Entrepreneurship Development

Goal Rationale: Economic developers are increasingly recognizing entrepreneurs as an important class of change agents within a community and an important foundation, together with existing businesses, for developing a rural economy. To quote John Allen, director of the Western Rural Development Center, in the Spring 2007 Community Investments magazine, “These contemporary models of rural economic development… view industrial recruitment as a secondary activity. They view local entrepreneurs as a foundation for developing a viable economy.” Dr. Allen finds entrepreneurship development very consistent with an assets-based approach to community economic development. David Porter’s seminal research found that 7-8% of jobs in the US turn over every year. He found that 55% of the new replacement jobs are created by existing businesses and 44% are created by new businesses.

A report by Stephan Goetz (“Self-Employment in Rural America: The New Economic Reality”, Rural Realities, Vol. 2, Issue 3, 2008) finds that since 1969 the number of self-employed rural workers has increased by more than 240% to 5.3 million workers, while wage and salary workers grew only 61%. However, average self-employment earnings has dropped to about half of a wage and salary worker. The map below shows that Fremont County has among the highest share of self-employment in the United States.

Figure ED1
One of the Socio-Economic Realities discovered in the Community Economic Profile of Fremont County was that self-employment was much higher than Idaho or US averages in Fremont County. Self-employment accounted for 37.5% of jobs in 2005. This is an increase from 28.7% in 1980 and 32% in 1990. Fremont County now ranks 9th in Idaho in terms of self-employment.

For these reasons, participants in the Community Potential workshops ranked Entrepreneurial Development as an important focus area, and the FEAC planning group made it Goal B in the economic development strategy.
The entrepreneurship workshops made it clear that entrepreneurs come in many different forms. An entrepreneur may be a new business start-up, and existing business owner who is trying to innovate with a new product, service, or target market, or a government or non-profit manager who is growing through new partnerships. The Entrepreneurial Talent differentiated types further:

- **Aspiring Entrepreneurs** – are people who are researching, dreaming about, or planning a new business. Many are youth; some are retired from one career and starting something new.

- **Start-Ups** – have made the decision to enter a new business, but may be struggling with a business plan, product concept, or other aspect of management.

- **Re-Starts** – are those who have tried and failed in the past, but are using their experience in a new venture.

- **Transitional** – business owners are those who are considering retirement or a move from the community, and need a business transfer plan.

- **Survival or Necessity** – business owners are those who started a business as an alternative to employment in the community, often after losing a job. Their business may be struggling as they seek to remain in the community.

- **Lifestyle** – business owners are not interested in rapid growth, but only in making a comfortable living for themselves and their family. This includes many in the professional community and some Lone Eagles who have moved into Fremont County to enjoy the lifestyle.

- **Growth-Oriented** – entrepreneurs are new or existing business owners who are trying to grow sales, profit, and/or employment by adding a new product or service, or in some other way changing their business.

- **Serial** – entrepreneurs are those who have started and disposed of several businesses in their career. They love the challenge of starting and growing a new enterprise.

- **Entrepreneurial Growth Companies** – are the high-flying growth companies that create much of the new employment. They exist in rural areas, but are rarer than in cities.

Using this typology, participants brainstormed a partial list of entrepreneurs and business owners within the county that seemed to match the E-Talent categories. This list is incomplete and should be expanded with the help of the Chambers of Commerce and other groups. It forms the basis for targeting and starting a visitation program.
## ENTREPRENEURIAL TALENT MAPPING – FREMONT COUNTY

<table>
<thead>
<tr>
<th>Aspiring</th>
<th>Re-Starts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Melissa Hinkley</td>
<td>Betty Stevens</td>
</tr>
<tr>
<td>Aldon Bowles</td>
<td>Wards (Laundry)</td>
</tr>
</tbody>
</table>

### Start-Ups
- Matt Lister
- Robert Palmer
- Lucella Smith
- Caolena Palmer
- Mocklers
- Whisper Creek Homes
- Turnquist
- Jake Amen
- Timbers Edge Golf Course

### Transitional
- Harry Halkar
- Linda Bates
- Bob Fisher
- Dr. Cheyne
- Danny
- Hathaway
- Gerald Larsen
- Mike Parker

### Growth Oriented
- Rexburg Free Clinic
- Sand Hills Resort
- Desert Oasis
- Joe Hess
- Walter Produce
- Jeremy Lecheminant
- Spurs & Spokes
- Scott Kamachi
- Deverl Stoddard
- Mike Lawson
- Ron Larsen
- Blair Dance

### Survival
- Buck's
- Mutt Rose & Son
- Wadsworths
- St. Anthony Truck Repair
- Linda Bates

### Serial
- Fred Miyasaki
- Bob Bauer
- Dare Loomis
- DeVerl Stoddard
- Curt Roger

### Lifestyle
- Newdale Paint & Body
- Ty
- Hansen
- Aronalee Gould
- Richard Housley
- Dean Hathaway
- Paul Allen
- C & C Supply
- Stronks Lumber

### Entrepreneurial Growth Companies
- Bonnie Burlage
- Ron Palmer
- Steve Pinther
- Mark Seeley
- Tim Reiland
- Ralph Moon
- Jerry Carter
- Fly tiers & rod bldrs

- Fred Miyasaki
- Tad Sweet

- Hess Museum
- Gary Bidwell
- Hersh Lenz
- Trails Inn/Mary
- Chriswell
- Marge Carlson
- Richard Bishop - trim work/furniture
- Elk Creek Station
- Robin's Roost
- Doug Clegg – Spring Creek
- RJ Thueson
- Crapo Brothers
- Nicole & Curtis Stoddard
- Bob Comstock
- Chan Atchley
- Hyde Boats
- Developers
- Frank Vandersloot
- Sheila Kellogg – Ashton Nursing Home
- Lavar Hunter – Parker Septic
- Kevin Hathaway
- Emma Atchley
- Marla Payne
- Elizabeth Laden
- Dick Nelson
- Gary Campbell
A similar start was made to mapping the private and public entrepreneurial assets that exist within Fremont County or serve Fremont County. Again, this list is incomplete. Interviews with potential service providers will generate greater clarity about the programs provided and the issues in serving Fremont County entrepreneurs.

### Entrepreneurial Assets in Fremont County

#### Business Services

<table>
<thead>
<tr>
<th>Accounting Services</th>
<th>Legal Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atchley Accounting Services – Ashton</td>
<td>Business lawyers in Rexburg &amp; I.F.</td>
</tr>
<tr>
<td>Searle Hart Assoc, CPAs – Rexburg</td>
<td></td>
</tr>
<tr>
<td>Allied Financial, CPA, Rexburg</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Human Resources</th>
<th>Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Many in Idaho Falls</td>
<td>Several in Rexburg, I.F.</td>
</tr>
<tr>
<td>ID Dept Labor – IF, workforce dev</td>
<td></td>
</tr>
<tr>
<td>The Development Company, workforce</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Business Transfer Planning</th>
<th>Production Consulting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Several in Rexburg, I.F.</td>
<td>Idaho Tech Help – Pocatello</td>
</tr>
<tr>
<td></td>
<td>Lean Enterprise program</td>
</tr>
<tr>
<td></td>
<td>Lean Office program</td>
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<tr>
<td></td>
<td>Six Sigma program, quality control</td>
</tr>
<tr>
<td></td>
<td>Product prototype dev.</td>
</tr>
<tr>
<td></td>
<td>Customized consulting</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Marketing &amp; Market Development</th>
<th>Other?</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISBDC, Idaho Falls</td>
<td></td>
</tr>
<tr>
<td>Eastern ID E-Center</td>
<td></td>
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</tbody>
</table>

Note: Not all business services are equal. Some services can address basic needs such as financial bookkeeping, while others can handle the complicated issues of business transfer planning. One way to assess the capacity of the service is to look at the kinds of clients it serves. Clients with complicated and sizeable business structures indicate that the business service has higher capacity levels.
### Entrepreneurship Programs

<table>
<thead>
<tr>
<th>Mentor/Peer Group Programs</th>
<th>Awareness &amp; Assessment Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCORE – Idaho Falls</td>
<td>Idaho Business Solutions web wizards</td>
</tr>
<tr>
<td></td>
<td><a href="http://www.idahobizhelp.org">www.idahobizhelp.org</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Market Dev. &amp; Marketing Programs</th>
<th>Business Plan Development &amp; Feasibility Study Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISBDC – Idaho Falls</td>
<td>ISBDC – Idaho Falls</td>
</tr>
<tr>
<td>Eastern ID E-Center</td>
<td>SCORE – Idaho Falls</td>
</tr>
<tr>
<td></td>
<td>The Development Company – Rexburg</td>
</tr>
<tr>
<td></td>
<td>USDA Value-Added Producer Grants</td>
</tr>
<tr>
<td></td>
<td>Eastern ID E-Center</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Technical Assistance Programs</th>
<th>Training Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISBDC – Idaho Falls</td>
<td>NxLevel Classes – ISBDC, various places</td>
</tr>
<tr>
<td>Eastern ID E-Center</td>
<td>ISBDC – Idaho Falls</td>
</tr>
<tr>
<td>TechLink – Bozeman</td>
<td>SCORE – Idaho Falls</td>
</tr>
<tr>
<td>Tech Connect East – Idaho Falls</td>
<td>The Development Company – Rexburg</td>
</tr>
<tr>
<td>Upper Snake River Valley Incubator - Rex</td>
<td>USDA Value-Added Producer Grants</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Specialized Assistance Programs</th>
<th>Other?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Idaho TechHelp – Pocatello</td>
<td>St. Anthony Business Resource Center</td>
</tr>
<tr>
<td>INL Tech Transfer &amp; Commercialization</td>
<td>ISBDC – Idaho Falls</td>
</tr>
<tr>
<td>BSU TECenter - Nampa</td>
<td>ISBDC – Idaho Falls</td>
</tr>
</tbody>
</table>

### Capital Programs

<table>
<thead>
<tr>
<th>Financial Literacy (1)</th>
<th>Micro Lending Program</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The Development Company - Rexburg</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revolving Loan Programs</th>
<th>Commercial Lenders</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Development Company, Rexburg</td>
<td>Bank of Idaho- St. A, Ashton, Island Park</td>
</tr>
<tr>
<td></td>
<td>Wells Fargo – St. Anthony , Rexburg</td>
</tr>
<tr>
<td></td>
<td>Key Bank – Ashton, St. Anthony , Rex.</td>
</tr>
<tr>
<td></td>
<td>Bank of Commerce - Rexburg</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Linkages to State &amp; Federal Financing Programs</th>
<th>Local Angel Investors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Idaho Business Solutions, Resources Wizard, <a href="http://www.idahobizhelp.org">www.idahobizhelp.org</a></td>
<td>Eastern ID E-Center?</td>
</tr>
<tr>
<td>USDA-RD business loans - Blackfoot SBA-Boise</td>
<td>Kickstand?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Seed, Venture, &amp; Equity Investors</th>
<th>Other?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wasatch Venture Fund</td>
<td></td>
</tr>
</tbody>
</table>

Notes:

1) Financial literacy relates to the entrepreneur’s knowledge and experience with various forms of capital and financing arrangements. Strategies to help entrepreneurs become more capital-aware are critically important.

2) Chances are that multiple capital resources exist. Whether private or public, these resources are often complicated to use and challenge the entrepreneur. Creating help within the community to assist the entrepreneur work through red tape of these programs is important to building a capital-rich environment.
The *Energizing Entrepreneurship* program recommends that successful communities have entrepreneurial support systems with these characteristics:

- Focus on entrepreneurs
- Build on assets
- Encourage collaboration & take regional approach
- Engage youth, minorities, aging and others who are not usually invited to the table
- Strategically target entrepreneurs
- **Celebrate** community and entrepreneurial success!

A community **Entrepreneurial Development System** has the following components:

1. Adult Entrepreneurship Education
2. Youth Entrepreneurship
3. Customized Technical Assistance
4. Capital Access Programs
5. Networking & Mentoring
6. Programs to Create Cultural Change

It is recommended that communities target their efforts and develop action strategies by focusing on the “policy sweet spot,” where available E-talent, economic development goals, and existing program capacity align, as in the figure below.

*Finding the Sweet Spot: Aligning E-Talent, Goals, & Capacity*

In Fremont County, economic development goals exist to help tourism, value-added ag enterprises, and existing businesses. The group decided to focus on 1) **Growth-Oriented** businesses, which it defined as existing businesses that are trying to innovate and grow, 2) provide **Start-Ups** with basic business support, and 3) **Transitional businesses**, by trying to keep these valuable existing businesses operating through a
Entrepreneurship Development Goal

Entrepreneurship Development – To develop a system of support for all entrepreneurs in Fremont County.

1) To develop a community culture that appreciates and supports entrepreneurs

2) To work with existing businesses to assist them in their efforts to sustain & expand

3) To build bridges between existing business development support programs and Fremont County.

4) To develop ways to fill the gaps in an Entrepreneurship Development System in Fremont County.

Action Strategy ED1: Develop a business facilitation program with which to approach existing and new businesses.

Action Strategy ED2: Implement a business retention and expansion program, using an existing template.

Action Strategy ED3: Develop a pool of willing business mentors in different types of businesses, looking first to the pool of serial entrepreneurs, and seek to match start-ups with an experienced mentor for informal, one-on-one consultations.

Action Strategy ED4: Nurture Business Networks – A considerable amount of support, mentoring, and creative new ideas can come from starting and supporting business networks. The ED specialist is not required to be an expert in anything except network management—the art of convening groups of similar business owners or aspiring entrepreneurs, listening for opportunities, and striving to add value to the group’s effort. These networks can be very informal meetings at an individual’s home or business, or they may have a structure. While networks may not organically happen in all these areas, the following are suggested networks for Fremont County. Some may flourish while others struggle to find a purpose and fade from the scene. What is certain is that each network that is established will generate some unforeseen and positive outcomes and opportunities.

b. **Group Tour Network** – While this strategy will be used under the Tourism goal for purposes of developing a coordinated marketing approach, the creation of the network may very well lead to entrepreneurial activity by existing or new tour managers. Whether a farm tour, cultural tour, eco-tour, or adventure tour, there are many similarities to the business of managing a group activity.

c. **Dunes Network** – The beginnings of this network have already happened in the 2007 visitor season. Here again, all business operators serving dunes visitors will benefit from having a full complement of services available, and from working cooperatively to inform potential customers.

d. **Ag Network** – The Value-Added Agriculture goal suggests forming a farmer’s market and other direct-marketing efforts. This should lead to a network of vendors and ag innovators who can benefit from opportunities to share their issues and challenges.

e. **Arts Network** – Again the start of this network may have occurred with the Emporium of the Arts concept in Ashton in recent years. Chan Atchley is interested in helping this group of creative artist businesses.

f. **Home-Based Business Network** – The contributions and challenges of those working from their homes often goes unnoticed and unappreciated. Forming this network may lead to new Chamber members and an awareness of many new and existing businesses in the County. Lone Eagles may be interested in this network.

g. **Hispanic-owned businesses** – Latino business owners will have their own set of challenges and their own cultural approach. They tend to rely on family and friends for financing and a peer approach for business advice. Nationally, Hispanics are forming new businesses at a faster than average rate.

**Action Strategy ED5:** Nurture an entrepreneurial climate

**Action Strategy ED6:** Explore possibility of youth entrepreneurship program.

**Other Action Ideas:**
- Establish a new revolving loan fund (St. Anthony can leverage its $750,000 w/USDA-IRP Program), working with The Development Company when loan demand justifies the action
- Explore ways to create and expand use of microenterprise funds
- Educate business & land owners
- Survey customer (businesses)
- Web presence/marketing w/o advertising course
- Conduct telecommunications assessments and look for ways to support improvements in communication systems (Information Hwy)
- Explore the community-owned department store concept to reduce retail leakage (personal investment)