

# **Developing An Entrepreneurial Mindset**

## **Creating Community**

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# The World is Changing

*“In the 21<sup>st</sup> century, we will increasingly rely on the lean and agile entrepreneurship of the small, growth-oriented business— rather than the resources, scale, and market size of the large corporations – to fuel our economic growth through the creation of jobs and innovative goods and services.”*

*The E Generation*

# Who is the Module Intended For?

Community leaders who want to grow their communities through entrepreneurship

*Note: This is not a “how-to” guide for starting a business*

# Outline of the Entrepreneurship Module

1. Why Entrepreneurship?
2. Who Are the Entrepreneurs?
3. Step-by-Step Process for Supporting Entrepreneurs
4. Additional Resources

# Why Entrepreneurship?

- Fierce competition surrounds industrial recruitment (On average, an estimated 34 ED agencies vie for each manufacturing facility relocation)
- Entrepreneurs bring innovation, jobs, and growth
- Successful entrepreneurs make it easier to attract and retain other businesses
- Every town can “grow” its economic garden

# The Evidence on Entrepreneurship

- Not a single country with a high level of entrepreneurship has low economic growth (GEM Report, 2000)
- High growth companies exist in every region of the U.S. (National Commission on Entrepreneurship)
- Small businesses create 75% of net new jobs in U.S. (Small Business Development Center)

# E-Ship is Working in Fairfield, Iowa

- This community of fewer than 10,000 in southeastern Iowa started Fairfield Entrepreneurs Association (FEA) in 1989 to aid success of new and second-stage companies
- Group promotes extensive sharing of information on the “how-to’s” of business start-up and financing
- FEA also provides awards, mentoring, entrepreneurial “boot camps,” specialized information for “art-preneurs” and “food-preneurs,” workshops for youth



# More on Fairfield “Silicorn Valley”

- Example: *Chicken Soup for the Soul* book series launched here by company that was later purchased by Reader’s Digest for \$360 million
- Success led to start-ups in financial services, e-commerce, telecommunications, and art-based businesses
- Bottom line: From 1990-2006, more than \$500 million invested in 500 start-up companies, generating more than 3,000 jobs

# Who Are Entrepreneurs?

*Entrepreneur: “Person who perceives new opportunities and creates and grows ventures around such opportunities.” (Markley, Macke, and Luther)*

## Important points

- Focus is on the person
- All small-business owners are not entrepreneurs!
- Many small-business owners manage well but do not innovate, a hallmark of an entrepreneur

# Bill Koch, Entrepreneur in Santa Claus, IN

- Almost single-handedly rejuvenated the tiny town of Santa Claus
- Expanded Santa Claus Land theme park by adding rides, toy shop, gift shop, restaurant, wax museum, exhibits, and community center
- Opened 150-site campground across the lake from the theme park
- Developed a subdivision called Christmas Lake Village with lakes, tennis courts, and a golf course
- Built a town hall, a medical center, and a bank for the community, which grew from 37 to 2,000 residents
- Served on 27 boards at one time and was instrumental in lobbying for a new interstate highway
- More information at [www.holidayworld.com](http://www.holidayworld.com)

# Attributes of Entrepreneurs

- Innovation – This occurs when something new is created. Entrepreneurs take an abstract idea and make it real.
- Passion – Usually E-ship is not just about money. Entrepreneurs have a passion for their ideas.
- Risk-taking – This is the ability to take calculated risks and to manage those risks.
- Team-building – Successful enterprise almost always requires partners.
- Putting the Pieces Together – Entrepreneurs must find the resources they need and put those resources together.

# Entrepreneurs, in their own words

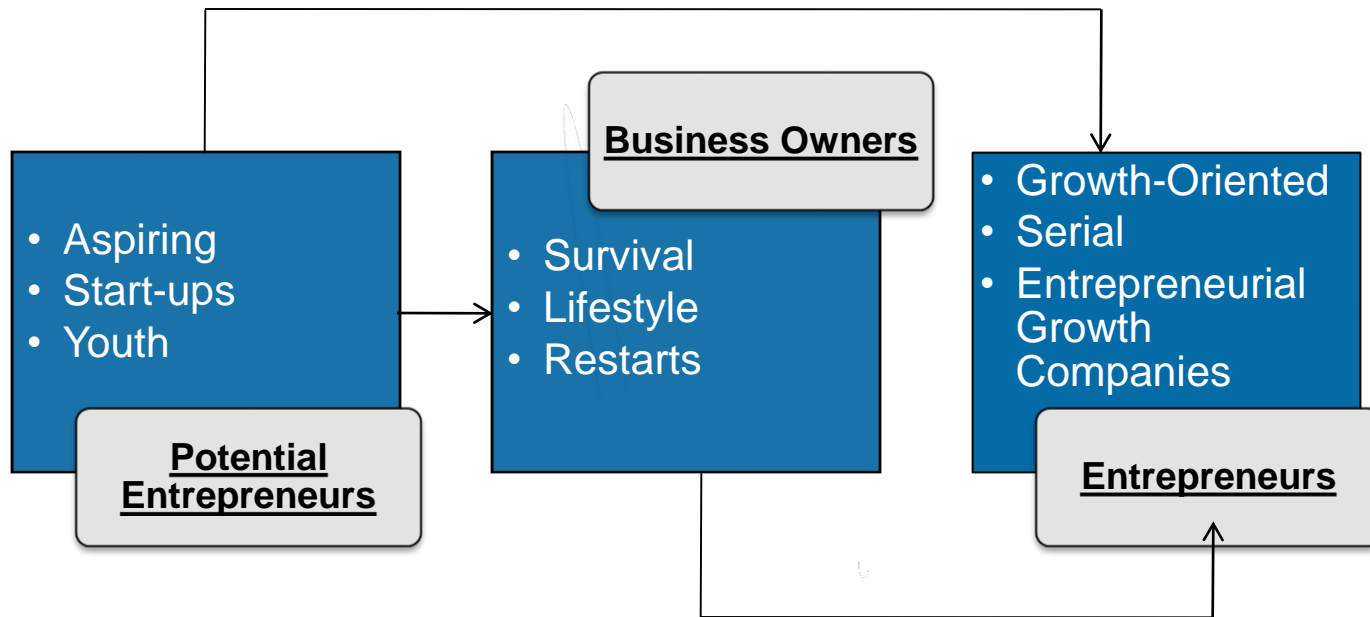
“I have always found that my view of success has been iconoclastic; success to me is not about money or status or fame, it’s about finding a livelihood that brings me joy and self-sufficiency and a sense of contributing to the world.”

Anita Roddick, founder of The Body Shop

“We were young, but we had good advice and good ideas and lots of enthusiasm. Our success has really been based on partnerships from the very beginning.”

Bill Gates, founder of Microsoft Corporation

# Entrepreneurial Talent Pool



# Entrepreneurial Talent Pool

Main types of entrepreneurial talent:

- Potential Entrepreneurs
- Current Business Owners
- Current Entrepreneurs

Talent Pool Diagram:

- Some Potential Entrepreneurs will start businesses and become Entrepreneurs. Others may decide to buy existing businesses instead and become Business Owners. Many, unfortunately, will never move from the Potential category.
- Some Business Owners may be content with their current business model and not want to change. Others will innovate with a new business model, new products and services, or even a completely new enterprise and become Entrepreneurs.
- From the community's perspective, the goal is to make the pathways to entrepreneurship easier to navigate, thereby expanding the number of people who are able to become Entrepreneurs.

# Step-by-Step Approach to Expanding E-Ship

The Journey to an Entrepreneurial Community

# Step 1: Form the E-Team

- Determine team to lead the entrepreneurship effort
- Team might be affiliated with an existing organization, such as ED group
- Team members must “get it”: believe in the power of entrepreneurship
- Team members should begin discussions on e-ship with other organizations/leaders

# Role of the E-Team

- Acts as “champion” for entrepreneurship in community
- Keeps everything on track

## Step 2: Expand Support and Awareness of E-ship

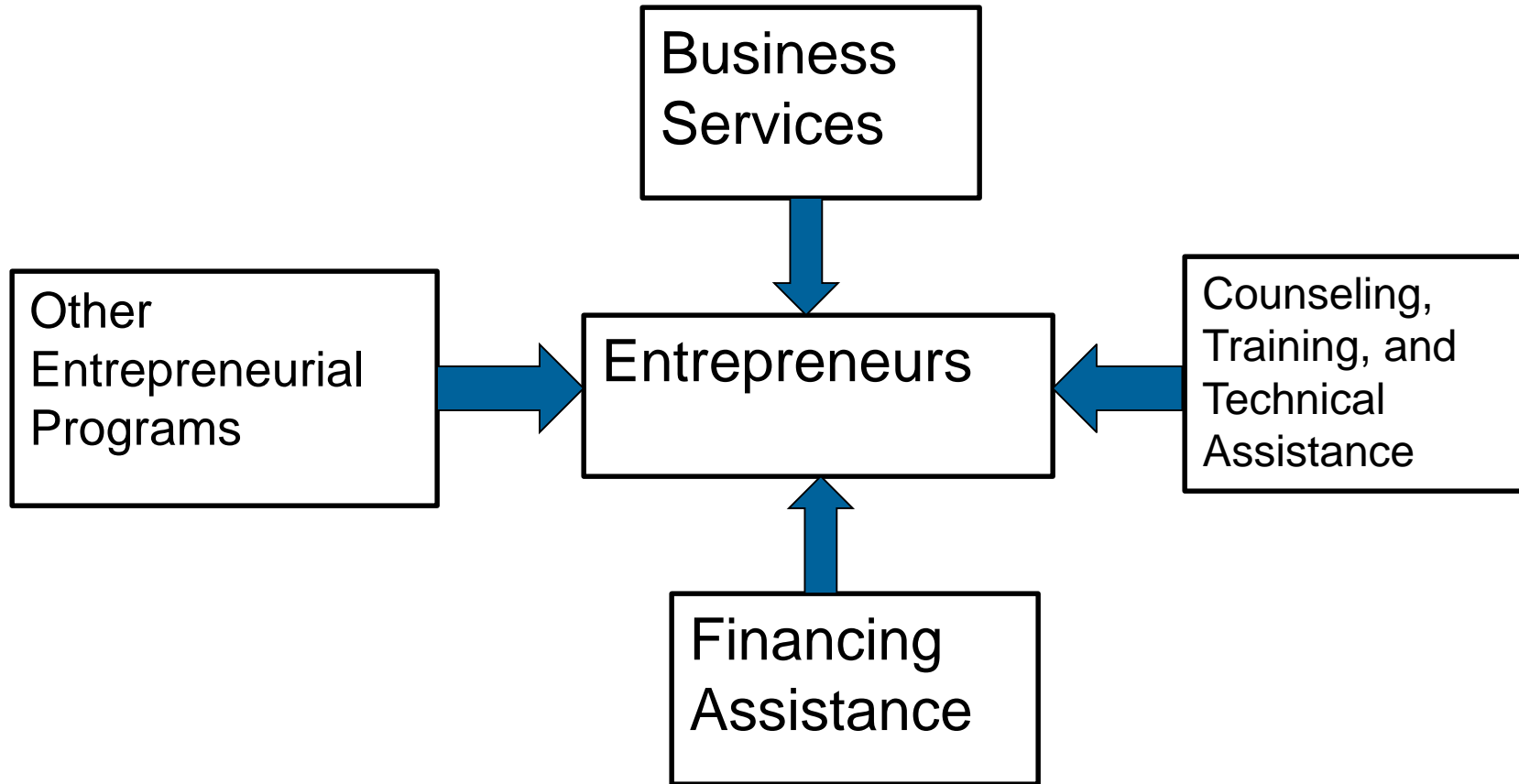
- “Make the case” for e-ship with local government and other critical leaders
  - To “make the case”, recruit allies, including entrepreneurs and business-people
  - Also, give examples of successful E-communities
- Build community awareness with promotions such as “entrepreneur of the month,” business plan contests, etc.

# Step 3: Assess the E-Environment

- E-Team members should identify the names of people who fit into each type of E-talent (see the diagram on E-talent pool)
- E-Team members map the current support system for entrepreneurs

Where Are We Now??

# What Are Possible Community Resources that Support E-ship?



# Specific Services that Support Entrepreneurs

## Business Services

- Accounting
- Legal Aid
- Human Resources
- Financing
- Marketing
- Process Improvement
- Business Transfer Planning
- Other?

## Counseling, Training, and Technical Assistance

- Business Counseling (e.g. SBDC)
- Business Plan Consulting/ Feasibility Analysis
- Training Workshops
- Mentor/Peer Group Programs
- Networking Events
- Advanced Technical Assistance
- Other?

# Specific Services to Support Entrepreneurs (continued)

## Financing Assistance

- Financial Literacy
- Commercial Bank Lender
- Revolving Loan Program
- Micro Lending Program
- Links to State and Fed Financing Programs
- Local Angel Investors
- Local Incentives for Entrepreneurs
- Other?

## Other Entrepreneurial Programs

- Entrepreneurship Recognition and Awareness Programs
- Programs to Increase Public Support for E-Ship
- Entrepreneurial Coaching Programs
- Entrepreneurial Curriculum in K-12 Schools
- Other?

# Why Bother With All This Assessment?

- It's essential to know who the entrepreneurs are!!
- Any support system has to be designed with the entrepreneurs in mind
- E-Team needs to know the current support system before changing it
- It's important to not just add another program, but instead help the system work better and more easily for entrepreneurs

## At the End of This Step, the E-Team Has:

- A list of individuals in each category of E-Talent
- Probably a good sense of which type(s) of E-Talent, such as Growth Entrepreneurs, to focus on
- A map of the current resource providers
- An understanding of what might work better

## Step 4: Interview Entrepreneurs

- E-Team conducts face-to-face interviews with at least 25 entrepreneurs
- Why? It is critical to understand their businesses and needs before forming a strategy
- During interview, team inquires about plans, important issues, training needs, and willingness to participate in project
- E-Team compiles a report summarizing available E-Talent, current support resources, and its findings from the interviews.

# Step 5: Design a Strategy

## WHY?

- A community can't serve all types of entrepreneurs well
- Resources must be TARGETED for their most effective use

First, the E-Team decides which type(s) of E-Talent to focus on, then it looks at taking specific actions (see next slide for possibilities)

# Action Choices For Entrepreneurship

## Entrepreneurial Infrastructure

- Improve physical infrastructure
- Encourage E-support from community organizations
- Establish strong ED organization
- Expand IT capacity, invest in quality of life
- Other?

## Networking

- Organize “front-porch” E-gatherings
- Offer monthly forums at the chamber of commerce
- Create a mentoring program
- Other?

# Action Choices For Entrepreneurship (cont.)

## Technical Assistance

- Link to SBDC, other counseling providers
- Create access to other service providers in legal, accounting, marketing, etc.
- Other?

## Training and Education

- Access training workshops on topics such as writing a business plan
- Develop local microenterprise program
- Offer E-curriculum to K-12 students and young adults
- Other?

# Action Choices For Entrepreneurship (cont.)

## Financial Capital

- Provide local incentives to entrepreneurs
- Develop a revolving loan fund
- Develop a network of “angel investors”
- Other?

## Other Actions

- Develop an incubator
- Provide one-on-one coaching to entrepreneurs
- Provide high-level services to entrepreneurs, such as market analysis and research on competitors and industry trends
- Other?

# Tips on Choosing Your Strategy

- Make it easy for entrepreneurs
- Fit your actions into the current support system; don't duplicate
- Match your actions to the targeted type(s) of E-Talent - See the next slides

# Match Support to Type of E-Talent

## Aspiring and Start-up Entrepreneurs Need:

- Moral support
- Networking and mentoring
- Business counseling
- E-training

## Growth Entrepreneurs Need:

- Customized technical assistance, e.g., assistance with marketing or expanding production
- Networking with other growth entrepreneurs in a more formalized network

Although different types of E-Talent have different needs, all benefit from networking, especially with other entrepreneurs

# Step 6: Implementing the Strategy

- Assign and manage strategic actions with E-Team members
- Tasks should be results-oriented and set up on a one-year timeframe
  - Define tasks for each strategic action:
    - Staff responsibilities
    - Time schedule
    - Cost
  - Sources of funding
  - Monitoring and evaluation procedure

# Take Action!

“Whatever you think that you can do or believe you can do, begin it. Action has magic, grace, and power in it.”

- Johann Wolfgang von Goethe

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