

Entrepreneurship Is Key to Iowa's Future

Good morning. It is great to see you all here today, coming together to encourage and support entrepreneurship. Entrepreneurship is key to a successful future for Iowa.

Entrepreneurs take an idea and turn it into a product that people will buy. There is broad consensus that Iowa needs more entrepreneurs. More entrepreneurs will spur more economic development, which, in turn, will create more jobs and more reasons for Iowa's brightest and best to stay right here.

The more entrepreneurs who stay here in Iowa, the more opportunities young Iowans will have to become entrepreneurs. That's why the Community Vitality Center was formed. It's a partnership between rural community leaders and Iowa State University Extension. The CVC is a catalyst for developing innovative ideas and sharing information to stimulate vitality in Iowa's rural communities. CVC works with community leaders to build their *own* community capacity for starting businesses. We collaborate with other entrepreneurial resource providers, extending the good work they do.

Mount Pleasant provides but one example from more than 60 projects that the CVC has been involved with over the past four years. Three years ago, leaders from the Mount Pleasant Chamber Alliance were looking at a whole range of initiatives to respond to the loss of the BlueBird school bus company. CVC worked with Mount Pleasant leaders and provided three things:

- First, CVC provided some seed funding as incentive for local collaboration.
- Second, CVC provided innovative ideas that communities could use to support local entrepreneur development.
- Third, CVC brought together a network of other community leaders who were implementing innovative entrepreneurship support programs.

CVC funded an entrepreneurial center in Burlington and mentoring program in Fairfield the year before; so some entrepreneurial support ideas came from regional networking with other community leaders. The seed funding that CVC provided to Mount Pleasant helped establish a local entrepreneurship development support committee. The funding also helped develop a collaboration that included the Mount Pleasant Chamber Alliance leaders, local

extension, a local private college, and a regional community college. The project resulted in the establishment of an entrepreneurial resource center in the community's new public library. The center is a separate room with a variety of books and resources related to marketing, management, finance, and entrepreneurship topics that entrepreneurs use on their own schedule. Entrepreneurs can use a public access desktop computer to examine a variety of software resources for entrepreneurial businesses and startups. They can use a resource list and phone to contact local coaching and mentoring networks.

About this time, CVC was recommending locally sponsored business plan competitions as one model for supporting entrepreneurs. Mount Pleasant took the idea and ran with it — even before CVC grant dollars arrived. The idea for a community-based business plan competition came from the mayor of the small town of Stanley in Northeast Iowa. CVC researched the business plan competition idea and found that these competitions were widely used for entrepreneurial programs on college campuses across the country. Ohio State and Purdue provide upwards of \$80,000 to \$100,000 annually in business plan competition awards to students.

In fact, some states and industries have used the concept to stimulate development of cutting edge technologies to solve practical challenges. Remember the story of Burt Rutan's SpaceShipOne project? It won the \$10 million Ansari X Prize for the first privately financed three-seat spacecraft to reach space flight in July 2004. Well, this is the same concept applied to entrepreneurship development.

CVC could find no examples of community-based business plan competitions on the Web or in the literature. But after looking at the model, it made sense to local community leaders in Mount Pleasant as one of the beginning steps to entrepreneurship for a variety of reasons. It advertised to all potential entrepreneurs where they could go for help in starting a business and developing a business plan. It allowed entrepreneurs to self-identify themselves. It allowed the local community to give preference to businesses that were going to locate locally. It provided a mechanism for sorting the best and most viable business concepts from the others. It established networks that allowed entrepreneurs to diagnose their weaknesses and tap the experienced advice of local mentors and the informal professional business adviser networks in the community.

Mount Pleasant found a local entrepreneurial company that was interested in donating \$5,000 for the first Business Plan Competition Award. There were seven applicants the first year, and the program was successful enough that the award sponsor has continued the award annually ever since. The winners have included a growing injection molding company, a historic bed and breakfast business, and an upscale pet care and boarding service.

To complement the business plan competition, the entrepreneurship committee hosted a series of "Fast Track" workshops conducted by the regional Small Business Development Center. The committee guided those who needed extra assistance in developing their business plans into taking the course. The continuing success of Mount Pleasant's programs has resulted in a small, but growing local entrepreneurial culture, and commitment for a higher level of financial support. This year, local leaders have secured enough resources to hire a local business coach and trainer who can work with startups, conduct their own local entrepreneurship workshops, and provide coaching advice to a much wider variety of existing entrepreneurial businesses.

Today Mount Pleasant has in place a leadership group with resources, experience, and a plan for assisting homegrown entrepreneurs. That was not the case five years ago. Then there was no leadership, and they weren't organized. They didn't have resources, and they didn't have a sense about what would work. But with the help of CVC's small seed grants, ideas, and networks, Mount Pleasant has successfully added a new economic development strategy to its arsenal.

There's a footnote to this story. After Mount Pleasant's success, CVC leaders met with John Pappajohn to discuss CVC's business plan competition concept *six months* before he announced his statewide business plan competition. The winners of this first statewide competition were announced at the Venture Capital and Entrepreneurs Conference in Des Moines last week.¹ Now Iowa has the beginnings of a statewide network that could include community-based business plan competitions and statewide awards. Like a lot of educational resources, it is difficult to trace the origin of great ideas back to the initial seed. That is why CVC continually works to be on the lookout for new and innovative ideas to support community vitality — and that is the purpose of today's Community Entrepreneurship Academy as we look at Economic Gardening Concepts.

I saw quite a bit of Iowa's entrepreneurial spirit last spring when I made my listening tour around the state. As the new guy in Iowa State University Extension, I thought it was important to get out in my new state and meet the people. Iowans throughout the state told me that they want to build their own capacity — to develop local leaders, to spur economic development, to bring about change in their communities. They're ready and willing for entrepreneurship — and Iowa State University Extension is there to help.

Think of your local Extension professionals as solutions specialists. They have relevant, long-standing relationships with the communities they serve and can link you to 21st century research and education from Iowa State University to

¹ The Venture Capital and Entrepreneurs Conference was Oct. 11, 2006.

help you improve quality of life in your local community, in Iowa — and around the world.

Extension's Center for Industrial Research and Service (CIRAS) works with Iowa's small and mid-sized manufacturers to increase their productivity and competitiveness. The Agricultural Marketing Resource Center (AgMRC) provides independent producers and processors with the information they need to build successful value-added agriculture enterprises. Our Value-Added Agriculture program works directly with business owners, whether they're new start-ups or established businesses wanting to expand. I also encourage you to make use of the entrepreneurial capacity of Extension's programs for communities, families, and 4-H and youth.

Remember your County Extension Councils. These elected citizen leaders can help identify local needs, formulate educational strategies, and implement local plans. Involve your county council in entrepreneurship support and development initiatives.

Talk to us about your plans, hopes, and dreams. We are always listening— to your ideas about your entrepreneurial needs, to the challenges and opportunities you are facing, and to the solutions you're already carrying out. We can help spread *your* success to leaders and citizens throughout the state — to generate *more* success for Iowa's future.

Thank you for your time. Have a great academy.