



Rural **RESEARCH REPORT**

Summer 2005
Volume 16, Issue 6

Published by the Illinois Institute for Rural Affairs

Stipes Hall 518
Western Illinois University
1 University Circle
Macomb, IL 61455-1390
309/298-2237

www.IIRA.org

Developing Entrepreneurs: An Examination of Systematic Approaches to Entrepreneurial Development for Rural Areas

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Introduction

Developing local entrepreneurs offers an alternative to the incentive-based business recruitment race that pits neighboring communities, regions, and states across the nation against each other. Regional rural efforts to achieve economic stability can start by maximizing the use of local entrepreneurs. The focusing of efforts on valuable, local, economic resources means developing the assets of local entrepreneurs who have a long-term commitment to the community (Korsching and Allen 2004; McNamara, Kreisel, and Rainey 1995).

Local, state, and national economic development policy has exhibited a growing consciousness of rural communities' entrepreneurial needs. While it has become clear that entrepreneurial development should be a core component of economic development efforts, few resources support entrepreneurs specifically and directly (CFED and W. K. Kellogg Foundation 2003). The scarcity of resources means that rural businesses find themselves in a constant survival mode in which they must rely on local workers and customers (Levitte 2004). State entrepreneurial policies that effectively develop community assets need to be flexible to the conditions of rural areas, scaleable to a particular region or community, and accessible for implementation through local intermediaries (NGA 2003).

While traditional entrepreneurial development programs have been aimed largely at promoting access to resources such as capital, marketing, and business plan development, these efforts often neglect to help build the skills that will serve entrepreneurs on an ongoing basis (CFED and W. K. Kellogg Foundation 2003). Rather than promoting specific services, a systematic approach would assess the situation of each entrepreneur and create a navigable development environment for each. The principal aim would be to tailor the way entrepreneurial development is delivered so that individuals receive the necessary level of support to benefit from an integrated system of providers.

A successful entrepreneurial development program will result in the creation of jobs that tend to have higher salaries, develop greater skills, and be more readily adopted by local residents (Green et al. 1990; Korsching and Allen 2004). Relative to traditional economic development practices, including incentive-based business attraction, retention, and expansion programs, entrepreneurial development programs offer greater sustainability and flexibility to meet broader community development needs (Dabson, Rist, and Schweke 1994; Lyons and Hamlin 2001; Lichtenstein, Lyons, and Kutzhanova 2004).

Rural Entrepreneurial Development Challenges

Numerous challenges limit entrepreneurial involvement as rural areas attempt to undertake a strategic use of limited, albeit valuable, resources to achieve a maxi-

mum impact toward business development and job creation (HCLD 2003). While countless challenges can arise in a rural region, seven challenges are common:

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(1) remoteness, (2) lack of infrastructure and entrepreneurship development programming, (3) fragmentation of service providers, (4) service provider – entrepreneur gaps, (5) specialization driven service, (6) reactive rather than proactive service provision, and (7) lack of implementation or a mechanism to move from discussion-to-action.

Remoteness. Rural communities are challenged by a small number of businesses or business development experts who can share experiences or knowledge with developing entrepreneurs. In addition, rural areas with a lack of skilled individuals are often constrained in their ability to uncover entrepreneurial opportunities (NGA 2003). Economic development service providers face a number of obstacles to serving rural areas because of smaller population sizes and limited local demand, making it difficult to achieve profitable economies of scale (CFED and W. K. Kellogg Foundation 2003). The remoteness of many rural areas also creates a challenge in maintaining the connectivity necessary among service providers and with entrepreneurs to best promote regional development.

Lack of Infrastructure and Entrepreneurial Development Programming. According to a 1999 Kauffman Center for Entrepreneurship Leadership report (Kayne 1999), *State Entrepreneurship Policy and Programs*, many states lack a mechanism for networking among entrepreneurs and development organizations. The report finds that state programs do not focus enough on entrepreneurial start-up needs, have limited entrepreneurial education, and rely on university linkages for innovation and research. State entrepreneurial development programs are often not comprehensive enough for emerging or established entrepreneurs (CFED and W. K. Kellogg Foundation 2003).

Fragmentation of Service Providers. The structure under which the entrepreneurial service providers typically function is often driven by the specific tools they possess rather than the actual needs of the entrepreneurial community: “Entrepreneur development activities are fragmented and categorized in terms of the needs addressed and the population served. Most service providers specialize in a particular functional area or on a particular population, without anyone having responsibility for the individual business or the community as a whole” (Lichtenstein et al. 2004, 11).

Service Provider – Entrepreneur Gaps (Lack of Entrepreneur Voice in Planning). The existing entrepreneurial development programs are not without their share of shortcomings. According to a Kauffman Foundation study, the tendency is to promote the services that providers have to offer rather than a system that would address the entrepreneurs’ needs. This has led to conflict between service providers and the entrepreneurial community (Kayne 2002). The gap that often exists between the services offered and the actual needs of entrepreneurs may be closed by ensuring that the voice of entrepreneurs is heard.

Specialization Driven Service. Service providers find it competitively necessary to promote their own “cookie-cutter” approach to business development rather than operate based on the needs of businesses (Emery, Wall, and Macke 2004). Their own technical specializations, as well as limited funding resources, encourage a competitive interaction rather than a coherent effort to truly meet the needs of entrepreneurs.

Reactive Rather than Proactive Service Provision. Many service providers wait for an entrepreneur to show up and ask for assistance. This “reactive” nature is ineffective when it comes to ensuring that a healthy supply of entrepreneurs exists in the community (Lichtenstein et al. 2004). A systematic approach in which an encompassing entity is responsible to the entire entrepreneurial community addresses the absence of responsibility and provides a system with measurable impact.

Lack of Implementation or a Mechanism to Move from Discussion-to-Action. Whether it is an operational habit or funding-induced need, entrepreneurial development professionals often find themselves dedicating considerable time and resources to researching or studying the problems rather than focusing on action steps to achieve results (Lichtenstein et al. 2004). Unfortunately, efforts to isolate best practices for entrepreneurial development fail to recognize the diversity of community factors and conditions that can lead to success. Rather than focusing on identifying a cookie cutter model for entrepreneurial development, greater focus needs to be on the specific conditions underlying successful approaches.

Answering the Challenge: A “Systematic Approach” to Coordinating Entrepreneurial Development

In a systematic approach, entrepreneurial development responsibility moves beyond the individual service providers into a structure where the sum is greater than the parts (Lichtenstein et al. 2004). The pressure to pursue competitive behaviors that serve a select part of the community is quelled with such a holistic approach.

By establishing an understandable infrastructure and accessible support system for emerging entrepreneurs, communities can address the business knowledge gap that may stall business development (Gnyawali and Fogel 1994; Korsching and Allen 2004). Establishing an education and support program for entrepreneurs may provide the impetus for entrepreneurial venture emergence and development (Green and Haines 2002; Korsching and Allen 2004).

For an entrepreneur system coordination initiative to succeed, efforts must ensure the involvement of local government, business, and organizations; substantial investment of local resources; and local control of the resulting system (Korsching and Allen 2004). This comprehensive systematic approach to entrepreneurial development involves the coordination and development of (1) peer networks, (2) service provider networks, (3) entrepreneur-based services, and (4) entrepreneurial communities.

Peer Networks. Peer networks help communities deal with the challenges of remoteness, deficient infrastructure, service provider – entrepreneur gaps, and implementation.

Systematic development requires the establishment of a peer community concurrent with the development of individual entrepreneurs (Lichtenstein and Lyons 2001). The knowledge network present in an entrepreneurial community enables emerging and growing entrepreneurs to seek advice and benefit from the experience-based know-how of their peers (Beaudoin 1988).

According to CFED and W. K. Kellogg Foundation (2003), “Rural entrepreneurship development organizations honored by [the National Association of Development Organizations] NADO agreed that the absence of entrepreneurial networks hindered entrepreneurs in their area” (36). Many rural areas lack vital networks that allow businesses to share ideas in an environment where entrepreneurship is encouraged (NGA 2003).

Service Provider Networks. These networks address challenges of service provider fragmentation, service provider – entrepreneur gaps, specialization driven and reactive service provision, and implementation.

Entrepreneur service providers typically include specialists. While various specialists may exist within a particular service provider’s framework or even within another entity, it is questionable whether an integrated or informal expertise network is utilized sufficiently (Lichtenstein et al. 2004). The lack of a formal organizational effort, streamlined communication, or other interaction among the service provider community can create confusion for entrepreneurs and effectively contributes to an underutilization of services as a whole.

Entrepreneur-Based Services. These services address deficiencies in infrastructure and implementation.

An individual entrepreneur is not born but, rather, he or she is the product of his or her environment (Lichtenstein and Lyons 2001). Therefore, the infrastructure of the entrepreneur’s environment, including economic, legal, political, financial, logistical, and social structures, must be supported from an economic development perspective in order to foster entrepreneurial development. An entrepreneur’s innovative abilities to capitalize on market opportunity, within structural limitations, should be seen as a local asset that necessitates cultivation. Misconceptions that classify entrepreneurs as risky or independent overlook the fact that entrepreneurship is about carefully assessing the balance of risk and reward in an environment supporting a diversity of entrepreneurs (Koven and Lyons 2003). Generally speaking, specific traits are less important than the process of entrepreneurial development (Morris 2005).

Entrepreneurial Community. This type of community addresses challenges of remoteness as well as deficiencies in infrastructure and implementation.

Lichtenstein et al. (2004) take the definition of *entrepreneur* further in defining an “entrepreneurial community” where a critical mass of entrepreneurs is reached. This community constitutes a supportive network of entrepreneur peer relationships in which resources and problem-solving skills are shared, thereby fostering an environment where an entrepreneur can succeed in a venture (Lichtenstein et al. 2004; Lyons 2002). A key attribute of an entrepreneurial

community is social capital (Florida 2002). Levitte (2004) synthesizes the myriad of literature describing social capital by defining it as “networks and relationships, which are imbued with values, norms, and attitudes that facilitate trust, reciprocity, and the collaborative production

of tangible resources like services and money” (45). Social capital may be evident in the community or in the region’s ability to foster public and private sector partnerships, attract and retain diversity in population and business climate, and generally promote a networking spirit.

Examples of a Systematic Approach to Entrepreneurial Programs

An entrepreneurial development system structure has a networking resource at its core. While most entrepreneurial development systems offer some set of technical assistance programs, they also provide a venue where entrepreneurs can informally meet and share ideas and experiences as well as obtain access to capital, people, technology, and infrastructure. The system supercedes any one tool in importance, allowing it to make a dramatic contribution to the promotion of a strong entrepreneurial community (NCSC 2003). Two major initiatives in the area

of systematic approaches for coordinating entrepreneurial development have attracted considerable attention and enthusiasm. They are the *Entrepreneurial League System* developed by Tom Lyons, professor and director of the Center for Research on Entrepreneurship and Enterprise Development at the University of Louisville and Gregg Lichtenstein of Collaborative Strategies, and *Enterprise Facilitation*, developed by the Sirolli Institute. The following is a brief description of how these two initiatives answer the rural entrepreneurship challenge.

Entrepreneurial League System

The guiding mission of the Entrepreneurial League System (ELS) (also known as the Entrepreneurial Development System) calls for an increase in the rate of new businesses forming and developing in a region. The system provides a holistic framework for organizing a community’s thinking and action as it undertakes a strategy of entrepreneurial development. The system recognizes that an individual or entrepreneur leading a business is more important than the business itself and focuses development efforts accordingly (Lichtenstein and Lyons 2001). Only after a primary focus on entrepreneurs can the system accomplish its secondary goal of organizing and ensuring the availability of the services necessary to help them.

goal. The advantage of the ELS approach is that the path to success is clear both to the entrepreneur and to those providing assistance. The progression of entrepreneurial development is viewed much like movement up a ladder where individual rungs represent stages of development that can be supported by appropriate service providers (Lichtenstein and Lyons 2001). The system acts to articulate the ladder progression effectively enough to guide entrepreneurial movement in a process of skill level evolution through transformation while maintaining upward progression.

The ELS is comprised of two distinct subsystems: (1) entrepreneurial development and (2) service provider integration. This development system is charged with assisting an individual’s transformation and development while concurrently streamlining the existing service provider system so that individual providers address entrepreneurs’ needs more effectively. Together, the elements provide a framework for an entrepreneurial development system that is capable of regionally focused development.

Service Provider Networks. The ELS process essentially creates a system for democratizing entrepreneurship (Lichtenstein and Lyons 2001). In order to create a fluid system, the ELS tries to efficiently utilize and evaluate service providers through business feedback. According to Lichtenstein and Lyons (2001), the five criteria that can be used for this evaluation are as follows: (1) effectiveness, (2) efficiency, (3) equitability, (4) sustainability, and (5) scale of economic impact. Benefits to entrepreneurs include access to appropriate resources, psychological support through system coaching and peer support, and the development of new skills for progressive transformation.

Peer Networks. Based on a skill level assessment by a trained diagnostician, entrepreneurs at each talent level are placed into a “success team” of peers for coaching and mentoring. In this peer network, entrepreneurs with similar skill sets support one another toward a common growth

Without such a system, service provider competition may actually hinder entrepreneurial development. According to Lichtenstein and Lyons (2001), “With few exceptions, providers commonly compete against each other for the

same entrepreneurs or myopically serve a small clientele without connecting them to other sources of assistance” (14).

Undergoing an ELS development process usually means creating an entirely new and independent approach (Lichtenstein and Lyons 2001). It cannot become the function of an existing service provider, nor is it realistic to expect effective performance from two entirely different functions (Porter 1985).

Entrepreneur-Based Services. The ELS system first and foremost recognizes that entrepreneurs have varying skill levels. The entrepreneur skill set can be divided further into categories: technical, managerial, entrepreneurial, and personal maturity (Lichtenstein and Lyons 2001). Under the premise that entrepreneurial skills can be learned, measured, and monitored, the ELS assesses individual levels and places individuals in a skill level category. This hierarchy of skill development provides a practical and understandable tool for measuring entrepreneurial talent.

Entrepreneurial Community. To support entrepreneurial development, ELS establishes six highly specialized functional positions: (1) talent scouts, whose role is to recruit entrepreneurs to participate in the system; (2) the diagnostician, who assesses the entrepreneur’s skill level and helps develop a game plan for progressive transformation of skills; (3) the mentor, whose role includes the development of an entrepreneur’s thinking, as well as adaptability skills; (4) a success team manager, who functions as a peer network leader to facilitate information, ideas, and resource sharing; (5) an alliance broker, who identifies new markets and establishes entrepreneur linkages; and (6) the general manager, who is responsible for the integration of the entire system and position functions.

Implementation Methodology. The ELS process has five tactics that must be accomplished. While the order varies according to the situation, the tactics may be summarized as follows: (1) Area service providers are identified; (2) service providers are assessed to determine the provider’s role, typical clientele and skill level, and systemwide gaps; (3) a service provider network is established to streamline

service delivery, build a common approach and language, diagnose entrepreneurial needs, improve the effectiveness of the referral process, and to develop strategies to ensure that the system is clearly visible to entrepreneurs in the region; (4) success teams are established based on the skill level of participating entrepreneurs and assigned a skilled facilitator with significant business experience and coaching skills to provide mentoring, peer support, and “game plan” development; and (5) market opportunities are identified, including organization spin-off opportunities and underserved or nonexistent business areas that signify entrepreneurial opportunities.

Key Attributes:

- A single point of entry for entrepreneurs at which they are evaluated and placed with appropriate peer and service provider support
- An individualized “game plan,” which is created for an entrepreneur’s business development needs
- A system that is understandable to the entrepreneur and enables access to resources and support relative to individual needs and skill levels
- A skilled facilitator steers entrepreneurs to the appropriate service provider and “Success Team” peer network
- A service provider network wherein service providers can focus on their areas of expertise and can coordinate through regular meetings the establishment of a common language, performance goals, and systematic protocol
- A steering committee of leaders from the business community, service providers, government representatives, and financial institutions
- A visible system with a clear development progression that entrepreneurs can recognize and access
- A system that is managed locally and utilizes existing local resources to engage local entrepreneurs

ELS Case Example: Advantage Valley

Advantage Valley is an economic development partnership that serves the two Metropolitan Statistical Areas of Charleston, West Virginia, and the tri-state area of Huntington, West Virginia; Ashland, Kentucky; and Ironton,

Ohio. Recognizing the need for an economic development initiative that serves entrepreneurs, the partnership worked for two years to discuss and plan how they could use the ELS model. Advantage Valley became the first regional

approach in the country to commit to the implementation of all ELS elements when they contracted Collaborative Strategies to train and assist the region in implementing ELS.

In August 2003, 13 individuals received the necessary training to complete two of the five ELS tactics: (1) area service providers identification and (2) service provider assessment. This group, representing financial institutions, government, service providers, and small businesses, formed a steering committee, with a local entrepreneur

acting as the “general manager.” The steering committee selected 39 service providers to be a sample for interviews. The interview results were put into a report that led to a \$350,000 grant from the Benedum Foundation, which provided the funds necessary to implement the ELS.

While the project is expected to take up to five years, the social capital resulting from this effort has created a spirit of optimism and promises to create a supply of highly skilled entrepreneurs in the region.

Enterprise Facilitation: Sirolli Institute

Enterprise Facilitation (EF) is designed to enable communities or rural regions to foster local leadership and create a system that can support entrepreneurial development. The EF system’s structure involves a single facilitator who works in conjunction with a community-based board to offer confidential business and networking advice (free of charge) to aspiring businesses and entrepreneurs. The facilitator’s role includes entrepreneur identification, support, and guidance. While the facilitator provides the technical support and coordination, the local leadership is essential to the development of the system’s network and to obtain community driven support.

Peer Networks. The board that plays this leadership role is comprised of local professionals, economic development practitioners, and civic leaders. It has the responsibility for hiring the “enterprise facilitator,” who consequently acts as a catalyst for assisting and encouraging local entrepreneurial development.

Service Provider Networks. While the enterprise facilitator’s role is to recognize local talent and mobilize leadership around the support of entrepreneurs, this people-centered approach to economic development relies on a network of service providers to deliver the appropriate technical support. The enterprise facilitator fills a critical need for personal relationships in encouraging the entrepreneurial community (Sirolli 1999). The enterprise facilitator breaks down barriers by offering technical support to entrepreneurs with advice on ways to cut through red tape, obtain seed capital, develop business planning skills, and establish potential market contacts.

Entrepreneur-Based Services. The enterprise facilitator’s task is to offer confidential advice and support in developing and packaging a plan for doing business. Once the entrepreneur’s start-up costs, sales, and expense numbers

are identified, a meeting is set with the local Small Business Development Center to complete the financial projections.

Entrepreneurial Community. The EF approach aims to grow communities from within through the establishment of a local leadership system, local expertise, and local excitement through realized successes in entrepreneurial development.

Implementation Methodology. The Sirolli Institute plays a guiding role in the development of the entrepreneurial system through its primary involvement in training the board and the enterprise facilitator. After that, the enterprise facilitator works one-on-one with clients to test the personal motivation, skills, and assistance needs of the individuals. The interaction enables the enterprise facilitator to link clients with the appropriate development and support resources for their needs. While the enterprise facilitator plays a key role in the client interaction, the goal is to develop an individual entrepreneur’s capacity to assess his or her own strengths and weaknesses as he or she continues to plug into the broader entrepreneurial support network.

Key Attributes:

- Led by a skilled enterprise facilitator who looks at the unique individual before predetermining service or program needs
- Focus is on team building for entrepreneurs and service providers
- Creates a long-term, responsive approach to entrepreneurship development
- Encourages local expansion and retention rather than recruitment from the outside by utilizing existing social capital and infrastructure

- Relies on entrepreneurial motivation and a ripple effect that inspires further entrepreneurship
- Provides access to information, advice, and support, and fosters community support for entrepreneurial development

Sirolli Case Example: Southeast Enterprise Facilitation Project, Turner County, South Dakota

The region around Turner County, South Dakota, faced significant economic distress for years (NCSC 2003). In 1997, the region decided to try an innovative economic development model and embraced the Sirolli Institute’s Enterprise Facilitation program. Under this model, communities collaborated in funding the position of a local enterprise facilitator who functioned like a coach for existing businesses and aspiring entrepreneurs. The county was key in establishing the project through its support of the Southeast Enterprise Facilitation Project (SEFP), with \$65,000 plus in-kind contributions of office space, equipment (including a vehicle), and other supplies.

The enterprise facilitator worked with a community-based board to provide free, confidential, business management and networking advice to both aspiring entrepreneurs and existing businesses. A 14-member board made up of

government, financial, and business leaders with business start-up expertise supported the enterprise facilitator (NCSC 2003). The EF board and program supporters constituted a peer network that was responsible for supporting local businesses throughout their development.

The EF model has succeeded in generating new jobs and supporting new and existing businesses in Turner County (NCSC 2003). Despite the county’s small population of 8,849 residents, this program counseled approximately 619 potential entrepreneurs. The results were 23 new businesses, 10 firm expansions, and 12 businesses retained, with more than 166 jobs created or saved. Area leaders claim that the EF efforts in community building and the excitement created by the enterprise facilitation effort were instrumental in the project’s success.

Systematic Approach for Accomplishing Rural Entrepreneurial Development

Rural communities wishing to develop a system for rural entrepreneurship can use the following general steps from the previous examples:

- Identify entrepreneurs and community leaders in the region who can come together to provide the coordination and leadership necessary for entrepreneurial development.
- Hire a program manager or the services of a recognized facilitator for established models, such as ELS or EF, who has the ability to recognize and evaluate local entrepreneurs and entrepreneurship service providers, identify local strengths and weaknesses, and develop a plan to address gaps in entrepreneurial services.
- Work to develop weak or missing entrepreneurial services.
- Develop and train the necessary support structures such as a steering committee or board, teams

and team leaders, and other people who will be responsible for leading the system’s development and providing the guidance for peer and service provider networks.

- Make an active effort to develop an entrepreneurial community that recognizes and supports local entrepreneurs and creates a continual supply of new entrepreneurs.

The funding necessary to hire a program manager, to engage the services of a facilitator model, and to develop the entrepreneur support structure can be secured through partnerships with local government, existing service providers, established entrepreneurs, regional institutions, and grant funds. In order to ensure a viable and sustainable entrepreneurial development program and a healthy entrepreneurial community, fiscal support and participation in the development of the program should be committed from a broad regional community base.

Summary

Inward looking efforts to spark economic development through entrepreneurial development can capitalize on the passions of local residents by systematically offering clear and promising “individualized” entrepreneurial development support (NCSC 2003). Systematic programs foster a process of personal transformation, enabling entrepreneurs to acquire skills that permit them to remain as local assets regardless of fluctuations in the economy (Lichtenstein and Lyons 2001). Since these systems establish an interactive learning process based on experience as opposed to traditional information-based learning processes, these local entrepreneurs stand to develop the long-term capacity necessary to drive rural development.

Systematic approaches are not without their own set of manageable weaknesses. The foundation of a successful development effort is often championed by an individual or small group that declares entrepreneurial development a priority (NCSC 2003). Reliance on the magical appearance of a single individual or group to champion an entrepreneurial effort risks a long or even infinite wait for rural areas. This is why there is a critical need to look regionally for collaborative opportunities that can foster, support, and inspire rural regional entrepreneurship. According to NCSC (2003), while successful programs have had a primary champion, these programs also were based on a widespread community alliance. Such alliances necessarily involve public and private sector collaboration.

Some of the beneficial attributes of systematic approaches, including diversity of community supporters, regional focus, and entire system management, may pose challenges for implementation (Lichtenstein and Lyons 2001). For example, ELS differs from other more traditional approaches in that it is not a technical solution but, rather, a politically and socially dynamic system, which requires overcoming some traditional barriers in order to achieve results.

Entrepreneurs recognize that local, state, and federal governments can help create a support infrastructure for new firms. Entrepreneurs also strongly embrace programs in which public sector value is achieved by, or in partnership with, the private sector. Local leadership must engage institutions that can help create such entrepreneurial networks. Local elected officials can play a critical role in encouraging and accommodating entrepreneurial activity. At a minimum, local communities’ leadership must do no harm (NCSC 2003). It must always be remembered that while the public sector may provide the impetus to spark the formation of entrepreneurial network systems, it is the entrepreneurs themselves who are the driving force for growth (CFED and W. K. Kellogg Foundation 2003).

The scope of systematic development also poses an initial challenge for implementation. A large-scale undertaking is necessary from the start since individual elements of a system will not serve the entrepreneurial community efficiently (Lichtenstein and Lyons 2001). Efforts should avoid shifting responsibility for a holistic entrepreneurial development system to any individual service provider whose competitive nature, range of funding influences, technically specific tendencies, and partial perspective suggest that such a move can never be sufficiently holistic to benefit the entire entrepreneurial community (Lichtenstein et al. 2004). Rather, an integrated system where each provider has a clear role and is responsible to the whole community promises greater benefits.

In situations in which a rural region does not yet have a “critical mass” of entrepreneurs to build such networks, it may be difficult to visualize an effort that will create the necessary “critical mass” (NCSC 2003). This is something of a “chicken and egg” problem for rural economic vitalization efforts.

Recommendations

Given the economic situation for rural communities, there is a need for higher-level programming to act as a spark in the creation of rural entrepreneurial network systems. With the goal of fostering bottom-up development, institutions or programs that serve rural areas can offer training, technical assistance, and facilitator support for community and regional efforts.

Networks are the single most critical factor for a strong entrepreneurial region. While addressing the economic needs of the community, the entrepreneurial system programs necessarily build community capacity and structure.

The desire to pursue a community or regional initiative to establish and coordinate an entrepreneurial network must

come from within the community (Korsching and Allen 2004). Therefore, it is up to the community and economic development educators who may be creating awareness to find innovative ways to foster regional participatory interest as well.

Supporting entrepreneurship often means working to change the local business climate or culture. Simply acknowledging an entrepreneur's critical role in the local economy through low-cost projects like an "Entrepreneur of the Year" awards program or site visits to new firms can encourage others to make the leap to business ownership (CFED and W. K. Kellogg Foundation 2003). This has proven to be particularly important in communities where older and declining industries have dominated the economic landscape.

A core group of individuals will inevitably make up the leadership structure for the development of an entrepreneurial development system. The key for such a group is to have a strategy to rally around while creating a community environment that is open to change and willing to engage outside help (HCLD 2003).

Reaching out to a wide array of entrepreneurs in rural communities is both necessary and possible. It is crucial to make the effort to incorporate a variety of service providers and public partners in a spirit of trust and confidence to reach out to entrepreneurs and encourage more people to become entrepreneurs through education. The Small Business Development Centers (SBDCs) have the potential to play a key role in entrepreneurial network development. The SBDCs are federally funded business development networks that exist to meet the needs of aspiring entrepreneurs; however, restrictive funding has created challenges that induce a numbers driven, rather than impact oriented, tendency for SBDCs (CFED and W. K. Kellogg Foundation 2003). In order for them to be a

significant player in the establishment of rural entrepreneur development networks, their outreach efforts must prove them to be progressive and proactive rather than reactive and bureaucratic.

Without a doubt, finding good people is the number one challenge facing America's entrepreneurs. Thus, business leaders and policymakers must devote substantial effort to finding better ways to recruit and retain these individuals. Unlike traditional business attraction, retention, and expansion efforts, entrepreneurial development efforts must proactively reach out to entrepreneurs and invest in both their businesses and personal growth and development (Lichtenstein et al. 2004). A systematic approach requires a conceptual framework and guidance in the form of a locally operated system that garners a diversity of support from the community and does not rely on any one specific service provider or funder.

While in principal, the systematic approach to entrepreneurial development is promising, there has been little evaluation to the practicality of implementation. The difficulty in evaluating systematic approaches is two-fold. First, there are far more writings about the philosophy of the practice than its actual implementation. This may be due to a cost barrier for communities and regions that prevents them from adopting the systematic approaches or it may represent some larger, yet unidentified, negative realities preventing theory-to-action. Secondly, where there has been some level of systematic approach implementation, the programs are generally too young to evaluate at any depth (according to those touting the programs) other than an "all signs are good" review. The information that is available does suggest that taking a systematic approach to entrepreneurial development is not only promising, it is imperative for the future development of the economy in rural regions.

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 Printed on recycled paper

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