

Entrepreneurial Program of the Month

Georgia's State Initiatives

State Office Location: Atlanta, Georgia
Programs: Governor's Entrepreneur and Small Business Office
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Peach of a State Program for Entrepreneurs in Georgia

When Mary Ellen McClanahan started as director of the Georgia state entrepreneur programs three years ago, Atlanta had just been named the number one city in the U.S. for entrepreneurs. The state as a whole took a modest third place.

"That told us things were happening already without our entrepreneur office even in place," she said. "So we told communities, 'Things are going to move forward. Just think if you're on top of that curve!'"

Since 2003, the State of Georgia has funded several programs specifically to support entrepreneurs and – more importantly – entrepreneurial communities in their quest to support and benefit small businesses.

After a year of conducting study and assessments, Georgia Gov. Sonny Perdue created the Entrepreneur and Small Business Coordinating Network, and the Georgia Department of Economic Development created the Governor's Entrepreneur and Small Business Office. This office uses regional representatives scattered throughout the state to facilitate entrepreneur leadership development, especially in small rural communities. Entrepreneurs also have access to high-tech information through Georgia's six Centers of Innovation.

Entrepreneurs and communities in nearly every corner of Georgia now benefit from a broad range of small business resources that otherwise wouldn't have been available to them.

When asked why McClanahan thinks the governor started these strong incentive programs for entrepreneurs for the state, she said, "The governor is an entrepreneur himself. It probably just came from the heart."

The Stars Align for Small Businesses

In the late 1990s, as McClanahan puts it, "One man was trying to support entrepreneurial communities all alone – just he and his truck and 159 counties."

That one man, Don Betts, now runs the Centers of Innovation, part of Georgia's entrepreneurial pie, providing technical support to small businesses in six major categories.

"About five years ago, I was hired by Georgia Tech to help our rural business incubation," Betts said. "At the time this was a real hot topic."

So Betts and his teammates traveled the state providing community incubator readiness assessment, which actually became an educational tool for teaching rural areas about entrepreneurs.

Coming from a community economic development background, running local chambers of commerce and development authorities, Betts felt right at home.

“I got neck deep in this thing, and it was fascinating,” Betts said of his work at the time.

But he felt something was missing – until he had an epiphany.

Successful business incubation in small towns, Betts found, must be integrated into communities that support entrepreneurs.

“In Georgia, we had done a good job of telling people in small communities to build industrial parks and recruit big businesses,” he said. “But no one was talking about entrepreneurial development. But that is precisely what makes a community grow and keep businesses and business leaders local.”

So Betts and company switched gears from incubation assessment to entrepreneur readiness assessment. They started a model program called the Georgia Rural Economic Development Center, working on community economic development and interviewing entrepreneurs.

At the same time, Betts was working with E-Net, his other program at Georgia Tech that helped communities develop entrepreneurial strategies.

“I was still struggling, though,” Betts said of his many endeavors. “These communities were saying, ‘We believe you, we want to do it, but we need more help.’”

Then Don Macke, director of the Center for Rural Entrepreneurship, invited Betts and many others to the first annual Energizing Entrepreneurs in Rural America conference.

“It’s not just that light bulbs came on,” said Betts of the ideas at this meeting. “I felt lightening bolts. I was able to use information from this conference to come up with a process for our communities to use in becoming entrepreneur friendly. This was the beginning of it all.”

The big ideas behind the process became understanding community assets and engaging local entrepreneurs. And local community leaders had to do the work, learning about their towns and their business leaders and figuring out how to help themselves.

The stars were aligning for Betts and for the state of Georgia. Because around the same time that the Energizing Entrepreneurs conference put steam in Georgia’s rural entrepreneur engine, two other important occurrences continued to push their objectives forward.

First, Betts met with Chris Clark, then running a local industrial authority and others to form an entrepreneur development committee.

“We sat down and ate some south Georgia barbecue and cooked up the idea for an entrepreneurial summit,” Betts said.

At the same time, Georgia elected Gov. Sonny Perdue, a former rural entrepreneur whose background is in the agribusiness and transportation industries.

Betts expected about 40 participants at the entrepreneurial summit, but then Gov. Perdue flew through a tornado to show up, and they had a turnout of about 200, including national and international experts.

“This meeting really made things work,” Betts said of the March 2003 meeting. “People left there on fire.”

From that focus of energy emerged the Governor’s Entrepreneur and Small Business Office and the Entrepreneur and Small Business Coordinating Network.

“I think our timing was really good,” Betts said of the events leading up to Georgia’s state sanctioning of entrepreneurial endeavors. “All the different people and events came together, and then we had a receptive governor.”

GESBO and ESN Today

As McClanahan found out in the early stages of her job, Georgia, but especially Atlanta, was already on the right road to energizing entrepreneurship. Even though rural Georgia lagged behind, a study found that there were 65 entrepreneurial support programs statewide.

“The problem was, nobody knew what the other organizations were doing,” she said. “We gathered together these various program and organization leaders and their statewide staff and help a ‘cross training’ session, which was an awesome experience. You saw light bulbs go off everywhere.”

Playing on that energy, the ESB Office and the Network set to work to help create an optimal business climate across the state.

The Entrepreneur and Small Business Coordinating Network is a multi-agency group charged to coordinate the state’s entrepreneur and small business efforts. In addition to regular strategy meetings, the group meets with both entrepreneurs and lenders in focus groups to identify knowledge and service gaps.

Composed of public and private sector representatives, the Network is currently finishing a database of all counties in Georgia that catalogs entrepreneur education courses across the state.

The Entrepreneur and Small Business Office offers entrepreneurs direct connections with local community leaders, economic developers, state and federal agencies, authorities, commissions, boards and institutions.

The Office’s Regional Project Managers live and work in 12 regions throughout the state, which is a unique set-up that provides easy access to one-on-one business counseling in virtually every corner of Georgia.

Born in the late 1990s with Betts and his team, the community-based programs through the Entrepreneur and Small Business Office help create a local entrepreneurial environment and build small business strategies into the community’s overall economic development strategies.

The RPM-ESB’s facilitate a community through proven, key success methods (see text box below) designed to establish an entrepreneur support program, help them better understand their existing entrepreneur environment and develop sustainable, effective local strategies.

Centers of Innovation

Don Betts’ current position puts him as head of a highly innovative concept: scattering high-tech area-of-expertise offices across the state to provide support for researchers and entrepreneurs.

Entrepreneurs across Georgia can join one of the five centers focusing on aerospace, agriculture, biotech, information technology and maritime logistics.

Each center creates an environment where you can connect with state leaders and academic and business experts to nurture ideas and forge new relationships. A dedicated entrepreneur outreach specialist helps local communities build a vibrant business climate through entrepreneur readiness reviews and support for projects, such as training and incubator development.

“The Centers are almost a super incubator,” Betts said. “We bring a lot of resources together. These little bitty start-ups couldn’t get technical experts at this level anywhere else, and it’s making a big difference.”

For example, Betts tells the story of a rural technology firm looking to test an antennae. Georgia Tech stepped in to help this inventor and provided an important next step.

Also, the Agriculture Innovation Center, located in south Georgia, promotes research, education and training in the development of new technologies for agriculture and natural resource management. The center then helps member organizations transfer this new knowledge into commercial applications for business and organizational interests.

“In Georgia, technology industries are growing by leaps and bounds,” said McClanahan. “And we need to be ahead of the curve in supporting that growth.”

Local Success, Challenges and What Lies Ahead for Rural Georgia

While Georgia is head and shoulders above many states when it comes to supporting small businesses, even their endeavors encounter obstacles.

“It can be difficult when you are really trying to re-educate rural communities,” Betts said. “We are talking about changing the paradigm from recruiting the big box to getting them to understand that they should be recruiting entrepreneurs as well.”

McClanahan added that local level leadership can be a touchy issue in entrepreneur development.

“We encourage inclusiveness in our local programs that bring the county and its municipalities to the table, but we can’t enforce it,” she said. “Also, some of these communities are so small, that when they lose one leader that has championed the entrepreneur process, sometimes the momentum stops.”

The state-sponsored Entrepreneur Summit set for March 6-7, 2006 in Douglas, Ga (Georgia’s first rural county to receive the Entrepreneur Friendly designation) will focus on youth education and feature youth entrepreneurs and information on teaching communities how to energize their young people from a leadership standpoint. This, Betts said, will be part of the long-term strategy.

“What’s been different about our approach,” Betts said, “is that it’s locally controlled. It used to be that somebody from Atlanta would come down in a black sedan, give some advice, and then leave. But communities really need to develop their own strategies.”

And in Georgia, they are doing just that.

One promising example seems to be the work done in Douglas-Coffee County. The first community in Georgia to win the Entrepreneur Friendly designation by the state in August 2004, this area was an early leader in recognizing that fostering homegrown jobs is key to a healthy economic climate.

According to the Douglas-Coffee County’s annual report, “leadership paved the way for Douglas-Coffee County to remain a haven for the entrepreneur.” Despite jobs lost to South America. Currently the area enjoys a 20 percent growth rate, and has become a regional mecca for not only jobs, but also for retail, entertainment and medical services. The county estimates that at least 800 new jobs have been created and that more than 345,000 square feet of previously vacant space has been occupied by small business expansions and entrepreneurial start-up businesses.

“Really, the foundation for everything is entrepreneurs,” Betts said. “Without them, you cannot have tourism, downtown development, technology development and anything else having to do with economic development. Entrepreneurship is not just another strategy for rural areas. It is the foundation.”

McClanahan agrees, and adds that when communities work smarter with their local small businesses and understand how their needs differ from those within traditional economic development, an environment and culture begin to grow. This culture gives confidence to those with a dream and a place to find resources within their local leadership.

According to the Entrepreneur and Small Business Office, the key steps to become **Entrepreneur Friendly** include:

- Identifying the local leadership group and champion who will lead the community in their entrepreneur and small business development strategy; Form the committee that will support the initiative.
- Increasing community awareness of and support for strategies, needs and resources; Educate the community about the benefits of “homegrown” business development and fast-growth companies.
- Enhancing relationships with state and federal resource providers, including SBDC and others, in educational sessions that help local leadership learn how entrepreneurs can be supported.
- Mapping local assets that include:
 - Identifying all local entrepreneurs (potential, existing, growth)
 - Identifying all unique local resources (develop a start-up kit, other tools/attributes to share)
- Visiting and interviewing local entrepreneurs; reviewing and compiling results to determine appropriate strategies.
- Scheduling the Review Team visit. The Team will help you assess current activities and make recommendations for possible new programs or strategies based on your community’s unique challenges and opportunities. Receive the Entrepreneur Friendly designation!
- Assistance and facilitation from the Regional Project Manager-ESB with implementation of ESB strategies that resulted from the Entrepreneur Friendly process and designation.

-From www.Georgia.org

For more information on...

- ... the Center for Rural Entrepreneurship, go to www.ruraleship.org
- ... the GESBO and ESNB, go to www.Georgia.org
- ... the Georgia Rural Economic Development Center, go to www.gredc.org/AboutGREDC.htm
- ... the Georgia Centers for Innovation, go to www.onegeorgia.org/coi.html
- ... the Georgia Entrepreneur Summit 2006, go to accg.org/static/ga_entre_summit.pdf