

Entrepreneurial Organization of the Month

QUAD Facilitation Program

Location: five counties in southeast Kansas
Enterprise Facilitator: Jack Newcomb
Funding: Funded through the state of Kansas with many local sponsors
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Facilitating Business Growth in Southeast Kansas

Counties in rural Kansas can be extremely competitive. Between high school sports and state fairs, rivalries rule the landscape.

Which is one reason why the economic development project featuring cooperation between five southeast Kansas counties is so impressive.

“It’s a unique project,” said Jack Newcomb, the counties’ enterprise facilitator in charge of helping local businesses. “I don’t think these counties have ever worked together on anything, but something about the Sirolli project struck a chord.”

Representatives from four of the counties attended a presentation by Ernesto Sirolli, founder of the Sirolli Institute, a global education and training organization that instructs communities on building their economies from within through entrepreneurship.

“The different county representatives put all rivalries aside and met directly after they heard Sirolli speak,” Newcomb said. “(Sirolli) is just a very charismatic person. He captures the imagination. Plus, the desperation of these counties in economic trouble was part of their desire to work together.”

For two years, the counties have provided an Enterprise Facilitator to offer free and confidential business coaching and connect clients with existing economic development opportunities.

After three years in the Sirolli project, now called QUAD Facilitation Program, the cooperating counties have come out ahead: A total of 28 new businesses were created and 118 jobs created or retained.

Determination Breeds Success

The first four counties to sign up for the Sirolli project were four out of five of the poorest counties in the state.

“It’s a very rural area,” said Newcomb, who grew up in southeast Kansas. “There is a lot of agricultural activity, especially ranching. There’s virtually no industry. And just like elsewhere in the Plains, there’s a dwindling population.”

When Newcomb started at QUAD three years ago, there were 20,000 people in the four county area. With the addition of a fifth county last year, he now serves 30,000.

County leaders were looking for a way out of their downward spiraling economic situation when Sirolli stepped in.

In September 2001 the Kansas Department of Commerce and Housing held an informative session at Chanute Kansas about the Sirolli Institute and the State of Kansas joining together to offer three demonstration projects called Enterprise Facilitation.

Leaders from Chautauqua, Elk, and Greenwood Counties attended the meeting. Immediately after listening to Ernesto Sirolli explain his Institute's philosophy, individuals from the three counties held their first meeting. They contacted Woodson County later and invited them to join the project.

A steering committee of 29 people from the four counties submitted a proposal in December 2001. A presentation committee went to various groups in each county to present the proposed project and build community involvement.

But the most amazing part of this process was how quickly the counties anteed up.

A request for pledges was made to meet the match for the application. The Kansas Department of Commerce was willing to pay for two-thirds of the project, but the counties had to come up with the rest.

"These four very poor counties went out and raised \$100,000 for the three-year project," Newcomb said. "It was very difficult for them, but in less than 30 days they raised the money."

In January of 2002, the QUAD program was congratulated for being the number one selection for a demonstration project in Kansas.

Native Son Returns to be Enterprise Facilitator

Jack Newcomb grew up in Coffeerville, Kan.

But, as many of his peers did, he left after high school. After attending the University of Tulsa, he worked 17 years for a major oil company. In 1993 he moved to Kansas City to work for the federal government. He started his own distribution and retail business in 1995, and then sold it in 2000. Just as he was beginning a small business consulting firm, he saw an ad for Sirolli's Kansas project.

"(The ad) just caught my eye," Newcomb said. "They were looking for someone to work one-on-one with entrepreneurs, which I felt was exactly what I wanted to do."

Having had no background in economic development, Newcomb was still hired by the four-county committee.

"We just clicked," Newcomb said of himself and the rural leaders. "This was meant to be. I was as excited about Sirolli's ideas as they were."

Founded in 1996, the Sirolli Institute is a global education and training organization with the mission of introducing Enterprise Facilitation to communities seeking to grow their economies through local businesses.

Ernesto Sirolli's philosophy is grounded in a strong belief in local leadership and community-based economic development.

Sirolli often tells the story of his work in Africa to illustrate the need for local control. Near the Zambezi River, Sirolli's group aimed to help local people – who were native hunters and gathers – plant tomatoes. One night, a herd of hippos came out of the river and ate all of the tomatoes they planted.

Had Sirolli listened to locals, perhaps they would have warned him about the hippos, or at least suggested more appropriate economic solutions for the area. Sirolli's experience sparked his lifelong interest in communities developing from within, using an Enterprise Facilitator to help bring their ideas to fruition.

"I really like the program," said Newcomb of Sirolli's Enterprise Facilitation. "And I think it works."

In southeast Kansas, Newcomb derives his local legitimacy as enterprise facilitator from a large board of 50 directors. The Board began by introducing Newcomb to 10 of each of their friends.

“In the first 3 months of the projects, I was introduced to 600 or 800 people,” Newcomb said. “It takes a little time to gain the confidence of people, but because I am being put forth by local people, it works.”

Trust in the Enterprise Facilitator is a key ingredient in a successfully project.

At the pleasure of his Board, Newcomb spends his days circulating through five counties to visit with business clients about their needs.

“We have a schedule where I spend one day a week in each county,” Newcomb said. “Rather than sitting in a central location, I am going out to meet on their turf. It seems to work well.”

Newcomb may meet with clients at local cafes, a city hall or county courthouse, county Extension offices, or even at a client’s home, ranch or business.

“The whole idea is to make the client as comfortable as possible so they can share their dreams,” Newcomb added.

Sometimes, Newcomb said, clients aren’t even sure what kind of business assistance they need. Newcomb often starts by talking of the trinity of management: marketing, products and financials.

“No one person can do all three of these things, but they have to be done,” Newcomb said. “So the facilitator’s job is to determine clients needs and passions and help them get done what they don’t want to or can’t do themselves.”

Many times clients will come in looking for financial assistance, without having done their business and marketing plans. Newcomb makes many referrals to Small Business Development Centers, the state entrepreneurship center, Extension programs and the Kansas Department of Commerce.

With good state and local support agencies, Newcomb is lucky to have solid help for his clients. For example, the State of Kansas recently passed an economic development act that brings together \$12 million for an angel investment program.

Even though rural southeast Kansas is not in an economic boom, lack of capital has not been a problem, Newcomb said.

“Our local banks have really stepped up,” Newcomb said. “And we have been able to use micro-loans and other resources. USDA Rural Development has also been a great resource for some of our projects, providing funding for a new car wash, and possibly a new grocery store. Kansas really has a lot of resources available for entrepreneurs.”

In fact, Newcomb said that *Forbes* magazine recently named Kansas the number one state in the nation for entrepreneurship.

For Newcomb, southeast Kansas is a good place to be.

“Moving back to this area seemed strange at first,” Newcomb said of his return to his rural roots. “But if I had never left or never lived here, it would have been more difficult. Having grown up in this area, leaving and coming home again, it gave me credibility.”

Promising Results of Growing from Within

In two years of operation, the QUAD program with Newcomb at the helm has worked with 242 clients involved in industries from advertising and agriculture to recreation and retail businesses.

Twenty-eight new businesses have started, 9 businesses expanded and 2 businesses were retained with help from QUAD. With Newcomb's support, 92 jobs have been created and 26 retained.

According to summary statistics released by QUAD, 63 percent of their help has involved team building, 65 percent marketing and 91 percent financial management. They've also provided clients with support for business concepts, product development research and general operations.

"The list of our clients is long and varied," Newcomb said. "We've worked with restaurants, machine shops, engineering firms, farm implement dealers, laundromats and flea markets, to name a few. We even helped one gentleman who had designed a pipe-bending machine."

Newcomb has worked with a small chunk of the agricultural sector, but not as much as he anticipated, since a lot of the ranchers are running cattle for larger companies. But he has helped several small farms. The state of Kansas is currently pushing agritourism so Newcomb anticipates seeing more interest in that area.

"What's surprising to me is the number of contacts we continue to get each week," Newcomb said.

The gender of his clients is 51 percent woman to 46 percent men (with 3 percent of clients listed as not-for-profits, etc.), mirroring national statistics in the growth of businesses started by women.

Newcomb not only sees success in statistics, but also in personal stories and positive changes in small towns.

"I just think we are making some headway," he said. "People have moved into old buildings in these small towns and cleaned them up. I feel a certain amount of change in just the general attitude of the community."

Newcomb mentioned a nice quilt shop opening in one downtown area, and in Eureka, a 50-year-old welding and implement business staying open as a young couple acquired and expanded it.

"I think the state feels that enterprise facilitation has been a success," Newcomb said. "For the dollars spent, it's well worth the money."

-By Lisa Bauer, 04/05

For more information on...

... the Center for Rural Entrepreneurship, go to www.ruraleship.org

... QUAD Facilitation Program, go to www.enterprisefacilitation.net/Kansas~QuadCounty/

... the Sirolli Institute, go to www.sirolli.com