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Growing Entrepreneurial Communities

Cover Page Footnote

The ground breaking Growing Entrepreneurial Communities Summit was convened by the Federal Reserve Bank of Kansas City, Center for Rural Entrepreneurship, Edward Lowe Foundation, Network Kansas, and U.S. Source Link in May 2016.

Growing Entrepreneurial Communities

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Key Words

Entrepreneurial Communities, Entrepreneurial Ecosystems, Economic Gardening, Start-Up Community, Youth Entrepreneurship, Economic Development

Introduction

A pioneering segment of economic development practitioners, entrepreneurs, and scholars have advocated moving away from industrial recruitment and attraction programs to instead focus on designing vibrant systems for starting and growing businesses as a strategic approach for creating jobs, wealth creation, and community vitality. This article considers the lessons learned from “the largest focus group in economic development” (SourceLink 2016). The *Growing Entrepreneurial Communities Summit* was convened by the Federal Reserve Bank of Kansas City, Center for Rural Entrepreneurship, Edward Lowe Foundation, Network Kansas, and U.S. Source Link at the Federal Reserve Bank of Kansas City in May 2016. It brought together more than 200 thought leaders and practitioners involved in developing, supporting, or studying entrepreneurial communities. The attendees from across America included experts from diverse professional backgrounds. These included economic development practitioners from both urban and rural areas, entrepreneurs, economic development consultants, representatives of foundations and non-profit organizations supporting economic development and academics involved in the study or support of entrepreneurship. The summit sought to open discussions and enrich conversations around what it takes to build entrepreneurial communities.

The authors have reviewed the literature examining the movement from industrial recruitment and attraction programs to the nascent concepts of “Economic Gardening,” “Startup Communities,” “Entrepreneurial Ecosystems,” and the melding of these into the concept of “Entrepreneurial Communities.” This review provides context for the unique initiative to answer threshold questions defining “Entrepreneurial Communities” and their implementation.

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The article then provides the context of this unique event, its definition of an Entrepreneurial Community, the questions posed, and the primary themes from a unique and very knowledgeable group of conference participants. It contrasts the “Entrepreneurship Ecosystem” literature and the “Entrepreneurial Community” literature as well as providing important and informed summit contributions beyond the existing literature.

1.0 Review of Major Economic Development Strategies

The general notion that a given country, region, or locality can encourage economic development by design has existed in the academic literature and among economic development practitioners for a long time. A review of these ideas is helpful in placing the entrepreneurial community in context.¹

1.1 Business Recruitment

One of the oldest economic development strategies—still popular in the United States despite its shortcomings—is offering economic incentives to “recruit” employers (usually large companies) to a given locale (Barrios 2004, 72, 76). This strategy involves using incentives such as tax abatements, low-interest loans, cash incentives and infrastructure improvements (Loveridge 1996). Success with this strategy promises substantial and easily enumerated impact on local employment and economic activity making it attractive to local officials (Loveridge 1996).

This stratagem suffers from a variety of defects. Business recruitment is highly competitive. The anticipated economic benefits of recruiting a large company often do not materialize. Large firms can drive the cost of doing business higher than local firms can afford to operate. Communities that fail to recognize the significance of small local businesses put their local economy in jeopardy; and non-indigenous firms often lack several key incentives to undertake their business operations in a sustainable way that is beneficial to the local community in the longer-term (Barrios & Barrios 2004, 73-76).

Weaknesses in the business recruitment strategy have led to a series of evolutions focused on identifying ecosystem strengths and weaknesses that will foster and grow indigenous businesses.

¹ This research does not examine the requisite physical or technological infrastructure needed for economic growth and development, nor government, community, or private efforts to provide this infrastructure. Instead, it examines crucial strategies used to address growth of jobs and wealth based on varying infrastructures and environments. Infrastructure development may be part of Business Recruitment, Clusters, Economic Gardening, Startup Communities, Entrepreneurial Ecosystems, and Entrepreneurial Communities.

1.2 Competitive Advantage

Focusing on the scope of countries is Michael Porter's (1990) widely influential work on the economic competitive advantage of nations. Porter urged that a country can achieve competitive advantages insofar as it realizes "substantial and sustained exports ... and/or significant outbound foreign investment based on skills and assets created in the home country" and, moreover, that "a nation's industry [was] internationally successful if it possessed [a] competitive advantage relative to the best worldwide competitors" (1990, 76). Porter recognized that "[d]ifferences in national value, culture, economic structures, institutions, and histories all contribute to competitive success" (Porter 1990, 74). Thus, he concluded, "nations succeed in particular industries because their home environment is the most forward-looking, dynamic, and challenging" (Porter 1990, 74). Specifically, four determinants of national competitive advantage were identified: 1. firm strategy, structure, and rivalry; 2. related and supporting industries; 3. factors of production; and 4. demand conditions (Porter 1990, 77). "These determinants," in short, "create the national environment in which companies are born and learn how to compete" (Porter 1990, 77). Countries (and by extension, communities) are best positioned when their native-grown firms outcompete global competitors, and this, in turn, requires a national environment in which the country's firms face the intense types of competition that drive innovation. For Porter, the country—rather than a region or locality—is the most significant unit of analysis concerning economic development. Porter's model provides a valuable national-level framework but fails to account for other factors now recognized as contributing to economic development and ignores community or regional efforts.

1.3 Clusters

"Clusters" can fuel regional growth. Clusters have been defined in myriad ways, but definitions typically emphasize the cluster as a network of firms that co-locate, are linked, are similarly embedded within their shared environment, and compete and cooperate with one another (Pitelis 2012, 1360-61). The literature has long discussed "clusters" as a central element in economic growth. This attention has expanded over the last 25 years, to the point that "[t]he diagnosis and upgrading of clusters is now arguably one of the most [favored] forms of supply-side competitiveness policy worldwide" (Pitelis 2012, 1359). Yet theory on clusters traditionally "has been based on their absolute advantages and not on a comprehensive comparative governance-based framework that compares clusters with alternative forms of economic organization," and its emphasis on "co-location and social embeddedness" has meant that cluster theory "has failed to leverage

ideas from strategy and entrepreneurship, notably the role of markets and ecosystem co-creation, in order to explain the emergence, evolution and co-evolution of clusters” (Pitelis 2012, 1359-60). The failure of cluster theory to account for other environmental forces, and for the dynamics between the actors within a cluster, opened the door for subsequent models of economic development.

1.4 Economic Gardening

In response to the shortcomings of the “business recruitment” strategy and the incompleteness of theories of development such as clustering, a new concept began to emerge in the 1990s by the name of “economic gardening.” This strategy began in Littleton, Colorado (Gibbons 2010). That community’s trajectory represents a microcosm of the evolution of economic development strategies. In the 1950’s, two major employers located in the community. Over several decades, they provided thousands of jobs and “contributed significantly to the economic base and civic culture of the community” (Woods and Gibbons 2010). The 1987 recession led Littleton to reconsider its strategy as these two primary employers were cutting jobs. Recruitment success was erratic, and a major urban renewal project focused on upscale retail had failed. These experiences caused Littleton, led by its City Manager Christian Gibbons (Becker 2015, 10), to develop the concept of “Economic Gardening” which it rolled out as an experimental project in 1990 (Woods and Gibbons 2010). Economic gardening “is an entrepreneurial alternative to traditional economic development strategies” in which “economies [are] grown internally by nurturing second-stage ... companies” (Gibbons 2010, 5). Economic gardening is grounded in economic development research. For Gibbons, it is defined by what the process entails: a commitment to growth through entrepreneurship; a clearly defined role for the public as purveyors of information, infrastructure, and connections for local entrepreneurs; a focus on second-stage growth companies; the use of sophisticated analytical tools and scientific theories; and an emphasis on aiding local firms on strategic issues (Gibbons 2010, 6-7). The Littleton initiative was dramatically influenced by *The Job Generation Process*, (Birch 1979) and *Increasing Returns and Long-Run Growth*, (Romer 1986). Birch’s work showed that a majority of new jobs were created by small businesses. Romer’s work identified knowledge as a crucial input for long-term economic growth. Hence, “[i]n contrast to relocation or startup initiatives, economic gardening revolves around second-stage companies already operating in a community” and “helps these existing businesses grow larger by assisting them with strategic issues and providing access to sophisticated research tools” (Becker 2015, 5). Gibbons recognized that, in contrast to scarce resources, “ideas can be

used by any number of people ... with no deletion impact,” and, indeed, “the more they are shared, the greater the potential for economic growth” (Woods and Gibbons 2010, 7). Because it emphasizes a high degree of strategic coordination at the local level and amongst actors at other levels, economic gardening is a long-term process in which buy-in from local officials is crucial (Woods and Gibbons 2010, 9).

Economic gardening promotes sustainability by growing local businesses. The approach keeps economic and political power within the local community (Barrios and Barrios 2004, 72). Economic gardening is successful when a coordinating agency created specifically for the purpose of coordinating the garden is established and resourced (Barrios & Barrios 2004, 85, 89). “[E]conomic gardeners locate local entrepreneurs ... then provide them with the technical information, financial planning, or networking assistance they need to stay and grow before they get into financial difficulties or plan for relocation” (Barrios 2004, 85). As such, “[e]conomic gardening works by creating new businesses and expanding existing ones through the provision of low cost product, market, and technical assistance,” and may thereby encourage cluster formation in ways that traditional cluster theory has neglected (Barrios 2004, 86). Economic gardeners may face a variety of challenges, among the most formidable of which is “overcoming deeply entrenched expectations and habits” (Barrios 2004, 87). Among these challenges is overcoming a local culture in which entrepreneurship is underappreciated at best, or that holds entrepreneurship in suspicion or with a negative predisposition at worst. Cultural change may be necessary to achieve the public buy-in for economic gardening that is in turn necessary for ensuring the buy-in of public officials (Barrios 2004, 87-88).

Interest in economic gardening has expanded exponentially. There is now a “National Center for Economic Gardening” (National Center for Economic Gardening 2019). The International City/County Management Association, consisting of city and county public administrators, provides information on Economic Gardening (ICMA 2010). The International Economic Development Council offers webinars on Economic Gardening (International Economic Development Council 2014). Major foundations dedicated to entrepreneurship, such as the Kauffman Foundation (Kauffman Foundation 2019) and the Edward Lowe Foundation (Edward Lowe Foundation 2017), are providing or have provided resources and training in support of this concept.

1.5 Entrepreneurship Ecosystem

More recently still, the concept of the “entrepreneurial ecosystem” has emerged. The concept is sufficiently new that an agreed-upon definition of the entrepreneurial ecosystem has yet to emerge in the literature (Marlecki 2018). This

complicates its comparison with and distinction from the other community or regional strategies. For some, *entrepreneurial ecosystems* are understood to be “communities of agents, social structures, institutions, and cultural values that produce entrepreneurial activity” (Roundy 2017, 99). For others, the entrepreneurial ecosystem is understood to be “the interacting components of entrepreneurial systems, which foster new firm creation in a specific regional context” (Mack and Meyer 2016, 2120). For Stam (2015, 1761), “[w]hat the entrepreneurial ecosystem approach has in common with other established concepts ... is the focus on the external business environment” and differs from these older notions “by the fact that [in the ecosystems approach] the entrepreneur, rather than the enterprise, is the focal point.” Just how to measure or quantitatively assess an entrepreneurial ecosystem is the subject of scholarly debate (e.g., Liguori et al. 2019). Fundamental aspects of entrepreneurial ecosystems—such as how they are best created, nurtured, and sustained—are still being explored by scholars (Cavallo, Ghezzi and Balocco 2019, 1312).

“Another significant distinction from other economic policy approaches is that the entrepreneurial ecosystem approach not only sees entrepreneurship as a result of the system, but also sees the importance of entrepreneurs as central players (leaders) in the creation of the system and in keeping the system healthy” (Stam 2015, 1761). For Stam, Feld’s (2012) startup communities are entrepreneurial ecosystems. Drawing on Feld (2012, 186-187), Stam (2015, 1762) reiterates the nine attributes of a successful entrepreneurial ecosystem: leaders, intermediaries, network density, government, talent, support services, engagement, companies, and capital. “Entrepreneurs being visible and connected are considered to be the heart of a successful ecosystem” (Stam 2015, 1762). As scholars noted during the COVID-19 pandemic, the dynamic capabilities of individual entrepreneurs who are a part of entrepreneurial ecosystems can make the ecosystem more durable, even during exogenous shocks such as the pandemic (Rashid and Ratten 2020).

Central to the ecosystem approach is the narrow subset of firms that are of interest—those that are “high growth,” defined by entrepreneurs who are *ambitious* in the sense that they aspire always to create new value, and who are perennially dissatisfied with the status quo (Isenberg 2011, 2; Stam 2015, 1759-60). Small-to-medium enterprise development and further efforts at self-employment in the ecosystem should follow as positive spillovers from the success of high-growth firms (Isenberg 2010 2011, 3). The evolutionary dynamics of ecosystems must be accounted for, since the domains of the ecosystem (for Isenberg (2010), these are policy, finance, culture, supports, capital and markets) co-evolve with the system’s actors (Mack 2016). Using survey perception data from citizens of 70 European cities, Audretsch and Belitski (2016) found only four domains within the entrepreneurial ecosystem framework that were important to enhancing entrepreneurial activity: culture and norms, infrastructure and amenities, formal

institutions, and internet access and connectivity. As such, numerous factors must be weighed from a policy perspective as governments and scholars consider how best to support entrepreneurial ecosystems (Spigel, Kitagawa, and Mason 2020). For instance, incubators appear to perform optimally under co-opetition strategies in which the actors within the ecosystem simultaneously cooperate and compete with one another (Theodoraki, Messeghem, and Audretsch 2022). This suggests that policymakers must “encourag[e] cooperation among actors while promoting values oriented toward excellence” (Theodoraki, Messeghem, and Audretsch 2022, 1789). Of particular importance are the factors of policy, finance and support, which have been found to positively influence the sustainable innovations produced by entrepreneurial ecosystems at the national level (Khatami et al. 2022, 1442).

Static analyses do not yield much useful information about the processes behind the success and failure of ecosystems, neglect the institutional and political contexts in which ecosystems are embedded, and fail to recognize the impact of missing elements within a system (Mack 2016, 2120-21). Like the economic gardening perspective, the ecosystem approach recognizes that regional cultural change is often foundational in the successful launch or maintenance of an ecosystem (Mack 2016, 2128). More broadly, culture and other informal institutions may be positively shaped by stories of entrepreneurial successes within the system (Mack 2016, 2130). Individual entrepreneurs and their ecosystem must evolve together (Björklund and Krueger 2016, 490). Ecosystems can proactively attract resources through concretization (actions taken by members of the ecosystem that justify further resources) and by reformulating its agenda to emphasize the potential for synergy between the ecosystem and its prospective stakeholders (Björklund and Krueger 2016, 490-91).

For Isenberg, governments play a key role in creating the conditions for successful entrepreneurial ecosystems (2010). For instance, Isenberg argues that the designers of an ecosystem should seek to ground their ecosystem in local conditions, rather than attempting to emulate others (Isenberg 2010, 3-4). As with economic gardening, the ecosystem approach favors the “high potentials” (Isenberg 2010, 6-7). Perhaps most significantly, it actively engages the institutional aspects of the environment. Because the ecosystems approach is a deliberate strategy for economic growth, it requires that public leaders “operate according to several interrelated principles” (Isenberg 2011, 1), including those discussed above. As a consequence, the ecosystem’s institutions are of central importance (see also, e.g., Baumol 2007, 234). Informal institutions such as culture must be changed as needed to craft a more entrepreneurship-friendly environment (celebrating local entrepreneurship successes, for instance), and formal institutions must be changed at the same time as well (Isenberg 2010, 7-10). The role of institutional entrepreneurship in the pursuit of ecosystems-based social entrepreneurship has also been acknowledged (see Bloom and Dees, 2008). To these ends,

experimentation and patience are crucial, making the development of an ecosystem a long-term proposition (Isenberg 2010, 10-11). Perhaps recognizing that entrepreneurial ecosystems exist on a spectrum of development and capability, Brown and Mason (2017) identify a framework between two “idealized” types of ecosystems. These are “embryonic ecosystems” and “scale-up ecosystems.” They note the dominance of the embryonic variety (Brown and Mason 2017, 22).

The concept of the entrepreneurial ecosystem has become powerful enough, from a practitioner standpoint, that the Kauffman Foundation has created and shared via its website *The Entrepreneurial Ecosystem Building Playbook* (Foundation, 2000). The *Playbook* has evolved through multiple iterations and is now version 3.0. Kauffman states that its purpose in publishing this draft version of the playbook is to start a conversation about new and better ways to “build entrepreneurial ecosystems everywhere.” To that end, following a bibliometric analysis of the literature, leading scholars have found three themes in the extant scholarship on entrepreneurial communities: namely, how evolutionary processes contribute to sustainable ecosystems; how interdependencies between the interconnected actors and their environment contribute to (or hinder) the sustainability of entrepreneurial ecosystems; and strategies related to the maintenance of ecosystems (Theodoraki, Dana and Caputo 2022, 351-55). Ideally, scholars and practitioners can explore these facets of entrepreneurial ecosystems with a robust understanding of context, including the ways in which ecosystems simultaneously adapt to local circumstances and become integrated into their broader environments (e.g., Theodoraki and Catanzaro 2022).

1.6 Startup Community

In recent years, a similar set of ideas has been articulated under the label of the “startup community.” Brad Feld, a successful entrepreneur (2012, 22-25), attributes “hotbeds of entrepreneurship” to several factors: communities possessing certain common inputs (“companies in a common geographic area share the fixed costs of these resources external to the company”); network effects; the common traits of entrepreneurs (including the desire to live in a nice place, tolerance for new ideas, and a certain weirdness); and the availability of committed leaders. He identifies a prosperous ecosystem as one that is: (a) led by entrepreneurs; (b) inclusive such that everyone is welcomed; (c) supported by people committed long term to the ecosystem; and (d) consistently offering opportunities for gathering (Feld 2012, 25-28).

According to Feld, government is ill-equipped to lead the effort to create or maintain a startup community (Feld 2012, 35-36). For Feld, startup communities do not require long-term structures or a hierarchy at all because the network model

on which a startup community runs ensures that it is an ever-changing phenomenon in which environmental issues will essentially resolve themselves through the aggregated, iterative activities of individual entrepreneurial actors (Feld 2012, 146).

1.7 Entrepreneurial Communities

The concept of “Entrepreneurial Communities” is closely related to Startup Communities and Entrepreneurial Ecosystems. Markley, Lyons, and Macke of the Center for Rural Entrepreneurship have defined the concept of *entrepreneurial communities* as “a theory of entrepreneurial community building that connects community building practice with entrepreneur development practice in an integrative and reinforcing way” (Markley, Lyons and Macke 2015, 580). These authors argue that “such a systematic approach provides a bridge between a business development approach that focuses exclusively on agency (the individual entrepreneur) and a community development approach that focuses on context (place)” (Markley, Lyons and Macke 2015, 580). Central to the success of community resources in this context are the principles of self-organization and the right to access community resources as entrepreneurs create and commercialize such “commons” (Meyer 2020).

2.0 Growing Entrepreneurial Communities Summit

2.1 Method

The *Growing Entrepreneurial Communities Summit* was convened by the Federal Reserve Bank of Kansas City, Center for Rural Entrepreneurship, Edward Lowe Foundation, Network Kansas, and U.S. Source Link at the Federal Reserve Bank of Kansas City in May 2016. It brought together more than 200 thought leaders and practitioners involved in developing, supporting, or studying entrepreneurial communities. The attendees from across America included experts from diverse professional and ethnic backgrounds. These included economic development practitioners from urban, suburban, and rural areas, entrepreneurs, economic development consultants, representatives of foundations and non-profit organizations supporting economic development, and academics involved in the study or support of entrepreneurship. Questions were introduced in plenary sessions with a conceptual overview and at least two panelists providing their experiences and thoughts as practitioners. Participants then provided feedback in

“deep-dive” breakouts at each of 26 tables in three rounds of discussion which were captured by assigned observers from the five partnering agencies.²

This gathering provided a unique opportunity to gather qualitative data. As Malecki (2018, 12) has argued, citing Karatas-Ozkan, Anderson, Fayolle, Howells, and Condor (2014), “[o]nly qualitative research can understand entrepreneurship as ‘a complex social phenomenon in a particular spatial and temporal context’ and ‘characterized by complex, dynamic and emergent processes, and the interplay between actors, processes, and contexts.’” This research provides both the context for the discussions and valuable, informed feedback from a unique set of representative participants.

2.2 What is an Entrepreneurial Community? (Session 1)

Don Macke, Co-Founder and Director of Entrepreneurial Communities, Center for Rural Entrepreneurship, introduced the question of “What is an Entrepreneurial Ecosystem?” Referencing Daniel Isenberg’s *Entrepreneurial Ecosystem Essentials* (Isenberg 2010), Macke pointed to the value of entrepreneurs. He discussed entrepreneurial talent, the entrepreneurial pipeline of businesses, and “The Five C’s of the E-ship Ecosystem”—capital, capability, connection, culture, and climate, and the need for the service system to be transparent and easy for the entrepreneur to navigate. Macke discussed community ecosystems supported by state-wide resources and partners and provided examples of these. He described his organization’s view of four steps to build a support structure for entrepreneurs: Identify, Connect, Empower, and Measure – followed by Rinse and Repeat (Macke 2016)

The first practitioner was Jill Nichols of Rice County (Kansas) Economic Development. Rice County has traditionally had one of the lowest per capita county incomes in the state of Kansas. In the last ten years, the county has moved from 102nd of 105 counties to 95th in per capita income. The county’s economy depends on agriculture, manufacturing, and entrepreneurial small businesses. Nichols listed the long-standing State of Kansas economic development tools that are mostly accessible to larger businesses. She asked, “Why Entrepreneurship?” and answered, “Entrepreneurs Change Everything” and “We grow our own.” After organizing an E-Community (a formal Network Kansas designation with both

² This article summarizes the first three sets of presentations and resulting themes. The fourth session, on measuring entrepreneurial communities, did not produce summit-wide captured content and is omitted.

parameters and support), her county's first tools to assist entrepreneurship were revolving loan funds. Rice County's efforts have included local boards with strong community leadership, local control of funds, and feelers for new clients. Funding became a vehicle for business planning, marketing, financial projecting/accounting, and counseling. Community rivalries and traditional silos were challenges overcome through relationships. Ice House education, business appreciation lunches, and capital infusion of over \$3.2 million into small businesses have been among the community's efforts that have contributed to the startup, expansion, or succession of businesses employing 247 people (Nichols 2016).

Tammy Sweet of Grow Florida presented "6 Myths of Entrepreneurial Ecosystems, and Other Fun Facts." She began by playing an inspiring Prezi on entrepreneurship, labeling entrepreneurs as "thinkers, doers, innovators ... that change the way we think about what is possible." Sweet shared a graphic of a complex entrepreneurship/innovation ecosystem and shared five myths that she debunked:

Myth: Ecosystems can be created and controlled by one organization;

Fact: "When targeting areas for entrepreneurship stimulations, clusters offer a fertile environment where survival rates are higher and performance better than elsewhere." Stockholm School of Economics, 2007.

Myth: You know that you have a strong entrepreneurship ecosystem when there are more and more startups.

Fact: For a Booming Economy, Bet on High Growth Firms, Not Small Businesses. Harvard Business Review, 2014.

Myth: Offering financial incentives (e.g. angel investment tax credits) for early stage, risky investments in entrepreneurs clearly stimulates the entrepreneurship ecosystem.

Fact: The majority of venture capital investments are in California, New York, Massachusetts, with no direct financial incentives other than fully-taxable profits.

Myth: Job creation is the primary objective of fostering an entrepreneurship ecosystem.

Fact: Job creation is a by-product, but is not the objective. No one owns or represents an entrepreneurship ecosystem, so there can be no single objective that motivates all of the actors.

Myth: In order to strengthen your regional entrepreneurship ecosystem, it is necessary to establish co-working spaces, incubators, and the like.

Fact: These types of intentionally created support mechanisms are just a piece of the entire entrepreneurship ecosystem. Sweet 2016.

Sweet shared a very different ecosystem from the rural one shared by Nichols. North Port-Sarasota-Bradenton, Florida, is a populous, rapidly growing area. Its largest contributor to job gains in 2015 was from existing businesses spinning off new companies. Its largest contributor to job loss was due to company closings. Second stage businesses employing 10-99 people made up 13% of businesses but contributed to 37% of jobs. Between July 1, 2009 and June 30, 2015, Grow Florida assisted businesses creating 4,000 net new jobs (Sweet 2016).

2.3 Is Your Community Ready to Build an Entrepreneurial Ecosystem? (Session 2)

Erik Pederson, Vice President of Entrepreneurship, NetWork Kansas introduced the question of “Is Your Community Ready to Build an Entrepreneurial Ecosystem?” Pederson shared that NetWork Kansas was created as a result of the Kansas Economic Growth Act of 2004. It launched the “Entrepreneurship (E) Communities” program in 2007. These communities must create a local leadership team, create a financial review board, partner with an administrative support organization, and will gain access to entrepreneurship tax credits allowing the establishment of a locally controlled loan fund. In 2016, there were 55 E-Communities in Kansas. These were a mixture of individual cities and county-wide organizations. The communities had 44 locally controlled loan funds ranging from \$60,000-\$225,000 in each with \$7.7 million loaned to 289 businesses. The E-Community loans comprised 18% of total loan packages and leveraged \$35.5 million of other capital. Fifty-three percent of these loans were in towns with populations of less than 5,000 people, 50% in startups, and 35% in expansions. The loan portfolios comprised 32% retail, 19% restaurant, 6% manufacturing, and 44% service. Pederson termed the loan funds as the “Trojan Horse” since they incentivize the creation of leadership team meetings, deep dive community learning about how to create an entrepreneurial environment, and strategic focus. Board certified programs are used by communities including Ice House, Destination Boot Camp, Economic Gardening, and the Youth Entrepreneurship Challenge. Pederson shared threshold requirements before communities can enter the E-Community

program. They include geographic definition, leadership team, point person, and community leadership readiness. Youth engagement is one component of community readiness (Pederson 2016). These are assessments of whether a community is ready to enter the E-Community program and build an entrepreneurial ecosystem.

Bruce Seifer, affiliated with the University of Vermont and Seifer Associates, formerly the longest serving economic development public official in the state of Vermont, addressed community readiness as a practitioner who worked for the City of Burlington's Community and Economic Development Office (CEDO). Seifer is also the author of *Sustainable Communities – Creating a Durable Local Economy*. Seifer explained that Burlington focused on six principles:

1. Encouraging economic self-sufficiency through local ownership and the maximum use of local resources (“seal the leaky bucket”);
2. Equalizing the benefits and burdens of development;
3. Leveraging and recycling scarce public funds;
4. Protecting and preserving fragile environmental resources;
5. Ensuring full participation by populations normally excluded from the political and economic mainstream; and
6. Nurturing a robust “third sector” and “fourth sector” of private for-profit and private non-profit organizations capable of working in concert with government to deliver essential goods and services (Seifer 2016).

Seifer views the framework to develop an entrepreneurial ecosystem requiring:

- Political Leadership
- Community Engagement
- Financial Analysis and Funding
- Capacity Building to Carry Out Initiatives (Seifer 2016).

Seifer provided two premier examples of successful initiatives. One was the \$11.3 million municipal bond for energy efficiency that reduced energy demand by 5.7% over 20 years and saved rate payers \$11 million per year. The other was the Vermont Sustainable Jobs Fund used in consultation with the Vermont Agriculture Council to create a comprehensive 10-year farm-to-plate strategic plan to strengthen Vermont's food system in 2011. This led to the creation of over 4,000 jobs in the last four years (Seifer 2016).

Seifer provided lessons learned:

1. Vision is important, but you have to create the capacity to implement that vision.
2. Development [is] created with principles, with a priority to sustainability.
3. Ask “who are the people in need?” and “how do we meet their needs?”
4. By articulating shared values, people feel empowered to make things happen and become unstoppable.
5. Organize and empower groups so they all have voices.
6. Collaboration and having good partners is key. It comes down to relationships.

He also noted that some projects take years to come to fruition (Seifer 2016).

Ines Polonius, Chief Executive Officer of Communities Unlimited, is a practitioner whose organization works in persistently poor U.S. Counties across the states of Texas, Oklahoma, Arkansas, Louisiana, Mississippi, Tennessee, and Alabama. Twenty-two to 34% of the population of the counties served live in poverty. In these counties, 10-14% of residents do not have and cannot find work, and the counties faced annual depopulation rates of 4-20% between 1990-2010. The area has also lacked a support system for rural entrepreneurs. In 2006, mayors in the region began to recognize that smokestack chasing was too competitive and began to look for alternatives. In January 2014, Communities Unlimited launched a strategic partnership with the Center for Rural Entrepreneurship to transfer the center’s framework into persistently poor rural places. It has used the Center for Rural Entrepreneurship Readiness Scorecard and Community Assessment to examine demographic and economic information and infrastructure, including water and broadband availability (Polonius 2016).

In creating readiness, Communities Unlimited has assembled an effective leadership team. It is engaging the “old guard,” creating intentionality around true diversity (racial, ethnic, gender, social, and economic diversity), and engaging the next generation. It is modeling effective leadership, including providing meeting organization agendas, facilitation to assure that all are heard, to assure follow-up on commitments, and celebrating small successes. Communities Unlimited is providing intensive technical assistance. It also provides start-up and working capital (Polonius 2016).

The Pederson and Polonius presentations shared how support organizations are gauging whether communities are ready to build an entrepreneurial ecosystem and to engage their assistance. In contrast, Siefer provides a long-term view of multiple efforts in one significant environment.

2.4 How Do You Get Started Building an Entrepreneurial Ecosystem? (Session 3)

Penny Lewandowski, Vice President, External Relations and Strategic Direction, Edward Lowe Foundation, provided the initial framework for discussion of the session titled, “How Do You Get Started Building an Entrepreneurial Ecosystem?” Her presentation was entitled “Culture’s Role in the Ecosystem” and defined culture as “a feeling of inclusiveness, trust, and a passion that bolsters change, innovation and the desire to make a significant difference” (Lewandowski 2016). She emphasized that culture “fuels the energy; keeps bringing people back to the table; ensures a more sustainable effort; and is enduring, healing, and inclusive.” Lewandowski referred to the quote generally attributed to Peter Drucker that “culture eats strategy.” She emphasized that culture affects targeting who will be served, working with disparate organizations, and bridging silos. Regarding who will be served, Lewandowski provided high level examples of growth companies and their characteristics. She described in general terms the funders, stakeholders, and disparate audiences to be pulled together. She encouraged inclusion and resisting the temptation to pick and choose who is involved and emphasized the value of outlasting the critics. Lewandowski analyzed organizational silos answering three questions: “how they start; who they hurt; and how they change” (Lewandowski 2016). She emphasized that persons working to create an entrepreneurial ecosystem should start by focusing on culture, and should be ready for challenges and to solve problems. People seeking to create such a system must be “hungry for change... and a little bit crazy” (Lewandowski 2016).

Patricia Brasted, President/CEO of Wichita Technology Corporation (WTC), described key components of culture from her perspective of working with entrepreneurs for 22 years. The first is that entrepreneurs must lead. She noted that engaging startups is different from engaging with second stage companies. In starting an entrepreneurial ecosystem, leaders must include everyone: government partners, corporate partners, universities, investors and others. Leaders should be geographically flexible. There must be continual activities to engage entrepreneurs. This helps to set the culture and strategy. Those involved must understand the challenges entrepreneurs face every day. WTC tries to be very mentorship oriented,

and works with many young entrepreneurs. It works to connect them to others with greater experience. She shared that in mentoring, it is important to give entrepreneurs assignments to help them know what they need to do next. She advised that in working to create an entrepreneurial ecosystem, “Don’t be afraid to fail. Learn from those experiences. Experiment” (Brasted 2016).

Emily Breedlove, Co-founder and Partner of Innovative Economies, LLC, entitled her presentation “Charting a Course for your Entrepreneurial Ecosystem.” (Breedlove 2016). She is the owner of Small Town Ventures, and shared her own experience as a start-up business owner and non-profit provider. She is also part of the Certified Entrepreneurial Community program, which provides communities with a structure for developing their efforts. Breedlove’s suggestions as to where to start when building an entrepreneurship ecosystem include:

1. Blur lines + Break Down Walls
2. Have the Uncomfortable Conversations
3. Find your Local Currency
4. Pick 2 Programs to Grow
5. Incentivize + Engage for the Long Haul

3 Focus Group Findings

3.1 Findings: What have you tried/what are you trying in your community to build an entrepreneurial ecosystem? How is it working?

After each series of presentations, summit participants were asked the central question: “What have you tried/what are you trying in your community to build an entrepreneurial ecosystem? How is it working?” Significant themes resonated from each session and are discussed here by theme rather than by session. While the same questions were asked each time, with each session all participants were re-assigned and remixed into different table groups in order to spur interaction and discussion.

Several key themes emerged from these discussions:

- 1) The most predominant set of strategies involved engaging youth and young adults.

- 2) Nearly every group discussed leadership. Leadership comments can be subdivided into composition, role, and communication.
- 3) Thoughts regarding actions to get started varied. Participants shared a wide range of strategies.
- 4) Substantial discussions focused on developing and maintaining community consensus and celebrating entrepreneurship.
- 5) Participants shared many strategies for supporting entrepreneurs as well as the difficulties in reaching them.
- 6) Reflecting the complexity of ecosystems and diversity of this group drawn from across America, participants shared numerous strategies they are trying.
- 7) Participants also shared the obstacles they are facing in developing entrepreneurial communities. Frequently cited obstacles include the difficulty in changing mindsets, competition and rivalry between resource providers, geographic impediments, and funding disconnects. They shared a substantial list of other varied obstacles. These are summarized below.

3.2 Engaging Youth and Young Adults

The strategy of engaging youth and young adults was discussed at eighteen of the twenty-six reporting tables. Many participants described it as a current strategy. Others described it as a need or strategy to be implemented. Examples included offering the Ice House and other entrepreneurship curricula in high schools, youth entrepreneurship competitions, robotics after school programming, internship programs for youth, college and university classes, and including youth in building the ecosystem. They came from locations ranging from affluent suburban school districts to tribal and other very resource-limited rural locations. Comments ranged from the optimistic to one sobering perspective reflecting necessity: “Show them that they can do something on their own because there are not opportunities to be employees and make a decent living.”

3.3 Leadership Composition: Who are the Key Players?

Leadership was a very strong theme and can be subdivided into composition, role, and communication. “Composition” defines the key players contributing to an

entrepreneurial community. One suggestion was identifying stakeholders. Several commenters believe that entrepreneurs are important leaders. One of the comments echoed Feld stating that “entrepreneurial communities must be led by entrepreneurs.” Other comments suggested identifying entrepreneurs, creating activities with entrepreneurs at the center and involving entrepreneurs in planning and readiness assessment as well as creating a network of existing entrepreneurs that support the community. Similarly, one community shared that it started by putting together a leadership team of governmental representatives and entrepreneurs.

Other participants advocated for broad representation beyond entrepreneurs including schools, non-profits, local government, mayors, financial leaders, local and possibly regional foundations, chambers of commerce, law firms, universities, resources such as Small Business Development Centers, and state economic development agencies. Comments include the need for critical mass and the need to be inclusive in the involvement of youth, diverse cultures, age groups, and ethnic groups. One group commented that critical mass is important to provide resources and advocated using a System Leadership approach.

3.4 Role of Leadership

One of the strongest statements about the role of leadership was: “Engage entrepreneurs early and in a specific way worth their time and translated into something meaningful – I can make a difference. Build local capacity that is sustainable.” Developing a long-term common vision, providing leadership and capacity building training, coordinating planning sessions, relationship building, assembling private/public sector partnerships, providing system leadership, acting as a catalyst (specifically suggesting that a mayor, university president, or foundation leadership can take on the catalytic role), and acquiring resources for the cause are roles of ecosystem builders. Leaders need to be found who have a passion for their community, vision, and persistence. They must prepare people for the long-haul. Leaders need to bring partners together who have ideas, money, and other resources. Community leaders need to be entrepreneurial themselves and the system needs “to be as entrepreneurial as the entrepreneurs.” They need to help the community to step up to make progress happen. Leaders must realize that a needed disruption is occurring when entrepreneurs and other newcomers are shaking things up. Despite an apparent consensus about the importance of involving entrepreneurs, one group stated that “getting entrepreneurs to engage in leadership and strategy is a challenge.” Leaders and local mentors are needed to support start-ups. Leaders need to think beyond election cycles. Multiple groups mentioned the

importance of trust building and cooperation. Long-term commitment is needed in order to make an entrepreneurial community work.

3.5 How Should Leaders Communicate and Work with Each Other?

With the diversity of leaders needed in a healthy entrepreneurial ecosystem, communication becomes extremely important. Participants shared numerous thoughts on communication and the need for buy-in. Themes emphasize the importance of proactive communication, of listening to entrepreneurs and other constituencies, building relationships, learning from each other, and showing respect. It is important for leadership to ask and to develop an answer to the question, “What are we trying to accomplish?” A strong theme was represented by the statement, “You have to build the trust for the collaboration and have a vision that all players agree on.”

Several participants emphasized communication with entrepreneurs. One group stated, “It is important to have in-person and one-on-one discussions with individuals/entrepreneurs.” Listening to entrepreneurs’ needs is crucial. Purposeful communication is also vital in order to learn about the availability of resources and to share this information with entrepreneurs. In practice, this can be challenging.

Some comments pointed to other difficulties of communication—for example, some players do not “want to play right away,” uncomfortable conversations are needed, and tolerance for critics and other perspectives is important. Face-to-face meetings are critical for having difficult conversations and for holding groups accountable. Recognizing and accepting cultural differences is part of communication. Communication is important in creating a culture that can be healing.

Communication was also viewed as a tool for organization, action, and cooperation. “Get [the] right people at table and then follow-through on next steps. Get them to share best practices; document tips; and share knowledge throughout [the] community.” The “reality is that there is competition between nonprofits working with entrepreneurship and leadership must address this to find ways to work together.” Other advice included, “Move past organizations and engage specific people, using facilitators to facilitate interactions between groups and the network to engage. Expect program fatigue.”

Other comments focused on leadership, the need for communication by a champion or champions to move things forward, to remain vibrant, to accept new ideas, and to communicate the determination to succeed.

3.6 Actions Needed to Get Started

As requested, summit participants shared a variety of thoughts on intentionally starting an entrepreneurial ecosystem. They differ dramatically from community to community. Participants shared a remarkable array of strategies that they have tried or are trying. Just as biological ecosystems vary by geography and a variety of influences, so do entrepreneurial ecosystems. Some advice was similar to actions taken. Other advice ranged from “Just do it” to “Need to be one of the crazy ones!!” “Need to learn from failures.” “Start with what you can do.” Many participants emphasized leadership and organization building. Identifying entrepreneurs and getting them engaged was a common theme. So was identifying “stakeholders.” One table suggested getting political leadership engaged. In contrast, another stated that the “Leader cannot be the political leadership.” Another advocated for having partners at the table from various industries. An interesting piece of advice was to connect people, “realizing that ecosystems may look disorganized.” Multiple tables suggested that assessing the ecosystem and its resources is an important early activity.

Other tangible strategies beyond organizational building and assessment included business development combined with neighborhood development, youth entrepreneurship efforts, legal clinics for start-ups, investing in property that can be used by entrepreneurs or for homes, tech resources, training assistance, financial resources, supporting social entrepreneurs, and succession planning for older entrepreneurs. Other thoughts focused on creating placemaking, saying that communities will attract talent if they have key components such as clean air, clean water, transportation, fiber optics, and an attractive quality of life. Other quality of life suggestions pointed to the availability of daycare and great public schools.

Sharing information about resources was suggested by multiple people. One expressed the importance of educating the community on what the economic development office is doing. Another shared how “different institutions created a volunteer fair to discuss what everyone does and help to share their stories and learn from each other to find better connectivity.”

3.7 Community Culture Supporting and Celebrating Entrepreneurship

One of the most prevalent participant themes was that a community culture supporting and celebrating entrepreneurship is crucial: “Community culture is key.” While in many cases cultural creation involves change, multiple participants pointed to the importance of listening to members of the community, creating community conversations, and ownership of entrepreneurial efforts. Ideally, an ecosystem’s culture will develop the focus and strategies for future growth. Seeing culture as a tool, a participant pointed to the value of culture and said that in contrast, incubators and cheap rent fell short. Another participant stated, “Once you

have entrepreneurial energy, it spreads with many successes.” Participants saw an entrepreneurship economy as a diversification strategy and as a way for communities to grow their own opportunities. This includes a shift from seeking to recruit large employers to embracing entrepreneurship. Comments included, “Entrepreneurial mindset relates to more than business startup – it trickles into housing development, community development,” and “Stop saying what’s wrong with your community (blaming, lack of resources, etc.) and start saying how YOU can fix it.”

What is an entrepreneurial community mindset? Participants suggested it is action-oriented and includes changing “mindsets to have a culture that can tolerate failure.” It includes celebrating even small wins. Strategies for creating this culture include sharing stories that put the entrepreneurs out front. It includes providing encouragement to entrepreneurs, mentors, cheerleaders, and energizers, holding events that celebrate success, and telling your story locally, regionally, and nationally. Multiple comments focused on storytelling, or communicating the passion of business owners. They discussed educating leaders and getting them on board; leaders and innovators, participants argued, can change community narratives and mindsets. Tangibly, as one table shared, “Growth entrepreneurs can create a cycle of entrepreneurs within a community.”

One participant elaborated:

There are wolves and you do have to weed them out. A key to work in the culture is for you to be in the culture, developing relationships, creating trust. In the end, no organization is going to solve a local community’s issues. The best solution is to support their efforts. Lead by listening, not by dictating. The perception of any change is important. Know what the perception is. It’s hard to keep an initiative going.

The ecosystem can celebrate entrepreneurship through events such as business expos, entrepreneurship pitches, startup events, celebrations of business ownership, E-fairs, TechWeek, deployment of Million Cups events, and Ice House educational programs. A comment suggested that “Co-working locations help people know what’s going on. [They are] becoming like coffee shops.” Many of these events intend to educate the community on the entrepreneurial mindset and tell stories from a peer to peer standpoint.

Comments and questions reflected the challenge of building an entrepreneurial culture. One table commented that it is hard to get buy-in from the community. Another commented that it is “hard to get this to shift.” A participant expressed frustration at the difficulty of reorienting the culture of an old mill town toward entrepreneurship. Others pointed to the need to move the focus of local government and economic development organizations from business recruitment

to growing an entrepreneurial ecosystem. Some shared their successes. One comment was that the community “used to be only focused on big firms,” and is “now thinking about small and celebrating new and local.” Another shared their experience with a “startup event that has grown in both attendance and recognition – pulled in others due to energy.”

It appears that some participants focused less on creating an “entrepreneurial community,” and more on a healthy community culture. One captured comment was, “Community is the new currency.” A comment from another table about a healthy culture suggested “getting beyond a leadership level that knows a lot to a deeper level of a lot of people knowing a lot.” One participant shared a comment that the community was working to change its image of itself from negative to positive.

3.8 Entrepreneurship Support Structures – Supporting Entrepreneurs

A rich variety of approaches was evident for supporting entrepreneurs and entrepreneurial ecosystems. One comment that provided context for providing support was, “An entrepreneur must often get ‘kicked in the teeth’ before they become willing to accept suggestions. Entrepreneurs are too confident at the start.” Another comment pointed out that the reason for support systems is to mitigate risk and to help entrepreneurs succeed. Yet multiple comments were shared by participants asking, “How do we engage entrepreneurs?”

From the participants, one can ascertain that suggestions and expertise tends to flow to entrepreneurs from one of two sources: mentors or professionals providing technical assistance. Mentorship providing coaching and guidance is a common tool and is approached in a variety of ways, from connecting entrepreneurs with other entrepreneurs, to formal systems of assigned entrepreneurial relationships that may involve individuals or teams of mentors, to SCORE (Service Corps of Retired Executives) mentors, to connections with inventors who will provide mentoring as well as funding. One way of helping entrepreneurs succeed is to connect them with fellow entrepreneurs to interact with, provide energy, and support each other. As one participant suggested, it helps to “create a cooperative culture across entrepreneurs.” They may also find opportunities to work together, for example, in their purchasing patterns. Assistance with succession planning for older entrepreneurs is a critical need in rural places.

Participants pointed to the myriad types of technical expertise that an entrepreneur can benefit from. These included legal, accounting, finance, marketing, logistics and permitting. One strategy is to provide “concierge service connecting entrepreneurs with the right resources at the right time.” A participant cautioned that providers need to keep the entrepreneur front-of-mind and should be thinking about, “How can we SERVE you?”

Multiple participants suggested a “no wrong door approach” to helping the entrepreneur get to the right resource. Some suggested this one-stop office model to filter referrals and to connect entrepreneurs with resources. Others approached it with technology, pointing to an app that provides a resource navigator, or a dashboard to capture the resources and activities that are available within the community. One suggestion was that there is a need for virtual consulting and online platforms in order to connect young people.

Some approaches at engagement are becoming name brand services and were shared by multiple participants. These included using SourceLink to connect and move entrepreneurs through the system, Ice House for adults, implementation of Economic Gardening, use of Small Business Development Centers, and 1 Million Cups.

Other approaches to providing services to entrepreneurs included SME business assistance, seed funding assistance, matching grants for product development, assistance with product validation, connecting entrepreneurs with foundations and funders, accelerator programs, tech transfer, incubator space, an entrepreneur’s academy to train entrepreneurs, use of community improvement districts, and hiring bilingual individuals to provide technical assistance to small business owners. Some organizations such as the Small Business Development Networks, Richardson, Texas, and the Edward Lowe Foundation are focusing on assisting second stage companies who are typically the “biggest job growers” in an economy.

One insightful participant concluded that “Communities are unique and [the] challenge is that community leaders see success elsewhere and want to copy it [versus] customizing the solutions to meet the needs of the ecosystem ... this is relevant even with the larger more established ecosystems.”

3.9 Difficulty Reaching Entrepreneurs

Shadowing the importance of supporting entrepreneurs were several comments describing the difficulties in reaching entrepreneurs. One participant asked, “How do we take folks who are doing three jobs and are home based entrepreneurs to help them grow?” Another comment was that it is “interesting finding that home-based businesses did not feel as though they would qualify for microloan programs.” Other comments expressed that it was challenging to reach disadvantaged groups that lack a model for entrepreneurship and discussed barriers in reaching Hispanic entrepreneurs. This is a particularly important challenge to overcome, as “lowering barriers to under-represented populations tends to lift all boats” (Krueger 2021, 118). Ecosystems should ensure that minority entrepreneurs are not only included and integrated within the ecosystem, but that they have meaningful influence over policy decisions and public initiatives (Krueger 2021, 125-26). One participant

stated that “building capacity doesn’t work when the practitioner walks away.” Another participant noted that it can be “hard to tell an entrepreneur that their business idea is poor.”

3.10 What Have You Tried in Your Locale to Build an Entrepreneurial Community?

In addition to engaging youth, assembling leadership, and engaging entrepreneurs, participants shared a substantial range of strategies for building entrepreneurial communities.

Activity oriented strategies included stimulating meet-ups, startup weekends, “First Thursday” or “First Friday” events featuring local businesses or arts, “Code-Crash – Omaha,” youth entrepreneurship programs and competitions, entrepreneurship challenges with financial support, and free rent and assistance.

Financially-oriented strategies included providing loans to immigrant families to help their children start businesses, using innovative business financing through a mixture of non-profit and for-profit entities, crowdfunding, cooperatives, and use of tax incentivized systems such as Oregon’s. Some communities offer low interest loans such as through the Kansas E-Community program. Others offer grants for startup businesses.

A set of strategies include stimulating neighborhoods or regions to support entrepreneurship. Businesses are incentivized to locate in target areas and city-owned buildings. They are encouraged to hire locally and to get residents to live there. Rural Opportunity Zones with student loan forgiveness incentives can be used to attract a more educated workforce. Other types of incentive zones have been developed to attract and support entrepreneurs. The Kansas City Power & Light District was highlighted as an example of a public/private partnership that led to fixing the infrastructure of a distressed area and successfully pairing that with private investment. Burea, Kentucky is a college town also known for folk art. Artists were aging and the community was in danger of losing revenue and brand, so the local college purchased an older building for people to use for creating art-related businesses. The community now describes itself as being known for its art festivals, historic restaurants, and buildings. Referral incentives for communities and neighbor improvement are used to protect neighborhoods rather than having people move out as the neighborhood develops.

While comments from some groups were critical of incubators, multiple participants shared strategies involving incubation. These included transformation of a closed school into a business incubator, opening a kitchen incubator, and creating a mall of businesses in a big building. One effort views the small

community as an incubator. Incubators were created through partnerships and grants. Other facility-based efforts included creating entrepreneurship-oriented centers such as maker spaces and commercialization centers.

Some participants described deploying a broad strategy of changing the focus of the economy of a city or region. These strategies ranged from focusing a city on technology innovation to moving a regional economy away from coal while not showing disrespect for those tied to the industry. One described convening a community of stakeholders, realizing the city is surrounded by many military bases and that it has a high concentration of PhDs. and scientists. It has realized there is a high interest in entrepreneurship surrounding these resources.

One group shared different ways that Airbnb can be used entrepreneurially. An example included rural use aimed at international visitors coming to stay in small towns. Another shared that in the West Bottoms, an old industrial area of Kansas City, Missouri, Airbnb led the way to apartments and condos, and then to businesses.

A few participants pointed to university technology transfer efforts. These included university-based start-ups, transfer of intellectual property to private enterprises, and university commercialization of intellectual property. The full list of activities is presented in Appendix A.

3.11 What Obstacles Are You facing?

A question asked in each session was, “What obstacles are you facing?” Prominent themes included: a) Difficulty in changing mindset; b) Competition and rivalry between resource providers; c) Geographic impediments; d) Funding/financing disconnect; and e) A variety of miscellaneous obstacles.

a. Difficulty in Changing Mindsets

The most frequently-mentioned obstacle dealt with some variation of difficulty in changing community mindsets. One comment reflected a sense of humor and irony: “People that get in the way – elected officials, neighborhood group leaders, CAVE (Citizens Against Virtually Everything) people.” Many other participants pointed to culture, sharing statements such as, “the culture moves slowly,” “moves like a barge – slow and cumbersome,” “lack of receptiveness to new approaches,” “tough to break out of the *status quo*,” “must change the community culture of the past,” and “community engagement, pushing a string.”

Generational and cultural difference were cited with comments about “small communities governed by people who have been there for 50 years,” how it

is “hard for young people to sell ideas to ‘city fathers,’” and with questions like, “How do you get a more diverse group of folks at the table?”

Participants identified specific groups that are resistant. For example, “Established companies in small towns can feel threatened by entrepreneurship efforts.” Multiple comments hit on the thread that “Economic developers don’t understand how entrepreneurship fits in,” and “Chambers and county commissioners focus too much on big businesses.” As one participant shared, the re-location of a big business with a ribbon cutting can be a short-term success driven by incentive structures. This type of win overshadows efforts to create an entrepreneurial community.

Geographic examples were shared. A comment from a mining area noted how the demise of this industry is creating a huge sense of loss and conflict with a new group of entrepreneurs. Similarly, another participant shared that in an area still reeling from the departure of the tobacco industry, some communities remain stuck, unwilling to change. Comments indicated that even for relatively prosperous cities such as Omaha and Kansas City, employer attraction—not entrepreneurship—has been the focus of economic development efforts. Rivalries between communities and the need for communities to work together was cited multiple times as a barrier.

Some mindset difficulties are related to resource scarcity. Comments included “lack of leadership skills in rural communities,” “very little entrepreneurship classes in schools,” “rural areas don’t have network to plug into,” “lack of training,” “not enough people,” and the need for a champion.

One participant pointed to the challenge of understanding what an entrepreneurial ecosystem looks like and described it as “fractured like a tree, interdependent.” Another pointed out that it is hard to help organizations learn where their comparative advantage may lay for assisting entrepreneurs. The difficulty of change may be highlighted in the comments, “potential may scare current population,” and “most times, people don’t change unless it is a crisis.”

b. Competition and Rivalry Between Resource Providers

Natural ecosystems can be messy and complex. Entrepreneurial ecosystems can be as well and this complexity and rivalry between resource providers can be a barrier to ecosystem health. As one table bluntly stated, “Every resource provider is selling stuff.” Another added, “Entrepreneurs just want help while organizations are battling.” Weaknesses include organizations acting in silos and looking at everyone as competitors, units of local government unwilling to work together, lack of collaboration between territorial technical assistance providers, and disconnects between state, education, and nonprofit providers. One comment summarized, “partnering may be admitting that your resource isn’t as good as others.” Another

observation was that in some communities, the stakeholder environment may be overcrowded.

Several comments pointed to the fact that funding is a cause of conflict. One comment summarized this stating, “Funding is difficult. Everyone is fighting for limited dollars. Funding for the organizations themselves ... not about the money for entrepreneurs.” A similar comment recognized that entrepreneurs should be the central focus, but it is “hard to get people to move away from the focus on programs, where the money is and what the money drives.”

Several participants shared thoughts that service providers should cooperate, function uniquely, and fill gaps in the ecosystem. One comment summarized the ideal state, saying that communities “need to build the ecosystem so that everyone can see their role, play to their strengths, and fill their niche.”

c. Geographic Impediments

Geographic impediments to building a flourishing entrepreneurial ecosystem are real for many communities. This starts with basic infrastructure. Three tables identified “infrastructure” generally, while the same number cited the lack of access to internet/broadband, and two tables listed water/wastewater infrastructure as impediments. Another infrastructure challenge identified is available housing. The comments stated, “This is a huge deal for small and rural areas.”

Declining populations were identified as challenges for both rural areas and suburbs, noting that “Millennials are moving to the city.” Comments from another table reported that rural populations do not have enough market capacity locally. Additionally, a participant remarked that products and services such as groceries are not offered in low-income urban neighborhoods.

Some participants equated rural areas with higher risks, with more specific comments such as “Geographic distance between rural communities makes collaboration more difficult,” “Tax credits in urban communities have worked. Harder to translate to rural communities,” and “Rural businesses do not come and take advantage of the resources. Most funds flow into urban areas.” Retaining talent and losing youth is particularly a rural concern.

Perspectives vary and may be related to differing locations across the country. Specific urban-oriented comments included: “Underlying problems have been neglected until they boiled to the surface” and “Neighborhoods that have been disinvested for years are not seeing an increase in entrepreneurs/small business owner pickup.”

Participants shared that while some geographic areas lack resources, some lack people and/or experts. A participant from Nebraska shared that their state has a heavy rural-urban divide with a need to develop a stronger entrepreneurial

ecosystem. There is rural support for lifestyle businesses while Omaha and Lincoln are more supportive of growth businesses.

d. Entrepreneurship Funding/Financing Disconnect

Summit participants pointed to access to capital as an obstacle to entrepreneurship. Comments included, “can’t find funding to serve underrepresented populations,” “challenge with deal flow pipeline,” and “need for funding for gap financing.”

A few of the comments regarding finance were more specific stating, “distressed populations in urban areas, with lenders not making capital available,” “fundors don’t understand that entrepreneurship is a way to create jobs or they think in terms of large scaled, high tech entrepreneurship,” and “How do you get bankers engaged in the ecosystem – not from a capital standpoint, but connecting people to other resources – especially those who are not yet bankable?” One celebrated having created a micro loan fund though banker contributions. Another acknowledged E-Community financing as key, but expressed concern about the need to adopt an accountability strategy with businesses.

e. Miscellaneous Obstacles

Conference participants identified a substantial number of highly varied obstacles (see Appendix B). Among these were the concerns that “young entrepreneurs have a load of student debt that prevents them tasking risk and borrowing further for a business start-up,” “lack of workers with specific skill set needed,” “SBIR looks daunting, need to build connections to SBDC counselors,” “needs to be better access for minority entrepreneurs,” “tech growth in agriculture has eliminated jobs throughout the Midwest,” and “disconnect between talent attraction and jobs available or needed.”

4.0 Difficult Questions

Participants raised questions that were captured during the discussions (see Appendix C). Among the most thought provoking were:

- Are you building the economy of the people that live there or do you have a goal of building population?
- New generation will have 34 jobs in a lifetime. How do we train them and prepare them for entrepreneurial workers?

- How do you get sustainable leaders in a community? When they leave, the effort may fail. They burnout.
- How to move from entrepreneurship to e-ship community?
- Have a brain drain from the universities—they leave after graduation—how to keep them?

Some of these are policy questions for local leaders and community members. Others are questions for studies of best practices and academic research.

5.0 Hopes/Vision

Participants shared their hopes and visions surrounding entrepreneurial communities. Some were pragmatic, foreseeing “engaging smaller businesses ... Much reach out,” and “getting connected to the best resources.”

A few shared glimpses of hope with statements such as, “Tech led innovators do not always stay in your community. They need a lot of capital and may find it elsewhere. That’s OK – quite often they come back.” And “quality of life issues matter and can contribute to ‘brain gain.’ We’ve seen younger people come back to the smallest county (~1,300 people) grow 5% in the last 5 years.”

Some of these visions are inspiring, such as “creating a pathway home,” “creating a climate when they are ready to come home,” “entrepreneurship as a way to preserve urban neighborhoods and cultures,” “In rural Kansas, everyone is an entrepreneur,” and, “We need to go from survival mode to thriving mode.”

6.0 Advancement of Literature

The Growing Entrepreneurial Communities Summit advanced what we know about this subject in several ways.

6.1 Affirmation of Interest

Previous publications have illustrated the grassroots interest in efforts such as Economic Gardening, Startup Communities, and Entrepreneurship Ecosystems. The attraction to this summit of participants from across America and the vigorous discussions held affirmed that the thread of interest that has run through these concepts of community and economic growth focused on fostering entrepreneurial businesses remains strong.

6.2 Difficulty in Changing Mindset

Much like Barrios (2004, 87) identified resistance to Economic Gardening, Summit participants strongly pointed to the challenge of overcoming a local culture in which entrepreneurship is under-appreciated at best or viewed with a negative predisposition at worst. Participants identified the most predominant barrier to growing “entrepreneurial communities” as the challenge of changing mindsets of local governments and economic development officials as well as the community.

6.3 Comparison with Startup Community Concept

Summit participants affirmed Brad Feld’s (2012) traits of entrepreneurs and the availability of committed leaders. Many participants affirmed his emphasis on the need for entrepreneurs to be central to the leadership of a community effort. Feld’s concept of sharing fixed costs of the resources external to the company was not a vocalized part of the summit conversation. Participants, some of whom were part of governmental organizations, state and local economic development organizations, and non-profit providers of assistance to entrepreneurs had mixed levels of agreement as to whether government is “ill-equipped to lead the effort to create or maintain a startup community.” In some cases, state and local governments were applauded for their leadership or investment and in other cases these organizations were viewed as obstacles to creating an entrepreneurial community. Feld did not believe startup communities require long-term structures or a hierarchy. Summit participants presumed that community champions are needed and leaders will convene organized efforts, develop a long-term vision, build local community capacity that is sustainable, coordinate planning sessions, build relationships and private/public sector partnerships, provide system leadership, and act as catalysts. In other words, participants viewed development of the ecosystem as requiring intentional leadership, not just the aggregated, iterative activities of individual entrepreneurial actors described by Feld (2012, 146).

6.4 Contrasts with Entrepreneurship Ecosystem Literature

With the involvement of over 200 participants, no single definition of an entrepreneurial community or ecosystem was sought or arrived at. The general tenor of summit participants agreed with the concepts of Roundy (2007), Mack and Meyer (2016), and Stam (2015). Many of the participants strongly agreed with

Stam's view that the entrepreneurs are "the heart of a successful ecosystem" (Stam 2015, 1762). In contrast with Stam (2015) and Isenberg (2010), the primary focus of summit participants was not on high growth entrepreneurs. Some participant comments did point to the impact of these entrepreneurs. Some participating organizations made it clear that their primary interest is in assisting second stage companies due to the substantial employment impact potential of these businesses, but many participants of this summit were interested in fostering a wide range of entrepreneurs. This was particularly true of participants supporting rural areas, those working to shift communities and regions from prior paradigms such as coal mining or tobacco production, and those seeking to bolster entrepreneurship in disadvantaged populations and neglected neighborhoods.

Isenberg identified domains for an entrepreneurial ecosystem: policy, finance, culture, supports, capital, and markets (Isenberg 2010, 7-10). Summit participants provided some level of agreement with each of these. They were most vocal about the need for a supportive culture, finance and capital, and supports (assumed to be technical and other assistance). Participants also affirmed the domains of Audretsch and Belitski (2016). The domain most commented upon was cultural change—consistent with these authors and Mack (2016, 2128).

Summit participants tended to agree with Isenberg (2010) in viewing government as playing a key role in creating the conditions for successful entrepreneurial ecosystems. Identified contributions to the ecosystem included infrastructure, education generally and entrepreneurship education specifically, and technical assistance through organizations such as Small Business Development Centers, SCORE, and local, regional, and state economic development organizations. Participants also applauded government provided entrepreneurial finance through local sources such as E-Community loan funds and national sources such as SBIR grants. Affirming Isenberg (Isenberg 2011, 1), many participants expect governmental entities to be part of community efforts and conversations—even if governmental representatives are not leading them.

Summit conversations also affirmed (Isenberg 2010, 10-11) that experimentation and patience are crucial, and that the development of an ecosystem is a long-term proposition.

6.5 Alignment with Entrepreneurial Communities Literature

Unsurprisingly, summit participants incorporated the language of “Entrepreneurial Communities” literature, as Don Macke of the Center for Rural Entrepreneurship was one of the first featured presenters and a conference convener. The tenor of comments from conference participants was consistent with the value of the tie between “community building practice [and] entrepreneur development practice” (Markley, Lyons and Macke 2015, 580).

6.6 Summit Contributions Beyond Existing Literature

a. Strong Community Focus on Engaging Youth and Young Adults

While many authors have pointed to the importance of community cultural change or a necessary mindset shift, they have not spoken to the strategy of engaging youth and young adults. This was the most predominant strategy that summit participants shared when asked “what are you trying in your community to build an entrepreneurial ecosystem?” Specific strategies included offering entrepreneurship curricula in high schools and in higher education, youth entrepreneurship competitions, and including youth in building the ecosystem.

b. Leadership in Creating and Sustaining Entrepreneurial Ecosystems

A significant amount of time and contributions from this summit drilled down into the leadership of entrepreneurial ecosystems. Participants identified the key players needed to build an entrepreneurial ecosystem, the role of leadership, and how leaders communicate and work with one another.

c. Entrepreneurship Support Structures – Supporting Entrepreneurs

Summit participants included people from a variety of roles—including both entrepreneurs and those seeking to support entrepreneurs. Participants provided front-row insights on effectively supporting entrepreneurs. They also shared experiences with their difficulties in reaching and involving entrepreneurs.

d. What has Been Tried?

This summit provided a unique vision of what has been tried in communities as they have sought to build an entrepreneurial community. Without a defined playbook, these types of events provide an opportunity for practitioners to consider and for researchers to explore their effectiveness.

e. What Obstacles are Communities Facing?

The summit provided a window into the challenges communities are facing as they seek to develop or maintain an entrepreneurial ecosystem. The four most prevalent themes were: 1) Difficulty in changing mindset; 2) Competition and rivalry between resource providers; 3) Geographic impediments; and 4) Funding/financing disconnects. It also captured a lengthy list of other impediments.

7.0 Conclusion: Difficult Questions and Hope/Vision

The concept of entrepreneurial communities is a powerful one as it reflects that communities and their citizens can have agency shaping their future. The Growing Entrepreneurial Communities Summit identified common and diverse strategies being employed to shape entrepreneurial communities. Federal and state policies, funding resources and expertise may contribute to such an ecosystem. However, inclusive and relentless local-level action involving entrepreneurs and established businesses, investors, non-profit organizations, local government, and education creates the dynamic mix of tangible tools and culture needed to shape an entrepreneurial community. This event identified both a depth of strategies that are being used effectively and a list of obstacles challenging those seeking to grow entrepreneurial communities. The most predominant obstacle is the challenge of changing mindsets.

This summit was a pioneering effort focused on creating vibrant systems for starting and growing businesses as a strategic approach to create jobs, wealth, and community vitality. It affirmed prior research on this topic, but also identified new strategies, and provided a mixture of questions for leaders, practitioners, and researchers. The “Hopes/Visions” shared by conference participants provides important context and reasons why developing entrepreneurial communities matters.

7.1 Findings

Participants affirmed grassroots interest in creating vibrant systems to nurture entrepreneurship. They affirmed the importance and sometimes difficulty in establishing a culture in which entrepreneurship is valued. Participants shared their own widely varying strategies in growing entrepreneurial communities and the barriers faced. Clear findings include substantial sharing of thoughts on the leadership composition and communication between leaders. An important finding from this summit is the critical importance of involving youth and young people in such efforts.

7.2 Research Limitations/Implications

The participants in the Growing Entrepreneurship Community Summit were not asked to define an “Entrepreneurial Community.” Like the proverbial blind men describing an elephant, participants may have had different perspectives on what an “Entrepreneurial Community” is depending on their professional roles, geographic area of the country, and their urban, suburban, or rural locality.

7.3 Originality/value

The findings from this study are among the first to report the input from a broad spectrum of thought leaders including entrepreneurs, practitioner experts, and academics on creating entrepreneurial communities.

Appendix A: What Have You Tried in Your Community to Build an Entrepreneurial Community?

- A young champion stepped up privately to stimulate meet-ups and a start-up weekend
- Supporting immigrant entrepreneurs, CU has loan program that was highlighted that provides loans to immigrant families to help their children start businesses
- Incentivizing businesses to locate in targeted areas and city-owned buildings, hire local and get residents to live there
- Third Thursday- Main Street businesses will be open in the evening, street vendors in Hutchinson
- Crossroads for artists and First Friday
- Turned school building into a business incubator. Also opened a kitchen incubator.
- Entrepreneur bought a big building, created a mall of businesses; done in rural
- Des Moines is technology oriented.

- Rural Opportunity Zone helpful in attracting a more educated workforce.
- Educating younger people. In KY, post coal economy, risk taking in entrepreneurship was unacceptable. Governor said, “Coal is gone!” Started the mind shift. Don’t want to disrespect those still tied to the industry. More permission to talk about more diversified economy.
- Using the markets of the bigger cities to grow the economy
- Under the radar screen entrepreneurship
- Referral incentive for communities
- Power & Light District in KC - private/public sector came together to fix infrastructure and revitalize.
- Airbnb 2
 - Airbnb in rural, international community using and coming to stay in small towns
 - Airbnb in west bottoms in KCMO, apartments /condos for rent, then businesses coming up around this area now
- Support for home-based entrepreneurs, good models out there that are promising
- Some people work and have a “side hustle.” Create a new mindset/shift
- What is Working- have the conversation with older business owners to maybe train young person to take over business. Succession planning. How does the characteristics of one generation translate to another? i.e. Millennials vs. x-gen. What does taking over family business mean?
- Cooperatives are coming back. How can we help them?
- Community-initiated development created zones for developing different types of businesses.
- Young people wanted to start a food coop, used KIVA, crowdsourcing, etc. Paul Wright office couldn’t fund, but offered tech assistance. Now a food truck.
- U of Iowa is teaching teachers (about entrepreneurship)
- States are focused on innovative companies
- Maker space, 2400 sq ft. Change makers at the university, engineers
- (Brookings, SD) Univ. has entrepreneurship major and minor programs.
- In KY, Paul Wright, Burea KY, college town, also known for folk art. Artists are aging and in danger of losing revenue and brand. College purchased older building to create art related businesses.
- Entities coming together to fund an incubator
- View the community as an incubator if it is small.
- Startup community focuses on supporting larger companies in the area
- REAP Latino Business Center in NE has been successful - works splendidly!

- Have a grant to build an incubator.
- Convening a community stakeholders meeting in July; surrounded by many military bases and have the highest # of PhD/scientists in country in the area. Will hold many meetings, but know from comments that there is high interest in entrepreneurship around these areas.
- External jolt
- Organization launched is a reflection of opportunities across state of MT.
- Do stress-testing and secret-shopper programs.
- Need to increase economic activity; regional collaboration, easy access to resources-web site; grew numbers of mentors through building base of SCORE volunteers
- Work with SBDC, technical college, need to refer to quality “experts”
- Going to the mayor/city clerk - they know who is starting new businesses.
- Ecosystem is something to strive for but it does not fit with all the efforts
- [Rural] housing hasn’t been built in last 50 years. Have been figuring out how to get residents’ houses for years, built low-income housing.
- Most common start-up problem is to not understand markets or market areas, e.g. market shed is much different than city limits. Or the benefit of a business locating near other similar businesses, when inclination is to locate far away from competition. Don’t realize that a “competitor“ might be a collaborator or ally., e.g. one town has a cooperative bar (not the lawyer kind!) association to put on events and work together.
- Advance Iowa targets second stage companies and brings in advisors as needed
- Targeted most distressed area in the state. Developed a group of organizations to discuss what their entrepreneurs need. It’s in the very early stages and was started by a local foundation.
- Lean to local EDAs and IDA instead of directly to entrepreneurs since they are more credit-worthy.
- Grow Nebraska - it’s a test market for new entrepreneurs to help them determine if they have a market.
- Organization having staff get specialized in different areas. They go from region to region to share this expertise. i.e. an area might be exporting and transition and continuing planning.
- Richardson, Texas is Targeting 2nd stage entrepreneurs. Working with NCEG and Lowe
- Wichita, Kansas has an entrepreneur task force composed of multiple groups, meets monthly. Each group has to support two events per year

- Montana is a small business state. Struggle getting companies to scale. Lots of organizations
- Hays, Kansas is a city, county and university effort
- Nebraska rural areas have a pioneer spirit vs. Omaha which is very corporate. Large vacuum for growth in economically depressed areas.
- Hispanic Radio Station – dedicated time to discuss business, answer questions, etc.
- What’s working? Breaking up so you can do “charitable work” through 501(c)(3) grants and then have a corporate side to take in profit and take equity, having an exit every couple of years to put into an endowment to keep things running, fee-based services. Being involved and being a part of the community.
- Looking at education around crowdfunding especially in rural communities.
- Engaged public, bringing in grassroots opinions is working well and engaging those sectors, making sure everyone has a place at the table. Strategic doing process – annual stakeholder meeting, stakeholders come in and give an annual review and stake holders give marching orders for the year. Each committee has to have movement within an initiative or it is scratched. Handoffs between groups to bridge gaps. Knowing resources to better facilitate collaborations.
- If Oregon resident they can invest in a company (equity, debt, convertible) deal is between individuals and company – seems to be working well – companies aren’t raising a full round of funding that way but, it helps get additional equity. Business owner puts the terms out and investors decide to move forward or not.
- What’s working - 1) university setting where establish clear value offering to private enterprises in terms of access to University IP, assets, etc. 2) worked on getting community to change its image of itself from negative to positive.
- Building data systems behind this to manage process to get a common set of data - support a fact-based decision-making process
- using community foundations to support backbone
- Lessons learned on pilots: You must understand the issues of a community. A point person
- Encourage small business networking groups, open channels of communication, 1million cups, entrepreneur driven!! They must drive the process. Troll Meetups, encourage meetups. Take note of who IS in the room, not who isn’t.

- have heard a lot about starting e-communities but not quite sure where to start, need to look for similarities
- Boutiques popping up - opportunity to become destinations
- Fiber - broadband support
- Acknowledgement of what the community has for assets
- Economic Development should be strategic regarding focus on entrepreneurship.
- Rural entrepreneurs/farmers make things out of necessity and are unaware that they're naturally entrepreneurial
- Take advantage of trainings in KC; have Kauffman, small biz tech center, KC SourceLink, VC group, and others. All working together. Don't sense competition.
- Zingermans – Food Cooperative in New York example. Heavy on training. Coop of coops.
- Business Economic Cooperatives (model in Europe) – the infrastructure is in place to help an entrepreneur with understanding the risk and provide the resources to help the entrepreneur grow and develop. Works for the cooperative over the course of a few years and then has the option to buy out if successful. People are afraid to take the risk. If do not buy out, the cooperative still owns the business. Building scale.
- Law – free legal services for entrepreneurs. Invest funding to support legal services for entrepreneurs.
- Funding and micro-lending.
- E-Community Program.
- Education programs like QuickBooks training.
- Tying funding to education, requirement.
- Emphasis on financial training.
- Book: Nail It and Scale It.
- Road maps vs business plans.
- Small town of 9,000, have access to capital. Key promoting entrepreneurs and start-ups, not too much structure due to size
- What's Working? Having resources to validate markets
- Market preference growing in support of local, fresh, natural and authentic + social. People are valuing what they can track, building pride and support for local goods and services
- Media exposure
- Moving past cheaper is better, and younger adults a different approach.
- Businesses are finding their niche
- In Central NC ecosystem based on local economic development are beholden to one big player. Big institution defines where investment is

made. Regionally in Western NC are more organic growth of small businesses around food related businesses and breweries. Driven by young people choosing to live in a rural area. Tech enabled generation.

- E-community funds work well to be able to do capital
- SCORE chapter really helping once business is up and running.
- Leadership Kansas has helped the organizations focus.
- Opened a maker space. Good foundation
- Run commercialization center.
- E-Community Partnership with NetWork Kansas. Youth entrepreneurship programming. Business Launch Incubator.
- Code Crash – Omaha
- Youth Entrepreneurship Challenge/Kansas Entrepreneurship Challenge
- High tech entrepreneurs are being funded by banks when they loan against receivables - educating bankers about
- Role models programs that allow aspiring entrepreneurs look at existing entrepreneurs for inspiration
- Corporate venture accelerator programs - ability to branch into the rural areas (working/opportunity to support ecosystem)
- Growth entrepreneurs can create a cycle of entrepreneurs within a community
- Framework for collaboration (coworking space), ability to try new things (succeed or fail) with new tools (oculus rift, 3d printing, screen printing, etc) - Tennessee Reconnect

Appendix B: Miscellaneous Obstacles

- Young entrepreneurs have a load of student debt that prevents them taking risk
- Poverty and diversity are key issues to entrepreneurial growth.and borrowing further for a business start-up. That's a new factor.
- Businesses may want to open in a building unsuited for the purpose, e.g. restaurant with no vent hoods, commercial kitchen, etc.
- Economic development activities were not impacting the lowest levels of the community
- Foundations were directing programs and focus of economic development, so the readiness is not clear.
- Communities do not have systems in place to encourage global trade.
- We will build competitors to our existing small businesses
- Politicians can be an obstacle to program creation
- Differences between cultures.

- Lack of workers with the specific skill set needed.
- Businesses not connected to the community.
- What's standing in the way? 1) money, but feel it is doable to raise the initial and ongoing capital, 2) affordable housing for young entrepreneurs, 3) successful outcomes overloading infrastructure, 4) challenge in getting talent pool, 5) poor k-12 system which inhibits ability to attract top talent
- Serial entrepreneurs know how to start businesses but not how to mentor others. Yet they are likely swamped with requests for coffee & assistance.
- Local government starting a recruitment focused organization, reversing strides made towards entrepreneurial ecosystem.
- State government doesn't see entrepreneurship as the viable strategy for economic development.
- Inability to recognize assets of the local community
- Jobs and attraction were dominant, and often proved to not be quality jobs. Job growth was only metric, changing to value cc and university contributions, shift to local makers and entrepreneurship. Rural areas losing population, losing talent, abandoned downtowns, so entrepreneurial presence still a problem. Rural areas still grasping for major employers.
- Agriculture dominates and one company wants to capture local employees which dampens entrepreneurial ecosystem
- Studies suggest youth tend to be very excited about starting business and then are discouraged through middle and high school.
- Hesitancy that comes where there is seasonality of advancing a hobby business
- Challenge of when a business blows up with success and how ready are they for success. Mentorships seems to help a lot. Some businesses support "halo effect" of home businesses
- Local entrepreneurs who won't come forward due to home base or seasonality
- Needs to be better access for minority entrepreneurs
- Knowhow for use of things like SBIR. Big money and could open more opportunities as grant money to build ideas
- SBIR looks daunting, need to build connections to SBDC Counselors
- Obstacles: Current incentive structure, no one is going to come in and save us - we have to take the leadership at the grassroots, location of wealth that is not investing in the future but rather in big infrastructure or religious organizations, generational change - new generation has a totally different expectation of how people will work and socialize, no

infrastructure to bring young people back to rural communities, communities are not communicating with the young people that have left them

- Incentive plans provide quantifiable outcomes in the short term. E-Ecosystem is much harder to measure. Which dollar impacts which job in the e-ecosystem? How do we measure the outcomes?
- Really rural, lack infrastructure---(facilities, broadband). Broadband continues to be an issue in many rural communities),
- Not enough being done on the stage two company. Community is on board. Hard to help the second stage.
- Challenging in small communities to find individuals (both public/private) with the bandwidth to add entrepreneurship to their plate of responsibilities. Those that have succeeded had core group of leaders driven/committed to move
- Need for funding for programming and cohesive environment
- Identifying talent for tech companies to grow
- Silos between universities, government, and business sector
- Need to better incentivize high growth entrepreneurs rather than incentivizing “smokestacks”
- Disconnect between talent attraction and jobs available or needed
- Lack of high paying jobs, with mid-level cost of living
- 70% of jobs in state of Nebraska don’t require beyond high school education - prevents ability to retain “best and brightest within the state...entrepreneurs can create jobs for the best and brightest.
- Programs or initiatives are tied to political support or figureheads. Making programs sustainable - would lead to development of an ecosystem.
- Dependency on government funds to help build community. Need to invest in the bigger picture. Fall into the trap of creating programs to chase dollars.
- Lack of support from parents and teachers to encourage students to return to rural communities.
- Loss of youth to other places - recognizing existing talent.
- Tech growth in agriculture has eliminated jobs throughout the Midwest

Appendix C Difficult Questions - Participants raised questions that were captured during the discussions.

- Are you building the economy of the people that live there or do you have a goal of building population?
- Great resources but certain sectors of the city are not tapped into them

- How do you engage minority entrepreneurs who are not connecting to the system in any way - how does the community reach out to them?
- A lot of folks are not a part of formal group so it's very difficult to get a hold of them
- Economic developers don't understand how entrepreneurship fits in
- Lots of service providers don't know what people are doing
- Awareness for entrepreneurs on what's available
- Finding resource partners is a process. Some entrepreneurs are excited to see them, but others are skeptical (don't want to deal with government)
- Have a brain drain from the universities -they leave after graduation - how to keep them?
- State tried to find a one stop shop and no one went to it
- What did the community think was the problem?
- Where do necessity entrepreneurs fit in?
- How to move from entrepreneurship to e-ship community?
- What causes communities to be ready to reinvent?
- Do we need to subsidize something for an incubator when it could be funded by private company?
- How do we use our influence to make our ecosystem use resources more efficiently?
- New generation will have 34 jobs in a lifetime. How do we train them and prepare them for entrepreneurial workers?
- In next generation, wealth is with those that are >60. Those dollars have to stay in the community focused on entrepreneurs and not wings of hospitals.
- HOW DO YOU GET SUSTAINABLE LEADERS IN A COMMUNITY? When they leave, the effort may fail. They burnout.

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