



P.O. Box 130
Green River, WY 82935
(307) 875-4509
Fax (307) 875-4514

GREEN RIVER'S ECONOMIC DEVELOPMENT AGENCY

Stephen A. Heavener, Executive Director
www.greenriverfutures.com
heavener@greenriverfutures.com
307/871-1941 mobile

THE IMPORTANCE OF ENTREPRENEURSHIP

The Corporation for Enterprise Development and the W.K. Kellogg Foundation recently published a report entitled "*Mapping Rural Entrepreneurship*." The study reveals the results of information gathered on programs and activities that support entrepreneurship in rural America; that assess the scale of entrepreneurship activity; and to catalog those factors that influence success. Entrepreneurs add jobs, raise incomes, create wealth, improve the quality of life of individuals, and help rural communities operate in the global economy. Establishing and strengthening the resources that attract and nurture start-up and growing companies is a major component of Green River Future's economic development strategy. The following is a summary of the report.

To start, the report identifies different types of entrepreneurs. **ASPIRING ENTREPRENEURS** are people that are attracted to the idea of creating enterprises or companies. **SURVIVAL ENTREPRENEURS** are people who resort to creating enterprises to supplement their incomes. **LIFESTYLE ENTREPRENEURS** are people that create enterprises in order to pursue a certain lifestyle or live in a particular community. **GROWTH ENTREPRENEURS** are people who are motivated to develop and expand their businesses to create jobs and wealth for many and **SERIAL ENTREPRENEURS** are people that go on to create multiple growth businesses over time.

There is a growing understanding that economic development strategies that founded solely on traditional business recruitment are not in the best interests of rural America and that there needs to be a greater emphasis on homegrown development to complement the tradition attraction efforts. As a result of globalization, technological evolution, and other economic changes, fewer communities are hosting the large, high visibility facilities that provide jobs over long periods of time. Fewer and fewer new projects are being developed within the borders of the U.S. At the same time, small and medium sized businesses are growing in importance. Supporting entrepreneurs by establishing the unique resources and programs required to nurture start-up and emerging companies needs to be a

component of a successful rural economic development strategy. There is a compelling argument that creating an entrepreneurial environment where all types of businesses can succeed lays the groundwork for those small businesses that evolve into the fast-growing drivers of the U.S. economy. According to the study, two-thirds of the new jobs in the U.S. economy are being created by these fast-growing new businesses.

The study identified a two-part framework to nurture the entrepreneurial climate. The first is to create a pipeline of entrepreneurs by educating and institutionalizing the entrepreneurial spirit in school from kindergarten to 12th grade, at the post-secondary level, and the creation of networks that maintain the thought process and components of the entrepreneurial process. The second part of the framework is the provision of business services tailored to entrepreneurial needs such as training and technical assistance, and access to non-traditional sources of capital to finance growing companies.

The study identifies the need to establish a new framework that creates enthusiasm among people and institutions at all levels around four principals for entrepreneurship in rural America. They are listed below.

COMMUNITY-DRIVEN: Local communities need the unique tools and resources to identify and build upon their assets; to make choices that balance the economic, social, and environmental choices; to learn from other successful programs and the experience of others; and to be open to experimentation and innovation in program development.

REGIONAL ORIENTATION: Only through regional cooperation across multiple jurisdictions and institutions can there be sufficient scale, resources, and expertise to enable distinct communities to meet the needs of growing firms.

ENTREPRENEUR-FOCUSED: The variety of training, technical assistance, and financing programs must be aligned and tailored to the special needs of evolving companies that take into account the different levels of education, skills, experience, and maturity of entrepreneurs.

CONTINUOUS LEARNING: Networks for peer support and learning are essential for business owners, practitioners, community leaders, and policymakers.

The study also highlighted a number of other important essentials for promoting an entrepreneurial climate.

ANCHOR INSTITUTIONS: Universities, community colleges, and economic development organizations committed to entrepreneurship, play a vital role in articulating a vision, building partnerships, and attracting and mobilizing resources for entrepreneurship development.

SUPPORTIVE PUBLIC POLICY: Create public policy can unlock resources and channel efforts into rural communities. The need may not always be to establish new legislation or programs, but to make certain that existing legislation and programs have the capability and flexibility to be tailored to the unique needs of the entrepreneur.

DIVERSITY: Fostering an environment where a diverse pool of entrepreneurs with different motivations increases the odds that there will be some that will become the fast-growth enterprises that will result in improvements to the local economy.

INVESTMENT STRATEGIES: Incentives and long-term investments that encourage collaborations and the development of effective systems of entrepreneurial support need to be established. Investments in innovation in education, technical assistance and training, capital access, and networking that show promise for widespread replication need to be created.

LEARNING STRATEGIES: Ensure that rigorous evaluations of strategies, case studies, training programs for elected officials, and opportunities for peer exchanges are encouraged.

In conclusion, the Aspen Institute summarizes in a recent report, “that the future rests on rural America’s ability to nurture homegrown firms and to encourage innovation, risk-taking and investment that are the hallmarks of a vital economy.....in short, entrepreneurship must become a matter of course and habit of mind if we are to thrive.”

By Stephen Heavener, Executive Director, Green River Futures, Heavener@greenriverfutures.com

November 5, 2004