendations</b>	Working with core stakeholders, we have sorted the various strategy options to create a refined set of strategy recommendations. These recommendations could form the basics of an implementation plan.
<b>Execution Considerations</b>	Every successful entrepreneur knows that they must (1) have a great plan and (2) they must execute it effectively if they are to succeed with their venture. The same is true for economic development. Our final element in our methodology addresses considerations around effective, efficient and sustained execution of the proposed strategy.

Now let’s take a deeper look at each of these process elements.

### Five Assessments

The five **assessments** are foundational to discovering and realizing an optimal development game plan. The five core assessments are summarized in the following chart and then detailed later in this section of the Guide.

### Relevant Practices

The assessments help a community or region better understand itself and its opportunities for effective and sustainable economic development. The second element in this process is to explore **relevant practices** from other communities and regions. Communities with similar situations, opportunities and challenges, but that have been

## Center for Rural Entrepreneurship

implementing a particular development strategy for a longer period of time, can be very informative. Insight gained from studying relevant practices from other places can foster deeper understanding, lead to better choices and strengthen commitments. By using statistical techniques, “like” communities can be identified and explored or a community can simply reach into the development network and identify places and strategies that could be helpful.

<b>The Five Assessments</b>	
<b>Development Opportunities</b>	Each rural community resides within a much larger regional economy. The potential for development is shaped and defined by what is happening in the larger regional economy. The first assessment investigates how the regional economy is doing and where it is headed. This analysis can provide insights around potential development opportunities, trends and challenges.
<b>Area Entrepreneurial Talent</b>	The primary building block for entrepreneur-focused economic development is area entrepreneurs. The second assessment focused on the size, nature and quality of entrepreneurial talent within the community or region. Over time entrepreneurial talent can be expanded and enhanced. But at the beginning of development work a community must work with the talent it has present.
<b>Relevant Development Resources</b>	Some communities have many relevant entrepreneur-focused development resources. Other communities reside in resource deserts. The third assessment focused on the relevant development resources like business counseling, training, business resources market research, capital and business to business networking resources. In this assessment, we are particularly interested in GO TO resources based on targeting.
<b>Community Preferences for Development</b>	Development should serve the community and its residents. The fourth assessment focused on what the community wants from development. Within a community, there are various development stakeholder groups and they may have a range of preferences or priorities running from reducing unemployment and poverty to main street revitalization.
<b>Strategy Stakeholders</b>	In the United States (unlike most mature economies), development is primarily a community responsibility. Local commitment through area stakeholders, like cities, counties and larger employers, is important to mobilizing robust and sustainable support for entrepreneur-focused development. The final assessment focused on identifying and evaluating likely strategy stakeholders.

## Strategy Options and Recommendations

The third process step is to explore likely strategy options that best fit your community's development opportunities, resources and preferences. A critical choice every community must make is "where to start" or "how to build on what you have been doing" to make your game plan stronger and more impactful. Engaging stakeholders and the broader community in exploring strategy options can create a working consensus in the community on what is important and how to proceed. The exploration of relevant practices can move stakeholders and the community from abstract ideas to a practical understanding of the strengths and weaknesses of various strategic choices. Ultimately this process results in a set of recommendations that create an **action road map** for moving forward and holding each other accountable for progress. It is important that the recommendations are adequately detailed so that they can be understood and tracked for implementation and progress. Vague goals and objectives can undermine action and lead to debates about why progress is not being made.

## Execution Considerations

When we study successful entrepreneurs or communities, there are always two foundational ingredients. First, we find there is a strategy or plan that is well researched and designed- rooted in genuine opportunity. Second, we find there is effective and efficient execution of the game plan. If either ingredient is weak or missing, success will be illusive. The final element in our road map is to address issues of **execution** of the recommended game plan. Key execution considerations include the right game plan, funding, a reasonable time frame, proper leadership and staffing and a simple way to track progress and measures success.

Now that we have reviewed the process steps for building a great economic development game plan, let's go deeper into the five assessments. The Center offers a free recorded webinar on the five assessments that is available through the following web link <LINK>.

## The Center's Five Assessments



Source: Center for Rural Entrepreneurship™ - www.energizingentrepreneurs.org - 8/2011

***What does your community have to offer?***

***Where do you fit in the broader economy?***

***What are your community's comparative advantages for development?***

### Opportunity Assessment

A hallmark of a successful entrepreneur or entrepreneurial community is their focus on **opportunity**. Every community can spend hours talking about its challenges, problems and what it does not have. This kind of assessment has its place but it violates the first rule of **asset based development**. The opportunity assessment includes the following key activities:

<p><b>Regional Opportunities?</b></p>	<p>Every community resides within a larger regional economy and society. Some communities are part of an amenity rich recreational tourism environment. Other communities are part of transportation corridor. Some communities may be adjacent to growing urban areas. This list goes on, but taking stock of what is happening within the regional economy and society can offer insights of local development opportunities.</p>
<p><b>What is Working?</b></p>	<p>Any community that has been around for a while has both a history and track record of successful development. We recommend that you take stock of your community's recent past (say last 10 or 20 years) and explore specific development projects that have worked. Once you have a list of successful projects, break them down and explore what made them work. This exercise can help a community reconnect with the keys to engaging in more successful future development.</p>
<p><b>Where is there Energy?</b></p>	<p>There is absolutely no reason why the Mayo Clinic should be in Rochester, Minnesota. Yet it is there, and people from around the world travel there for remarkable health care. It is in Rochester because of its founders and their commitment to the community. The third activity you may want to undertake with opportunity assessment is to explore where is there existing community vision or energy for development. Some ideas may make no sense, but other ideas deeply held by a group can spark remarkable change and even transformation. Taking stock of your community's development ideas and energy can provide a menu of possibilities that can be explored.</p>

We recommend that you take a broad look and explore all your possibilities and then begin to focus on those areas where you have genuine opportunity and real community

## Center for Rural Entrepreneurship

commitment. There are no absolutely right or wrong answers in economic development, but there are better or worst answers. Finding good answers and then making them reality will start your community down a road to development, progress and greater prosperity.

***Who are your entrepreneurs?***

***What types of entrepreneur talent exists in your community?***

***Where should you focus your development efforts?***

### **Entrepreneurial Talent Assessment**

The cornerstone of entrepreneur-focused economic development is entrepreneurs. Every community has entrepreneurs, but the size and capabilities of entrepreneurial talent ranges from community to community. The illustration on the next page highlights this idea of **entrepreneurial talent**. It is best to think of E Talent on a continuum from those with little talent to those that are very talented. The goal of entrepreneur-focused economic development is to take the talent you have and help develop it. By increasing the ability of your entrepreneurs to better succeed with ventures, you will stimulate more economic development over time. Entrepreneur focused economic development is **incremental** and achieves success through thousands of small victories like:

*A new main street store opening.*

*A local manufacturer reaching a new market.*

*An established business becoming more profitable.*

*A struggling business reinventing itself.*

*A young person coming home and joining a local entrepreneur.*

*An expansion that creates more tax based.*

*Local retailers better competing with box stores and generating more local sales taxes.*

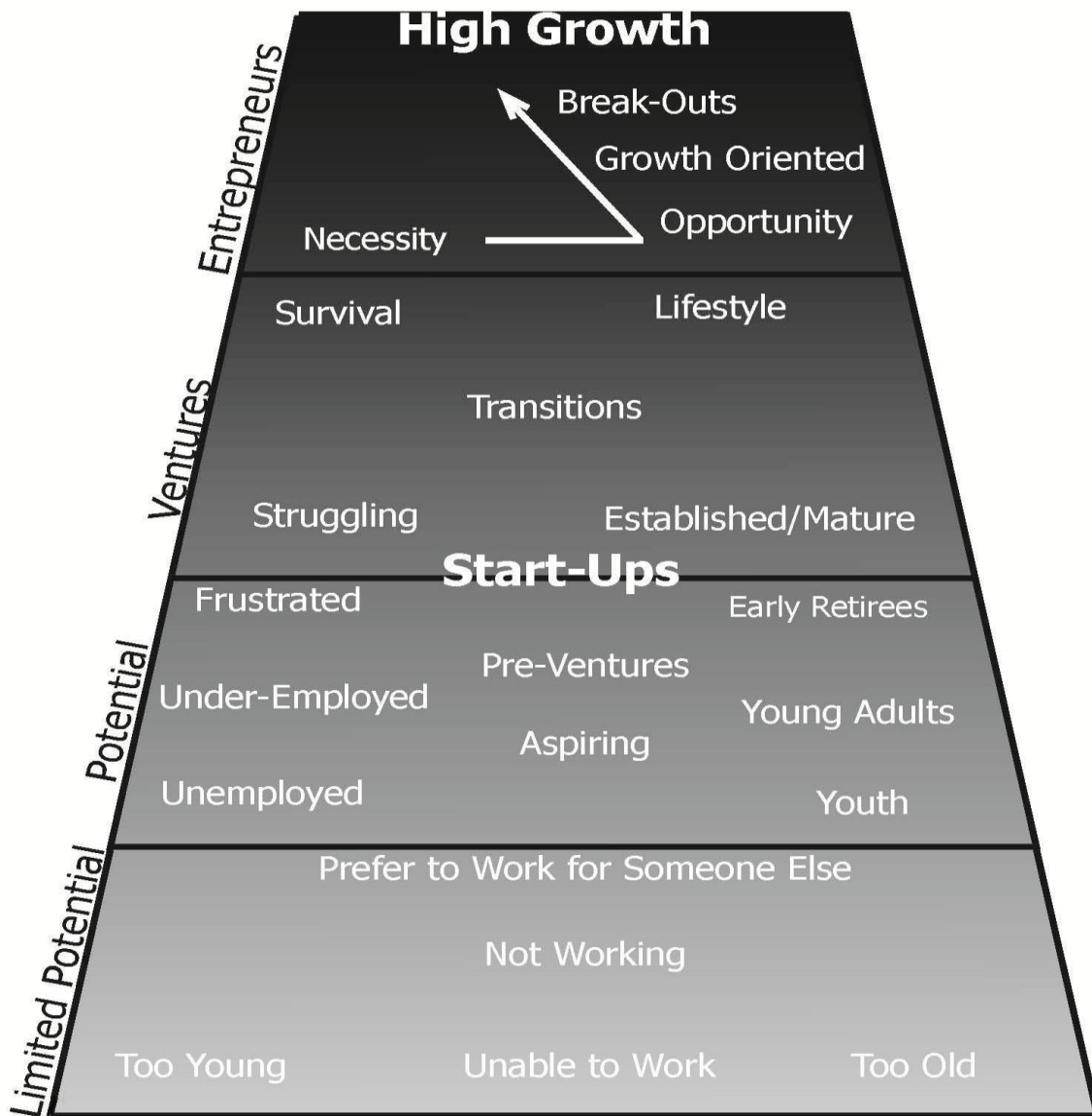
The list goes on and on. A critical assessment activity is to better identify and understand the kinds of entrepreneurs you have in your community. The following chart summarizes the key E Talent Assessment activities:



## Center for Rural Entrepreneurship

<p><b>Identification</b></p>	<p>The first step is to begin the process of identifying your entrepreneurial talent. We have a great resource <a href="#">&lt;LINK&gt;</a> you can use that walks you through this key assessment activity. Many communities begin visitation or use surveys to learn more and deepen their understanding of their entrepreneurs including their needs and opportunities for growth.</p>
<p><b>Targeting</b></p>	<p>The second step is to target groups of entrepreneurs that best fit your development goals. The target may be local manufacturers, or revitalizing main street or increasing new business startups. Targeting can help you focus and build a more specific and successful strategy.</p>
<p><b>Outreach</b></p>	<p>Finally, during strategy implementation, communities design and engage in outreach to targeted groups. This creates a pipeline of entrepreneurs being contacted, assisted and stimulating economic development outcomes like new investment, job creation and tax base expansion.</p>

Over a decade ago, the Center was working in Maine exploring how entrepreneur-focused economic development could strengthen Maine’s rural communities. Bob Ho, then executive director of Maine Rural Partners, coined the idea of the “many faces of entrepreneurs.” He was trying to communicate to rural leaders in Maine the all-important reality that there are many different kinds of entrepreneurs. Deb Markley with the Center evolved Bob’s early idea into the current widely used concept of **entrepreneurial talent**. The following graphic illustrates the entrepreneurial talent continuum present in most communities and regions in North America.



Source: Center for Rural Entrepreneurship™ - [www.energizingentrepreneurs.org](http://www.energizingentrepreneurs.org) - 8/2011

*What are your entrepreneur relevant resources?*

*Who are your go to resources?*

*How can you mobilize your local business services community?*

*How do you connect to external & specialized resources?*

### Relevant Resources?

The illustration on **entrepreneurial talent** highlights that there are a lot of different kinds of entrepreneurs -- all at various stages of creating or growing a business and needing unique assistance. A workshop on business planning might be great for an aspiring entrepreneur but would turn off a seasoned veteran seeking customized help. The assessment activity related to understanding and targeting entrepreneurs really can focus what resources you need and when. Relevant resources are those that better match the needs and opportunities of specific entrepreneurs based on their experience, stage of business development and, possibly, the kind of venture in which they are engaged. It is just like buying tires for your car. Generically, you need new tires, but based on the model of car you have, how you use it (highway to in town) and how long you plan to keep it will determine what specific kind of tire you should buy. The same principle is at work in providing relevant resources.

In entrepreneur-focused economic development, there is the concept of the **no wrong door**. No wrong door builds on the idea of the **one stop**. We all know that, theoretically, there are LOTS of resources out there that can help an entrepreneur, potentially. However, potential and reality do not generally match up very well. Entrepreneurs are very busy and they are human beings. As such, they do not have a lot of time to search around for the right resource. Chances are good that if they try and fail, they may just give up and quit looking. The **one stop** idea advocates that if in every community, region or state there was just one email address, web site or person to call, which would simplify the ability of entrepreneurs to find what they needed when they needed it. Unfortunately, the resource landscape is more complicated, and entrepreneurs do not necessarily use one stop centers. Out of this experience came the no wrong door approach that is now widely accepted in entrepreneurship circles. Under this approach, there are multiple entry points that create pathways into the resources system and the quickest possible answer.

### Go To Resources

There are literally thousands of possible resources in the public and private sectors of our economy that could be helpful to the entrepreneur trying to create and grow or

## Center for Rural Entrepreneurship

expand a business. Most of these resources are very specialized and targeted. For example a local manufacturer of farm equipment might be looking to export to South America and could benefit from the services of the U.S. Import/Export Bank. Such a need may come up once in the lifetime of a local economic developer, but other resources are more commonly needed and universal in nature. We call these entrepreneurial resources **go to resources**. Generally, go to resources includes those offered by your area's Small Business Development Center or SBDC, and entrepreneur training and business planning services through your area's community college or regional university. Go to resources would also include financing including community banks, revolving loan funds, local angel investment networks and area micro lending programs. For most rural entrepreneurs these go to resources will meet most of their needs. Building a strong understanding and working relationships with your area's go to resources is a must and provides a foundation for your community's ability to provide meaningful assistance.

### Your Local Business Services

A third asset mapping activity that is often a part of identifying your resources for entrepreneurs is to take hard look at business services in your area. Business services would include:

*Community Bankers – Attorneys – Computer Stores  
Office Supply Stores – Accountants – CPAs – Bookkeepers  
Building Code & Zoning Officials – Marketing – Human Resources  
And the list goes on....*

Not every rural community has all of these resources and some may be less than helpful. But regionally, most of these resources are good and available. Every entrepreneur sooner or later needs these resources. Identifying and engaging your business services community is an important assessment and strategy element. Now, some of your resources may be less obvious. Smaller rural communities do not have marketing or human resource consultants, but the local newspaper or radio station has marketing expertise. HR assistance can be found in local schools, hospitals, cities and other major employers, so be creative when you are mapping and engaging your business services community. Remember, all these folks can be part of a no wrong door strategy if they are involved and aware. Finally, in every community there are successful entrepreneurs who have deep knowledge and experience. Consider including them in your assessment mapping and involving them as resource partners.

### Connecting to External and Specialized Resources

The old saying goes “It is not what you know, but who you know.” The importance of this advice is even greater today with the world-wide web and the ability to network globally with modest effort and little cost. By mapping and developing relationships with your go to resources, you have natural network access points for finding more specialized and external resources. Your local cooperative extension agent or SBDC counselor may not know who can provide help in trade-marking a new idea, but they and their networks can quickly find the right resource that makes the most sense given who you are working with. Therefore, we recommend that you NOT create an elaborate map of all possible resources. Rather we recommend that you create a quick and simple contact list of area “in the know” or go to resources that can help you find that unique resource when you need it.

The Center for Rural Entrepreneurship has a Guide we call [Entrepreneur Coaching <LINK>](#) that can help you identify the likely resource needs based on the kind of entrepreneurs your community has and that you have targeted. Also your go to resources have this kind of knowledge. By involving them in your assessment and strategy you can access their practical experience and shorten your learning curve minimizing possible mistakes.

***What kind of development does your community want?***

***Where should your start up focus be?***

***What kind of development outcomes are you seeking?***

### Goals and Preferences

Economic development is not the master; rather it should serve as the vision, aspiration and development goal of the community and its residents. Every community should periodically complete strategic planning and establish and refresh its development vision and goals. The same is true for those organizations in a community charged with economic development (e.g., chamber of commerce, Development Corporation, city, county, main street organization or tourism promotion board). Taking time to identify, review and update the development vision and goals of your community is crucial. This assessment step can help you clarify and root your game plan within your community and your respective development organizations. Often times, entrepreneurship initiatives fit within or complement one or more existing development goals.

## Center for Rural Entrepreneurship

### What Should We Do Next?

Chances are good your community has some kind of existing development vision and goals. The question is where should you go next with your economic development strategy to grow a stronger or larger economy? Assessing the development preferences of existing stakeholders (funders of economic development), economic development organizations and residents can identify where there is consensus and energy for moving forward. This assessment step can provide a shortcut to answering the question of what we should do next. By engaging stakeholders, residents and potential partner organizations in this preferences assessment you also provide an easy way to get them involved. Involvement is the first step to engagement and commitment.

### Development Outcomes?

Another approach, one that is particularly useful with residents of a community, is to focus your assessment on development outcomes. Even informed residents may not know the tradeoffs between starting a micro-lending program versus establishing a business incubator. They simply have too little knowledge to make an informed choice. However, they can still provide thoughtful insight on what kinds of development are needed. Examples would include:

*We are an aging community and we need a way to bring back younger families?*

*Everyone on main street is in their 60s, how can we find new owners?*

*We have a great lake in our area, but we need services to support visitors.*

*Our largest manufacturing plant closed, how can it be used?*

In your assessment, by asking residents and stakeholders what kinds of development are needed and desired, you can create a powerful menu that can be cross-walked with various entrepreneur opportunities. This process in Deuel County, South Dakota resulted in a young couple redeveloping a closed and vacant state school for blind into a wonderful new resort and conference center. Not all outcomes will be this remarkable, but the assessment process begins making connections between needs/opportunities and how you should focus your economic development game plan. This process will also surface what people do not want. In rural Pottawattamie County, Iowa, residents want enough growth to keep their villages strong and their local schools operating, but they do not want to be paved over as a residential subdivision for Metropolitan Omaha.

We have a set of assessment protocols and tools that can help you clarify development goals and focus your efforts. This same resource can help you with entrepreneurial talent mapping and targeting, resource mapping and other assessment activities referenced in this Guide.

***Who can make or break your initiative?***

***Who are your potential champions?***

***How can you build deep and lasting community commitment?***

### **Stakeholders**

Economic development is something a community must do day in and out forever to make a difference in the prosperity of the community. World economic conditions are always changing and communities must adapt, innovate and progress to ensure their economic relevancy in a global economy. The foundation for sustained economic development is community commitment rooted in passionate stakeholders.

### **Rainmakers**

Every community that is viable has leaders. These leaders can be enlightened working for the betterment of the community, or they can be self-serving – taking actions that undermine the future well-being of the community. We have previously waited until later in the strategy development process to focus on economic development leadership. Now, we believe it must be part of the overall five-part assessment. Taking time to identify both those leaders who can enable your strategy to take life, as well as those leaders who can sand-bag your efforts is important. This process should be undertaken with tact and discretion by a small group of trusted citizens. Mapping and assessing these two groups can provide an important road map as to how to engage them so that your assessment and strategy building process results in a game plan that can work and will be implemented.

### **Champions**

Not every community leader will become engaged or even care. Based on your “rainmakers” assessment and mapping, you should focus on those leaders and citizens that have the potential to become champions. These are folks who do care, are willing to take the time to get involved and once involved can help your community become informed, engaged and supportive. Spending most of your time investing in your potential champions creates the strongest possible leadership for economic development. Accepting that not everyone will agree where you are headed is okay, as long as you create a reasonable level of consensus and strong champions. Remember America is a democracy where everyone is entitled to an opinion, but where majority rules.

## Center for Rural Entrepreneurship

### Community Commitment

Sound assessment and a smart development game plan are essential and foundational. Community commitment rooted in champions is critically important to ensure there is investment and on-going support. Economic development takes time, and deep community commitment ensures that efforts are sustained long enough to make a difference. In a couple of years, there will be new faces on the chamber board or city council. They may have no knowledge or commitment to the past several years work, but champions can educate and ensure that the community stays the course – sustaining your economic development strategy over time

We have mapping and assessment tools you can use to identify stakeholders and champions.

### Questions & More Information



Don Macke

[don@e2mail.org](mailto:don@e2mail.org)

402.323.7336

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





## e<sup>2</sup> University

The Center can help your community or region increase prosperity through entrepreneur-focused development in the following ways:

**Awareness.** We can help you raise awareness of the entrepreneurship opportunity through key note speeches, workshops and informational webinars.

**Mentoring & Advising.** The Center can provide very affordable mentoring to community leaders attempting to build or strengthen a strategy. This support can include procuring funding for project developments.

**Assessment.** The Center can provide quick to in-depth opportunity assessment essential for smart game plan development. We also have a team that does Targeted Industry Studies.

**Strategy Development.** The Center has extensive experience in helping communities craft customized and optimized development strategies.

**Training.** Via our Working with Entrepreneurs Program, we can provide comprehensive and field tested training opportunities for development practitioners and leaders.

**Execution Coaching.** The Center provides specialized game plan implementation coaching on a real-time basis through modest retainer arrangements.

**Sustainability.** Finally, the Center can help your community find the long-term funding to ensure robust support for your E Strategy.



The e<sup>2</sup> Team is led by Don Macke, Co-Director with the Center for Rural Entrepreneurship. Don has more than 38 years of community economic development experience and has worked with regions and communities throughout North America and the Caribbean. The e<sup>2</sup> team includes Ahmet Binerer (research), Deb Markley (metrics & research), Dana Williams (logistics), Ann Chaffin and Kyle Cummings (communications).

Over the years, the Center has developed close relations with some of the best working in the field of entrepreneurship including Leon Atwell and Jack Newcomb (master community & business coaches) from Kansas, Christine Hamilton-Pennell (market intelligence) based in Denver, Colorado, Dick Gardner (master community coach) from Boise, Idaho and Quincy Ellis and Greg Clary (master community coaches, entrepreneurship experts and incubation authorities) from Texas. Additionally, the Center has one the largest networks of entrepreneurship practitioners in North America who can be drawn upon to support specific projects.

**The Center for Rural Entrepreneurship's** vision for rural America is one of vibrant communities and regions that embrace entrepreneurship, that find new sources of competitive advantage in their inherent assets, and that invest in a new more sustainable future for both present and future generations. The Center's mission is to help our local, regional and state partners achieve this future by connecting economic development practitioners and policy makers to the resources needed to energize entrepreneurs and implement entrepreneurship as a core economic development strategy.

To learn more about the Center's history and program areas, go to

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

421 S. 9<sup>th</sup> Street, Suite 245

Lincoln, NE 68508

(402) 323-7336

**The Rural Policy Research Institute (RUPRI)** provided founding support to create the Center for Rural Entrepreneurship in 2001. RUPRI's mission is to provide independent analysis and information on the challenges, needs, and opportunities facing rural people and places. The work of the Center for Rural Entrepreneurship, along with other centers and collaborations, helps RUPRI achieve this mission. To learn more about RUPRI, visit [www.rupri.org](http://www.rupri.org).