Community Energy Areas and Entrepreneur Development
By Don Macke

Most rural communities are focused on priority development initiatives like creating more affordable housing, providing community-supported early childhood education centers or downtown revitalization. At e2, we call these **energy areas.** Energy areas can be the starting point for entrepreneur-led entrepreneurship and related ecosystem building.

Introduction – Origins of the Community Energy Area Concept
When we first started working with rural communities and regions years ago, there were pre-existing development priorities and initiatives with entrepreneurship implications. In our work with the Central Appalachia Entrepreneurial Communities Initiative, we curated the idea of energy areas as a potential entry point for an entrepreneurship game plan.

This paper on **Community Energy Areas** is organized into the following sections:

- What are Energy Areas and Why They are Important

- Illustrations of Energy Areas from Our Field Work

- Energy Area Development Process within the e2 Development Framework

- Mapping Your Community's Energy Areas

- e2 Resources that Can Help

- Conclusion – Asset-Based and Community Preferences

Community Passion Areas

Most communities have areas of passion such as building a new community center, opening a new swimming pool, or revitalizing a tired and declining downtown. These areas of community passion already have deep community buy-in and engagement. In our work with rural communities across North America, we have found that these areas like downtown or main street renewal are great starting points for learning how to work with entrepreneurs and to begin building a more intentional entrepreneurial ecosystem.

ENTREPRENEURIAL ECOSYSTEMS

Rural communities, particularly smaller and more distressed rural communities, have only so much development bandwidth at any given point in time. Chances are good that a community cannot commit to a comprehensive and robust ecosystem building initiative. These communities must find a starting point where there is existing community support and build out their entrepreneurship strategy and ecosystem building effort. Identifying and focusing on existing community development energy areas are likely starting points for this process.

What are Energy Areas and Why They are Important?

Current U.S. population is approaching 330 million residents. Over 82% of this population or nearly 271 million Americas live in our nation's Metropolitan Areas. While recreational resources can be found in these cities, many urban dwellers are attracted to the recreational resources in rural America.

For decades the Appalachian Mountain Region has been challenged with failing economies, deaths of despair and lack of economic opportunity. But as this region has transitioned from natural resources extraction-based economies (e.g., coal, timber, etc.) to a tourism-based economy, recreational trails located in Federal and state public lands have created destination and visitor opportunities associated with hiking, ATV, biking and equestrian trail users. Later in this paper, we illustrate how trail assets coupled with Airbnb development is fueling a growing destination tourism industry in Central Appalachia.

Energy Areas Defined. Every community and region has an entrepreneurial ecosystem. For most communities, these ecosystems are unintentional and have developed organically. Unintentional ecosystems under optimize entrepreneurial talent development and economic development impacts.

Energy areas as related to entrepreneur-led development are pre-existing community development priority areas, representing entry points for more intentional and impactful entrepreneur-led development and ecosystem building.

Why are Energy Areas Important? In working with entrepreneurs, we start where they are and where they want to grow. Developing entrepreneurial talent is an incremental process. The same is true with entrepreneur-led development and ecosystem building. Energy areas represent where communities are and can be the starting point for incrementally building out both eStrategies and eEcosystems.

ENTREPRENEURIAL ECOSYSTEMS

Chances are good this concept of **energy areas** within the field of entrepreneur-led development is a bit unfamiliar. In the previous section, we provided both an operational definition and a field-tested case for why they are important. To help you and your community get to know and use this powerful concept, we provide some real-life illustrations, drawing from our work in rural communities across North America.

Illustrations of Energy Areas from Our Field Work
The following illustrations build on the operational definition provided in the previous section and include:

- Main Street Revitalization
- Recreational Tourism
- Heritage Tourism
- Essential Services (like a community grocery store)
- Desired Services (like a great café)
- Increasing Convention and Meeting Visitation
- Business Transition to New Generation Owners
- Rural Housing
- Farm-to-Table Food Systems
- Child Care and Workforce

Before we begin, remember in each of these illustrations is a collection of entrepreneurs – for-profit, nonprofit, and governmental, along with targeted resource providers, energizing the area entrepreneurial ecosystem to evolve solutions resulting in impactful development.

Main Street Revitalization. Main Streets are historically the living rooms of rural communities. Downtown revitalization is an important community energy area. In Colorado, there are Certified Colorado Creative Districts. Monte Vista, Colorado (downtown, pictured left) is a Creative District repurposing the downtown into the remarkable Santa Fe to San Juan basin arts and culture region. Artisan studios, shops and visitor amenities likes cafés and wine bars come together to create new purpose and vitality for once declining and decaying rural downtowns.

Recreational Tourism. Recreational tourism is booming in the U.S. and worldwide. Active youth to retiring Boomers are seeking physically active recreational opportunities ranging from walking, hiking, backpacking, water sports, skiing, snowboarding and the list goes on and on. America's growing list of National Park Service recognized scenic and wild rivers (www.americanrivers.org) provide just one resource foundational to recreational tourism. For rural communities with these kinds of amenities, there are opportunities for destination tourism development. Existing recreational tourism development can be an energy area for some rural communities.

Heritage Tourism. Heritage tourism is another example of potential

destination tourism development. The National Trust for Historic Preservation defines heritage tourism as "traveling to experience the places, artifacts, and activities that authentically represent the stories and people of the past and present." The Civil War era Gettysburg National Battlefield is an example of a heritage focus area and resource that empowers significant heritage tourism visitation. Each year over a million visits come to the Gettysburg National Battlefield creating business for allied services (e.g., lodging, food, drink, gas stations, etc.) in the Gettysburg, PA region.

Essential Services (like a community grocery store.) For smaller and more isolated rural communities, there may be a focus on ensuring that a local grocery store transitions from longtime owners to a new generation of owners. For many rural communities, having a local grocery store with fresh produce and a good range of products and services is foundational to a community's vitality. This one development project can be a starting point for a rural community in working with more entrepreneurial ventures and growing a more intentional entrepreneurial ecosystem.

Desired Services (like a great café.) A rural community can be vibrant without a great café providing area sourced food and drink. But when a rural community has a unique amenity like a local community café, it is not only a great place to eat or have a craft beer, but also a source of community identity (e.g., destination visitors) and pride. Helping locals open or restart a great local café can open the door for a rural community to begin working with other entrepreneurial development opportunities.

Increasing Convention and Meeting Visitation. In Kearney (2019 population of 33,464) located along I-80 in Central Nebraska, there is a remarkable convention center complex for a community of this size and situation. First generation immigrant and serial entrepreneur, Paul Younes, with strong public and private partnerships, has made Kearney a leading location for small to very large gatherings and conventions rivaling much larger Lincoln (2019 population of 283,839) and Omaha (2019 population of 475,862). For Kearney, this micro-cluster of destination tourism tied to hosting meetings and conventions has stimulated ecosystem building and a culture of entrepreneur support driving Kearney's development and growth.

Business Transition to New Generation Owners. Misko Sport located in Ord, Nebraska (2019 population of 2,310) has been a town square enterprise since the 1880s when this community was settled. It began as a saddle and tack shop and grew into both a retail and eCommerce sporting goods store. When it faced transition and potential closure, the community of Ord through its already well-developed ecosystem helped some younger employees acquire Miskos. With the COVID-19 Pandemic Recession and loss of significant business, the Ord ecosystem

stepped up once again to find new owner operators. This process of focusing on every potential venture and piece of commercial real estate in the community has helped Ord grow one of rural America's most develop rural entrepreneurial ecosystems. To learn more, check out our ***Ord Story Collection.***

Rural Housing. Despite much of rural America experience chronic and severe depopulation over the past half century, many rural communities are facing a rural housing crisis. Hastings (2019 population of 24,906) located in rural South-Central Nebraska had an established priority of both downtown revitalization and increasing a range of housing options throughout the community. Today, through a remarkable and long-running public and private effort(e.g., building owners, investors, developers, and builders), Hastings is making sure that building in the downtown has active uses (e.g., cafés, coffee shops retail, etc.) on the street level and a range of housing options in the upper floors. This development effort has grown this community's ecosystem over time.

Farm-to-Table Food Systems. Nearly any community of any size now hosts farmers' markets where area residents, cafés and grocery stores can buy regionally produced food products ranging from heirloom tomatoes to grass-fed beef. Farmers' markets are just one aspect of a rapidly growing local and regional foods movement in America. While mega grocery stores rooted in international food systems dominate in terms of overall consumer spending, this countertrend of local and regional foods is a powerful niche market. In response to this movement, states, regions, and communities are learning how to support these local entrepreneurs growing focused ecosystems. In working with these entrepreneurs, communities are acquiring the skills and knowledge to work with other entrepreneurs in their communities.

The Iterative Process of Working with Entrepreneurs and Ecosystem Building

As a community figures out how to work with entrepreneurs and grow focused ecosystems supportive of energy areas like downtown revitalization, recreational tourism, or housing development, they are acquiring the capacity to grow their reach to work with more entrepreneurs and grow more comprehensive community-centered ecosystems. This is an incremental development process that must have a starting point rooted in where the community is today that leads to greater capacity and reach over time.

Child Care and Workforce. Shickley (2019 population of 260 with a school district population of over 500) is located in rural South-Central Nebraska. This little farming village is a top-of-class rural community. Employing collaborative community efforts with strong community philanthropy, Shickley has positioned itself for success. Focusing on ensuring the future of local schools, one of Shickley's many

energy areas is providing affordable and high-quality early childhood education childcare. Its facility, operated in collaboration with its local public school, has attracted younger families. In providing both affordable housing, a forward-looking community and childcare, Shickley is prospering. In learning how to support this public venture, Shickley has learned how to support other for-profit, nonprofit, and governmental entrepreneurial ventures, growing a stronger entrepreneurial ecosystem over time.

Within the e2 Development Framework, we identify two critical assets and the role of the community in bringing them together to generate deal flow and economic impact. This is the basic ground game. In working with entrepreneurs, a community learns about its ecosystem's strengths and weaknesses, enabling real time and very strategic ecosystem building activities.

Energy Area Development Process within the e2 Development Framework

Resources within our e2 University (our platform for sharing the resources) include the following field-test tools:

- Introduction Guide
- Community Readiness for Entrepreneurship Guide
- Organizing for Action Guide
- Assessment to Strategy Guide
- Working with Entrepreneurs Guide
- Metrics, Stories, and Sustainability Guide

By joining our **National e2 Practitioner Network,** you can access--free of charge--all these Guides, plus access the tools and resources contained within them. Figure 1 provides a conceptual approach to working with entrepreneurs and ecosystem building:

Figure 1. Approaches to Working with Entrepreneurs and Ecosystem Building

Reactive	Responsive	Proactive
Too many communities are reactive. If there is a crisis like losing a major employer or critical main street business, the community scrambles to find a solution, but it is often too far behind the curve to make a difference.	Other communities are very responsive that when an entrepreneur reaches out, they are more than willing to help. With this approach, the community is not strategic, but at least it is providing regular assistance.	The highest performing level is being proactive. Understanding your eTalent, targeting outreach and developing an ecosystem rooted in the needs and wants of your entrepreneurs. Proactive approaches optimize impact.

At e2, we strongly recommend a **proactive** approach to working with your entrepreneurs and ecosystem building activities. Central to being smart with your community's development resources and capacity is strategic targeting. Based on your community's genuine development opportunities and preferences, you can target the deployment of our capacity to those entrepreneurs and energy areas with the strongest alignment. This fits with the axiom of **doing less, better**. Gaining experience and capability by doing less, better, your community can position itself to grow your eTalent reach and the sophistication of your entrepreneurial ecosystem.

Within the e2 Development Framework, we employ three opportunity assessments to help rural communities focus their strategy development and ecosystem building work. Within our opportunity assessment related to likely entrepreneurial development opportunities, we explore current energy areas for development within the community.

Mapping Your Community's Energy Areas

Once a rural community or region has made the commitment to move forward with intentional entrepreneur-led development and ecosystem building based on our Readiness Assessments found in our ***Community Readiness for Entrepreneurship Guide,*** we are ready to undertake three interrelated **Development Opportunity Assessments** as follows:

1. Entrepreneurial Talent Mapping and Targeting
2. Entrepreneurial Resource Mapping and Engagement
3. Likely Entrepreneurial Development Opportunity Mapping and Targeting

Figure 2. Two e2 Analytic Resources

Development Opportunity Profiles	Market Opportunity Profiles
e2's **Development Opportunity Profile** (DOP) has been in use for decades and over time become very focused in helping rural communities identify their likely entrepreneurial development opportunities, including energy areas. For more info on DOPs or to download a sample, visit the e2 website.	Our newest analytic resource, **Market Opportunity Profile** (MOP), is undergoing beta testing with NetWork Kansas to be available the 4th quarter of 2021. This resource can help communities and their entrepreneurs focus on the universal opportunity of increased spending capture. For more info on MOPs or to download a sample, visit the e2 website.

Within the third assessment we provide a process whereby a community can identify current development priorities or what we at e2 call energy areas. Depending upon the community, one of these current development priority areas may be the starting point for more intentional and impactful entrepreneur-led development.

Lessons from Klamath Falls, Oregon. Klamath Falls (2019 population of 21,335) located in South Central Oregon is located in a rich topography of destination tourism assets anchored by the iconic Crater Lake National Park. Klamath IDEA (www.klamathidea.org) completed Development Opportunity analysis and determined the rich entry point for ecosystem building was with its growing recreational tourism industry. Klamath IDEA mapped may development opportunities and energy areas and concludes that they had the capacity for focusing on major area or recreational tourism.

e2 Resources that Can Help

For over 40 years our team at **e2 Entrepreneurial Ecosystems** (formerly the Center for Rural Entrepreneurship) has been working hard to collect, develop and share community economic development solutions rooted in entrepreneur led development. In 2021, we are committed to sharing more of our resources without cost with development organizations, practitioners, and policymakers like you.

Website. Our website – **www.energizingentrepreneurs.org** – is a go-to site for all of our content. Significant upgrades have been made in 2020 to make this site more robust and useful. We offer even more content for your entrepreneurship building efforts.

Thought Papers

Beginning in 2019 we increased our investment in generating new content relative to rural community prosperity and entrepreneurial ecosystem building. Each month we share new content. Access to all our thought papers is available in our website's resource library.

Newsletter. Nearly every month for over 20 years, we have emailed our e2 newsletter. We are committed to keeping this newsletter lean, containing information you can really use. This is your one-stop place for discovering new content we have generated or obtained. Archived issues are available on the website, or you can **sign up** now.

National e2 Practitioners Network. In 2020, we launched a totally updated and upgraded **e2 University Resource Library** with our new **National e2 Practitioners Network.** By enrolling in our NetWork you receive free access and use of our e2 University Resources organized around our **e2 Development Framework** – Community Readiness, Organizing, Assessments, Working with Entrepreneurs and Metrics, Stories and Sustainability. All we ask members to provide us a yearly update on how our resources were used so that we may continue to improve the framework for others. To enroll, complete this brief **survey.**

Pathways to Rural Prosperity Podcasts. Our newest resource is our **Pathways to Rural Prosperity Podcast.** We rolled out our first episodes in the Fall of 2020. In 2021, we are producing two podcasts per month. These podcasts are free and available through most podcast platforms.

Analytics Resources. The smart use of analytics can (1) help your community better understand and target your entrepreneurial development opportunities, and (2) help your community's entrepreneurs explore their market opportunities. We offer Development Opportunity Profiles, Market Opportunity Profiles, Demographic Profiles and customized research and analysis. Presently, we are developing a new resource related to Venture Dynamics. Visit our analytics webpage for more information.

Consulting Services. All of our resources are free to use and built on more than a quarter of a century of work throughout North America. In partnership with our host organization **NetWork Kansas,** we are rebuilding a national network of consultants available to provide more customized assistance on a compensated basis. If we cannot help you, we will work with you to find a resource that can.

At e2, we embrace asset-based and community-centered community economic development. Central to this approach to development is appreciating the development preferences of a community. When a community decides that main street revitalization is a priority, then this commitment and engagement can become the starting point for entrepreneur-led development and ecosystem building.

Conclusion – Asset-Based and Community Preferences

Ernesto Sirolli (www.sirolli.com), a contemporary international community-centered entrepreneurial thought leader, makes the following important point in working with area entrepreneurs.

As a community you do not need to help the entrepreneurs with all their needs and wants, but if you can just help them with something materially important, your community will empower more opportunities to support them. Success with one entrepreneur will create a reputation that will open the door to working with more entrepreneurs.

We agree with Sirolli and believe this lesson can be applied to working with community and ecosystem building. If we can help a community get started successfully with just one entrepreneurial development opportunity area in their community, then that community is positioned to grow their reach and expand their ecosystem building to other areas.