Background and Introduction

In the field of community economic development there is a growing consensus that **community readiness** is foundational to successful development initiatives. Our **Community Readiness for Entrepreneurship Guide** provides a comprehensive and in-depth review of community readiness as it relates to entrepreneur-focused economic development. This **Community Readiness Assessment** paper supplements our Readiness Guide.

Questions & Additional Information

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Why Community Readiness Assessment?

Our community engagement process is designed to help partner communities become successful with entrepreneur-led development. A standardized e2 framework and process can be a very helpful resource for communities wanting to become entrepreneurial communities. However, we do not want a prescriptive or one-size-fits-all approach. Each community is different, and we need a customized approach working within our e2 development framework.

Community assessment is a sound way to help us and the community evaluate where they are at and what actions might be undertaken to move them to the next level. This tool can be used by a community on its own to conduct a self-community readiness assessment or in conjunction with a statewide or regional initiative providing community coaching assistance. The progression to success is illustrated below:

Leaders – Assessment – Community Dreams – Action Plans – Progress – Success

By doing a little homework on the front end, a community can craft a focused action plan that will have the greatest potential for success. Progress will come through a series of steps that ultimately results in fuller realization of entrepreneur-focused development including:

- robust entrepreneurial ecosystems.
- increased outcomes like working with more entrepreneurs in our communities.
- transformative change including a stronger economy, increased economic competitiveness and resiliency, and expanded local tax bases.

Five Community Readiness Assessments

We employ the use of five quick assessments to help us and the community to better understand where they are developmentally and thus help define what actions are potentially strategically valuable to the community's ability to move to the next level in becoming an entrepreneurial community. Figure 1 on the next page provides a summary of each assessment. More detailed tools for each assessment are contained in the subsequent sections of this paper.

ENTREPRENEURIAL ECOSYSTEMS

Using a Community Coach?

We recommend you consider retaining a third-party community coach or moderator to help your community conduct these assessments. However, by using an outside coach or moderator everyone on your eTeam can actively participate in the assessment. However, it is possible for your community to use this framework where a member of your team moves from being a participant to the moderator role. Possible moderators could include outsider partners from Extension, Regional Development Organizations, area Community Colleges or other development organizations that work with your community.

Figure 1 – Five Community Readiness Assessments Summarized

Development History	Every community has a development history. We want to begin capturing a general history of the community's development and a more specific history of the community's experience with e2. The general time frame is the last two decades with a more detailed capture of the last five to 10 years.
Development Status	One reason we like to compile a quick development history with the community is that this process will help us, and the community, better understand where they are developmentally. Development status in this case focuses on the ability of a community to optimize its e2 development opportunities.
Development Capacity	Development capacity speaks to the ability of a community to engage and sustain community-centered entrepreneurship work. Key capacity components include commitment, leadership, organization, funding, strategy, and other competing issues that might distract development efforts.
Development Strategy	We may never talk about strategic planning with the community, but our engagement process is all about helping the community create a strategic action plan that will move their development efforts to the next and higher level of activity. Here we need to assess the community's current strategy (or lack of) for development work.
Development Focus Areas	Every community has pain and passion points, or community betterment needs or opportunities. In the final analysis, these needs, or opportunities are what motivate communities into action. Our final assessment helps identify each community's pain and passion points for community betterment.

Completing These Community Readiness Assessments

We recommend an indirect or organic approach in completing the five assessments. In our community e2 engagement approach, the eTeam assumes primary responsibility for ensuring the assessments are completed. Remember the 4-H guidance on working with youth:

Do To ➔ Do For ➔ Do With

We recommend a third-party community coach be retained to help your community complete these assessments. However, it is also possible to use this community readiness assessment framework to self-complete these assessments. We want to complete these assessments keeping with the values of "**doing with**" central in our community work. This is best undertaken by listening carefully, asking

questions, collecting information, and sharing back with the community what you have compiled. This information is gathered and used in our regular **community conversations.** This process will help the community evaluate their status honestly which, in turn, is most helpful in crafting smart action plans.

Development History

Every community has a development history. We want to begin capturing a general history of the community's development for us and the community as well as a more specific history of the community's experience with e2. The general time frame is the last two decades with a more detailed capture of the last five to 10 years.

Figure 2 – Community History Assessment

What	
Community's Development History	**Community's Entrepreneurship History**
Focus on your community's past 10 or 15 years. Identify key development issues, setbacks, and successes. Explore what worked, what did not work, and why. Draw lessons that can inform your community's future development work.	Use the same exercise format as outlined in the **Community's Development History.** But this time, focus on your community's experience with supporting entrepreneurs and building an entrepreneurial ecosystem.
How	
Community's Development History	**Community's Entrepreneurship History**
Use the **Community's Development History** exercise where each member does some individual work on the questions and then shares back with the entire team their insights. Use a flip chart to capture and collect the worksheets for processing and share back.	Based on the **Community's Entrepreneurship History** exercise, spend some time in small groups to explore your entrepreneurial ecosystem. Every community has one. Build a picture of how you can build a completer and more robust ecosystem.
When	
Community's Development History	**Community's Entrepreneurship History**
Build this conversation into one of the early eTeam meetings. You will need to set aside at least 30 minutes for this exercise.	Use this exercise to begin forming a vision and action plan for designing and building your next stage entrepreneurial ecosystem.

The Development History exercise can help your community take stock of its past development efforts. Focusing on "what worked" and "what did not work" can provide critical insights into keys to emerging development initiatives. Employ those strategies and tactics that enabled past success and note mistakes that should be managed in the future.

Development Defined

The term **development** means different things to different people in different communities. Development can narrowly mean economic development or more broadly mean any activity that strengthens a community's human resources, community amenities, and economic development. *In our initiative we will employ the broader definition but defer to the community's definition operationally.*

Development Status

It can be helpful to your community to take stock of your **development status** focusing on two key elements:

- What is your community's current community focus?
- How well is your community organized for undertaking significant development?

Figure 3 – Development Status Considerations

Development Focus	Organization
Traditional development rooted in business attraction continues to be the predominate development game plan for many communities. Taking stock of your community's current development focus can be helpful in strategically focusing energy and resources in support of your entrepreneurship game plan.	Most rural communities have multiple development players. The second development status consideration is how well is your community organized for economic development and particularly entrepreneur-focused development. Organization is foundational to execution capacity.
No Strategy. Your community has no real economic development strategy and you need to engage your community in building a strategy. Community engagement is key to first education and then to ensure support for your strategy.	**Development Organizations.** Take stock of the development organizations in your community. Consider your region. Clarify their development missions and possible alignment with entrepreneurship.
Have a Strategy. You have an economic development strategy, but it is still primarily focused on business attraction. Your community needs to build an entrepreneurship strategy.	**Collaborative Culture.** Explore your collaborative culture or the willingness of key leaders and the development organizations they lead to work together to vision and implement an entrepreneurship game plan.
Some Players are Focused on Entrepreneurship. Some of your development players are focused on or interested in entrepreneurship but others are not. How can you grow an effective collaborative of organizations that can vision and stand up an entrepreneurship development strategy?	**Commitments.** Commitments are key. As part of your development organization conversations, explore potential commitments to dedicated leadership, time, energy, and resources to an entrepreneurship strategy. Capture these commitments for future reference.

Understand your community's development status by focusing on your community's current development priorities and your development organizations' willingness to collaborate in support of entrepreneurship. Remember, there must be sufficient organizational and community support for an entrepreneurship game plan, but not all development organizations have to commit. But be aware of the potential for resource competition where non-cooperating development organizations might view a new entrepreneurship strategy as a threat to community resources and the development work you are initiating in the entrepreneurship space. Now let's explore community capacity for entrepreneurship.

Development Capacity

The end game is to energize your community's entrepreneurship game plan. The means to this end game is to increase the **capacity** of your community to more effectively and efficiently engage and sustain your entrepreneurship and ecosystem building work. Development status focuses on the current

capacity of the community to engage in its own development and more specifically engage in entrepreneurship work.

The capacity to engage in a community's own development is tied to four key building blocks including **leadership, organization, strategy,** and **funding.**

Figure 4– Development Capacity Considerations

Leadership	**Organization**
Consistent, robust, and empowering local leaders are foundational to a community's capacity to enable its own development. Our initiative should focus on identifying, engaging, and growing a local leadership team for energizing e2.	Organization moves beyond individual leaders and created institutional capacity where leadership, community builders, funding, and strategy come together on a sustained basis. Effective, efficient, and broadly connected organization is essential.
A detailed, appropriate, and strategic action plan provides both a road map for moving forward and accountability within the community. We want in this initiative to build both a long-view action plan and a series of shorter-term push action plans. **Strategy**	Money matters and we want to help the community create operating funds, and eventually endowments, providing the financial resources necessary to empower the local community development e2 work. **Funding**

Do not under-estimate or over-estimate your community's capacity. Compared to much of the rest of the world, our communities continue to have far greater development capacity. Often times, particularly with stressed communities, we tend to see the capacity glass as half empty. Challenge your community to mobilize capacity sufficient for a robust initiative. At the same time, with each step in your development process make sure you have aggressive but realistic game plans. Reaching too far at any time in the e2 process can set your eTeam and community up for failure.

Development capacity speaks to the ability of a community to engage and sustain community development e2 work. Key capacity components include commitment, leadership, organization, funding, strategy, and other competing issues that might distract development efforts.

Motivation to make progress coupled with the capacity to make things happen results in meaningful advancement of the community's e2 initiative. We employ the **Hierarchy of Community Impacts** (Heartland Center for Leadership Development) as a community roadmap and framework for measuring progress against capacity building benchmarks.

Figure 5 – Hierarchy of Community Impacts

Level 1 **Strategic Activities**	Engagement in the Initiative Organization of a Functioning Team Resident Engagement Strategy Active Engagement with Their Community Coach Engagement in Opportunity Assessment & Strategy Development
Level 2 **Progress Outputs**	Completion of the Opportunity Assessment Exploration of Smart Strategy Solutions Development of a Broadly Supported Strategy Demographic Renewal Game Plan Increasing Economic Opportunity Game Plan
Level 3 **Commitments**	Commitment to Real Resident Engagement More Residents Engaged as the 18 Months Progresses Broadly Agreed to Development Strategy Stakeholder Organization Leadership and Funding Commitments Commitment to Strategic Action versus Feel Good Projects
Level 4 **Progress Outcomes**	Commitment to Continue the Work Started in the Project Leveraged Partners and Funding Expanded and Deepening Champions and Stakeholder Groups Early Strategy Implementation and Progress Community is More Energized and Hopeful About Its Future*
Level 5 **Indicators of Desired Systemic Change**	We will not be able to reach Level 5 outcomes in 18 months. But we should have realized a richer community vision of desired systemic change goals.

*We have community survey tools that can be used before work starts and towards the end of the 18-month period to measure progress related to community energy and hope perceptions. This would be part of the baseline evaluation.

Within the overall framework, each community will establish, through assessment and action planning, their own progress benchmarks, and goals. Keeping the likely items outlined above from the Hierarchy of Community Impacts as context, explore how to assess development capacity considerations:

On a scale of 1 to 5 where 5 is very strong agreement and 1 is very weak agreement, score each of these development capacity characteristics based on your community's development thus far:

Figure 6 - Development Capacity Key Questions

What questions should your community consider?
1 – Is there commitment to be part of the Initiative? 2 – Is there a clearly identified community coordinator? 3 – Do you have a committed core community e2 team? 4 – Can your organizational group meet at least monthly? 5 – Do you have committed local funding for the e2 initiative? 6 – Do you have an agreed-to and specific action plan? 7 – Are there potential distractions likely to impact the progress of the community's e2 work?
How should your community use this assessment?
Periodically, use this tool with the community's e2 team to evaluate the capacity of the community to effectively engage in e2 work. This assessment should be completed initially by the coach and then with the coach facilitating the community e2 team. Compare the rankings, discuss, and address within the action plan how to strengthen the community's development capacity for this work.
When should your community use this assessment?
A – This can be used to evaluate potential community candidates for the CDP Initiative. B – Early in the community engagement process to establish a baseline for future reference. C – At least once a year during action plan time.

e2 Development Strategy Assessment

We may never talk about strategic planning with the community, but our engagement process is all about helping the community create a strategic action plan that will move your e2 efforts to the next and higher level of activity. Here we need to assess the community's current strategy (or lack thereof) for e2 work.

Figure 7 - Development Strategy Considerations

What
1 – Take stock of your community's current economic development strategies.
2 – Assess how active they are and do they include entrepreneurship as a priority.
3 – Craft your starting or next-stage eStrategy.
4 – Engage and mobilize your community's collaborating partners.
5 – Launch eStrategy execution, test – learn – refine – and move to the next level over time.
How
This work should be completed based on an agreed to timeline with the community team. Optimally, the development strategy should be completed within three to nine months so that implementation can begin within the first year. Pacing is critical to community momentum, but this work does take

time given the voluntary nature of the group. The coach is a resource, facilitator, and technical expert, but the coach cannot and should not do this work *for* the community. They have to do it to own it. Owning it creates peer expectations that the community will act on the strategy. In the "what" box, we have identified the key activities in some degree of order. However, based on the unique circumstances in each community, we can change the order to best meet the community's desires and situation.

When
A – Optimally, during the first 3 to 6 months of community engagement.
B – Minimally, during the first 6 to 9 months of community engagement.
C – If this process takes more than 9 months, we are at risk to lose momentum and Type A and action-oriented community members.
D – Assuming the community adopts the tactic of a series of campaigns or pushes, a series of action plans will be designed and implemented over time. This approach breaks this work down into smaller and more doable projects that when combined enable progress and desired outcomes.

In our work with entrepreneurs we encourage them to create a venture vision and plan whether that is on the back of a piece of paper or a more formal venture plan. We view these plans as roadmaps that can guide the entrepreneur and their team to desired outcomes over defined periods of time. Budget and staffing are tied to the plan, whether it is a new venture start up or an existing, growing venture. As the entrepreneurial team launches implementation and execution of the plan, challenges will emerge, and new opportunities will surface. Key to being entrepreneurial is the ability to smartly make intentional changes based on emerging realities. Overreacting can create unnecessary problems. Finding the right balance between being flexible to change and staying the course is so important. Your community's eTeam and eStrategy is an entrepreneurial venture where your community's entrepreneurs are your customers. Assuming this orientation can help your community find and sustain the right balance evolving your vision and strategy as your further engage in working with your entrepreneurs.

Development Focus Areas
Every community has pain and passion points, or community betterment needs or opportunities. In the final analysis, these needs, or opportunities are what motivates communities into action. Our final assessment helps identify each community's pain and passion points for community betterment.

Figure 8 - Development Focus Areas Considerations

What	
Pain Points	**Passion Points**
Critical community challenges (examples): • Poverty • Lack of jobs • Loss of young people - Outmigration • Inadequate tax base • Lack of economic opportunities	Economic development priorities: • Stronger economic development program • Building a more vibrant venture community • Ensuring essential ventures • Main street revitalization • Youth entrepreneurship
How	

Pain Points	Passion Points
Use either the *Pain and Passion Points* or *Dream* exercise to capture initial insights. Have the team use this exercise in other settings to gather more input. Compile and share back their list of pain and passion points.	Do this as one exercise and process where both pain and passion points are identified and collected. Focusing on pain points helps clear the air and make the case for development. Passion points identify possible starting points for your work.
When	
Pain Points	**Passion Points**
Build this conversation into one of the early team meetings. You will need to set aside at least 30 minutes.	Build this conversation into one of the early team meetings. You will need to set aside at least 30 minutes.

Conclusion

This resource is intended to supplement our **Community Readiness for Entrepreneurship** and **Organizing for Action Guides.** Remember, any readiness assessment has two purposes. First, by conducting community readiness you can assess your community's ability to engage in development work at any given point in time. Second, readiness assessments can identify areas where you and your community can become ready for undertaking this work. Ensuring sufficient community readiness is foundational to increasing the probabilities that your community will succeed with entrepreneurship, sustain your initiative, and generate desired community economic development impacts.