



Wealth Creation in Rural Communities

PHASE ONE REPORTS

Rural Entrepreneurship Development I: Examples of Effective Practices

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Wealth Creation in Rural America

This report is part of the Wealth Creation in Rural America initiative, funded by the Ford Foundation. The aim of the initiative is to help low-wealth rural areas overcome their isolation and integrate into regional economies in ways that increase their ownership and influence over various kinds of wealth. The initiative has produced nine previous papers, which can be found at <http://www.yellowwood.org/wealthcreation.aspx>. The goal of this report is to advance the initiative's broad aim of creating a comprehensive framework of community ownership and wealth control models that enhance the social, ecological, and economic well-being of rural areas.

Author Organizations

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Description of Assessment Process

Background

The Rural Entrepreneurship Sustainable Development project team began the assessment process with an assumption – when effectively implemented, entrepreneurship is a sustainable economic development strategy focused on building wealth by supporting individual entrepreneurs, public and private, as they identify opportunities and bring together resources to create and grow their enterprises. We viewed rural entrepreneurship as part of a sustainable economic development process for rural America, i.e., one that creates outcomes that benefit the economy, the environment and social inclusion in rural places – the triple bottom line. The team also assumed that an entrepreneurship strategy is most effective when it is proactive and transformational – when it pushes a community or region away from dependence on external decision-makers and toward a commitment to develop local assets into a sustainable economic future.

Effective entrepreneurship development can be defined simply as making progress toward achieving the goals established for the intervention. However, both the RUPRI Center and CFED have a depth of knowledge and understanding about entrepreneurship development as practiced in *rural* communities and regions across the country that informed our definition of effective entrepreneurship development. Effective practice has the following elements:

- Entrepreneur focused – responsive to the needs of entrepreneurs; inclusive of entrepreneurs in the leadership of the intervention.
- Asset driven – built on existing assets; designed to preserve and augment community and regional assets.
- Community based but regionally focused – impetus and ownership rooted in communities; drawing on resources and assets in a broader region.
- Emphasis on partnerships and collaboration – recognition that collaborative action benefits the community; intentional mechanisms to support collaboration.
- Inclusion – recognize all types of entrepreneurial talent; invite diverse group to the leadership table; engage youth.

Project Advisory Group

To test these assumptions, the team established an Advisory Group comprised of entrepreneurship practitioners and those actively working with practitioners in rural regions (see Member List, Appendix A). Through email and phone, we oriented advisors to the project's purpose (see one-pager, Appendix B) and distributed a *Framework for Soliciting Input on Effective Entrepreneurship Interventions* (Appendix C). Each advisor was asked to select a particular effective entrepreneurship development intervention and then respond, in writing, to the questions contained in the *Framework*. The questions either mirrored or grew out of the questions posed by Shanna Ratner in the April 10th Homework Assignment or other TBL Working Group background materials.

Advisors were instructed to choose an intervention based on three criteria:

1. The advisor was very knowledgeable about the entrepreneurship practice.
2. The intervention was “an intentional activity that leads to some change on the ground in a rural community.”

3. The intervention reflected “effective entrepreneurship practice” in a rural region.

This process generated information about eight (8) unique rural entrepreneurship interventions. The input included:

- Brief description of the intervention.
- Conditions that led to the intervention.
- Intended behavioral changes.
- Positive impacts on the environment, the economy and social inclusion.
- Negative impacts, including unintended consequences.
- External drivers affecting the intervention.
- Impacts on creating, maintaining and/or destroying types of wealth or capital (including intellectual, social, individual, natural, built and financial capital).

This information and other background materials were shared with the advisors ahead of their first convening on May 19 in Anaheim, California. The gathering coincided with the Association for Enterprise Opportunity (AEO) Rural Summit and National Entrepreneurship Conference. The project team intended and, due to the advisors’ informed participation, we achieved five objectives during the meeting:

1. Established a shared vision of what a sustainable rural community looks like.
2. Established a shared understanding of how entrepreneurship works in rural communities.
3. Identified triple bottom line impacts in one rural region (North Carolina’s Sandhills)
4. Discussed if/how rural entrepreneurship can get us to sustainable development – what needs to change to achieve triple bottom line impacts.
5. Determined what needs to come out of this assessment to change behavior on the ground.

A highlight of the gathering was an insightful discussion about if/how entrepreneurship pushes rural regions toward sustainability. The advisors suggested that *entrepreneurship can be a framework to get communities to sustainability if it:*

- Identifies and demonstrates clear gains for entrepreneurs and other “benefactors” (community leaders including local elected officials, etc.); makes a case for sustainability in a way that appeals to a person’s self-interest (especially his/her *economic* self-interest). People “do what they know,” but may change direction or perspective if they see a clear benefit to doing so. Otherwise, sustainability is seen as a “nice thing to do” or as luxury.
- Uses language that connects with the people *where they are* and is sufficiently broad that people see themselves and their self-interest in it. Words like “stewardship” may be more effective than “sustainability” and “environmental preservation.”
- Poses questions that start conversations. The questions should connect to desired outcomes.
- Helps the community to take an “appreciative inquiry on steroids” to its past, present and future; to explore its rural roots or heritage as a self-reliant, entrepreneurial community or region (perform “entrepreneurial archeology”); to articulate a value from the past that has meaning for the present and the future.

For a rural community or region to be resilient, it must connect with its heritage, but embrace the present (e.g., newcomers) and future with a clear understanding of the challenges and opportunities ahead.

- Engages a diverse group that's reflective of the community or region (e.g., young people, meaning citizens up to 25-30 years).
- Incorporates peer learning because communities learn best from each other (e.g., Regional Flavor initiative). Peer learning has become the way we (especially adults) learn most effectively.

Selection and Development of Case Examples and Measurement Study

The project team employed the snowball method to identify additional rural entrepreneurship practitioners/facilitators and solicit data on at least five additional entrepreneurship interventions. Our goal was to acquire detailed information on interventions across a range of practices, target audiences, geography, longevity, scale, etc.

Using the *Framework for Soliciting Input on Effective Entrepreneurship Interventions* and telephone interviews, we were successful in gathering data on nine (9) additional rural entrepreneurship interventions, four more than expected. Then, with information on 17 entrepreneurship practices in hand, the project team prepared two-page case example summaries of each intervention (see pages 8 to 40).

From the group of 17 case examples, we chose six interventions that showed particular promise in responding to a series of probing measurement questions. These were interventions and lead practitioners with: (1) some experience in outcome measurement; (2) a curiosity about how entrepreneurship might generate positive impacts on the region's economy, environment and social inclusion; and (3) a willing to consider what information might persuade community leaders and entrepreneurship development practitioners to consider Triple Bottom Line outcomes as pertinent goals for entrepreneurship interventions.

The six case examples included:

- ACEnet Kitchen Incubator, Ohio (Larry Fisher)
- Appalachian Sustainable Development , Virginia (Anthony Flaccavento)
- Arkansas Delta Rural Heritage Development Initiative (Beth Wiedower)
- Central Louisiana Entrepreneurial League System (Tom Lyons)
- Wawokiye Business Institute, South Dakota (Kim Tilsen Brave-Heart)
- 4H EntrepreneurShip Investigation, Nebraska (Craig Schroeder)

The project team drafted a second input document to solicit information on *Indicators and Measures Related to Rural Entrepreneurship Sustainable Development* (Appendix D). This input document "drilled down" with questions such as:

1. What do you consider to be the key indicators of progress toward achieving the goals of your entrepreneurship intervention? In other words, what changes are you looking for to indicate that this intervention is successful?
2. What, if any, baseline measurements did you take before you started the intervention or early on?

3. What, if anything, have you measured or re-measured since?
4. To what extent have your measurement activities addressed the triple bottom line? In other words, have you measured impacts on the community's or region's environment, economy and/or social inclusion? If so, what specific measures are you using?
5. What evidence do you have, or wish you had, to support the input you provided about creating or maintaining the six kinds of wealth/capital in the community or region?
6. What information would be most persuasive to community leaders and entrepreneurship development practitioners to get them to consider Triple Bottom Line outcomes as pertinent goals for entrepreneurship interventions?

Insights on how entrepreneurship practitioners measure the impacts of their work are contained in a second report, *Understanding and Measuring the Impacts of Entrepreneurship Development on Wealth Creation and the Triple Bottom Line: Evidence from Case Examples*. This report:

- Provides context for discussing the impacts of these interventions by addressing the drivers associated with entrepreneurship development.
- Describes how entrepreneurship interventions have affected community wealth and the triple bottom line.
- Addresses indicators and measures associated with specific examples of entrepreneurship development practice.
- Offers some concluding observations about this assessment and measurement process.

Effective Rural Entrepreneurship Case Studies

The remainder of this *Assessment Report* contains two-page summaries of 17 effective rural entrepreneurship practices. The summaries profile the goal, description, geography, drivers, impacts, affect on capital and intended behavioral changes of each intervention. These summaries reflect what we heard from the many practitioners who aided in this process and we gratefully acknowledge their contribution to our efforts. Sole responsibility for the content of the summaries remains with the authors.

Intervention #1: Advantage Valley Entrepreneurial League System (West Virginia)

Goal: The Advantage Valley Region is a place with a supportive entrepreneurial environment where entrepreneurs can build their individual skills and thus their businesses and in turn create both individual and community wealth.

Description: ELS has two components, 1) a league system for entrepreneurs with recruitment, assessment, coaching and training for coaches and coach management, team meetings, plenary sessions for everyone in the league and 2) a service provider network, renamed the entrepreneur service network. ELS focuses on four skill areas: technical, managerial, personal maturity, and entrepreneurship. Each participant is assessed to determine their skill level and their place in the entrepreneurial “pipeline.” Participants with similar skill levels are grouped together in teams. Each team has a coach that meets with each entrepreneur individually once a week and with the team as a whole once a month. All ELS participants meet together in plenary sessions about once every six months.

Geography: Advantage Valley refers to the rural and metro areas surrounding Charleston, WV and the Tri-State area of Huntington, WV, Ashland, KY and Ironton, OH.

What are/were some of the key drivers? Advantage Valley, Inc. identified the entrepreneurial environment as a focus area that they felt could improve the regional economy and sought funding to implement ELS after hearing one of its founders give a presentation. A Vision Shared, a voluntary statewide organization instituted by a former Governor had also identified entrepreneurship as a promising strategy for WV. On the negative side, culture is a significant factor in WV. The culture in WV has elements that militate against support for entrepreneurs. Old money in WV comes from natural resource extraction, some manufacturing, and some retail. These folks are not comfortable with or knowledgeable of the information-based economy and are, therefore, very unlikely to finance innovative start-ups. Service providers are also uncomfortable with any business ideas that are outside the boxes they know. The most creative ideas receive the least support. There is not a culture of collaboration.

What are its impacts?

- **Economic** – ELS is absolutely helping entrepreneurs increase sales revenues. Since most of the businesses in ELS have fewer than 2 employees and most of the entrepreneurs are at the single A skill level, it makes sense that sales revenues need to increase before you will see a significant increase in the number of jobs.
- **Environment** – To the extent that there are businesses that benefit the environment participating in ELS (and to the extent that those businesses benefit from ELS and are able to provide more/better services) there could be positive impacts, but these were not the focus and have not been measured.
- **Social inclusion** – ELS has been instrumental in overcoming the isolation of entrepreneurs and engaging more female, African American or Hispanic entrepreneurs. ELS brings people together who would not have been likely to meet otherwise.

How has it affected capital?

- **Intellectual** – ELS has definitely contributed to the intellectual capital of the region. Many people have a much better understanding of the significance of

entrepreneurship in an economy. Individual entrepreneurs have enlarged their own imaginations and found ways to express their creativity and innovation that have helped their businesses. ELS participants have benefited from the ideas of their peers and coaches.

- **Social** – ELS has created new networks among entrepreneurs and between entrepreneurs and coaches and between coaches, entrepreneurs, and some service providers. Teams only work well when there is trust, which seems to have been established throughout.
- **Individual** – ELS has helped individual entrepreneurs, coaches, recruiters, and service providers develop new skills.
- **Natural** – No impact was tracked here.
- **Built** –. No impact tracked here either.
- **Financial** – To the extent that businesses have grown their revenues they have also grown their value. Some entrepreneurs in ELS have invested financial capital in new businesses. In addition, ELS has assisted several entrepreneurs in securing loans and/or venture capital investments.

What behavioral changes was the intervention designed to achieve? ELS is about bringing about a transformation in entrepreneurs themselves so that they can grow their businesses successfully. One of the themes of ELS is teaching entrepreneurs the difference between working in their businesses and working on their businesses. When entrepreneurs figure this out, their behavior changes.

Intervention #2: Appalachian Center for Economic Networks (Ohio)*

Goal: The Appalachian Ohio region is one where food sector entrepreneurs are developing new products, tapping new markets, building their businesses, and contributing to a wealth-generating regional economy, branded and recognizable to residents and visitors alike.

Description: Development of a Kitchen Incubator facility – a licensed processing and storage facility to enable entrepreneurs and farmers to process food (including fish and meat).

Geography: 29 counties of Appalachian Ohio

What are/were some of the key drivers? Area farmers and low-income potential entrepreneurs could not afford the large capital investment needed to purchase food processing equipment to produce manufactured food items so they were unable to add value to local produce, fish and meat. The largest external driver is the international shift to interest in local purchasing/slow foods/organics/niche foods. These changes in tastes and values have made development of substantial local and regional markets much easier.

What are its impacts?

- **Economic** – 100s of new businesses have been set up which would have been unlikely if each entrepreneur had needed to set up their own production facilities. A substantial percentage of these businesses have expanded and hired employees. The sales from businesses have added to family income, raising many families above the poverty level or increasing discretionary income of families which is often spent in the local economy. The Kitchen Incubator's visibility has led to increased interest in local purchasing by area consumers and retail stores. Entrepreneurs networked to form a regional brand which has also increased local purchasing.
- **Environment** – More efficient use of energy than having 100s of separate production facilities. This facility centralized distribution systems for regional distribution: entrepreneurs also set up joint distribution which meant that less vehicles were taking products to local and regional retail outlets. The Kitchen Incubator's visibility has led to increased interest in local purchasing by area consumers and retail stores.
- **Social inclusion** – Many of the entrepreneurs (67%) assisted by the project were low-income individuals who would not have been able to afford to start a processing business without the facility. Most of those hired by expanding businesses were low-income entrepreneurs.

How has it affected capital?

- **Intellectual** – Kitchen Incubators create knowledge networks that are very powerful and lower the cost of technical assistance. Entrepreneurs are in the facility for many reasons (storage, TA, use of library, etc) in addition to processing and packaging and often run into other entrepreneurs. They tend to provide free TA to each other, and often think of ways to work together such as purchasing supplies or joint marketing. They share about their processing practices and help each other develop recipes, etc.

- **Social** – The proximity of so many entrepreneurs, along with the coaching staff, creates vast networks that translate into many often small collaborations: joint purchasing, development of festivals, joint marketing, exploration of new processing techniques, etc.
- **Individual** – The facility has several staff who also provide training and just in time assistance to entrepreneurs. They assist them in learning processing skills, show them how to research to obtain lower cost supplies, help develop new recipes and products, assist with improving product appearance. All this, along with peer technical assistance, increases the skills of entrepreneurs.
- **Natural** – Many of the entrepreneurs use local supplies, and others grow their produce, meat or fish using organic or natural processes thus building up rather than degrading environmental assets.
- **Built** – The Kitchen Incubator is a wonderful \$3 million asset that is owned by the community through a non-profit. It is a 12,000 sq ft facility with processing space, storage, walk-in cooler and freezers, much processing equipment, office and a retail space.
- **Financial** – The Kitchen Incubator was developed with a combination of grants and loans. It is unfortunate that insufficient grant funds were available for the project which meant that the kitchen took quite a few years to become financially self-sufficient. Raising those additional funds to repay loans put strain on the organization.

What behavioral changes was the intervention designed to achieve? Farmers and entrepreneurs would be able to process area produce, meats and fish. Farmers and entrepreneurs would learn to network with other entrepreneurs and identify areas where they could work together for mutual gain.

Intervention #3: Appalachian Sustainable Development (Virginia)*

Goal: This is a region where the natural quality and great diversity of forests, land and waterways are protected through an economic life greatly diversified and locally controlled, where a system of economic decision-making is more inclusive, democratic and effective, and where more meaningful work opportunities are created through a fuller, sustainable use of our productive resources.

Description: ASD's approach to sustainable development includes two activities – their sustainable woods work and the Farmer's Market they have helped to birth and organize. The sustainable woods operation is from A-to-Z in terms of its efforts, ranging from educating farmers about sustainable timber harvesting (one tree at a time, sometimes with horse-drawn sledges) to a modern lumber mill up in the mountains that is run in a sustainable fashion. The Farmer's Market is several years old and organized with an orientation toward organically grown produce and sustainable goods.

Geography: Multi-county region in Appalachian Virginia and Tennessee

What are/were some of the key drivers? Region has long been an area with marked economic distress, in part caused by the exodus of extractive industries that earlier certainly negatively impacted the natural environment. ASD was formed to combat such effects and to preserve the beautiful natural setting that is Southwest Virginia while still demonstrating that economic progress is possible. The challenge most often cited was the difficult job of convincing / educating more people about sustainable development and the value it brings.

What are its impacts?

- **Economic – ++** ASD is beginning to see some returns in its sustainable lumber production, and has employed a small team as part of that effort. The Farmer's Market is growing and has created an outlet for organic farmers and artisans that they did not have before.
- **Environment – +++** Everything that ASD does, including the management of product use and disposal in their offices, is oriented toward sustainability. Farmer's Market members are taught renewable resource techniques, and the ASD wood works is not only sustainably harvesting timber, but specializing in the re-use of lumber as well.
- **Social inclusion – +++** All are welcome, and invited, to the table in terms of entering into sustainable and profitable business practices. ASD has done quite a bit of exploration in how they can partner with existing businesses to begin to influence how they do business by inviting them to be a part of the revolution.

How has it affected capital?

- **Intellectual** – ASD has had a definite influence in compiling and building a treasury of knowledge about sustainable development methods, and has been a true innovator in demonstrating sustainable practices.
- **Social** – ASD has done, and is doing, an excellent job of building trust among players that would not have bought into sustainable development in an earlier day. They have also taken care to foster partnerships that help further their work, as well as encouraging networking among farmers participating in the Farmer's Market.
- **Individual** – Participants are gaining new skills and new information as a result of their exposure to ASD philosophy and methods.
- **Natural** – This is the crux of the ASD work and they rank high in terms of being excellent stewards of the natural environment.
- **Built** – ASD has had to add to the infrastructure by developing a sustainable sawmill and the location for the Farmer's Market.
- **Financial** – Unknown.

What behavioral changes was the intervention designed to achieve? ASD has taken a holistic approach to its work that ranges from changing the decision making of individual entrepreneurs (to make decisions that are good for business *and* good for the environment) to working with local groups, both informally and formal (LEOs), to educate and inform them about sustainable growth and to seek their buy-in and investment.

Intervention #4: Arkansas Delta Rural Heritage Development Initiative*

Goal: The Arkansas Delta is a competitive economic market and a place with a high quality of life by building on its strengths and assets and employing new revitalization strategies focused on heritage tourism, local business development, imaging and branding, preservation education and advocacy, and historic building preservation.

Description: The Arkansas Delta Rural Heritage Development Initiative works to connect communities and assets in a collective effort to preserve and promote the rural character of the Arkansas Delta, employing new revitalization strategies – heritage tourism, local business development, imaging and branding, preservation education and advocacy, and historic building preservation – to play up the region’s strengths and assets to reposition the Arkansas Delta as a competitive economic market.

Geography: multi-county region of the Arkansas Delta

What are/were some of the key drivers? The Arkansas Delta has suffered from a significant loss of its traditional agricultural base, as well as the more recent loss of industrial and manufacturing economies. The region’s population has followed its major economies and fled for jobs and opportunities, as well as underlying racial and social reasons, outside of the Delta. Stakeholders noted the successful revitalization and economic development efforts in five communities via their alliance with the Main Street Arkansas program and built the regional concept on this foundation. There is a strong, supportive delegation of local and statewide elected leaders in RHDI’s corner. The overall political environment in Arkansas is positive, including a Governor from the larger Delta region and a progressive Arkansas Economic Development Commission director who recognizes the importance of small and local businesses in a comprehensive economic development strategy for the state. The association with the National Trust for Historic Preservation has had an unexpected positive impact on RHDI efforts in the Arkansas Delta.

What are its impacts?

- **Economic** – Heritage tourism efforts creating the infrastructure and awareness for local businesses and entrepreneurs to begin taking advantage of economic opportunities such as lodging, dining, educational, experiential and heritage-based activities. The Arkansas DeltaMade branding and promotional program of locally made arts, crafts, foods, services, etc., has been an immediate success, with membership more than doubling in the first six months, and has provided access to new and larger markets.
- **Environment** – The initiative promotes smart growth, strategic planning and the rehabilitation and reuse of existing assets, building stock and landscapes. They are connecting the dots between the rural, agricultural and natural landscapes and potential for economic and entrepreneurial efforts playing on nature-based, agri- and ecotourism opportunities.
- **Social inclusion** – Using heritage tourism, specifically the heritage trails concept, and local business development’s Arkansas DeltaMade program, communities are recognizing the potential to benefit and partner with their neighbors instead of view them as competitors. An important intangible product of the RHDI is the increased sense of pride and sense of worth in the region among its populace. A shared heritage includes shared triumphs, shared struggles and shared issues - positive

and negative - resulting in a commonality capable, to a degree, of transcending social, racial and class barriers.

How has it affected capital?

- **Intellectual** – RHDl has partnered with Arkansas State University's Heritage Studies Graduate Program to provide in-the-field opportunities – learning laboratories – for graduate and post-graduate students.
- **Social** – The initiative and staff serve as a type of clearing house for resources – technical and financial – and contacts, both in and beyond the region. The RHDl serves as the connector between need and resources, plus facilitates new partnerships via introductions and joint ventures.
- **Individual** – Building skills of individual entrepreneurs.
- **Natural** – Through our work with Audubon Arkansas and the Lower Mississippi River Delta Nature Tourism Action Plan, the RHDl is an advocate and steward of the natural heritage of the Arkansas Delta.
- **Built** –. The Arkansas Delta Rural Heritage Development Initiative has and will continue to invest in the restoration, rehabilitation and reuse of significant historic building stock in the 15-county region.
- **Financial** – The RHDl has hosted workshops for lenders and elected officials to educate them on the importance of low-interest capital available for both property owners and entrepreneurs. Next steps include the creation of low-interest loan pools and revolving funds in individual communities up and down the region to spur local investment.

What behavioral changes was the intervention designed to achieve? The strong focus on heritage tourism development translates into entrepreneurial opportunities across the region – a connection made by relatively few entrepreneurs, investors and elected leaders prior to the efforts of the RHDl. We are already seeing the beginnings of a shift towards acknowledgement of heritage tourism as a viable and sustainable form of economic development by locals and elected officials. Another, less measurable, behavioral change is an increased sense of pride and worth in the Arkansas Delta among its residents.

Intervention #5: Capacity Building through HomeTown Competitiveness (Nebraska)

Goal: Our rural community has built the capacity to effectively engage in economic development in a way that promotes sustainability.

Description: The focus of this intervention is the development of community capacity to engage in and sustain effective community economic development. Both community and economic development are required to ensure community competitiveness in the current global economy and society. Key elements of development capacity include: a community vision, a sophisticated development strategy, robust leadership and volunteers, professional and consistent staffing, effective development organizational structures and adequate funding. The HTC development framework is specifically designed to enable a community to build such development capacity within a 24 to 36 month period.

Geography: remote and chronically distressed rural communities

What are/were some of the key drivers? The lack of hope in chronically distressed communities and failed past attempts to get economic development initiatives going create the impetus for capacity building. May start with one individual who drives the new approach. Negative external forces: macro economic trends can wipe away progress very quickly; state, federal and many private development interests do not recognize capacity building as critical; the major threat locally is the loss of key champions.

What are its impacts?

- Economic – A number of HTC communities are now “first in class” based on their socio-economic indicators and size of community. However, more time is needed to see if these trends are sustained and the trend lines altered.
- Environment – HTC model tends to focus primarily on factors related to social inclusion and economic impact. Environmental impact is less of an issue given the scale of these communities (small size) and the nature of the development incurring (micro level entrepreneurial development).
- Social inclusion – Part of the development capacity strategy is to engage a broader cross-section of the community’s residents, stakeholders and institutions (i.e., human talent). This intervention is providing broad based economic development assistance to lower income residents as a wealth building strategy. Also providing leverage on the gender issue with heavier/deeper engagement by women across the socio-economic spectrum.

How has it affected capital?

- **Intellectual** – enhanced leadership capacity
- **Social** – broader, more diverse leadership pool
- **Individual** – leadership skills built
- **Natural** – not measured
- **Built** – not measured
- **Financial** – enhanced in terms of community philanthropy
- **Others** – hope and belief that community has some control over future; enhanced entrepreneurial capital

What behavioral changes was the intervention designed to achieve? There is a progression of behavioral changes that begins with embracing capacity building as fundamentally important. Next comes the development of a robust strategy to build out key capacities (e.g., a development plan, leadership, volunteers, more funding, etc.). Third, there would be a commitment to execute and actually engage in capacity building. Fourth, there would be early success and the process of institutionalizing capacity building and an entrepreneurship based economic development strategy. Often the community reorganizes its development efforts, merging isolated and under-resourced organizations into a single organization. This action enables old and new funders to come back to the table and often double or triple development investments. Ultimately there would be indicators of systemic change including population growth, income growth and the like.

Intervention #6: Capacity Building through Good Work (North Carolina)

Goal: The community is a place with the capacity to support entrepreneurship and to strategically connect entrepreneurship to other aspect of sustainable development.

Description: This intervention consists of community, organizational, and leadership development to increase entrepreneurship together with a greater focus on connecting entrepreneurship with asset building/protection education, place-based sustainable community economic development, community investing, workforce development, social entrepreneurship, and civic empowerment.

Geography: small rural communities in North Carolina, particularly those with disadvantaged populations and communities of color

What are/were some of the key drivers? New approach corresponded with an expansion in Good Work's service area and new focus on communities (rather than entrepreneurs). At the state level, there is greater consciousness and understanding of how entrepreneurship, business retention and expansion, as well as business recruitment can work together and reinforce each other to create a more aligned, inclusive and holistic economic development system. There is also an increased focus on entrepreneurship by the local and state leaders.

What are its impacts?

- **Economic – ++** The intervention helps increase job creation and business development, as well as creating an entrepreneurial workforce.
- **Environment –** Prevents further degradation of natural resources but does not remediate (+); Could remediate natural resource degradation; enhances ecosystem service capacity; relies at least partially on renewable resources (++); Could intentionally enhance stewardship of healthy resources for the long term on a systemic, institutionalized basis – creates and protects natural capital. (+++)
- **Social inclusion – ++/+++** Through values-based servant leadership, amplifying stewardship and sustainability themes with a community organizing approach, intervention nurtures the inclusiveness of the local/regional entrepreneurial culture and develops grassroots/grasstops entrepreneurial leadership.

How has it affected capital? Based on experience and research, the described intervention (community and organizational development for increasing entrepreneurship, place-based economic development, and social entrepreneurship) maintains all of the forms of wealth above, can resist negative impacts, and can strengthen and create more of the various forms of wealth and capital.

- **Intellectual –**
- **Social –**
- **Individual –**
- **Natural –**
- **Built –**
- **Financial –**

What behavioral changes was the intervention designed to achieve? Capacity building assists community organizations, institutions, networks of entrepreneurs (defined by geography, relationship, sector, cluster, etc.), and coalitions of civic, public, and private leaders to understand how to develop entrepreneurship and sustainable

development strategies, programs, projects, leadership, and networks. Key is creating rooted capacity so the community can move forward without Good Work's intermediation.

Intervention #7: Cenla Entrepreneurial League System (Louisiana)*

Goal: Central Louisiana is a region where the economy is driven by entrepreneurs who are developing their skills and thus businesses to build both individual and community wealth.

Description: The Cenla ELS utilizes a model developed by Dr. Lichtenstein and Dr. Thomas S. Lyons to develop entrepreneurs and their businesses as a strategy to build individual and community wealth for the economic development of a region. The system focuses on assessing entrepreneur skills and building those skills over time through engagement with a coach and other similarly skilled entrepreneurs.

Geography: 9 parishes in central Louisiana

What are/were some of the key drivers? The Rapides Foundation, which had done most of its philanthropic work in the area of health care, realized that an important part of human health is economic well being. They were frustrated by the lack of progress being made by public and nonprofit organizations in the region tasked with economic development and were looking for an alternative. They liked the market-based approach of ELS. A positive external driver is the very recent shift in State of Louisiana economic development policy away from industrial recruitment toward entrepreneurship. On the negative side, some aspects of the culture of Louisiana have created obstacles to recruiting clients and garnering support for our efforts. Among these is a general “This is the way we have always done it” mentality, which impedes creativity and innovation.

What are its impacts?

- **Economic** – The Cenla ELS has moved entrepreneurs up the skill ladder, businesses to more advanced stages of the life cycle, and has contributed jobs and wealth to the regional economy. It has also begun the process of changing the way in which the people of Cenla think and act regarding their economy.
- **Environment** – Cenla ELS has not been intentionally focused on the sustainability of the natural environment and its impact has been neutral. However, because of its structure, it could fairly easily be modified to include activities that protect and enhance the environment.
- **Social inclusion** – By linking entrepreneurs, suppliers, coaches, service provider organizations, and public officials together in new ways, the Cenla ELS is alleviating the economic isolation long experienced by individual people in the region and by the region as a whole relative to the national and global economies. The ELS has reached out to the most physically and economically isolated parishes of the region and brought them into the regional economy. This form of social capital building for wealth creation has been powerful, as the people of these isolated parishes tend to be the most fiercely independent and untrusting in the region, perpetuating their own isolation.

How has it affected capital?

- **Intellectual** – The Cenla ELS is clearly developing the skills of its client entrepreneurs. It seeks out and develops innovation and creativity in the region and puts these things to work generating wealth.
- **Social** – The system networks entrepreneurs, assistance providers, coaches, public officials and others in mutual support. It is becoming a source of regional pride and unity.

- **Individual** – Individual entrepreneurs are developing their skills. They are building business assets.
- **Natural** – The Cenla ELS is neutral in this regard at this point in time.
- **Built** – It is too early to see any real impact on this form of capital.
- **Financial** – It is too early to see tangible impact here. However, it can be said that every discussion about financial capital taking place in the region involves representation from the ELS; it is becoming a driver.

What behavioral changes was the intervention designed to achieve? Above all else, the ELS changes the behavior of entrepreneurs, causing them to become more focused and more oriented toward growing their businesses and not merely using them as job substitution or a source of income. The ELS is also designed to change the behavior of private, public and nonprofit entrepreneurship assistance providers in the region, causing them to become more focused and strategic in their service delivery. As entrepreneurs develop and viable companies are created and sustained, elected officials and public policy makers begin to change their thinking and behavior regarding the value of entrepreneurship to regional development, the true nature of wealth creation, and what it takes to achieve economic sustainability.

Intervention #8: Community Progress Initiative (Wood County, Wisconsin)

Goal: There is an innovative, entrepreneurial culture in the Heart of Wisconsin region that produces new jobs and a vibrant economy.

Description: The Progress Initiative is a collaborative partnership between the Heart of Wisconsin Business and Economic Alliance and Community Foundation of Greater South Wood County. The Initiative stimulates new enterprises, builds endowed charitable assets, fosters a stronger community spirit, and creates a shared vision for people in South Wood County & the Town of Rome.

Geography: Wood County, Wisconsin

What are/were some of the key drivers? Loss of more than 1/3 of the jobs in the county in recent years, including higher paying management positions as ownership of a plant moved outside the US. These losses have also had a negative impact on community leadership capacity. External funding has been a positive external driver as they have attracted additional resources to support the Initiative.

What makes it effective? Collaborative partnership. Addressing a wide range of entrepreneurial needs as well as addressing the need to change the culture.

What makes it scalable/sustainable over time? Community funds provide local support for the initiative's activities.

What are its impacts?

- **Economic** – During the initial three years of the Community Progress Initiative the community saw the creation and or diversification of 30 businesses, the retention of 77 jobs and saw 245 jobs added to the local economy. 18 businesses reported a direct economic impact based on technical assistance programs. Angel investments have been made in 8 businesses at over \$1.7 million and in 5 years it is estimated that these investments will create 770 jobs. One local business has accessed the revolving loan fund to expand their operations and create 7 new jobs.
- **Environment** – Group members have increased awareness of the needs of a local paperboard company's need for businesses and citizens to utilize their paper recycling facility to positively impact their bottom line, retaining and creating jobs in the area. Green and Healthy Schools, a program of the DNR, is going to be implemented at an area school with local businesses sponsoring the program. Support has also been given to a Safe Routes to School grant that ultimately encourages pedestrian and bicycle traffic and discourages the use of automobiles and trucks in neighborhoods. Other work includes encouraging the installation of renewable energy producing equipment in new business park developments and educating business owners about ways to operate in a more energy efficient manner.
- **Social inclusion** – Progress Teams and Funds were launched in each of the seven communities covered under the umbrella of the Community Progress Initiative. Grass roots community leadership trainings were also held in each community to engage people in their own neighborhoods. The Youth Entrepreneurship Program targets students of an alternative, "at risk", high school. Leadership program continually sees enrollment from newcomers to the community.

How has it affected capital?

- **Intellectual** – created repository for business ideas; exposed residents to best practices in community development. By visiting areas that have applied innovative thinking and leadership, the best ideas and successes have been brought back and applied in our community.
- **Social** – A network of people, businesses, non-profit organizations, and government has been created that is unprecedented in Central Wisconsin. A resource network of 3500 people has been built that can be accessed by a simple phone call, email or letter. Direct competitors are sitting at the same table and looking at ways to collaborate for the benefit of all involved.
- **Individual** – The Advanced Leadership Institute and the Community Leadership Institute both work to increase the happiness of local citizens by implementing programs that aid in addressing everything from basic needs to entertainment. Workforce Training & Education cluster members are working to gauge the skills of the citizens and assist in developing training programs to introduce new skills and expand current skills. The Tourism Cluster assists in community events that give local residents a place to meet, gather, be entertained and celebrate.
- **Natural** – The Downtown Cluster is working to implement a Water Front Initiative to preserve the natural beauty of the river while using it for its greatest economic value. The Manufacturing Cluster formerly the Paper & Forest Products Cluster has given out thousands of tree seedlings at various events to replenish natural environmental assets.
- **Built** – Several local businesses have made expansion decisions causing the need for the City of Wisconsin Rapids to expand their waste water treatment plant.
- **Financial** –

What behavioral changes was the intervention designed to achieve? More profitable businesses. Community recognizes the sense of possibility and takes control of its own future. New generation of business leaders is less risk averse and more innovative.

Intervention #9: Greenstone Group (Minnesota)

Goal: Northeast Minnesota is a region with a culture of entrepreneurship and where locally-owned businesses are creating wealth and jobs.

Description: The intervention is the creation and funding of the Greenstone Group (GG), a 10 year initiative launched by the Northeast Entrepreneur Fund (NEF) in January 2008 to foster a culture of entrepreneurship and increase the number and skill level of entrepreneurs growing locally-owned businesses that create wealth and jobs.

Geography: 7 counties in northeastern Minnesota and Douglas County in Wisconsin. A rural region larger than Connecticut, it is home to 400,000 people.

What are/were some of the key drivers? Beginning in the early 80s organizations and efforts began seeking to diversify and lend stability to the region's economy, which is iron ore mining and timber dependent. The Northeast Entrepreneur Fund was one effort. NEF staff initially determined that there was no path of additional support for business owners who graduated from the Entrepreneur Fund's training, TA, and financing programs and began discussions in the region to address this gap. Other key drivers include the receipt of a \$2.5 million, 10-year grant from the John S and James L Knight Foundation's National Transformation Fund in September 2007 and significant investments in new mining initiatives proposed for the region over the next 5-10 years. It re-enforces the pervading (among economic development and elected officials) that foreign-owned, natural resource-based companies hold the key to the region's economic future but the group has been successful in integrating a locally-focused business opportunity element to regional planning efforts in support of the large projects.

What are its impacts?

- **Economic – +++** Through systems change in how the region supports entrepreneurs, it increases the potential for wealth and new job creation. Initial meetings with the first group of higher skilled entrepreneurs revealed strong commitments to giving back to the communities in which they live, and growing and keeping jobs local.
- **Environment –** Surprised in the initial (partial) group meeting with the more experienced entrepreneurs how quickly their personal agendas revealed commitment to the communities in which they live. The natural beauty of the region is part of why these individuals/we all live here. Not intentionally measuring environmental impacts but there are opportunities to do so.
- **Social inclusion – +++** Creating focused efforts, through Growth Groups and the use of professional business coaches, to overcome entrepreneur isolation.

How has it affected capital?

- **Intellectual** – The desired outcome is that the entrepreneurs grow their skills, which in turn allows them to grow their businesses.
- **Social** – Service providers will meet to develop a framework for working together as an intentional network.
- **Individual** – The launch event and subsequent media coverage, though intentionally limited, has generated ‘buzz’ around this initiative and has begun to change the language in the region about entrepreneurship and opportunity.
- **Natural** – Impact as yet unknown
- **Built** –. Impact as yet unknown
- **Financial** – Impact as yet unknown

What behavioral changes was the intervention designed to achieve? Grow the skill level of entrepreneurs so they can grow their businesses; create systems change in the way public and private service providers work together to support entrepreneurs, including referrals and collaboration; create a community and regional environment that supports, encourages, and celebrates entrepreneurship. Both success and failure of businesses.

Intervention #10: GROW Nebraska

Goal: Rural Nebraska communities are places where entrepreneurs can start and grow their businesses and make a living for themselves and their families.

Description: The intervention is promotion and awareness of products and services produced by rural Nebraska entrepreneurs through an e-commerce site and an eBay store, implemented by GROW Nebraska.

Geography: rural counties in Nebraska

What are/were some of the key drivers? The decline of rural population in Nebraska made this intervention vital. Rural businesses needed to broaden their customer base, and online marketing created a level playing field for rural businesses to compete with businesses in urban areas. The major external driver is economies of scale. There simply are not enough rural customers to support rural businesses. In addition, the program is greatly influenced by state policy change. The program is dependent on state funding so we are continually changing and creating new programs/services to keep interest in our program and show return on the state's investment by assisting Nebraska's entrepreneurs.

What are its impacts?

- **Economic – ++** The positive impact is that this intervention is creating new jobs as well as helping to retain current positions. This is creating off the farm income potential as well as jobs that are dependent on agriculture. Currently 84% of orders on the GROW Nebraska e-commerce site have been from customers outside Nebraska who have no Nebraska connection. This is true economic development because we are bringing income into the state that would otherwise be spent elsewhere.
- **Environment – 0** This intervention does not specifically target the environment, but it does have some positive impacts. One positive impact of the e-commerce project and eBay store is that people who genuinely care about their rural areas can continue to live there and take care of their environment. Also, by being able to sell across the country from rural Nebraska, less fuel is used traveling to those markets.
- **Social inclusion – +++** Technology allows those in rural locations to connect with others through blogs, email, and online forums. This has a positive impact on social inclusion in otherwise isolated locations. Offering Nebraska made or designed products to the world through online marketing increases the opportunities for the secluded entrepreneurs to engage in global community life.

How has it affected capital?

- **Intellectual** – The intervention is assisting the intellectual capital by attracting and creating technology based jobs and connecting creative minds from rural Nebraska with others who share their creative spirit.
- **Social** – Although technology can remove social interaction, relationships and networking can be established through online means. The challenge is in helping rural people with limited technology experiences to embrace the benefits online communications can offer.
- **Individual** – The intervention has created many positive results in the physical and mental happiness of those participating. Knowing that someone from New York purchased your product for the quality and craftsmanship and not because you are the neighbor next door or because your product is the only one available has given many GROW entrepreneurs the confidence to expand to the global market. Also, generating sustainable income in communities where the farming income is volatile benefits the physical and emotional happiness of those involved.
- **Natural** – Not a focus of this intervention.
- **Built** – Nebraska is fortunate that most areas have high speed internet available and cell phone service. This specific intervention utilizes the available infrastructure without creating or destroying it.
- **Financial** – Not a focus of this intervention.

What behavioral changes was the intervention designed to achieve? Many entrepreneurs in rural Nebraska have been unaware of the benefits of selling through an e-commerce site or eBay store. By making these accessible to them, they can make better decisions about marketing their products.

Intervention #11: Natural Capital Investment Fund (West Virginia)

Goal: Distressed, rural communities see long-term business and economic development by bringing an informed market discipline to fostering effective place-based, sustainable strategies.

Description: NCIF combines a strong mission orientation - financing and assisting triple-bottom-line ("TBL") businesses that generate positive environmental and social returns - with a rigorous due diligence and underwriting approach. NCIF excels at bringing together the public sector, non-profit and private sector resources needed to reduce risk, fund and support businesses, and build viable value chains. NCIF's patient, risk capital and targeted technical assistance serve as the "glue" these challenging situations need. NCIF is not a "stand-alone" lender, provide gap financing and targeted technical assistance.

Geography: Initially, 31 counties in West Virginia; have now expanded to North Carolina, southwest Virginia, and northeast Tennessee.

What are/were some of the key drivers? NCIF found that some of the innovative practices being proposed by small farmers (working landscapes) were not being welcomed by lending institutions. There was a need for gap financing to make these deals pencil for institutional lenders. The biggest driver right now is the financial industry: capitalization is a challenge in this economy. Second negative driver is the state, they don't get small business development and are always cutting their funding but lately they're more underfunded than usual, making NCIF's job harder. A third negative is the forest product industry, prices are at a 30-year low and most furniture manufacturing has moved abroad. Last, loan funds in WV have a bad reputation, so they have to work extra hard to earn trust. On the positive side, situations such as the recent tomato scare are helping their buy local campaign. Second, the USDA has been very supportive for entrepreneurship and supports the value-added agriculture work in WV.

What are its impacts?

- **Economic** – Job creation is what all funders want to see (foundation, government agencies). The focus has been around this. Can do the right thing and also make money. Make sure you create jobs, too.
- **Environment** – It has been a positive impact. For example, in the case of sustainable tourism, many rafting companies own a lot of land in gateway communities. They have become strong advocates for the environment because they need the resource base for their business. If they're successful, they won't sell for condo development.
- **Social inclusion** – The piece NCIF struggles the most on is social inclusion. Most of the jobs created are entry-level for low-income people and half their portfolio companies are women-owned. Is that enough? West Virginia, especially rural West Virginia, is very white. They've just started working in NC and expect the experience to be different. You can document wealth creation, but how do you measure the social piece?

How has it affected capital?

- **Intellectual** –

- **Social** – The peer-to-peer collaboration has really taken off in the food sector and rafting industry. They're still working with the forest product folks to get them to understand this.
- **Individual** –
- **Natural** –
- **Built** –
- **Financial** –

What behavioral changes was the intervention designed to achieve? The goal was to bring institutional lenders (banks) to the table when small farmers, etc. proposed to do innovative business models – such as green business models.

Intervention #12: North Carolina Natural Hog Farmers Growers Association

Goal: The cooperative is successfully established and locally controlled, providing farmers with improved access to markets and a collaborative way of sharing information that results in asset development for its members.

Description: NC Natural Hog Farmer Growers Association represents a group of 22 hog farmers who have come together to do cooperative marketing of their organic hog products.

Geography: state

What are/were some of the key drivers? The farmers lost their primary market and needed to identify another that would pay comparable price (\$1/lb.) vs. the \$.30/lb they could get from Smithfield Farms. The impetus was their belief that cooperative marketing would allow them to aggregate their networks and save money on marketing. Now, Whole Foods is an important driver of this initiative – moving farmers toward the adoption of more uniform, Whole Foods’ standards as an example. Changes in the larger economy are also driving this effort, including movement toward local foods.

What are its impacts?

- **Economic** – Farmers have found a market to replace Diamond, at slightly higher \$/pound and this represents an increase in revenue over the alternative (Smithfield) almost three-fold. Over time, cooperative marketing ought to reduce costs because of shared transportation (or no transportation costs if buyers will come pick up product). Opportunities to share equipment (shared assets as a benefit of membership). Ultimately, benefits should be seen in terms of increased value of the farm asset.
- **Environment** – Positive impact is coming through broadly adoption of Whole Foods’ standards for the production of organic pork products. All farmers were using different methods but most of the members have now agreed to adopt Whole Foods’ standards.
- **Social inclusion** – The activity of the cooperative has created the space for inclusion. Members are a very diverse group – African American and white; old timers and newcomers; young and old; women and men; literate/educated and illiterate/uneducated.

How has it affected capital?

- **Intellectual** – Beginning to see individual farmer knowledge becoming “community property” with the sharing of that they are doing and how to meet Whole Foods’ standards (e.g., preparing a guide for farmers to use to prepare for inspection by Whole Foods.) Also, creating a directory of farmers that lists their strengths (i.e., what they could teach someone) and what they’d like to learn more about – attempting to accelerate a natural process of information sharing.
- **Social** – Cooperative creates opportunities to access the diversity of talent among the farmers. See both bridging and bonding social capital being created.
- **Individual** – All dues paying members are finding value (demonstrated through their payment of dues) but how that is manifested varies from farmer to farmer.
- **Natural** – Given their organic methods, promotion of these farmers and their success should improve the stock of natural capital. However, it’s not being measured.

- **Built** – None to date. However, there is keen interest in tapping new technology to expand their reach to other farmers.
- **Financial** – Have not figured out how to get at the question of growth in assets for these farmers. Many of them do not have, or do not have current, balance sheets.

What behavioral changes was the intervention designed to achieve? Farmers are not used to sharing what they are doing with others (not just their financials but also how and why they are producing as they do.) Also, there was no history of working together. These were behaviors that need to be changed for the coop to be successful. Ultimately, want to see jointly shared ownership and leadership within the coop.

Intervention #13: North Iowa Area Community College's (NIACC) John Pappajohn Entrepreneurial Center (JPEC)

Goal: The North Central Iowa region is one where entrepreneurship education, entrepreneur and business support, and partnerships to stimulate entrepreneurship result in an improved quality of life for all.

Description: JPEC offers training, counseling, access to a range of capital resources, incubation and acceleration opportunities for entrepreneurs; courses, clubs and competitions for students; entrepreneurship education for secondary students; leadership in the region on entrepreneurship development issues including access to health care.

Geography: all or parts of 11 counties in north central Iowa

What are/were some of the key drivers? The investment in a JPEC at NIACC provided the institutional support and mission for an entrepreneurial initiative. The strong leadership of NIACC president provided the impetus for broader regional partnerships and engagement.

What are its impacts?

- **Economic** – 244+ new business starts; 655+ new jobs created; 30% of new business starts in Iowa created locally; no evidence that they are measuring business outcomes such as increased profitability, new markets entered, etc., or the quality of jobs created
- **Environment** – no evidence that environmental impacts are being measured or considered in decision making
- **Social inclusion** – no evidence that social impacts are being measured or considered in decision making; have developed new initiatives focused on micro-entrepreneurs which may have an impact on social inclusion for lower income entrepreneurs; are bringing youth to the table

How has it affected capital?

- **Intellectual** – Creating knowledge about regional economy; building knowledge about entrepreneurship.
- **Social** – See new or enhanced regional collaboration; some networking among entrepreneurs.
- **Individual** – Building individual business and entrepreneurial skills.
- **Natural** – No measured impact.
- **Built** – Some infrastructure added at community college; virtual capacity in terms of health care infrastructure.
- **Financial** – Created new sources of capital for entrepreneurs.

What behavioral changes was the intervention designed to achieve? Improved business skills and decision making by entrepreneurs. Stronger, more collaborative partnerships among service providers. Greater focus on entrepreneurship as a development tool and a more regional approach to economic development among leaders, both elected and lay, in the region.

Intervention #14: Regional Flavor (national)

Goal: The region has a unique brand that grows out of its assets and is fostered by a collaboration of entrepreneurs and community organizations who work to create a sustainable region for residents and visitors alike.

Description: AEO's Regional Flavor (RF) approach/work is a rural economic development strategy that builds on local assets and encourages microenterprise organizations, entrepreneurs, other not for profits, and community movers and shakers to collaborate in creating and expanding markets for rural goods and services while promoting particular rural regions.

Geography: AEO is currently supporting 6 RF Networks in Colorado, New York, Ohio, Arkansas, Minnesota, and Nebraska.

What are/were some of the key drivers? RF evolved from AEO's prior (2001-2005) sector work with micro programs and entrepreneurs involved in specialty food production, sustainable tourism, and artists and artisans in response to the lack of 'access to markets (ATM)' opportunities within rural communities.

What are its impacts?

- **Economic** – Greater economic opportunity created; more wealth circulating within the region rather than leaving it; builds assets for individuals, businesses, and communities. Provides greater livelihood options for young people and retirees.
- **Environment** – Positive impacts as people in targeted regions develop greater appreciation for their natural assets and economic benefits that come along with stewardship and regional promotion. Creates and protects natural capital. Rise in green enterprises, emphasis on local agriculture/organic, no or light impact activities.
- **Social inclusion** – Because collaboration is central to RF paradigm, breaks down isolation, creates new bonds and opportunities (social, economic, cultural).

How has it affected capital?

- Intellectual** – Innovation is a key component of the Regional Flavor paradigm – fostered through the creation of an Innovation Fund that offers RF grantees access to up to \$6000 over a three year period to implement projects with other community/regional partners.
- **Social** – RF is totally dependent upon relationships, networks and collaboration – a living example of the whole being more than the sum of its parts.
 - **Individual** – RF empowers people, business owners, not for profits and other community-based organizations, communities and regions.
 - **Natural** – RF celebrates and relies upon natural capital. This approach allows communities to inventory their assets, determine which they wish to protect from visitors (sacred places) and which they want to bring into play in their RF branding/marketing efforts. A basic tenet of the RF approach is to preserve the unique qualities and assets of a region for the benefit of the people who live there.
 - **Built** –. In many cases, we are seeing old and abandoned buildings/land being brought back into use as cultural venues, retail space, public gardens and markets.

- **Financial** – We can document that this approach is leveraging monetary assets – in some cases redirecting existing pots of money, in others, bringing new money into the regions.

What behavioral changes was the intervention designed to achieve? To foster collaboration among business owners, regional for and non-profit organizations, and government agencies/bodies; to influence policy/budget decisions at the local, regional and state government level.

Intervention #15: Wawokiye Business Institute (OWEESTA)*

Goal: Our reservations are places where entrepreneurs have the skills needed to build their businesses and participate actively in the broader economy of the US.

Description: Wawokiye Business Institute (WBI), was implemented by the native CDFIs that are part of the Oweesta Collaborative (OC) EDS and is housed at The Lakota Fund (TLF). The WBI uses a business coaching model with rural entrepreneurs; supplemented by a coaches' coach and a mentor network. The coaching model (when incorporated with the other services offered by the Native CDFIs and Collaborative partners), seeks to address key individual barriers such as lack of financial literacy, lack of business skills, and lack of access to capital.

Geography: The native CDFIs are working on three reservations in South Dakota and Wyoming.

What are/were some of the key drivers? TLF was in some organizational and financial difficulty; and was seeking a model for better identifying and supporting entrepreneurs who were ready to move forward. Rural Community Innovations was providing support for this process, and helped TLF to create the WBI concept. About this time, the Kellogg EDS project was being launched, the Oweesta Collaborative formed and decided to launch and test the WBI across the CDFIs participating in the Collaborative. Others include availability of financial resources to fund the initiative and federal policy regarding the ownership of land.

What are its impacts?

- **Economic – ++** New businesses are being created, existing entrepreneurs (there is a great deal of informal economic activity on the reservation) are increasing their revenues. Several larger businesses that are planning significant expansions are also receiving coaching and access to credit. Generally, the CDFIs are seeing more clients and more loan activity.
- **Environment – 0/+** There is no explicit component in WBI or the OC that deals with stewardship or protection of the environment. On the other hand, the WBI approach is based on traditional Native values, which of course place strong value on our natural environment and resources.
- **Social inclusion – ++** There are active efforts (particularly around Pine Ridge) to reach out to players outside of the reservation to showcase what is happening in order to encourage more investment. In addition, the idea behind the WBI and its focus on entrepreneurship is to help reservation residents to participate in the broader US economic system.

How has it affected capital?

- **Intellectual** – The WBI is building the stock of knowledge, innovation, etc. among its entrepreneurs through the coaching process. The coaches network (which stretches across the three reservations) and the mentor network (which brings in mentors from outside the reservation) seeks to strengthen knowledge and innovation as well.
- **Social** – The WBI model takes a client-centered approach which focuses heavily on the relationship between the client and the success coach. Trust is a key factor. In addition, the WBI/OC model is also forging new relationships among

- institutions on the reservation, most notably between The Lakota Fund/WBI effort and the local tribal college (Oglala Lakota College).
- **Individual** – The primary intent of the WBI is to enhance the skills of the entrepreneurs; the presumption is that their increased economic success and efficacy will have important effects on individual empowerment.
 - **Natural** – Unclear whether this is happening.
 - **Built** – WBI is working to help some clients to secure the infrastructure (e.g., water and sewer extensions) required to support expansion of their businesses.
 - **Financial** – The WBI/OC effort has increased the level of capital available through the Native CDFIs, which in turn have expanded their active portfolio of loans to reservation entrepreneurs. Although the intent is to also grow the assets of the entrepreneurs, there is no data that demonstrates whether this is happening.

What behavioral changes was the intervention designed to achieve? WBI is designed to improve the skills and support the progress of Native entrepreneurs, through the creation of a more client-centered approach to technical assistance, and networking of coaches and mentors to expand the availability of and more efficiently use business expertise.

Intervention #16: WESST Corporation (New Mexico)

Goal: Entrepreneurs will have access to market opportunities for their products and services even in our remote rural counties.

Description: WESST Corp is one of approximately twenty partners in a two year Kellogg grant entitled EBS -Empowering Business Spirit; WESST Corp's contribution is to provide MARKETLINK training to emerging entrepreneurs. The customized MARKETLINK programs are designed to address specific product/service-to-market issues in a user-friendly fashion. In many cases, participants' products are not competitively priced (under and over), not competitive in a global marketplace for any number of reasons or, the owner/creator is unable to articulate the competitive edge the product or service.

Geography: Four rural, sparsely populated and low-income (many inhabitants exist far below the poverty levels) counties in northern New Mexico (Mora, San Miguel, Taos and Rio Arriba).

What are/were some of the key drivers? MARKETLINK training programs have been customized based on identified Entrepreneurial/business development *needs of participants* – specifically access to markets. Key external driver is Lack of funding to develop meaningful rural programs for entrepreneurs and artisans in the state.

What are its impacts?

- **Economic – +++** To varying degrees and almost 100% dependent on the individual. In many cases, participants begin collaborative relationships – some for money - some for trade – some for labor or skill-sets. In all cases, once it is established that a product/service is viable in the marketplace – and once the producer/service provider is convinced that it is worth their time and energy to move forward with the business – the economy benefits.
- **Environment – ++** Heightened awareness of environmental factors is often a natural bi-product of training participants just because of the subjects and conversational evolution of many program participants - organic farmers, recycling project developers, bio-tech partners and alternative land use.
- **Social inclusion – +++** Decreases sense of isolation experienced by most entrepreneurs – whether from rural areas or urban. Provides limitless opportunities to network and work with individuals throughout the four counties as well as the world.

How has it affected capital?

- **Intellectual** – ongoing
- **Social** – ongoing
- **Individual** – ongoing
- **Natural** – varies
- **Built** – depends on the definition and use
- **Financial** – varies

What behavioral changes was the intervention designed to achieve? The first behavioral change expected from the training is for each participant to have a sense of comfort and understanding about themselves and their relationship to their product/service as it exists in a competitive environment. The next expectation is for

participants to create at least three short, mid and long term goals based on their new perspective.

Intervention #17: 4H EntrepreneurShip Investigation (ESI)*

Goal: ESI will be widely implemented in communities throughout Nebraska, providing young people with the capacity to create economic opportunities in their hometowns and to stay or return as leaders in these communities.

Description: 4H EntrepreneurShip Investigation (ESI) is a middle school age focused experiential learning curriculum developed by University of Nebraska Extension with partial funding support from HomeTown Competitiveness (HTC) via the Kellogg Foundation EDS initiative in 2006-07.

Geography: Tested in Nebraska communities; national program

What are/were some of the key drivers? Youth survey and focus group results with HTC communities indicated strong interest (over 50%) in entrepreneurship education and living in their hometown in the future, if quality career opportunities are available (again, over 50%). Currently, actual return rates average in the 2-8% range for many rural communities in the Great Plains, indicating a disconnect between the desire to return home and the perception that possibility actually exists. This disconnect led to community interest in entrepreneurship education tied to community practice and support of their ventures using economic development programs and resources. But, it was difficult to do through school systems and felt middle school options were needed. 4-H experiential learning approach is a great fit with learning styles of entrepreneurially minded young people who enjoy experimenting and hands-on experiences. One external driver is that the vast Extension network already in place and the brand recognition of 4-H among adults and youth have been key to the rapid deployment of ESI. NDOE endorsement of ESI has also added credibility among school administrators and teachers across the state.

What are its impacts?

- **Economic** – It is too early to document economic impacts, but we do have actual youth-owned businesses now marketing products; some on the Web that are bringing new money into the local economy.
- **Environment** – None to date but some are considering natural amenity based business opportunities.
- **Social inclusion** – ESI youth participants are becoming viewed as key participants in their community and its future. ESI provides a tangible means to demonstrate youth value in terms of community service, leadership, economic development and population stabilization.

How has it affected capital?

- **Intellectual** – Entrepreneurial education tied to hands-on practice and community engagement is enhancing knowledge, innovation, creativity and imagination among youth and also the adults working with the youth.
- **Social** – ESI participants are becoming viewed as important community members as noted earlier. Furthermore, the interaction of adults, and the community in general, with youth is building relationships, trust and networks that last beyond the formal ESI experience.
- **Individual** – 4-H has always been a family-oriented program. As children express positive hopes and dreams for their future, tied to family connections and interaction, parents also become more hopeful in their future and the future of

- their community. Hope is desperately needed in many rural communities in the Plains.
- **Natural** – Young people also tend to be sensitive to the environment, so as they become civic and business leaders in their communities they may become advocates of natural capital and environmental preservation.
 - **Built** – If youth return to their hometown or another rural community, they support infrastructure such as schools through increased enrollment, health care services through private insurance, libraries, churches, home construction, local businesses, etc. Young people also are major users of telecommunications infrastructure and other utilities.
 - **Financial** – In the short-run, youth businesses utilize local micro-loan programs and commercial lending services. As their businesses become successful they create new wealth and jobs which enhance financial capital availability within their community and the region.

What behavioral changes was the intervention designed to achieve? By exposing youth at a young age to entrepreneurship opportunities within their own community tied to awareness about their own talents and skill building, it is our expectation that a whole new world of opportunities will be opened up to rural and also inner-city youth.

APPENDICES

Appendix A: Project Advisory Group

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Appendix C: *Framework for Soliciting Input on Effective Entrepreneurship Interventions*

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Appendix A

Rural Entrepreneurship Sustainable Development Assessment Project Advisory Group

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Appendix B

Rural Entrepreneurship Sustainable Development Assessment

A joint project of CFED and the RUPRI Center for Rural Entrepreneurship
Supported by the Ford Foundation

The Ford Foundation is funding a year-long effort to formulate an approach to increasing the ownership of wealth by residents of rural America through sustainable (triple bottom line) economic development. Over time, this effort will help to identify, test and measure sustainable economic development practices that offer the most hope for rural communities.

Through January 2009, the Foundation is targeting four promising approaches or frameworks for rural economic development: entrepreneurship, business clusters, value chains and microfinance/financial services. The Rural Entrepreneurship Sustainable Development Assessment is focusing on the first of these four frameworks. Organizations engaged in the other approaches or frameworks include Regional Technology Strategies (business clusters), the Sustainable Food Lab (value chains) and the Triple Bottom Line Collaborative (group of Community Development Financial Institutions).

The aim of our Assessment is to determine if/how entrepreneurship can be an integral part of a sustainable economic development process for rural America, i.e., one that creates outcomes that benefit the economy, the environment and social inclusion in rural places – the triple bottom line.

We begin with four fundamental questions:

1. What does a sustainable rural community look like?
2. Does rural entrepreneurship put communities on a path towards sustainable economic development?
3. If “yes,” where is it happening?
4. If “no,” what needs to change in order for rural entrepreneurship to generate sustainable, i.e., triple bottom line impacts?

Armed with answers to these questions, CFED and the RUPRI Center for Rural Entrepreneurship (CRE) will develop a framework for studying sustainable rural entrepreneurship on the ground. We are interested in rural communities and regions that have experimented with entrepreneurship and experienced triple bottom line impacts, be they positive or negative. Through these case examples and input from experienced practitioners, CFED and CRE will determine *what* can help rural communities become more sustainable. If done well, this work will produce a lens through which rural people can organize information differently, reach further towards achieving triple bottom line outcomes and change behavior on the ground.

For more information about the Rural Entrepreneurship Sustainable Development Assessment, and to recommend candidates for sustainable development case studies, contact Nancy Stark, Director of Field Development, CFED (nstark@cfed.org; 202-207-0158) or Deb Markley, Managing Director of CRE (dmarkley@nc.rr.com; 919-932-7762).

Appendix C

Framework for Soliciting Input on Effective Entrepreneurship Interventions

You have graciously agreed to provide input to CFED and the RUPRI Center for Rural Entrepreneurship (CRE) as we consider rural entrepreneurship as part of a sustainable economic development process for rural America, i.e., one that creates outcomes that benefit the economy, the environment and social inclusion in rural places – the triple bottom line.

*We are seeking some very specific input from you that will contribute positively toward the success of this project. **Please consider each of the following questions and respond in writing, via email.** Type your responses in the spaces below and then email the saved document to Nancy Stark (nstark@cfed.org) or Deb Markley (dmarkley@nc.rr.com). Thanks in advance!*

We are defining a **rural entrepreneurship intervention** as an intentional activity that leads to some change on the ground in a rural community. This change does not have to impact all elements of the triple bottom line. An example of an entrepreneurship intervention might be the creation and funding of a microenterprise development organization that serves a rural region.

Please read through the following questions and then choose one intervention that you believe best exemplifies effective rural entrepreneurship practice and with which you are very familiar. Ideally, it would be an intervention with a track record of achievement, a history that you know well, in a rural place that you know well. **Then, please answer each of the following questions with this particular entrepreneurship intervention in mind.**

1. Briefly define the intervention, i.e., what is the intervention, in what rural place was it implemented, by what organization or individual?
2. What conditions led to the creation of this intervention, e.g., what was happening in the community or region that inspired this intervention?
3. What specific behavioral changes was this intervention designed to achieve, e.g., was it designed to improve decision making skills of entrepreneurs, was it designed to influence policy and budgetary decisions of local elected officials?
4. How has/is this intervention impacting the environment? To help you think about these impacts (and those in questions 5 and 6), please refer to the attached table that describes degrees of both positive and negative impacts associated with the three elements of the triple bottom line.

5. How has/is this intervention impacting the economy?

6. How has/is this intervention impacting social inclusion?

7. Are negative impacts, particularly unintended negative consequences, occurring as a result of this intervention? In what area(s) are these occurring (e.g., environment, economy, social inclusion)?

8. What external drivers are affecting the intervention to the greatest extent? External drivers are influential factors that tend to be outside the control of the immediate community or region, e.g., a state policy change or decision. Are these affects positive? Negative? Both?

9. The desired outcome from using a sustainable, i.e., triple bottom line, framework to guide rural development is to more effectively create and maintain wealth in rural America. In what ways is this intervention creating or maintaining (or perhaps destroying) the following types of wealth (or capital) in the community?
 - a. Intellectual capital – stock of knowledge, innovation, creativity, imagination in a region

 - b. Social capital – stock of trust, relationships, networks that support civil society

 - c. Individual capital – stock of skills and physical/mental happiness of people in a region

 - d. Natural capital – stock of unimpaired environmental assets

 - e. Built capital – stock of fully functioning constructed infrastructure

 - f. Financial capital – stock of unencumbered monetary assets invested in other forms of capital or financial instruments

If we want to explore this particular intervention in more depth, who should we contact for more information? Please provide name, organization, phone and email contact information.

Degrees of Impact

Social inclusion

1. Creates new barriers; increases isolation (-)
2. Neither creates nor removes barriers – no impact on social inclusion (0)
3. Blocks new barriers but doesn't alleviate existing barriers (+)
4. Removes existing barriers; reduces isolation within parts of an existing organization or institution or community (++)
5. Intentionally creates new opportunities for inclusion on a systemic, institutionalized basis (+++)

Environmental impact

1. Degrades natural resources; reduces ecosystem service capacity; depends entirely on non-renewable resources (-)
2. Neither degrades nor remediates natural resources – no impact on natural resources (0)
3. Prevents further degradation of natural resources but does not remediate (+)
4. Remediate natural resource degradation; enhances ecosystem service capacity; relies at least partially on renewable resources (++)
5. Intentionally enhances stewardship of healthy resources for the long term on a systemic, institutionalized basis – creates and protects natural capital. (+++)

Economic impact

1. Reduces wealth creation potential; contributes to impoverishment of individuals and communities (-)
2. Neither contributes to impoverishment nor helps build assets – economically neutral (0)
3. Prevents additional economic exploitation but does not alleviate existing barriers to wealth creation (+)
4. Helps remove existing barriers to wealth creation; helps build individual and community assets (++)
5. Creates new approaches to building individual and community wealth on a systemic, institutionalized basis (+++)

Appendix D

Indicators and Measures Related to Rural Entrepreneurship Sustainable Development

You have graciously agreed to provide input to CFED and the RUPRI Center for Rural Entrepreneurship (CRE) as we consider rural entrepreneurship as part of a sustainable economic development process for rural America, i.e., one that creates outcomes that benefit the economy, the environment and social inclusion in rural places – the triple bottom line. We are interested in understanding how you are measuring the success of your entrepreneurship development efforts. Please consider the following questions in preparation for the call we have scheduled with you. You do not need to submit answers to these questions to us in advance; we'll have a discussion about the indicators of progress during our call. Thanks in advance for providing input to us on this important project.

1. What do you consider to be the key indicators of progress toward achieving the goals of your entrepreneurship intervention? In other words, what changes are you looking for to indicate that this intervention is successful?

2. What, if any, baseline measurements did you take before you started the intervention or early on?

3. What, if anything, have you measured or re-measured since?

4. To what extent have your measurement activities addressed the triple bottom line? In other words, have you measured impacts on the community's or region's environment, economy and/or social inclusion? If so, what specific measures are you using?

5. What evidence do you have, or wish you had, to support the input you provided to us earlier about creating or maintaining the six kinds of wealth/capital in the community or region?
 - a. Intellectual capital
 - b. Social Capital
 - c. Individual Capital
 - d. Natural Capital

- e. Built Capital
- f. Financial Capital

6. Many of the entrepreneurship interventions we have considered have demonstrable economic impacts and some also perform well in terms of impacts on social inclusion. Few have impacts on the environment that are being tracked and measured. What information would be most persuasive to community leaders and entrepreneurship development practitioners to get them to consider Triple Bottom Line outcomes as pertinent goals for entrepreneurship interventions?